

Pūrongo Takiwā 31 Hakihea 2021

# Report for the Year Ended 31 December 2021

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## Rārangi Kaupapa

### **Our Purpose** Te Aronga

**Led by Te Noho Kotahitanga  
we manaaki the success of our  
ākonga (learners) and communities**

Ko ngā tikanga o Te Noho Kotahitanga  
e ārahi ana i te manaakitanga o  
ngā ākonga me ngā hapori

### **Our Vision** Te Whāinga

**Sustaining growth and success,  
fulfilling promise and potential**

Ko te whāngai i te whakawhanaketanga  
me te eke panuku o ngā ākonga

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Pūrongo Takiwā 31 Hakihea 2021

## Report from the Board Chair and Chief Executive

While COVID-19 caused major disruptions to our Institute's operations this year; it did not stop us passing major milestones as we transition to Te Pūkenga; a huge milestone in the development of the future of vocational education. We look forward to implementing two years of discussion, debate and planning in 2022.

We have celebrated considerable achievements, and we recognise the mahi kotahitanga that has been put in over the past three years with Manaakitia te Rito, our Renewal Strategy. We have made great strides to improve our operating margin this year, and we're on the way to becoming a more financially sustainable organisation.

### Appointment of Pou Hautu

The appointment of Keith Ikin (Ngāti Maniapoto, Ngāti Apakura) as Pou Hautu to co-lead Unitec and MIT is an historic achievement; we are the first tertiary education provider in Aotearoa to appoint a Māori co-leader. The collective input of the chief executive, executive leadership team, staff, ākonga and stakeholders throughout the year-long process has played an integral part in securing the endorsement of the Boards and Te Pūkenga Council for a Te Tiriti-based leadership model that champions mana ōrite, or equality, and is an achievement of which we should all be very proud.

We need to acknowledge those who first put the prospect of Te Tiriti-based co-leadership on the agenda at Unitec, and who engaged constructively in the kōrero that made it a reality. Te Rōpū Mataara, Unitec's Māori staff collective, was the driving force behind the change and working alongside their representatives Professor Jenny Lee-Morgan and Director of Māori Success Toni Vaughan to advance progress on this kaupapa has been a privilege. The journey was at times raw and difficult, but it has also been healing and immensely humbling.

We would also like to acknowledge and pay homage to the contributions made to this kaupapa by Te Tira Kāpuia, MIT Rūnanga, Te Tawharau, Unitec and MIT staff, Matua Vince Hapi, Matua Hare Paniora and kaimahi at both our organisations alongside iwi leaders from Ngāti Whātua Ōrākei and Waikato Tainui.

As a result of this work, our Executive leadership undertook training toward gaining greater understanding of Te Ao Māori and Te Tiriti through Te Kaa cultural training. Thanks to Precious Clark of Maurea Consulting who guided the Board and Executive Leadership Team.

### Board changes

During the year, we were delighted to welcome Marama Royal, Ngāti Whātua Ōrākei Trust Chair, to the joint Unitec-MIT Board. Her appointment will be instrumental in helping build stronger Te Tiriti partnerships with Mana Whenua in Tāmaki Makaurau, and Marama is ideally placed to understand what vocational education can do to support bright futures for Māori.

“

I thank Unitec staff for their tireless efforts and I wish students, our community and staff all the best for 2022, which will also be a very challenging year.”

— PETER WINDER, UNITEC/MIT BOARD CHAIR

### The ongoing impact of COVID-19

The COVID-19 pandemic has continued to impact us, particularly with the loss of international students and uncertainty around the border reopening. Lockdown forced the closure of our campuses at the start of Semester 1 this year, depriving many of their first day experience as a member of our Unitec whānau. As kaitiaki of our ākonga, our staff once again went above and beyond to manaaki them into their studies, and everyone pulled together to adapt to what has become the 'new normal' in learning and teaching practices.

We surpassed our full year EFTS (Equivalent Full Time Student) target in 2021 by nearly 4%; a great result, especially considering the borders are still closed to many international students.

We have experienced some tough years recently as a low unemployment rate meant potential students were opting to find work rather than study. This increase in enrolments shows vocational education is back at the forefront of decision-making as we look towards a post-COVID-19 employment market, thanks in large part to the assistance of the Government's Targeted Training and Apprenticeship Fund.

### Campus consolidation

This year we have been working on the consolidation of our core campus at Mt Albert. Following on from the first land sale, we have been moving staff and ākonga to alternate accommodation while we build and renovate many of our facilities. With the second tranche of land sale nearly completed, our financial sustainability is better and we have been able to achieve this while making investments in the future shape of the Institute.

### Ongoing improvement in financial performance

Our results for the 2021 financial year show that despite the impact of COVID-19 on international student enrolments and revenue, as well as the continuing focus on reducing costs, Unitec was able to improve its operating surplus (EBITDA) from \$2.4 million in 2020 to \$9.8 million in 2021, which is higher than originally forecast. The net deficit has significantly improved with a reduction from \$8.9 million in 2020 to \$2.2 million in 2021. This improvement of \$6.7 million was primarily due to a significant increase in operating revenue (\$4.9 million), as well as cost savings across the business. You can find a breakdown of the above figures in the Financial Performance Summary on page 16.

This puts us in a strong position going into 2022 to reinvest in our infrastructure and pay down more of our Crown loan as we strive for improved financial sustainability and ongoing efficiencies.

### Reflection and Anticipation

2021 was perhaps one of the most challenging years in Unitec's recent history, and we owe a considerable debt of gratitude to our staff, ākonga, partners and communities for the mahi, dedication and resilience they have shown over the past 12 months. We look forward with anticipation to this next chapter in vocational education.

*Tuatahi he mihi nui ki a koutou katoa,  
ahakoa ngā aupiki, ngā auheke o te wā*  
Thanks to all of you for persevering through this difficult time.



Peter Winder  
Board Chair



Gus Gilmore  
Chief Executive



Peter Winder, Board Chair



Gus Gilmore, Chief Executive

# Te Noho Kotahitanga and the Road to Co-Leadership

“

Nā tēnei hīkoi o tātou kua whiri kaha te whanaungatanga i waenga i a Unitec me MIT, kua whakamana hoki i ngā rangatira nā rātou i whakapau i ō rātou ngākau ki te tutuki i ngā moemoea o ngāi Māori ki te ao mātauranga.”

— HARE PANIORA, TE PAE ĀRAHI O UNITEC

## Pou Hautu appointment sets historic benchmark

Unitec and MIT's appointment of Keith Ikin (Ngāti Maniapoto, Ngāti Apakura) as Pou Hautu, or Māori co-leader of both institutes, has set an historic benchmark in the tertiary sector.

Keith will co-lead both institutes alongside Chief Executive Gus Gilmore and will report directly to the joint Board. He brings more than 20 years' of senior leadership experience in Māori advancement to the role, coupled with an in-depth knowledge of the vocational and tertiary education sector. His recent experience in the Ngāti Maniapoto Treaty settlement will be instrumental in forging deeper and more meaningful relationships between Unitec and MIT and mana whenua of Tāmaki Makaurau.

The Pou Hautu will provide dedicated attention to driving equitable outcomes for ākonga Māori, supporting and strengthening relationships with mana whenua and ensuring the provision of a healthy and safe environment for ākonga and kaimahi Māori.

“We're committed to honouring Te Tiriti o Waitangi and creating an environment of empowerment and success for ākonga Māori,” said Mr Gilmore.

“I'm excited that our institutes have been given an opportunity to lead by example and clearly demonstrate the value of establishing a genuine balance of mana in leadership,” he said.

Unitec's Māori staff collective, Te Rōpū Mataara, played an integral role in guiding progress and maintaining a partnership approach to the establishment of this role; an important and challenging journey which first began in February 2021.

With the support of Te Rōpū Mataara, Director of Ngā Wai A Te Tūi Professor Jenny Lee-Morgan and Unitec's Director of Māori Success Toni Vaughan, worked alongside Gus Gilmore to champion the co-leadership campaign across both institutes and within the wider community.



Māori co-leader Keith Ikin  
(Ngāti Maniapoto, Ngāti Apakura)

“This appointment pays homage to the legacy of rangatira Māori, both past and present who dedicated their lives to empowering Māori,” said Professor Lee-Morgan.

“We give special thanks to Te Tira Kāpuia, our kaumātua advisory, chaired by Rangi McLean, without whom this would not have been possible.”

Toni Vaughan added, “This is a critical and well overdue structural change that embodies Unitec's Partnership agreement - Te Noho Kotahitanga - and expresses Te Tiriti o Waitangi.

“It provides a partnership model for Te Pūkenga that we're hopeful will become a transformative template for vocational education and other public sector organisations.”

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— TONI VAUGHAN, DIRECTOR OF MĀORI SUCCESS

# Student Success Mahi Rangatira

“The project gave us the chance to give something back to the city and to the people who have welcomed us. We hope people feel a sense of connection to the artwork.”

— NIKITA SHARMA,  
UNITEC GRADUATE

## Loving a return to learning

When 49-year-old Sione Pulu signed up for Unitec's Diploma in Construction (Quantity Surveying) he wasn't entirely sure what Quantity Surveying was actually all about.

All he knew was that it was an essential part of any construction project getting off the ground and would suit his love of maths and ensuring a big construction project would run smoothly at every stage of the build.

A year into his studies, the Tongan-born South Aucklander couldn't be happier with his decision to sign up for the course. "I've always wanted to go back to school but work, family and church meant there was little time to study towards a tertiary qualification. But a year ago I managed to free up some time so decided to jump in and give it a go.

"At first it was tough going. Things have changed a lot since I was in high school, especially on the technology front, but the support I received from Unitec, the lecturers and also my fellow students got me up to speed and I'm so glad I took the plunge."

Sione studies part-time as he still works full-time at a steel shelving fabrication plant in East Tāmaki.

This means the two-year full-time diploma will take four years but Sione isn't worried about that. He says education is for life and is determined to make it work.

"It was scary at first, but I love the challenge and growing my knowledge. I've already got a whole new understanding of how construction works and even look at buildings in a different way. I do work hard but have managed to get high marks for everything I've submitted despite Quantity Surveying being a completely new field of interest for me."

Sione is also encouraged by the number of well-paid job opportunities on offer once he's completed his studies.

"Construction firms are always emailing Unitec looking for graduates and even current students for internships – so there are clearly lots of options once I've finished the diploma. But at this stage, I'm just loving learning."

## Mural storytelling helps Unitec graduate overcome challenges

The Auckland world of twenty-nine-year-old street artist, storyteller and social campaigner Nikita Sharma is a million miles away from her native India, as the country continues to suffer from the impact of the global COVID-19 pandemic.

"I'm having a lot of sleepless nights," she says. "I mentally shut down as my country went into lockdown," she says. "Art has become a great escape for me."

Along with two other international art students, Unitec graduate Nikita took part in a street art project this year commissioned by Auckland Unlimited which depicts the importance of welcoming different cultures and diversity in Te Tōangaroa – an area which spans from the end of Britomart to The Strand. Their mural, which Nikita says portrays diversity, inclusion and culture, is displayed on the side of The Docks apartments on Tangihua Street in Downtown Auckland.

"It was an incredible experience being part of the mural team," she says. "The project gave us the chance to give something back to the city and to the people who have welcomed us. We hope people feel a sense of connection to the artwork."

Nikita graduated with a post-graduate Diploma in Creative Practice from Unitec earlier this year, but she says the journey to get there wasn't easy.

She originally trained as a journalist in New Delhi and worked for leading Indian publications and crowdfunding platforms and NGOs, where she developed a keen interest in Corporate Social Responsibility.

On the encouragement of a colleague and fellow artist, she went along to 'Ladies First', a women-only street art festival in Mumbai, armed with her small bag of paints. She says it turned out to be a life-changing experience. "I wanted to pursue arts as I knew I'd found my calling. The opportunity came as a blessing to me and I knew I needed to take it further."

With the disruption caused by COVID-19, she says last year was a challenging year to study, especially as an international student being far away from home. But she says Unitec staff kept in close contact, and she immersed herself in her work.

"Diversity and inclusion are very important to me," she says. "As an immigrant, I bring my uniqueness to this creative environment. My idea is to take this forward, and find more avenues where we can do more multicultural creative projects."

"Street art brings a lot. It lifts your mood. It also brings a connection – it's a way of identifying yourself. Without art, there's no life. Imagine this whole world without colour," she said.

# Learning, teaching and applied research Mahi Rangatira Rangahau, Akoranga



## Critical community partnerships recognised with appointment of research director to national role

Professor Jenny Lee-Morgan (Waikato – Ngāti Mahuta, Te Ahiwaru) will play a pivotal role in helping shape the future of Performance Based Research Funding with her appointment to the national Sector Reference Group (SRG) this year.

Professor Lee-Morgan joins fourteen academic and research experts on the SRG which will provide advice and recommendations on operational changes to the design of the 2025 Quality Evaluation.

The group will be led by Co-chairs Professor William Doherty (Tūhoe, Ngāti Awa) and Professor Wendy Larner. Members were appointed following an open call for nominations which solicited around 60 nominations from a range of tertiary education organisations.

Professor Lee-Morgan leads the continued development and advancement of ground breaking Kaupapa Māori research alongside her team at Ngā Wai a Te Tūi, Māori and Indigenous Research Centre.

Ngā Wai a Te Tūi has helped drive indigenous innovation and Māori development through recognising real-world research problems which are not easily solved by one specific or particular discipline. Rather, it offers a kaupapa Māori transdisciplinary approach that requires a range of expertise to work together in a problem-solving research team.

## Nursing lecturer awarded Fellowship for research into healthcare needs of older adults

Unitec's Dr Samantha Heath, Senior Lecturer and Research Leader in the School of Healthcare and Social Practice, was awarded the MBIE Science Whitinga Fellowship during the year; a first for Unitec.

The Fellowship is administered by the Royal Society Te Apārangi for the New Zealand Government. Dr Heath was awarded \$320,000 for her research project *Fit for the future: Reimagining nurse preparation for practice in New Zealand's changing demography*. Unitec is the only ITP among the 30 Fellowships awarded.

Her Fellowship funding will enable her to continue work on the undergraduate nursing curriculum to support students to meet the healthcare needs of older adults as expected demographic changes in New Zealand's population unfold.

"I'd like the outcome of my mahi to contribute to ensuring that nurses are fit for the future because they're ideally placed to support healthy aging, detect health deterioration and deliver healthcare across all communities in Aotearoa New Zealand."

## Shining a light on the shadows – life for Tuvaluan overstayers in Aotearoa

Ground-breaking research conducted by Unitec's School of Healthcare and Social Practices senior lecturers Dr Hoa Nguyen and David Kenkel has highlighted the plight of Tuvaluan overstayers living in Aotearoa.

It is thought there are up to 14,000 overstayers in Aotearoa of which about 600 are of Tuvaluan origin. The report, titled *Hidden Gems - Lived Experiences of Tuvaluan Hope Seekers and Their Families in Aotearoa*, details their experiences immigrating to New Zealand on valid visas, but subsequently losing the legal status that allowed them the right to work or to gain residency.

The study, carried out with the assistance of the Tuvalu Auckland Community Trust, explored the lived experience of Tuvaluan undocumented immigrants and the impacts of not having legal status, their hopes, and dreams as well as their coping mechanisms during desperate times.

The researchers found that the undocumented migrants and overstayers are more vulnerable to exploitation and suffer from a lack of access to social benefits such as subsidised health care, welfare assistance and subsidised post high school tertiary education.

Their lack of legal status also affects their children as under 2006 legislative changes, children born in Aotearoa New Zealand to parents without citizenship or residence, are not entitled to New Zealand citizenship or residence, and suffer the same lack of access to services and risk of deportation as their parents.

The report has attracted extensive media coverage, which David said has helped highlight their cause.

"It's operating as we hoped it would - to stimulate further debate and awareness about these overstayers in the broader community. Of course, what we would like to see is policy changes to help these hope seekers gain legal status."

# Our Communities Ngā Hapori

## Datacom partnership with Unitec provides pathway for next generation of cybersecurity super stars

With cyber-attacks on the rise globally, the vulnerability of many New Zealand organisations to further threats has been laid bare, as has the rapidly increasing need for expert cybersecurity advice and support.

Unitec was the first tertiary institution in New Zealand to offer the vocational New Zealand Diploma in Cybersecurity, having developed and launched the Level 6 programme which is supported by a number of partners, including homegrown technology company, Datacom.

It's a one-year, full-time course, focused on equipping students with the core cybersecurity and technical skills needed to protect information and manage network security.

Students undertake risk assessments, learn about defence and offence mechanisms and employ effective techniques to address security deficiencies.

The diploma aims to bridge the gap between education and industry, with industry partnerships providing employment opportunities for students and equipping them with hands-on skills for jobs.

"By working alongside Unitec and actively contributing to the development of this programme, we've helped ensure students are well equipped with practical,

real-world experience that provides them with the skills they need to embark on a career in cybersecurity and sets them up for future career success," said Anirban Dey, manager of the Cyber Defence Operations Centre at Datacom.

"The internship component of the diploma makes a big difference. Students essentially become a part of the Datacom Cyber Defence Operations Centre (CDOC) team where they have the opportunity to observe some of the best cyber experts in New Zealand in action and walk away with a deeper understanding of what cybersecurity is all about.

"We've also created a strongly mentored training environment to ensure that the students are coming to Datacom not just to learn, but to learn through working."

Now in its second year of partnership with Unitec, Datacom remains closely aligned to the course. They participate regularly in Unitec's Career Expos, and one of their team members has also lectured on the programme. They plan to take on 20 interns from the course in 2022.

The first two years of the course at Unitec have been at full capacity, and the programme has since been rolled out to NMIT in Nelson and Ara in Christchurch to meet the increasing need for skills in this area.

## Unitec and Kāinga Ora partner to deliver quality homes for families in need

Unitec is partnering with Kāinga Ora – Homes and Communities to build four relocatable homes for families in Aotearoa.

Kāinga Ora General Manager of Construction and Innovation Patrick Dougherty said the joint venture was a great opportunity to create a lasting legacy by delivering quality homes where there is an immense need.

"It's important to remember that it's about creating homes and communities, and not just houses.

"It's great to know that the quality that we need to have in the homes is being taught right here at Unitec."

Under the partnership, students are building homes onsite at the campus, supervised by Unitec lecturer and project manager Joseph Pitovao.

Three two-bedroom homes will be relocated to Opotiki and one five-bedroom home will be relocated to Gisborne.

Peseta Sam Lotu-liga, who leads Partnerships at Unitec, said the initiative was a collaboration that will benefit many and was reflective of Unitec's Te Noho Kotahitanga values.

"The partnership is a prime example of how we can partner with industry to empower and enhance our communities while teaching our learners exceptional skills. We're thankful to Kāinga Ora for placing their trust in us, our staff and most importantly our ākonga."

The homes are fully insulated to New Zealand standards, and double-glazed. More than 120 Carpentry students are working on the homes and all work is being carried out on-site at Unitec's Mt Albert campus.

“  
It's great to know that the quality that we need to have in the homes is being taught right here at Unitec.”

— PATRICK DOUGHERTY, KĀINGA ORA'S GENERAL MANAGER  
OF CONSTRUCTION AND INNOVATION

# Staff Engagement Oranga Kaimahi

“Being part of the vaccine programme showed our students how passionate we are about promoting health and wellbeing in Aotearoa.”

— DR SAMANTHA HEATH, SENIOR NURSING LECTURER

## Unitec staff played key role in supporting Aotearoa's biggest vaccine rollout

Our staff played an integral role during the year in helping support the wider Tāmaki Makaurau whānau with the rollout of the COVID-19 vaccine – Aotearoa's biggest ever vaccine programme.

Nursing Lecturers Ruth Jackson, Pam Williams, Kate Barry, Dr Samantha Heath and Dr Dianne Roy took on additional training to become provisional vaccinators, and helped administer more than half a million doses of vaccine over a seven-week period in September and October.

Samantha said that, as nurses, the group felt they were well-placed to help with the vaccine effort. “The COVID-19 vaccination rollout is the biggest health event that Aotearoa has ever seen and it's going to take all hands to the pump to get us there. As nurses, we feel it's our duty to get amongst it when we have the skills to be able to help the effort.”

The lecturers continued their teaching and researching at Unitec while they took part in the vaccination programme, and although it meant a busy few months for them all, Samantha said the effort aligned with their values as nurses and teachers.

“As lecturers in nursing it's really important that we role model clinical practice roles and health responses. Being part of the vaccine programme showed our students how passionate we are about promoting health and wellbeing in Aotearoa.”

Meanwhile, later in the year, another group of Unitec staff supported the IRA.DOT – GotYaDot rangitahi-led campaign encouraging whānau, hapū and iwi to get the COVID-19 vaccine.

The IRA.DOT campaign was set up by Māori musician Pere Wihongi and other rangatahi as a way to remove some of the fear and stigma people have about getting vaccinated, especially young people. As part of the Tāmaki Makaurau-wide campaign, Unitec staff and ākonga assisted with administering vaccines on-site at Te Kura Kaupapa Māori o Hoani Waititi Marae in West Auckland.

Andrea Thumath, Unitec's Director for Under-25s Success, said the partnership was a vital way of supporting Unitec's community and helping keep our ākonga safe. “Unitec is heavily involved with our secondary schools and the community in the West, so partnering with Te Kura Kaupapa Māori o Hoani Waititi Marae was a perfect way for us to help drive a very important community kaupapa. It was a privilege to work with them.”

Andrea, along with Toni Vaughan, Unitec's Director of Māori Success; Annette Pitovao, Unitec's Director of Student Success; and a group of past and current ākonga, took part in a training programme at the Tāmaki Vaccination Centre so they could assist in clinical and non-clinical roles at the event.

## Creative Industries staff notch up key service milestones

Two members of the Unitec School of Creative Industries have notched up key service milestones this year.

Senior Lecturer Paul Woodruffe has racked up 20 years alongside his extramural Art and Design practice, while Senior Lecturer Richard Fahey celebrates 30 years of service this year.

Mr Woodruffe says balancing his Unitec career with separate work has been the key to his longevity. “By the time I started teaching at Unitec I'd done a lot – worked in the film industry, studied graphic design, completed a Master's in Landscape Architecture, and had an established fine arts practice.

“I think coming here in my early 40s is what made my Unitec career successful, and my ability to share the practical aspects of my life experience with my students is valuable – how to interview, how to set an hourly charge-out rate, what to do if you're owed money.”

Richard Fahey has had various roles in administrative and academic positions in his three decades with Unitec,

and now teaches contemporary art with a focus on painting and ceramics. “Many things have changed over the years, but education doesn't change, and that's the job I remain committed to.

“I'm a strong advocate of a polytechnic-type education, which prioritises the teaching of practical knowledge and vocational skills, as well as the pastoral care that goes with that.”

Mr Woodruffe has likewise found the influence of students and fellow teachers motivating when it comes to his own practice. “If you work alone for long periods, you're not challenged.

“I've had some talented students over the years, and worked with talented staff members who have high standards and are very successful in their own right.

“There's no better motivation than working with people where you feel like you constantly have to keep your standards high.”

# Financial Overview

## Tiaki Putea

### 2021 at a Glance

#### Financial Overview 12 months

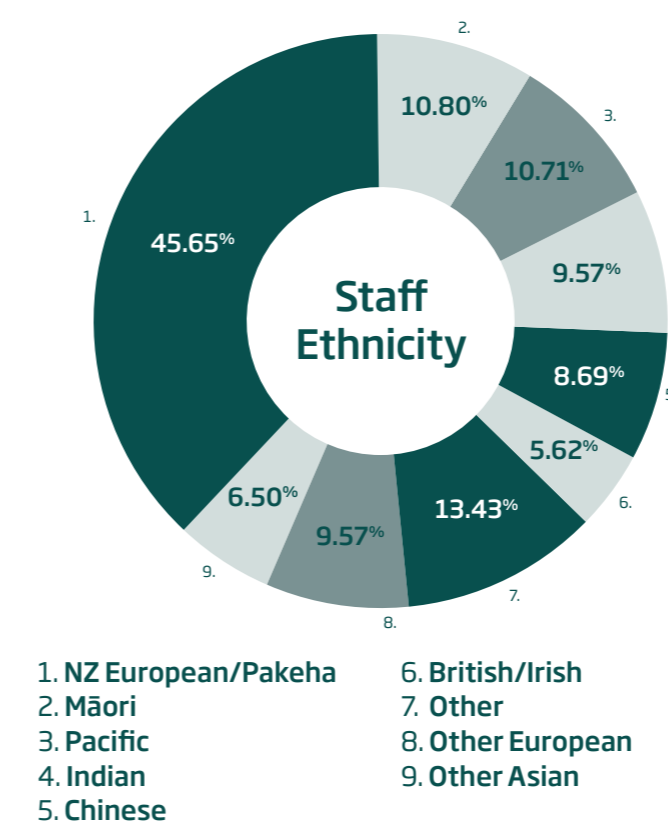
|                                 |                    |
|---------------------------------|--------------------|
| Government Funding              | NZ\$ <b>60.3M</b>  |
| Student Fees & Service Fees     | NZ\$ <b>40.8M</b>  |
| Other Revenue & Interest Income | NZ\$ <b>9.2M</b>   |
| Total Expenses                  | NZ\$ <b>112.5M</b> |
| Total Assets                    | NZ\$ <b>383.7M</b> |
| Surplus / (Deficit)*            | NZ\$ <b>2.2M</b>   |

\*Surplus / (Deficit) is Net.

#### Unitec Staff

| Female Staff |        | Male Staff |        |
|--------------|--------|------------|--------|
| 57%          | 61%    | 43%        | 39%    |
| Staff        | Leader | Staff      | Leader |

777 Permanent + 63 Fixed Term = 840 Staff



#### Unitec Students

|                   |   |
|-------------------|---|
| <b>11,402</b>     | Student Participation                             |
| <b>5,992</b> EFTS |   |
| <b>5,457</b>      | Female Students                                   |
| <b>5,909</b>      | Male Students                                     |
| <b>36</b>         | Diverse   |
| <b>77%</b>        | Graduates Employed, Studying, or Combining (GESC) |
| <b>76%</b>        | Course Completion                                 |

#### Qualifications awarded

|                                |              |
|--------------------------------|--------------|
| Certificates                   | <b>1,113</b> |
| Diplomas and Graduate Diplomas | <b>284</b>   |
| Degrees                        | <b>288</b>   |
| Postgraduate Certificates      | <b>7</b>     |
| Masters                        | <b>122</b>   |
| Training Schemes               | <b>53</b>    |
| Short Courses                  | <b>21</b>    |
| <b>Total</b>                   | <b>1,888</b> |

## Financial Performance Summary

The Financial Statements cover the performance of Unitec for the period from 1 January to 31 December 2021.

With the introduction of the Education (Vocational Education and Training and Reform) Amendment Act 2020, for the year 2020 Unitec had to divide the trading year into two periods. These Financial Statements compare the performance of Unitec for the period from 1 April to 31 December 2020.

The Financial Performance summary below provides comparative figures with the full year 2020 performance, alongside 2021 full-year budget comparisons.

The operating surplus for the full twelve months is \$6.0m favourable to the budget. This is a very positive result despite the disruptions due to COVID-19.

The impacts of COVID-19 are covered under Note 24 of the Financial Statements, but in summary, these include an increase in revenue and reduced staffing costs, and lower depreciation expenses due to delays in completing the capital projects caused by COVID-19.

Compared to full-year 2020, the 2021 domestic ākonga numbers showed a significant increase in revenue by \$7.9m, whereas expenses showed a marginal increase of \$1.3m generating an overall surplus of \$6.6m.

|  | 2021<br>Actual | Full Year<br>2021<br>Budget | Variance<br>F/(U) | 2021<br>Actual | Full Year<br>2020<br>Actual | Variance<br>F/(U) |
|--|----------------|-----------------------------|-------------------|----------------|-----------------------------|-------------------|
| <b>EFTS</b>                                  |                |                             |                   |                |                             |                   |
| Domestic SAC                                 | 5,517          | 5,391                       | 126               | 5,517          | 4,819                       | 697               |
| International                                | 475            | 391                         | 84                | 475            | 695                         | (220)             |
| Other  | -              | -                           | -                 | -              | -                           | -                 |
| <b>Total EFTS</b>                            | <b>5,992</b>   | <b>5,782</b>                | <b>210</b>        | <b>5,992</b>   | <b>5,515</b>                | <b>477</b>        |
| <br>   |                |                             |                   |                |                             |                   |
| Te Pūkenga Funding <sup>1</sup>              | 60,356         | 57,257                      | 3,099             | 60,356         | 54,961                      | 5,395             |
| Domestic Tuition Fees                        | 29,762         | 27,673                      | 2,089             | 29,762         | 23,560                      | 6,202             |
| International Tuition Fees                   | 9,296          | 7,971                       | 1,325             | 9,296          | 13,795                      | (4,499)           |
| Other Income                                 | 10,684         | 12,334                      | (1,650)           | 10,684         | 9,844                       | 840               |
| <b>Total Revenue</b>                         | <b>110,098</b> | <b>105,234</b>              | <b>4,864</b>      | <b>110,098</b> | <b>102,160</b>              | <b>7,938</b>      |
| <br>   |                |                             |                   |                |                             |                   |
| Labour Costs                                 | 74,442         | 75,539                      | 1,097             | 74,442         | 73,387                      | (1,055)           |
| Other Expenses                               | 25,823         | 25,420                      | (402)             | 25,823         | 26,333                      | 510               |
| <b>Total Operating Expenditure</b>           | <b>100,265</b> | <b>100,960</b>              | <b>695</b>        | <b>100,265</b> | <b>99,720</b>               | <b>(545)</b>      |
| <br>   |                |                             |                   |                |                             |                   |
| <b>Operating Surplus/(Deficit)</b>           | <b>9,833</b>   | <b>4,274</b>                | <b>5,558</b>      | <b>9,833</b>   | <b>2,440</b>                | <b>7,393</b>      |
| Redundancies                                 | 233            | 250                         | 17                | 233            | 345                         | 112               |
| Net Interest (Income)/Expense                | 1,224          | 862                         | (362)             | 1,224          | 742                         | (482)             |
| Other (Income)/Expense                       | (9)            | -                           | 9                 | (9)            | (61)                        | (52)              |
| <b>Surplus/(Deficit) before Depreciation</b> | <b>8,385</b>   | <b>3,163</b>                | <b>5,222</b>      | <b>8,385</b>   | <b>1,414</b>                | <b>6,971</b>      |
| <br>   |                |                             |                   |                |                             |                   |
| Depreciation and Amortisation Expenses       | 10,632         | 11,440                      | 808               | 10,632         | 10,271                      | (361)             |
| <b>Net Surplus/(Deficit)</b>                 | <b>(2,247)</b> | <b>(8,277)</b>              | <b>6,030</b>      | <b>(2,247)</b> | <b>(8,857)</b>              | <b>6,610</b>      |

<sup>1</sup> TEC Funding for 2020

# Statement of Service Performance Ngā Tohu Paearu Mahi

Pūrongo Takiwā 31 Hakihea 2021

Statement of the cost of outputs

The Institute’s activities contribute to three broad classes of outputs. These outputs are learning and teaching, research and scholarship, and engagement with communities.

The following table outlines the cost of providing these outputs.

| Outputs                     | 2021<br>Actual<br>\$000s | 2021<br>Budget<br>\$000s | 2020<br>Actual<br>\$000s | 2019<br>Actual<br>\$000s |
|-----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Learning and teaching       | 100,568                  | 102,118                  | 101,368                  | 112,367                  |
| Research and scholarship    | 7,202                    | 7,430                    | 6,775                    | 6,808                    |
| Engagement with communities | 4,015                    | 4,259                    | 3,547                    | 2,579                    |
| Total Cost of Outputs       | 111,785                  | 113,807                  | 111,690                  | 121,754                  |

Commentary

The cost of outputs has slightly increased, even though Unitec saw a decline in International Students due to COVID-19 restrictions at the border. Domestic EFTS have increased over 2020 figures. Community Engagement-related expenses have increased on 2020 actuals. This is mainly due to inclusion of digital skills that are aimed at uplifting Māori and Pasifika Students in collaboration with the Ministry of Business, Innovation and Employment (MBIE).

During 2021, the Unitec Pathways College secondary-tertiary transition partnerships grew to include seven new secondary schools and two alternative education providers. Partnerships in this space are now three times what they were in 2017 when the Unitec Pathways College was first established. Its diverse whānau of partners includes Kura Kaupapa Māori, Rūmaki, Alternative Education and Waiheke High School – who send students from the island one day a week to be with us.

Over 1,000 Year 7 and 8 students took part in our second year of Intermediate Big Day Outs throughout the year and a further 1,000 students took part in the Year 9 and 10 Go Live event in November. Unitec Pathways College also partnered with MAU Academy and other community and council stakeholders on the Innovating Streets for People projects in Māngere, Papatoetoe and Manukau, working closely with rangatahi from South Auckland on re-designing the streets around their community. The project team also included graduates from Unitec now out in the community running their own businesses and many other inspirational role models for the rangatahi involved. Despite the disruptions of COVID-19 to April School holiday workshops, nearly 200 rangatahi took part in our School Holiday Workshops in July with a considerable increase in uptake from schools from the North Shore.

Unitec has partnered with Amazon to create and deliver the Amazon Web Services (AWS) re/Start micro-credential. This is a 12-week course designed to pathway learners into entry level roles in Technology; with a particular focus on Māori, Pasifika and those who have been affected by the impacts of COVID-19. The micro-credential was developed in collaboration with AWS, and supported by a number of organisations including the Ministry of Social Development and MBIE. It was launched in Tāmaki Makaurau in May, and followed by two more intakes in Tāmaki Makaurau and Christchurch.

So far, 80% of its graduates have secured a job post-graduation and we are now rolling this initiative out nationally to Palmerston North, Wellington, Queenstown, Hawkes Bay and Auckland in partnership with our partners across Te Pūkenga, government agencies and local iwi.

Performance Measure 1

A more highly skilled, innovative, and enterprising New Zealand workforce

| Performance Measures                              | 2018  | 2019  | 2020  | 2021  | Target |
|---|-------|-------|-------|-------|--------|
| Graduates Employed, Studying, or Combining (GESC) | 85%   | 82%   | 79%   | 77%   | 85%    |
| Qualifications Conferred                          | 4,684 | 3,082 | 2,459 | 1,888 | NT*    |

Commentary

In 2021, the percentage of Graduates Employed, Studying or Combining dropped by 2.2% from 2020, due to a 4.3% drop in the percentage employed which was partially offset by a 3.1% increase in the percentage of people in Higher Study. This trend follows a 3.6% decline experienced in 2020 and is believed to have been impacted by the COVID-19 lockdowns.

\* NT = No Target

Performance Measure 2

Highly employable and enterprising lifelong learners

| Performance Measures                           | 2018       | 2019       | 2020 <sup>1</sup> | 2021 <sup>2</sup> | Target     |
|--|------------|------------|-------------------|-------------------|------------|
| <b>Student First Year Retention Rate (SAC)</b> | <b>67%</b> | <b>67%</b> | <b>69%</b>        | <b>71%</b>        | <b>74%</b> |
| Māori  | 62%        | 62%        | 66%               | 65%               | 73%        |
| Pacific  | 54%        | 60%        | 67%               | 58%               | 70%        |
| Under 25                                       | 68%        | 67%        | 72%               | 71%               | 72%        |

Commentary

First year retention rates remain high across each group (apart from Pacific learners), following the strong gains shown last year. The continued improvement shown amongst our priority segments is attributed to the Student Success initiatives implemented in 2020 and 2021 as part of the Manaakitia te Rito Renewal Strategy. In particular, the Learner Outreach Project which began in late 2019 as part of the drive to reduce non-completions across the Institute, actively tracks and monitors our learners with particular focus on our Priority Group learners and students at high risk. The early risk assessment provides an ability to target resources to support high and medium risk learners. Predictive data evidence is starting to show trends that will help us focus further on critical areas in 2021. Academic and support staff are collaborating to assist in the retention and success of learners by proactively approaching pastoral care and support across the Schools and referring students to appropriate support services as and when required.

The decline in Pacific first year retention rates can be attributed to a decline in the 2021 rates in programmes with heavy STEM (science, technology, engineering and mathematics) related content. Providing increased support in the STEM area is a priority for 2022.

| Performance Measures                     | 2018       | 2019       | 2020 <sup>3</sup> | 2021 <sup>4</sup> | Target     |
|--|------------|------------|-------------------|-------------------|------------|
| <b>Course Completion Rates (SAC All)</b> | <b>81%</b> | <b>82%</b> | <b>81%</b>        | <b>76%</b>        | <b>84%</b> |
| Māori                                    | 74%        | 74%        | 73%               | 70%               | 81%        |
| Pacific                                  | 71%        | 72%        | 70%               | 66%               | 80%        |
| Under 25                                 | 77%        | 78%        | 77%               | 72%               | 84%        |

Commentary

The 2021 results are interim only and show declines on the prior year due to courses having grades that are not processed at the time of reporting. The Course Completion Rates for courses that have had grades processed only (which is an estimate of the final rate once all grades are completed) show similar trends to last year (SAC All - 81%; Māori - 74%; Pacific - 70%; Under 25 - 77%).

1 These figures have changed as reported in the 2020 Annual Report. The figures reported in the 2020 Annual Report were a snapshot during the time of the Annual Report.  
2 2021 First Year Retention rates are not final.  
3 These figures have changed as reported in the 2020 Annual Report. The figures reported in the 2020 Annual Report were a snapshot during the time of the Annual Report.  
4 2020 Course Completion rates are not final.

| Performance Measures                             | 2018  | 2019    | 2020 <sup>5</sup> | 2021 <sup>6</sup> | Target  |
|--|-------|---------|-------------------|-------------------|---------|
| External Research Income (ERI) (000s)            | \$581 | \$2,486 | \$2,063           | \$3,313           | \$1,289 |
| Quality assured research outputs                 | 404   | 416     | 346               | 206               | 383     |
| Industry funded research and enterprise projects | 74    | 61      | 38                | 45                | 36      |

Commentary

In 2021, Unitec successfully completed and delivered the outcomes of a number of substantial externally funded projects, contributing to the External Research Income target which was exceeded by 157 percentage points. The establishment of the new Kaupapa Māori Research Centre, Ngā Wai a Te Tūi, at Unitec in 2019, contributed significantly to this growth. This demonstrates the success of a key ‘driver’ on focusing research at Unitec, first expressed in the implementation of the 2015 – 2019 Unitec Research Strategy, resulting in the establishment of four flourishing research centres.

The 2021 quality assured research outputs are below the target value. As explained in the footnote, the research output data is a snapshot at a particular point in time. These numbers are down because staff have not yet fully reported their research activity in Unitec’s Research Output Management System; the figures will increase later in the year. The 2021 data will be updated in the 2022 Annual Report. As an example of this influence, the 2020 research outputs were updated and are 53 more than initially reported (293). Despite this reporting factor, a potential decline in the quality assured research outputs data is possible if not likely, due to the COVID-19 pandemic. Staff in some cases were not able to disseminate their research outputs as planned.

The 2021 Industry Funded Research Projects target was exceeded. The 2021 figure was seven more than the 2020 figure. This is the result of a push toward building research relationships with industry and community and was also a key strategic driver at Unitec, first implemented in 2015. This related KPI continues to show a positive trend, again fuelled by the formation of our four research centres.

| Performance Measures                        | 2018       | 2019      | 2020      | 2021      | Target    |
|---|------------|-----------|-----------|-----------|-----------|
| <b>Returning Student Net Promoter Score</b> | <b>-3</b>  | <b>12</b> | <b>23</b> | <b>20</b> | <b>NT</b> |
| <b>New Student Net Promoter Score</b>       | <b>N/A</b> | <b>34</b> | <b>38</b> | <b>43</b> | <b>NT</b> |

Commentary

Unitec’s student Net Promoter Score (NPS) has remained high in Semester 2, 2021 with a score of 20 among returning students and 43 among new students. Despite COVID-19 and lockdowns dominating tertiary studies this year, feedback received in this survey tells us that students are appreciative of the way Unitec has handled disruptions, with satisfaction of our communication being the highest ever and satisfaction with the quality of teaching remaining consistent at a high level.

The Semester 2 Student NPS survey is sent to all students enrolled in formal programmes with Unitec in Week 6 of the semester. The response rate in Semester 2 2021 was 29% overall and this gave a sample size of n=1,907. For data consistency, Unitec splits reporting of Student NPS into new and returning students.

The NPS metric is calculated as per the industry standard for NPS whereby our students rate how likely they are to recommend studying at Unitec to a friend, colleague or family member on a scale where 0=not at all likely and 10=extremely likely. The Student NPS is the proportion of students who rate 9-10 minus the proportion who rate 0-6.

5 These figures have changed as reported in the 2020 Annual Report. The figures reported in the 2020 Annual Report were a snapshot during the time of the annual report.  
6 Research output data is a snapshot at a point in time. Final 2021 data will be updated in the 2022 Annual Report

## Performance Measure 3

Engaged and inspired staff equipped with capabilities for our future

### Performance Measures

|                         | 2018       | 2019       | 2020       | 2021       | Target       |
|-------------------------|------------|------------|------------|------------|--------------|
| <b>Staff Engagement</b> | <b>65%</b> | <b>79%</b> | <b>84%</b> | <b>80%</b> | <b>≥ 80%</b> |

### Commentary

The 2021 staff engagement survey was rolled out to Unitec kaimahi in November. In a year of disrupted teaching and learning, we received a response rate of 66% which is slightly lower than the previous two years, but not unexpected. Response rates were higher amongst non-academic teams. Staff engagement also decreased slightly since last year from 84% to 80%.

All engagement statements experienced a decrease, with staff perceptions towards their line/direct manager receiving the highest level of endorsement. Apart from 'Performance Partnering' which remained steady, all areas decreased to some extent.

These declines can be attributed to the many challenges kaimahi have been dealing with this year, including COVID-19, financial sustainability, and addressing reports of asbestos identification in several of our teaching and learning spaces.

A large part of our organisational focus will be on preparing to move to the Te Pūkenga operating model. This will largely be led by Te Pūkenga leadership, and supported by us and we will continue to work with all kaimahi on our change readiness in these somewhat uncertain times.

## Performance Measure 4

A financially sustainable Unitec

### Performance Measures

|                                 | 2018         | 2019         | 2020                     | 2021                     | Target       |
|---------------------------------|--------------|--------------|--------------------------|--------------------------|--------------|
| <b>Domestic EFTS</b>            | <b>6,246</b> | <b>5,041</b> | <b>4,811</b>             | <b>5,517</b>             | <b>5,391</b> |
| Māori Participation             | 13.0%        | 10.1%        | 11.4%                    | 10.3%                    | 11.5%        |
| Pacific Participation           | 18.0%        | 15.5%        | 18.5%                    | 17.5%                    | 17.3%        |
| Under 25 Participation          | 49.0%        | 46.5%        | 53.0%                    | 53.2%                    | 49.5%        |
| <b>International EFTS</b>       | <b>1,652</b> | <b>1,116</b> | <b>704</b>               | <b>475</b>               | <b>391</b>   |
| <b>Total EFTS</b>               | <b>7,897</b> | <b>6,157</b> | <b>5,515</b>             | <b>5,992</b>             | <b>5,782</b> |
| <b>EBITDAR to Total Revenue</b> | <b>2.5%</b>  | <b>3.1%</b>  | <b>4.3% <sup>7</sup></b> | <b>10.9%<sup>8</sup></b> | <b>4.5%</b>  |

### Commentary

Domestic EFTS rose by 15% in 2021 as compared to 2020. This was off the back of high demand experienced in Semester 2, 2020 due to part of additional Government funding offered for the Targeted Training and Apprenticeship Fund (TTAF) and the recessionary impact witnessed with ongoing lockdowns associated with COVID-19.

International EFTS continue to decline in line with the previous year due to the borders remaining closed for 2021 for new International students. Most of the International EFTS are made up of re-enrolling students with a small number of on-shore International students. At an overall level, Unitec over-achieved the budgeted EFTS by 3.6%, which reflects in the increased revenue and EBITDAR.

<sup>7</sup> The EBITDAR for 2020 has been revised  
<sup>8</sup> EBITDAR figure will change on Audit Adjustments

# Governance Report

## Te Pūrongo Mana Whakahāere

Pūrongo Takiwā 31 Hakihea 2021

Governance Report

Legal Status

Unitec New Zealand Limited (Unitec) is a subsidiary of Te Pūkenga – New Zealand Institute of Skills and Technology, constituted in accordance with Part 1, Subpart 5 of Schedule 1 of the Education and Training Act 2020 (the Act). Unitec is also a Crown Entity for the purposes of Schedule 4 of the Crown Entities Act 2004.

Governance Structure

The governing body of Unitec is the Unitec board of directors (Board). It comprises eight members appointed in accordance with Part 1, Subpart 5 of Schedule 1 of the Act.

Governance Philosophy

The Board considers and approves the mission and strategic direction of Unitec and monitors performance against agreed strategies and plans. Management, on the other hand, is responsible for the management of Unitec and develops the procedures and operational plans that are needed to implement and deliver the Board’s approved strategy.

While many of the Board’s functions have been delegated, overall responsibility for maintaining effective systems of internal control ultimately rests with the Board. To ensure that there is clarity around responsibilities and accountabilities, the Board has a detailed delegations framework in place.

Both the Board and Management acknowledge their responsibilities by certifying ‘The Statement of Responsibility’ (in terms of the Crown Entities Act 2004) contained within this Annual Report.

Board and Standing Committee Attendance

For the period from 01/01/2021 to 31/12/2021

| Name                                    | Board |            | Audit & Compliance |            |
|---|-------|------------|--------------------|------------|
|   | Held  | Attendance | Held               | Attendance |
| Peter Winder Chair                      | 13    | 13         | 3                  | 3          |
| Steven Renata                           | 13    | 12         | 3                  | 2          |
| Peter Parussini                         | 13    | 11         | 0                  | 0          |
| Monique Cairns                          | 13    | 12         | 3                  | 3          |
| Ziena Jalil                             | 13    | 13         | 0                  | 0          |
| Robert Reid                             | 13    | 13         | 3                  | 3          |
| Andrew (Fale) Lesa Alternate member A&C | 13    | 11         | 0                  | 0          |
| Marama Royal                            | 9     | 9          | 0                  | 0          |

Ten ordinary Board meetings were held, three extraordinary Board meetings, four CE People & Culture Committee meetings, one Tāmaki Makaurau Strategy Sub-Committee meeting, and three Audit & Compliance Committee meetings.

Board Fees

| First Name | Surname   | Fees paid |
|------------|-----------|-----------|
| Peter      | Winder    | 39,855.00 |
| Andrew     | Lesa      | 19,925.00 |
| Peter      | Parussini | 19,925.00 |
| Steven     | Renata    | 19,925.00 |
| Ziena      | Jalil     | 19,925.00 |
| Monique    | Cairns    | 19,925.00 |
| Robert     | Reid      | 19,925.00 |
| Marama     | Royal     | 11,890.74 |

Unitec New Zealand Limited Board Membership

Disclosure of Interest Register as at November 2021

| Name            | Interest   | Nature of Interest     | Date             |
|-----------------|--|------------------------|------------------|
| Peter Winder    | McGredy Winder & Co Ltd                          | Director / Shareholder | 2010             |
|                 | The Sound of Music Education Ltd                 | Director / Shareholder | 2004             |
|                 | Manukau Institute of Technology Ltd              | Director and Chair     | 1 April 2020     |
|                 | Unitec New Zealand Ltd                           | Director and Chair     | 1 April 2020     |
|                 | McGredy Winder Family Trust                      | Trustee & Beneficiary  | 2012             |
|                 | Council of NZ Institute of Skills and Technology | Member                 | 1 April 2020     |
|                 | Operating Theatre Trust aka Tim Bray Productions | Trustee                | February 2021    |
| Peter Parussini | ANZ Bank New Zealand Limited                     | Employee               | 2011             |
|                 | Southern Cross Campus School Foundation          | Trustee                | 2010             |
|                 | Southern Cross Campus School Board of Trustees   | Chair                  | 2008             |
|                 | Australian Institute of Company Directors        | Member                 | 2017             |
|                 | Radio New Zealand                                | Governor               | 2019             |
|                 | Latisana Family Trust                            | Trustee & Beneficiary  | 2017             |
|                 | Lignano Ltd                                      | Shareholder & Director | 2019             |
|                 | The New Zealand Home Loan Company Limited        | Deputy Chair           | May 2018         |
|                 | The Northern Club                                | Committee Member       | June 2018        |
| Monique Cairns  | Caribou Consulting Limited                       | Executive Director     | December 2015    |
|                 | New Zealand Institute of Directors               | Member                 | February 2013    |
|                 | Australian Institute of Company Directors        | Member                 | February 2020    |
|                 | Auckland Art Gallery                             | Member                 | May 2016         |
|                 | Monstar Trust                                    | Trustee & Beneficiary  | 2006             |
|                 | The Almo Trust                                   | Trustee & beneficiary  | February 2019    |
|                 | The Kaihere Trust                                | Trustee                | 2005             |
|                 | Cairns Family Trust                              | Beneficiary            | TBC              |
|                 | BoatCo R3500-5 Limited                           | Shareholder            | October 2018     |
|                 | Armstrong's Group Due Diligence Committee        | Member                 | November 2021    |
| Robert Reid     | The NZ Portrait Gallery                          | Trustee                | 2 September 2021 |
|                 | FIRST Union                                      | President              | 2011             |
|                 | Forest Ministerial Advisory Group                | Member                 | Oct 2021         |
|                 | Auckland Regional Skills Leadership Group        | Co-Chair               | Sept 2021        |
|                 | UnionAid   | Trustee                | Sept 2020        |
| Ziena Jalil     | DNA Designed Communications Ltd                  | Director               | February 2021    |
|                 | Cancer Society Auckland Northland                | Trustee                | Sep 2019         |
|                 | New Zealand Asian Leaders                        | Advisory Board Member  | Feb 2016         |
|                 | Senate SHJ                                       | Consulting Partner     | Feb 2016         |
|                 | Athene Collaborative Limited                     | Director / Shareholder | Feb 2018         |
|                 | MYYODAA Ltd                                      | Shareholder            | Nov 2018         |
|                 | New Zealand Institute of Directors               | Member                 | July 2016        |
|                 | Global Women                                     | Member                 | Aug 2019         |
|                 | Cancer Society of New Zealand (National)         | Board Member           | Sep 2021         |
|                 | Asia New Zealand Foundation                      | Trustee                | Sep 2021         |
|                 |  |                        |                  |

Disclosure of Interest Register as at November 2021 (Cont.)

|                    |   |                          |           |
|--------------------|---|--------------------------|-----------|
| Fale (Andrew) Lesa | Auckland Conservation Board                           | Board Member             | 2018      |
|                    | Child & Youth Mortality NTA Review Committee          | Board Member             | 2017      |
|                    | Oranga Tamariki                                       | Board Member             | 2019      |
|                    | Philanthropy New Zealand                              | Board Member             | 2019      |
|                    | Auckland Council – Rainbow Communities Advisory Panel | Member                   | 2020      |
|                    | Leukaemia and Blood Cancer NZ                         | Director                 | Mar 2021  |
|                    | Bone Marrow Donor Registry                            |                          |           |
|                    | Emerge Aotearoa                                       | Director                 | Mar 2021  |
| Steven Renata      | Diabetes NZ   | Director                 | Mar 2021  |
|                    | Kiwa Digital  | Co-Owner/Chief Executive | 2016      |
|                    | INNOV8HQ  | Co-Owner/Director        | 2016      |
|                    | New Zealand Defence Industry Association              | Member                   | 2019      |
|                    | Mangaiti Marae  | Trustee                  | 2018      |
| Marama Royal       | Unitec Rūnanga Advisory Committee                     | Member                   | 2018      |
|                    | Ngāti Whātua Ōrākei Trustee Limited                   | Chair                    | Dec 2017  |
|                    | Ngāti Whātua Ōrākei Reserves Board                    | Chair                    | July 2018 |
|                    | Ranginui No.12 Trust                                  | Trustee                  | May 2013  |
|                    | Auckland Police Taumata                               | Co-Chair                 | 2008      |
|                    | Sky City Community Trust                              | Co-Chair                 | Feb 2020  |
|                    | Justice of the Peace Association                      | Member                   | 2002      |
|                    | Institute of Directors                                | Member                   | 2015      |
|                    | Variety Childrens' Charity 2021                       | Trustee                  | Feb 2021  |

Equal Educational Opportunities

Through its Manaakitia te Rito strategy, Unitec is committed to providing an environment where all students have an equal opportunity to achieve their academic potential and ensure no unreasonable barriers are created which could prevent them from gaining access to education and training. Unitec places particular emphasis on the elimination of barriers that result in under-representation in tertiary education.

Although the COVID-19 pandemic continued to present challenges during 2021, the Institute was able to respond in a manner that ensured student outcomes were maintained at a high level.

Financial support

In 2021, the Institute provided 437 scholarships to Undergraduates, as well as various other fees and grants supporting community initiatives and supporting the transition of students into tertiary study. The Institute’s financial commitment in 2021 to these scholarships was \$329,100.

Of the above:

- \$107,250 was awarded to Māori students
- \$124,250 was awarded to Pacific students
- \$187,433 was awarded to Under-25 students
- \$68,100 was awarded to International students
- \$19,500 was awarded to Disabled students

Please note there will be duplicates in the above (ie students who are counted in multiple Priority Groups).

The Government’s Fees-Free policy means that most scholarships are applied to the students’ second year of study, hence creating a timing lag in much of this expenditure.

Students continued to be severely impacted by COVID-19 disruptions in 2021. To counter this, Unitec provided and facilitated financial support including:

- Hardship support of \$24,117 for food, travel and accommodation
- TEC’s COVID-19 Hardship Fund for Learners (HAFL) supporting 335 students with payments of \$285,796 in 2021
- TEC’s Technology Access Fund for Learners (TAFL) with payments of \$32,859.55 for additional loan devices for 276 students, building on support given in 2020

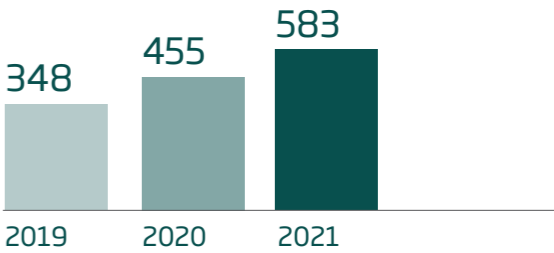
Access4Success Disability Service

Disability support at Unitec delivers integrated and specialist support to registered students who identify with permanent, recurring and temporary disabilities, including Neuro Diverse. Support systems are individually designed through individual access plans to ensure equal opportunity, flexibility and access to all aspects of tertiary life for students with disabilities.

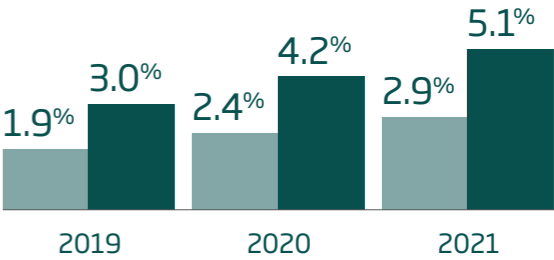
In 2021, Unitec supported 263 students through its Access4Success Disability Service. Unitec’s Access Coordinators work in partnership with students with disabilities to identify strengths and potential barriers to learning and participation at Unitec. The Institute provides resources such as note takers, New Zealand Sign Language Interpreters and Assistive Technology advice, as well as processing exam accommodation requests such as extra time and separate rooms. Access Coordinators advocate on behalf of students and liaise with academic staff and other support networks, both internal and external to Unitec.

The number of students flagging disability at enrolment has also increased:

Disability flagged at enrolment



Percentage against overall EFTS



**Joint Disability Strategy**

Unitec is working on a joint Disability Strategy with MIT; the first time this has been formulated from a Tāmaki Makaurau perspective. It will be presented to Te Pūkenga during 2022 as a possible blueprint for other institutions.

**Amenities, Events and Support Services**

Unitec provides a range of amenities, events and support services for all students. This includes helping students plan and prepare for their careers while studying and after they graduate with career and employability workshops, CV and cover letter assistance and one-to-one appointments.

**Other specialist areas include:**

- **Chaplaincy Services:** The multi-faith chaplaincy service provides an inclusive and holistic approach to spirituality. The team of volunteer chaplains support students and staff of all faiths, as well as those with no particular faith.
- **International Support Services:** The International Support Services team helps international students in areas such as visa and insurance support; general academic advice and pastoral support; and advice on tuition fees, accommodation, international refunds and settling into life in New Zealand.
- **Learning Advisors:** Learning Advisors work in partnership with students to develop learning skills in the areas of academic reading, writing and referencing; assistance with language studies; Maths, Statistics, Physics, Chemistry, Biology; Māori academic success and Pacific academic success.
- **Pacific Centre:** The Pacific Centre assists Pacific students seeking pastoral support, financial support and scholarship advice. It also runs Pacific Orientation, Pacific Fanau Evenings and has spaces for study or to hang out with other students.
- **Maia Centre and Te Noho Kotahitanga Marae:** Unitec's Maia Centre offers a range of kaupapa Māori, academic, cultural and pastoral support services for students at Unitec, while Te Noho Kotahitanga marae, at the heart of the Mt Albert campus, hosts regular events, wānanga, lectures and social events. All new students, staff and guests are welcomed to Unitec with a pōwhiri at the marae.
- **Subject Librarians:** This team of specialist subject librarians assists with research support, information literacy, including identifying, locating and using information; journal article and web searching; quick help with referencing and ethical use of information; as well as curating the Library's collection.
- **Te Puna Waiora:** Te Puna Waiora health clinic offers a wide range of health and wellness services for domestic and international students and staff. It has nurses and doctors on site, as well as mental health advisors who can support students who are living with mental health conditions.
- **Unitec Early Learning Centre:** A community learning centre for pre-school children located on Unitec's Mt Albert campus. This is a well-equipped, purpose-built facility staffed by qualified teachers and supports a number of parents who study at Unitec.

# Financial Statements

## Pūrongo Pūtea

Pūrongo Takiwā 31 Hakihea 2021

Independent Auditor’s Report

To the readers of Unitec New Zealand limited group’s financial statements for the period ended 31 December 2021



The Auditor-General is the auditor of Unitec New Zealand Limited group (the group). The Auditor-General has appointed me, Wikus Jansen van Rensburg, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the group on his behalf.

Opinion

We have audited:

- the financial statements of the group on pages 34 to 65, that comprise the statement of financial position as at 31 December 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion:

- the financial statements of the group on pages 34 to 65, which have been prepared on a disestablishment basis:
  - present fairly, in all material respects:
    - the financial position as at 31 December 2021; and
    - the financial performance and cash flows for the period then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity reporting standards.

Our audit was completed on 26 April 2022. This is the date at which our opinion is expressed.

The basis for our opinion is explained below and we draw attention to the financial statements being prepared on a disestablishment basis. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

The financial statements have been prepared on a disestablishment basis

Without modifying our opinion, we draw attention to Note 19 Basis of preparation on page 57, which outlines that under the Education and Training Act 2020, the company will cease to exist by the close of 31 December 2022. The group therefore prepared its financial statements on a disestablishment basis. There have been no changes to the values of assets and liabilities as the operations of the group will be transferred to Te Pūkenga or another Te Pūkenga subsidiary.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General’s Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General’s Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible, on behalf of the group, for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible, on behalf of the group, for assessing the group’s ability to continue as a going concern. If the Board of Directors concludes that a going concern basis of accounting is inappropriate, the Board of Directors is responsible for preparing financial statements on a disestablishment basis and making appropriate disclosures.

The Board of Directors’ responsibilities arise from the Education and Training Act 2020 and the Crown Entities Act 2004.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General’s Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the budget approved by the Board.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General’s Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group’s internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We conclude on the appropriateness of the use of disestablishment basis by the Board of Directors.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

### Other information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 29, page 33 and pages 66 to 69, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Independence

We are independent of the group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit, we carry out an assurance engagement of the group's performance-based research fund-eligible external research income return. This is compatible with those independence requirements. Other than this assurance engagement and our audit, we have no relationship with or interests in the group.



**Wikus Jansen van Rensburg**  
Audit New Zealand

On behalf of the Auditor-General  
Auckland, New Zealand

## Statement of Responsibility

For the year ended 31 December 2021

The Board and management of Unitec New Zealand Limited are responsible for the preparation of the Unitec New Zealand Limited Group's Financial Statements and for the judgements made in them.

The Board and management of Unitec New Zealand Limited are responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Board and management's opinion, these Financial Statements fairly reflect the financial position and operations of the Unitec New Zealand Limited Group for the period ended 31 December 2021.



**Peter Winder**  
Board Chair



**Monique Cairns**  
Director



**Gus Gilmore**  
Chief Executive

26 April 2022

## Statement of Comprehensive Income

For the year ended 31 December 2021

|  | Note | Actual 2021<br>Jan-Dec<br>\$'000 | Budget 2021<br>Jan-Dec<br>\$'000 | Actual 2020<br>Apr-Dec<br>\$'000 |
|--|------|----------------------------------|----------------------------------|----------------------------------|
| <b>Operating Revenue</b>                                     |      |                                  |                                  |                                  |
| Government grants  | 2(a) | 60,356                           | 57,257                           | 1,957                            |
| Student tuition fees   | 2(b) | 39,057                           | 35,644                           | 20,163                           |
| Student services fees  | 2(d) | 1,737                            | 1,775                            | 726                              |
| Other revenue  | 2(c) | 8,957                            | 10,559                           | 5,581                            |
| <b>Total Operating Revenue (excluding finance revenue)</b>   |      | <b>110,107</b>                   | <b>105,235</b>                   | <b>28,426</b>                    |
| <b>Operating Expenditure</b>                                 |      |                                  |                                  |                                  |
| Personnel costs  | 3(a) | 74,675                           | 75,540                           | 57,015                           |
| Depreciation and amortisation                                | 9&10 | 10,632                           | 11,440                           | 6,964                            |
| Administration costs and other expenses                      | 4(b) | 25,823                           | 25,670                           | 18,451                           |
| <b>Total Operating Expenditure (excluding finance costs)</b> |      | <b>111,130</b>                   | <b>112,650</b>                   | <b>82,430</b>                    |
| <b>Surplus/(Deficit) before net finance costs</b>            |      | <b>(1,023)</b>                   | <b>(7,415)</b>                   | <b>(54,003)</b>                  |
| Finance revenue  |      | 220                              | 295                              | 403                              |
| Finance costs  | 4(a) | (1,444)                          | (1,157)                          | (1,047)                          |
| <b>Net Finance revenue/(costs)</b>                           |      | <b>(1,224)</b>                   | <b>(862)</b>                     | <b>(645)</b>                     |
| <b>Net Surplus/(Deficit)</b>                                 |      | <b>(2,247)</b>                   | <b>(8,277)</b>                   | <b>(54,648)</b>                  |
| <b>Other comprehensive revenue and expense</b>               |      |                                  |                                  |                                  |
| Revaluation movements in property, plant and equipment       |      | 26,005                           | -                                | 70,604                           |
| <b>Total other comprehensive revenue/(expense)</b>           |      | <b>26,005</b>                    | <b>-</b>                         | <b>70,604</b>                    |
| <b>Total comprehensive revenue/(expense)</b>                 |      | <b>23,758</b>                    | <b>(8,277)</b>                   | <b>15,956</b>                    |

The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in Note 23.

## Statement of Financial Position

As at 31 December 2021

|                                      | Note | Actual<br>31 Dec 2021<br>\$'000 | Budget<br>31 Dec 2021<br>\$'000 | Actual<br>31 Dec 2020<br>Restated*<br>\$'000 |
|--------------------------------------|------|---------------------------------|---------------------------------|--|
| <b>Assets</b>                        |      |                                 |                                 |  |
| <b>Current Assets</b>                |      |                                 |                                 |  |
| Cash and cash equivalents            |      | 35,587                          | 18,808                          | 32,417                                       |
| Trade and other receivables          | 5    | 5,145                           | 2,798                           | 12,124                                       |
| Assets classified as held for sale   | 6    | 66,800                          | -                               | -  |
| Inventories                          |      | 326                             | 328                             | 468  |
| Prepayments                          |      | 1,398                           | 1,776                           | 1,522  |
| Short term investments               |      | -                               | -                               | 6,000  |
| <b>Total current assets</b>          |      | <b>109,256</b>                  | <b>23,710</b>                   | <b>52,531</b>                                |
| <b>Non-current assets</b>            |      |                                 |                                 |  |
| Property, plant and equipment        | 9    | 251,608                         | 244,484                         | 297,596                                      |
| Intangible Assets                    | 10   | 402                             | 1,860                           | 1,444  |
| Assets under construction            | 9    | 22,420                          | 4,000                           | 7,325  |
| <b>Total non-current assets</b>      |      | <b>274,430</b>                  | <b>250,344</b>                  | <b>306,366</b>                               |
| <b>Total assets</b>                  |      | <b>383,686</b>                  | <b>274,054</b>                  | <b>358,897</b>                               |
| <b>Liabilities</b>                   |      |                                 |                                 |  |
| <b>Current Liabilities</b>           |      |                                 |                                 |  |
| Trade and other payables             | 7    | 9,426                           | 8,056                           | 11,173                                       |
| Revenue received in advance          | 8    | 6,980                           | 5,816                           | 6,060  |
| Borrowings                           | 11   | 22,060                          | 29,314                          | 21,900                                       |
| Employee entitlements                | 3(b) | 7,165                           | 5,037                           | 6,446  |
| Provisions                           | 12   | -                               | 261                             | -  |
| <b>Total current liabilities</b>     |      | <b>45,631</b>                   | <b>48,484</b>                   | <b>45,579</b>                                |
| <b>Non-current liabilities</b>       |      |                                 |                                 |  |
| Borrowings                           | 11   | 25,360                          | 20,701                          | 24,566                                       |
| Employee entitlements                | 3(b) | 577                             | 634                             | 628  |
| Provisions                           | 12   | 296                             | 480                             | 716  |
| <b>Total non-current liabilities</b> |      | <b>26,233</b>                   | <b>21,815</b>                   | <b>25,910</b>                                |
| <b>Total liabilities</b>             |      | <b>71,864</b>                   | <b>70,299</b>                   | <b>71,489</b>                                |
| <b>Net assets</b>                    |      | <b>311,822</b>                  | <b>203,755</b>                  | <b>287,408</b>                               |
| <b>Equity</b>                        |      |                                 |                                 |  |
| General Funds                        |      | 120,716                         | 108,016                         | 122,307                                      |
| Land revaluation reserves            |      | 138,383                         | 49,787                          | 119,487                                      |
| Building revaluation reserves        |      | 52,723                          | 45,952                          | 45,614                                       |
| <b>Total equity</b>                  |      | <b>311,822</b>                  | <b>203,755</b>                  | <b>287,408</b>                               |

The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in Note 23.  
\* Refer to Note 28 for the restatement of comparative figures

## Statement of Changes in Equity

For the year ended 31 December 2021

|  | General Funds<br>Restated<br>\$'000 | Land<br>Revaluation<br>Reserve<br>\$'000 | Building<br>Revaluation<br>Reserve<br>Restated<br>\$'000 | Total<br>Restated<br>\$'000 |
|--|-------------------------------------|--|--|-----------------------------|
| <b>Prior year</b>  |                                     |  |  |                             |
| Balance at 1 April 2020*                                     | 174,096                             | 49,787                                   | 45,641   | 269,524                     |
| Surplus/(Deficit) for the 9 month period                     | (54,648)                            | -  | -  | (54,648)                    |
| Movement attributable to current year revaluation            | -                                   | 70,604                                   | -  | 70,604                      |
| <b>Total comprehensive revenue and expenses for the year</b> | <b>(54,648)</b>                     | <b>70,604</b>                            | <b>-</b>   | <b>15,956</b>               |
| Transfers on disposal of property                            | 904                                 | (904)                                    | (27)   | (27)                        |
| Capital contributions from the Crown                         | 1,955                               | -  | -  | 1,955                       |
| <b>Balance at 31 December 2020*</b>                          | <b>122,307</b>                      | <b>119,487</b>                           | <b>45,614</b>  | <b>287,408</b>              |
| <b>Current year</b>  |                                     |  |  |                             |
| Balance at 1 January 2021*                                   | 122,307                             | 119,487                                  | 45,614   | 287,408                     |
| Surplus/(Deficit) for the year                               | (2,247)                             | -  | -  | (2,247)                     |
| Movement attributable to current year revaluation            | -                                   | 18,896                                   | 7,109  | 26,005                      |
| <b>Total comprehensive revenue and expenses for the year</b> | <b>(2,247)</b>                      | <b>18,896</b>                            | <b>7,109</b>   | <b>23,758</b>               |
| Transfers on disposal of property                            | -                                   | -  | -  | -                           |
| Capital contributions from the Crown                         | 656                                 | -  | -  | 656                         |
| <b>Balance at 31 December 2021</b>                           | <b>120,716</b>                      | <b>138,383</b>                           | <b>52,723</b>  | <b>311,822</b>              |

The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in Note 23.  
\* Refer to Note 28 for the restatement of comparative figures

## Statement of Cash Flows

For the year ended 31 December 2021

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less, and bank overdrafts.

|   | Actual 2021<br>Jan-Dec<br>\$'000 | Budget 2021<br>Jan-Dec<br>\$'000 | Actual 2020<br>Apr-Dec<br>\$'000 |
|---|----------------------------------|----------------------------------|----------------------------------|
| <b>Cash flows from operating activities</b>     |                                  |                                  |                                  |
| Cash was provided from:                         |                                  |                                  |                                  |
| Government grants                               | 57,865                           | 68,825                           | 39,889                           |
| Tuition fees                                    | 39,125                           | 39,312                           | 12,338                           |
| Interest received                               | 235                              | 295                              | 443                              |
| Other operating receipts                        | 10,610                           | 10,382                           | 5,366                            |
|   | <b>107,835</b>                   | <b>118,814</b>                   | <b>58,036</b>                    |
| Cash was applied to:                            |                                  |                                  |                                  |
| Payment to employees                            | 74,727                           | 69,946                           | 55,125                           |
| Goods and services tax (net)                    | 1,665                            | 9,157                            | (3,280)                          |
| Interest paid                                   | 70                               | -                                | 38                               |
| Payment to suppliers                            | 24,226                           | 36,748                           | 15,858                           |
|   | <b>100,688</b>                   | <b>115,851</b>                   | <b>67,742</b>                    |
| <b>Net cash flows from operating activities</b> | <b>7,147</b>                     | <b>2,963</b>                     | <b>(9,706)</b>                   |
| <b>Cash flows from investing activities</b>     |                                  |                                  |                                  |
| Cash was provided from:                         |                                  |                                  |                                  |
| Sale of property, plant and equipment           | 10,392                           | -                                | 1,200                            |
| Investment in short term deposits               | 6,000                            | -                                | -                                |
|   | <b>16,392</b>                    | <b>-</b>                         | <b>1,200</b>                     |
| Cash was applied to:                            |                                  |                                  |                                  |
| Purchase of property, plant and equipment       | 20,369                           | 13,295                           | 6,555                            |
| Purchase of intangible assets                   | -                                | -                                | 361                              |
| Investment in short term deposits               | -                                | -                                | 6,000                            |
|   | <b>20,369</b>                    | <b>13,295</b>                    | <b>12,915</b>                    |
| <b>Net cash flow from investing activities</b>  | <b>(3,977)</b>                   | <b>(13,295)</b>                  | <b>(11,716)</b>                  |
| <b>Cash flows from financing activities</b>     |                                  |                                  |                                  |
| Cash was provided from:                         |                                  |                                  |                                  |
| Capital injection                               | -                                | -                                | -                                |
| Loan raised                                     | -                                | -                                | 10,000                           |
|   | <b>-</b>                         | <b>-</b>                         | <b>10,000</b>                    |
| Cash was applied to:                            |                                  |                                  |                                  |
| Repayment of finance lease liabilities          | -                                | -                                | 664                              |
| Repayment of loans                              | -                                | -                                | -                                |
|   | <b>-</b>                         | <b>-</b>                         | <b>664</b>                       |
| <b>Net cash flow from financing activities</b>  | <b>-</b>                         | <b>-</b>                         | <b>9,336</b>                     |
| <b>Total net cash flows decrease</b>            | <b>3,170</b>                     | <b>(10,332)</b>                  | <b>(12,085)</b>                  |
| Cash and cash equivalents at 1 April            | 32,417                           | 29,140                           | 44,502                           |
| <b>Cash and cash equivalents at 31 December</b> | <b>35,587</b>                    | <b>18,808</b>                    | <b>32,417</b>                    |

The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in Note 23.

Statement of Cash Flows (Cont.)

For the year ended 31 December 2021

Reconciliation of net surplus/(deficit) to the net cash flows from operating activities

|   | Actual 2021<br>Jan-Dec<br>\$'000 | Budget 2021<br>Jan-Dec<br>\$'000 | Actual 2020<br>Apr-Dec<br>\$'000 |
|---|----------------------------------|----------------------------------|----------------------------------|
| <b>Surplus/(Deficit) before share of surplus of jointly controlled entities</b> | <b>(2,247)</b>                   | <b>(8,277)</b>                   | <b>(54,648)</b>                  |
| <b>Add/Less non-cash items:</b>   |                                  |                                  |                                  |
| Depreciation/Amortisation   | 10,632                           | 11,440                           | 6,964                            |
| Impairment  | -                                | -                                | -                                |
| Net (gain)/loss on disposal of non-current assets                               | 2,179                            | -                                | 1,485                            |
| Other Non-Cash Items  | 300                              | -                                | 953                              |
| Increase/(Decrease) in non-current property provision                           | (420)                            | -                                | 236                              |
| Increase/(Decrease) in non-current employee entitlements                        | (52)                             | (22)                             | (27)                             |
| <b>Total non-cash items</b>   | <b>12,639</b>                    | <b>11,418</b>                    | <b>9,609</b>                     |
| <b>Add/Less movements in working capital items:</b>                             |                                  |                                  |                                  |
| (Increase)/Decrease in inventories  | 142                              | -                                | (436)                            |
| (Increase)/Decrease in trade and other receivables                              | (3,404)                          | (123)                            | 41,554                           |
| (Increase)/Decrease in prepayments  | 124                              | -                                | 599                              |
| Increase/(Decrease) in trade and other payables                                 | (1,746)                          | (3,049)                          | 4,878                            |
| Increase/(Decrease) in revenue received in advance                              | 920                              | 2,000                            | (12,230)                         |
| Increase/(Decrease) in provisions   | -                                | -                                | (227)                            |
| Increase/(Decrease) in current employee entitlements                            | 719                              | (165)                            | 1,194                            |
| <b>Net movement in working capital items</b>                                    | <b>(3,245)</b>                   | <b>(1,337)</b>                   | <b>35,333</b>                    |
| <b>Items classified as investing activities</b>                                 | <b>-</b>                         | <b>1,159</b>                     | <b>-</b>                         |
| <b>Net cash flows from operating activities</b>                                 | <b>7,147</b>                     | <b>2,963</b>                     | <b>(9,706)</b>                   |

The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in Note 23.

Notes to the financial statements

For the year ended 31 December 2021

1 Group Information

The Group is comprised of Unitec New Zealand Limited (the Parent), and controlled entities Unitec Trust and Unitec Apprenticeship Training Trust (together the Group).

Group Financial Statements only are presented as there is no material difference between the Group and Parent Financial Statements. The impact of the controlled entities on the Group Financial Statements is presented in Note 16.

Unitec New Zealand Limited (the Institute) is a Crown entity subsidiary that is domiciled and operates in New Zealand. The Institute was established on 1 April 2020. Its immediate controlling entity is Te Pūkenga - New Zealand Institute of Skills and Technology, and the ultimate controlling entity is the New Zealand Crown. The relevant legislation governing the Institute’s operations includes the Education and Training Act 2020, the Crown Entities Act 2004, and the Companies Act 1993. The primary objective of the Institute is to provide tertiary education services for the benefit of the community rather than making a financial return. The Parent and Group are public benefit entities for the purpose of financial reporting.

The financial statements of the Group are for the year ended 31 December 2021, and were authorised for issue by the Board of Unitec New Zealand Limited on 26 April 2022.

The Institute came into existence on 1 April 2020, therefore the reporting period for the comparative financial year is for the 9-month period from 1 April 2020 to 31 December 2020. The reporting period for the current year is for the 12-month period 1 January 2021 to 31 December 2021. Due to the comparative year only covering a 9-month period, the statement of comprehensive revenue and expenses, statement of changes in net asset/equity, cash flow statement and related note are not entirely comparable. We provided an unaudited Financial Performance Summary on page 16 to reflect comparable comparative information.

2 Revenue

Revenue Recognition

Revenue is measured at fair value. Revenue is defined as either exchange or non-exchange. Revenue is classified as exchange when the value of goods or services provided is approximately equal to the value of the consideration received or to be received. Revenue is defined as non-exchange when the value of goods or services provided is not equal to the value of consideration received or to be received.

Non-exchange revenue is recognised when the terms and conditions associated with the revenue have been satisfied. Exchange revenue recognised reflects the percentage or stage of completion of supply of goods or services.

Student Achievement Component and fees-free funding - 31 December 2020 comparative year

In the 31 Dec 2020 comparative year SAC funding was provided directly by Tertiary Education Commission (TEC). In response to COVID-19, in March 2020 TEC confirmed that it will not seek repayment of 2020 Student Achievement Component (SAC) and fees-free funding if there was any under-delivery. Therefore, the Institute recognised the 2020 funding in full as revenue in the year ended 31 December 2020.

Student Achievement Component funding - 31 December 2021 year

SAC funding is the Institute’s main source of operational funding from Te Pūkenga. The Institute considers SAC funding to be non-exchange and recognises SAC funding as revenue when the course withdrawal date has passed, based on the number of eligible students enrolled in the course at that date and the value of the course. In response to COVID-19, Te Pūkenga confirmed no clawback recovery of 2021 Student Achievement Component (SAC) for any under delivery. Therefore, the Institute recognised the 2021 funding in full as revenue in the year ended 31 December 2021.

Tuition Fees

Domestic student tuition fees are subsidised by government funding and are considered non-exchange. Revenue is recognised when the course withdrawal date has passed, which is when a student is no longer entitled to a refund for withdrawing from the course.

International student tuition fees are accounted for as exchange transactions and recognised as revenue on a course percentage of completion basis. The percentage of completion is measured by reference to the days of the course completed as a proportion of the total course days.

### Performance-Based Research Fund

The Institute considers funding received from Performance-Based Research Fund (PBRF) to be non-exchange in nature. PBRF funding is specifically identified by Te Pūkenga as being for a funding period as required by Section 425 of the Education and Training Act 2020. The Institute recognises its confirmed allocation of PBRF funding at the commencement of the specified funding period, which is the same as the Institute's financial year. PBRF revenue is measured based on the Institute's funding entitlement adjusted for any expected adjustments as part of the final wash-up process. Indicative funding for future periods is not recognised until confirmed for that future period.

#### Research revenue

For an exchange research contract, revenue is recognised on a percentage completion basis. The percentage of completion is measured by reference to the actual research expenditure incurred as a proportion to total expenditure expected to be incurred. For a non-exchange research contract, the total funding receivable under the contract is recognised as revenue immediately unless there are substantive conditions in the contract. If there are substantive conditions, revenue is recognised when the conditions are satisfied. A condition could include the requirement to complete research to the satisfaction of the funder to retain funding or return unspent funds. Revenue for future periods is not recognised where the contract contains substantive termination provisions for failure to comply with the requirements of the contract. Conditions and termination provisions need to be substantive, which is assessed by considering factors such as contract monitoring mechanisms of the funder and the past practice of the funder.

|  | Actual 2021<br>Jan-Dec<br>\$'000 | Actual 2020<br>Apr-Dec<br>\$'000 |
|--|----------------------------------|----------------------------------|
| <b>(a) Government grants</b>                               |                                  |                                  |
| Student Achievement Component funding                      | 54,640                           | 485                              |
| Performance-Based Research Fund (PBRF)                     | 3,958                            | 1,562                            |
| Youth Guarantee Fund                                       | 212                              | (45)                             |
| Māori & Pasifika Grant                                     | 270                              | -                                |
| Refugee Study Grant  | 232                              | 214                              |
| Other grants   | 1,044                            | (259)                            |
|  | <b>60,356</b>                    | <b>1,957</b>                     |
| <b>(b) Student tuition fees</b>                            |                                  |                                  |
| Domestic student tuition fees *                            | 29,761                           | 8,872                            |
| International student tuition fees                         | 9,296                            | 11,291                           |
|  | <b>39,057</b>                    | <b>20,163</b>                    |
| <b>(c) Other exchange revenue</b>                          |                                  |                                  |
| Contract education   | 332                              | 258                              |
| Copy centre  | 75                               | 76                               |
| Consultancy and student projects                           | 1,460                            | 589                              |
| Research   | 3,346                            | 1,080                            |
| Gain on sale of investments, property, plant and equipment | 9                                | 61                               |
| Revenue from other operating activities                    | 3,735                            | 3,516                            |
|  | <b>8,957</b>                     | <b>5,581</b>                     |
| <b>(d) Other non-exchange revenue</b>                      |                                  |                                  |
| Student services fee income                                | 1,737                            | 726                              |
|  | <b>1,737</b>                     | <b>726</b>                       |

\* The Group presents funding received for fees-free study as part of Domestic student tuition fees, on the basis that receipts from Te Pūkenga are for payment on behalf of the student as specified in the relevant funding mechanism. As at 31 December 2021, the full year approved funding of \$3.8m has been received and recognised.

## 3 Employee Costs

Wages and salaries (including non-monetary benefits), annual leave and accumulating sick leave are recognised in surplus or deficit during the period in which the employee rendered the related services, and are generally expected to be settled within 12 months of the reporting date. The liabilities for these short-term benefits are measured at the amounts expected to be paid when the liabilities are settled.

A liability for sick leave is recognised to the extent that absences in future periods are expected to be greater than the sick leave entitlements earned in the coming year.

A liability and an expense is recognised for bonuses and redundancy costs where contractually the Group is obliged or where past practise or circumstances have created an expectation that the Group will settle an obligation.

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated as the present value of the future expected cash flows.

|                                  | Actual 2021<br>Jan-Dec<br>\$'000 | Actual 2020<br>Apr-Dec<br>\$'000 |
|----------------------------------|----------------------------------|----------------------------------|
| <b>(a) Personnel costs</b>       |                                  |                                  |
| Salaries and wages               | 72,197                           | 54,147                           |
| Employee benefits expenses       | 484                              | 247                              |
| Employee entitlements expenses   | 1,761                            | 2,479                            |
| Redundancies                     | 233                              | 142                              |
|                                  | <b>74,675</b>                    | <b>57,015</b>                    |
| <b>(b) Employee entitlements</b> |                                  |                                  |
| Current portion                  | 7,165                            | 6,446                            |
| Non-current portion              | 577                              | 628                              |
|                                  | <b>7,742</b>                     | <b>7,074</b>                     |
| Comprising of:                   |                                  |                                  |
| Salaries and wages               | 714                              | 477                              |
| Annual leave                     | 6,127                            | 5,466                            |
| Retirement leave                 | 253                              | 254                              |
| Long service leave               | 354                              | 366                              |
| Sick leave                       | 294                              | 281                              |
| Redundancy provisions            | -                                | 230                              |
|                                  | <b>7,742</b>                     | <b>7,074</b>                     |
| Redundancy provisions:           |                                  |                                  |
| 1 January 2021                   | 230                              | 559                              |
| Provision for the period         | -                                | 230                              |
| Released                         | (1)                              | (61)                             |
| Utilised                         | (229)                            | (498)                            |
| <b>31 December 2021</b>          | <b>-</b>                         | <b>230</b>                       |

Employee remuneration

During the year, the following numbers of employees of Unitec received remuneration over \$100,000

| Remuneration range  | Employee count | Remuneration range  | Employee count |
|---------------------|----------------|---------------------|----------------|
| \$100,000-\$109,999 | 55             | \$200,000-\$209,999 | 4              |
| \$110,000-\$119,999 | 26             | \$210,000-\$219,999 | -              |
| \$120,000-\$129,999 | 10             | \$220,000-\$229,999 | 1              |
| \$130,000-\$139,999 | 5              | \$230,000-\$239,999 | -              |
| \$140,000-\$149,999 | 9              | \$240,000-\$249,999 | -              |
| \$150,000-\$159,999 | 7              | \$250,000-\$259,999 | -              |
| \$160,000-\$169,999 | 4              | \$260,000-\$269,999 | -              |
| \$170,000-\$179,999 | 3              | \$270,000-\$279,999 | -              |
| \$180,000-\$189,999 | 2              | \$280,000-\$289,999 | 1              |
| \$190,000-\$199,999 | 3              | \$290,000-\$299,999 | -              |
|                     |                | \$300,000-\$309,999 | 1              |

Cessation payments

During the year, the following numbers of employees of Unitec received cessation payments.

| Employee count | \$'000 |
|----------------|--------|
| 17             | 730    |

4 Other Expenditure

|   | Actual 2021<br>Jan-Dec<br>\$'000 | Actual 2020<br>Apr-Dec<br>\$'000 |
|---|----------------------------------|----------------------------------|
| <b>(a) Finance cost</b>   |                                  |                                  |
| Interest on borrowings  | 1,374                            | 1,009                            |
| Finance lease interest  | 70                               | 38                               |
|   | <b>1,444</b>                     | <b>1,047</b>                     |
| <b>(b) Administration costs and other expenses</b>                                      |                                  |                                  |
| Audit fees - paid to principal auditor for parent and subsidiaries - current year audit | 224                              | 208                              |
| Audit fees - paid to principal auditor for parent and subsidiaries - prior year audit   | -                                | -                                |
| Audit fees - paid to principal auditor for external research income audit               | 11                               | 8                                |
| Bad debts expense/(recovered)   | 101                              | (206)                            |
| Change in provision for doubtful debts  | (154)                            | (530)                            |
| Board Fees  | 183                              | 120                              |
| Class Materials   | 2,524                            | 1,297                            |
| Research  | 1,458                            | 677                              |
| Operating lease charges   | 780                              | 854                              |
| Net (gain)/loss on disposal of non-current assets                                       | 2,188                            | 1,546                            |
| Other administrative expenses   | 18,508                           | 14,478                           |
|   | <b>25,823</b>                    | <b>18,451</b>                    |

5 Trade and Other Receivables

All receivables are short term and are recorded at their face value less any provisions for impairment. Impairment is recognised where there is objective evidence that the debtor(s) are unable to make required payments.

|  | Actual<br>31 Dec 2021<br>\$'000 | Actual<br>31 Dec 2020<br>\$'000 |
|--|---------------------------------|---------------------------------|
| <b>Trade and other receivables</b>                 |                                 |                                 |
| Student fee receivables (non-exchange)             | 815                             | 977                             |
| Trade receivables (exchange)                       | 910                             | 1,154                           |
| Te Pūkenga receivables (non-exchange) <sup>1</sup> | 3,580                           | -                               |
| Accrued interest (exchange)                        | 9                               | 23                              |
| Less provision for impairment                      | (196)                           | (457)                           |
| Other receivables                                  | 27                              | 10,427                          |
| <b>Total Trade and other receivables</b>           | <b>5,145</b>                    | <b>12,124</b>                   |

The carrying value of trade and other receivables is considered materially consistent with fair value.

| (a) Student fee receivables<br>(non-exchange) | Actual 31 Dec 2021<br>\$'000 |              |            | Actual 31 Dec 2020<br>\$'000 |              |            |
|---|------------------------------|--------------|------------|------------------------------|--------------|------------|
|   | Gross                        | Impairment   | Net        | Gross                        | Impairment   | Net        |
| 1-30 days                                     | 80                           | (14)         | 66         | 145                          | -            | 145        |
| 31-60 days                                    | 38                           | (9)          | 29         | 43                           | (16)         | 27         |
| 61-90 days                                    | 14                           | (4)          | 10         | 25                           | (19)         | 6          |
| >90 days                                      | 683                          | (169)        | 514        | 764                          | (422)        | 342        |
| <b>Total student fee receivables</b>          | <b>815</b>                   | <b>(196)</b> | <b>619</b> | <b>977*</b>                  | <b>(457)</b> | <b>520</b> |

| (b) Trade receivables<br>(exchange) | Actual 31 Dec 2021<br>\$'000 |            |            | Actual 31 Dec 2020<br>\$'000 |            |              |
|-------------------------------------|------------------------------|------------|------------|------------------------------|------------|--------------|
|                                     | Gross                        | Impairment | Net        | Gross                        | Impairment | Net          |
| 1-30 days                           | 833                          | -          | 833        | 1,142                        | -          | 1,142        |
| 31-60 days                          | 22                           | -          | 22         | 9                            | -          | 9            |
| 61-90 days                          | 22                           | -          | 22         | 3                            | -          | 3            |
| >90 days                            | 33                           | -          | 33         | -                            | -          | -            |
| <b>Total trade receivables</b>      | <b>910</b>                   | <b>-</b>   | <b>910</b> | <b>1,154*</b>                | <b>-</b>   | <b>1,154</b> |

All receivables greater than 30 days in age are considered to be past due. The impairment assessment is performed on a collective basis using 'lifetime expected credit loss' method for recognising impairment as they possess shared credit risk characteristics.

\*A prior year \$357k reclassification has been made, from Trade Receivables to Student Receivables

1 TEC receivable for 2020

| Credit Losses                                     | Actual<br>31 Dec<br>2021<br>\$'000 | Actual<br>31 Dec<br>2020<br>\$'000 |
|---|------------------------------------|------------------------------------|
| <b>(a) Student fee receivables (non-exchange)</b> |                                    |                                    |
| 1-30 days   | 80                                 | 145                                |
| 31-60 days  | 38                                 | 43                                 |
| 61-90 days  | 14                                 | 25                                 |
| >90 days  | 683                                | 764                                |
| <b>Total student fee receivables</b>              | <b>815</b>                         | <b>977</b>                         |
| <b>Expected Credit Loss Rate %</b>                |                                    |                                    |
| 1-30 days   | 18%                                | -                                  |
| 31-60 days  | 24%                                | 38%                                |
| 61-90 days  | 30%                                | 78%                                |
| >90 days  | 25%                                | 55%                                |
| <b>Expected Credit Loss</b>                       |                                    |                                    |
| 1-30 days   | 14                                 | -                                  |
| 31-60 days  | 9                                  | 16                                 |
| 61-90 days  | 4                                  | 19                                 |
| >90 days  | 169                                | 422                                |
|   | <b>196</b>                         | <b>457</b>                         |

| Credit Losses                           | Actual<br>31 Dec<br>2021<br>\$'000 | Actual<br>31 Dec<br>2020<br>\$'000 |
|---|------------------------------------|------------------------------------|
| <b>(b) Trade receivables (exchange)</b> |                                    |                                    |
| 1-30 days                               | 833                                | 1,142                              |
| 31-60 days                              | 22                                 | 9                                  |
| 61-90 days                              | 22                                 | 3                                  |
| >90 days                                | 33                                 | -                                  |
| <b>Total trade receivables</b>          | <b>910</b>                         | <b>1,154</b>                       |
| <b>Expected Credit Loss Rate %</b>      |                                    |                                    |
| 1-30 days                               | 0%                                 | -                                  |
| 31-60 days                              | 0%                                 | 0%                                 |
| 61-90 days                              | 0%                                 | 0%                                 |
| >90 days                                | 0%                                 | 0%                                 |
| <b>Expected Credit Loss</b>             |                                    |                                    |
| 1-30 days                               | -                                  | -                                  |
| 31-60 days                              | -                                  | -                                  |
| 61-90 days                              | -                                  | -                                  |
| >90 days                                | -                                  | -                                  |
|   | -                                  | -                                  |

(c) Movements in the provision for Impairment are as follows:

|  | Actual<br>31 Dec 2021<br>\$'000 | Actual<br>31 Dec 2020<br>\$'000 |
|--|---------------------------------|---------------------------------|
| <b>Student fee receivables</b>               |                                 |                                 |
| 1 January 2021                               | 457                             | 987                             |
| Additional provisions made during the period | -                               | -                               |
| Release of provision during the period       | (261)                           | (530)                           |
| <b>31 December 2021</b>                      | <b>196</b>                      | <b>457</b>                      |
| <b>Trade receivables</b>                     |                                 |                                 |
| 1 January 2021                               | -                               | -                               |
| Additional provisions made during the period | -                               | -                               |
| Release of provision during the period       | -                               | -                               |
| <b>31 December 2021</b>                      | <b>-</b>                        | <b>-</b>                        |
|  |                                 | *                               |

\* A prior year \$36k reclassification has been made, from Trade Receivables to Student Receivables provision.

## 6 Assets classified as held for sale

Land and building assets to the value of \$66.8m were held for sale as at 31 December 2021 (31 December 2020: Nil).

## 7 Trade and Other Payables

Short term trade payables and creditors are recorded at their face value as they are non-interest bearing and generally settled within 30 days.

|   | Actual<br>31 Dec 2021<br>\$'000 | Actual<br>31 Dec 2020<br>\$'000 |
|---|---------------------------------|---------------------------------|
| <b>Payables under exchange transactions</b>     |                                 |                                 |
| Trade payables                                  | 573                             | 694                             |
| Other payables - accruals                       | 6,580                           | 6,575                           |
|   | <b>7,153</b>                    | <b>7,269</b>                    |
| <b>Payables under non-exchange transactions</b> |                                 |                                 |
| Taxes payable                                   | 2,273                           | 3,904                           |
|   | <b>2,273</b>                    | <b>3,904</b>                    |
| <b>Total trade and other payables</b>           | <b>9,426</b>                    | <b>11,173</b>                   |

The carrying value of trade and other payables is considered materially consistent with the fair value.

## 8 Revenue in Advance

Revenue received in advance is recognised when payment is received before goods or services are provided in the case of exchange revenue. For non-exchange revenue payment received before obligations are satisfied shown under revenue in advance, these are then recognised as income when the conditions are satisfied.

Revenue in advance from tuition fees and International fees includes liabilities based on the remaining future delivery of courses.

|  | Actual<br>31 Dec 2021<br>\$'000 | Actual<br>31 Dec 2020<br>\$'000 |
|--|---------------------------------|---------------------------------|
| <b>Exchange transactions</b>                   |                                 |                                 |
| International student fees received in advance | 3,771                           | 5,203                           |
|  | <b>3,771</b>                    | <b>5,203</b>                    |
| <b>Non exchange transactions</b>               |                                 |                                 |
| Domestic student fees received in advance      | 3,209                           | 857                             |
|  | <b>3,209</b>                    | <b>857</b>                      |
| <b>Total revenue received in advance</b>       | <b>6,980</b>                    | <b>6,060</b>                    |

The carrying value of revenue in advance is considered materially consistent with the fair value.

## 9 Property, Plant and Equipment

Property, plant and equipment is measured initially at cost. This includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of property, plant and equipment is recognised only when it is probable that future economic benefit or service potential associated with the item will flow to the Group, and if the item's cost or fair value can be measured reliably.

Subsequent costs that meet the above criteria are added to the value of the item of property, plant and equipment.

Subsequent to initial recognition land is measured at fair value and buildings are measured at fair value less accumulated depreciation and impairment losses. All other assets are measured at cost, less accumulated depreciation and impairment losses.

|  | Land<br>\$'000 | Buildings<br>Restated<br>\$'000 | Plant &<br>Equipment<br>\$'000 | Furniture<br>& Fittings<br>\$'000 | Motor<br>Vehicles<br>\$'000 | Computer<br>Equipment<br>\$'000 | Office<br>Equipment<br>\$'000 | Library<br>Collection<br>\$'000 | Total<br>Restated<br>\$'000 |
|--|----------------|---------------------------------|--------------------------------|-----------------------------------|-----------------------------|---------------------------------|-------------------------------|---------------------------------|-----------------------------|
| <b>Cost or valuation</b>                                       |                |                                 |                                |                                   |                             |                                 |                               |                                 |                             |
| 1 April 2020 *   | 57,690         | 160,270                         | 14,465                         | 10,734                            | 1,373                       | 13,248                          | 682                           | 7,097                           | 265,559                     |
| Additions  | -              | 1,019                           | 185                            | 51                                | -                           | 2,309                           | 7                             | -                               | 3,572                       |
| Revaluation increase/(decrease)                                | 70,604         | -                               | -                              | -                                 | -                           | -                               | -                             | -                               | 70,604                      |
| Adjustments/Movement   | -              | 1,130                           | -                              | -                                 | -                           | -                               | -                             | -                               | 1,130                       |
| Disposals  | (1,100)        | (30)                            | (516)                          | (2,157)                           | (30)                        | (1,368)                         | (59)                          | -                               | (5,260)                     |
| Transfer to assets classified as held for sale                 | -              | -                               | -                              | -                                 | -                           | -                               | -                             | -                               | -                           |
| <b>31 December 2020 *</b>                                      | <b>127,194</b> | <b>162,389</b>                  | <b>14,134</b>                  | <b>8,628</b>                      | <b>1,343</b>                | <b>14,189</b>                   | <b>631</b>                    | <b>7,097</b>                    | <b>335,604</b>              |
| <b>1 January 2021</b>  | 127,194        | 162,389                         | 14,134                         | 8,628                             | 1,343                       | 14,189                          | 631                           | 7,097                           | 335,604                     |
| Additions  | -              | 1,797                           | 416                            | 372                               | -                           | 1,534                           | 2                             | 82                              | 4,203                       |
| Revaluation increase/(decrease)                                | 18,896         | 7,109                           | -                              | -                                 | -                           | -                               | -                             | -                               | 26,005                      |
| Eliminate on revaluation                                       | -              | (12,512)                        | -                              | -                                 | -                           | -                               | -                             | -                               | (12,512)                    |
| Adjustments/Movement   | -              | (843)                           | -                              | -                                 | -                           | -                               | -                             | -                               | (843)                       |
| Disposals  | -              | -                               | (106)                          | (2)                               | -                           | (1,144)                         | (3)                           | -                               | (1,255)                     |
| Transfer to assets classified as held for sale                 | (54,750)       | (12,050)                        | -                              | -                                 | -                           | -                               | -                             | -                               | (66,800)                    |
| <b>31 December 2021</b>  | <b>91,340</b>  | <b>145,890</b>                  | <b>14,444</b>                  | <b>8,998</b>                      | <b>1,343</b>                | <b>14,579</b>                   | <b>630</b>                    | <b>7,179</b>                    | <b>284,402</b>              |
| <b>Accumulated depreciation and impairment losses</b>          |                |                                 |                                |                                   |                             |                                 |                               |                                 |                             |
| 1 April 2020   | -              | 5,547                           | 6,936                          | 3,662                             | 1,333                       | 10,868                          | 613                           | 5,838                           | 34,798                      |
| Depreciation Expense   | -              | 2,409                           | 1,027                          | 600                               | 19                          | 1,267                           | 20                            | 232                             | 5,574                       |
| Eliminate on disposal  | -              | 49                              | (184)                          | (843)                             | (30)                        | (1,305)                         | (45)                          | (7)                             | (2,364)                     |
| Eliminate on revaluation                                       | -              | -                               | -                              | -                                 | -                           | -                               | -                             | -                               | -                           |
| Adjustments/Movement   | -              | -                               | -                              | -                                 | -                           | -                               | -                             | -                               | -                           |
| <b>31 December 2020</b>  | <b>-</b>       | <b>8,005</b>                    | <b>7,779</b>                   | <b>3,420</b>                      | <b>1,323</b>                | <b>10,831</b>                   | <b>588</b>                    | <b>6,063</b>                    | <b>38,008</b>               |
| <b>1 January 2021</b>  | -              | 8,005                           | 7,779                          | 3,420                             | 1,323                       | 10,831                          | 588                           | 6,063                           | 38,008                      |
| Depreciation Expense   | -              | 5,350                           | 1,296                          | 847                               | 18                          | 1,592                           | 16                            | 272                             | 9,391                       |
| Eliminate on disposal  | -              | -                               | (105)                          | (1)                               | -                           | (1,143)                         | (2)                           | -                               | (1,250)                     |
| Eliminate on revaluation                                       | -              | (12,512)                        | -                              | -                                 | -                           | -                               | -                             | -                               | (12,512)                    |
| Adjustments/Movement   | -              | (843)                           | -                              | -                                 | -                           | -                               | -                             | -                               | (843)                       |
| <b>31 December 2021</b>  | <b>-</b>       | <b>-</b>                        | <b>8,970</b>                   | <b>4,266</b>                      | <b>1,341</b>                | <b>11,280</b>                   | <b>602</b>                    | <b>6,335</b>                    | <b>32,794</b>               |
| <b>Carrying amounts</b>  |                |                                 |                                |                                   |                             |                                 |                               |                                 |                             |
| 1 April 2020 *   | 57,690         | 154,723                         | 7,528                          | 7,071                             | 39                          | 2,380                           | 70                            | 1,259                           | 230,761                     |
| <b>31 December - prior year and 1 January - current year *</b> | <b>127,194</b> | <b>154,385</b>                  | <b>6,355</b>                   | <b>5,208</b>                      | <b>20</b>                   | <b>3,358</b>                    | <b>43</b>                     | <b>1,034</b>                    | <b>297,596</b>              |
| <b>31 December 2021</b>  | <b>91,340</b>  | <b>145,890</b>                  | <b>5,474</b>                   | <b>4,732</b>                      | <b>2</b>                    | <b>3,299</b>                    | <b>28</b>                     | <b>844</b>                      | <b>251,608</b>              |

\* Refer to Note 28 for the restatement of comparative figures.

Revaluations

Land and buildings are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and occurs at least every three years. Revaluation movements are accounted for on a class-of-assets basis. Gains and losses are recognised in other comprehensive income, except in the event the loss exceeds the existing reserves. In such cases the loss is recognised in the surplus or deficit. The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset.

Independent registered valuer Coldwell Banker Richard Ellis (CBRE) was appointed to perform the 2021 valuations on Land and Buildings located at both campuses (Mt Albert and Waitākere). The previous independent valuation was performed and completed by Jones Lang LaSalle (JLL) for the 2018 annual financial statements of the Institute.

The 2021 Valuation done by CBRE shows a change in approach from the one adopted by the previous valuer to use the campus wide approach. Under this approach all buildings within the educational campus (Mt Albert campus) are treated as specialised buildings and valued at Depreciated Replacement Cost (DRC) rather than adopting market based values as per the 2018 valuations. CBRE applied shorter useful lives to the previous valuer, simply due to a change in judgement of appropriate base lives and ageing of the buildings.

Land

The fair value of land at the Mt Albert and Waitākere campuses were determined by using 31 December 2021 valuations performed by CBRE. JLL performed the valuations on land in 2018.

Land is measured at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the ‘unencumbered’ land value to take into account required changes in zoning, or to obtain resource consents to enable the land to be used for its highest and best use.

Buildings

The fair value of property at the Mt Albert and Waitākere campuses were determined by using 31 December 2021 valuations performed by the registered valuers CBRE.

Mt Albert campus buildings

As noted above the previous valuer revalued many Mt Albert campus buildings using the capitalised income approach rather than DRC. Buildings that are not specialised in nature are measured at fair value by direct reference to recent market transactions on arm’s length terms for land and buildings comparable in size and location to those held by the consolidated entity, and to market based yields for comparable properties.

Where buildings are specialised in nature, fair value is determined on a depreciated replacement cost (DRC) basis. To determine DRC the following were considered:

The replacement asset is based on the reproduction cost of the specific assets with adjustments where appropriate for optimisation due to over-design or surplus capacity. There have been no optimisation adjustments for the most recent valuations. No direct adjustments for contamination, for asbestos remediation and earthquake strengthening to the subject Campus land or properties have been made to the CBRE valuations.

The 2021 revaluation of Mt Albert campus was subject to the new Record of Title being created. The new boundaries of Mt Albert campus were finalised with the Ministry of Housing. The plan was approved by LINZ in April 2022.

The replacement cost is derived from QV costbuilder, or obtained through CBRE’s historic experience with assets of comparable nature within New Zealand or cost data provided by the Institute for the recently completed improvements. Construction costs for classroom/offices is considered \$3,750 per square metre, whereas for other buildings the costs are considered in the range of \$800 to \$3,500 per square metre. A couple of specialised buildings are valued around \$4,500 to \$4,750 per square metre and Marae valued at a cost of \$9,000 per square metre due to its unique nature and extensive technique used while building. Additional 13% Professional Fees are considered to derive Replacement cost.

The unit rates applied by CBRE reflect market conditions that are sustainable over time. Whilst there has been a sharp escalation in costs in recent months, CBRE believes that the general consensus is that costs will continue to increase.

Waitākere campus buildings

A market-based valuation was performed for the Unitec Waitākere campus.

- Market rents range from \$15 to \$250 per square metre. An increase (decrease) in market rents would increase (decrease) the fair value of non-specialised buildings.

- Capitalisation rates are market-based rates of return and range from 5.75% to 8.25%. An increase (decrease) in the capitalisation rate would decrease (increase) the fair value of non-specialised buildings.
- The IRR (yield rate for discounted cashflow) used in the discounted cash flow analysis ranged from 7.25% to 9.00%

Useful life

The remaining useful life of assets is estimated. In determining remaining useful live, CBRE considered firstly, potential total lives for the assets by reference to:

- Industry accepted building loss cycle factors (refer to QV Costbuilder and similar).
- By cross-reference to Treasury Guidelines.
- Their experience of large scale commercial and special purpose structures.

Remaining useful lives were considered against the age of the components taking into account any alterations or additions, their present condition, expected future utility and total useful life.

Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Restrictions on Title

Under the Education and Training Act 2020, the Group is required to obtain consent from the Ministry of Education to dispose of or sell property where the value of the property exceeds an amount determined by the Minister. There are also various restrictions in the form of historic designations, reserve, and endowment encumbrances attached to land. The Group does not consider it practical to disclose in detail the value of land subject to these restrictions.

Crown owned land and buildings encumbrance

During 2017 the Crown transferred the legal title of Part Lot 2 DP 406935; shown as Section 2 on SO 493517 to the Institute. A term of this transfer is that Unitec is required to remit to the Crown 20% of any proceeds from the disposal of the transferred land and/or buildings that occurs within five years of the transfer. Under the Education and Training Act 2020, the Institute is required to notify Te Pūkenga, who then obtains consent from the Secretary for Education, to dispose of land and buildings.

As at 31 December 2021 the encumbrance was still in place, however, the Crown has waived the 20% clawback for the current land sale of \$66.8m and the encumbrance will be discharged on settlement.

Assets under construction

As at 31 December 2021 the Group was engaged in various construction and development projects that were not yet completed. These assets are classified as assets under construction. Once completed these assets will be transferred from assets under construction to the relevant property, plant and equipment or intangible asset category.

|                                 | Actual<br>31 Dec 2021<br>\$'000 | Actual<br>31 Dec 2020<br>\$'000 |
|---------------------------------|---------------------------------|---------------------------------|
| Buildings                       | 20,932                          | 5,135                           |
| Software                        | 47                              | 207                             |
| Fixtures and fittings           | 1,441                           | 1,983                           |
| Total assets under construction | 22,420                          | 7,325                           |

Finance leases

The carrying value of property, plant and equipment held by the Group under finance leases and hire purchase contracts at 31 December 2021 is \$2,820,000. This relates to computer equipment \$2,776,000 and plant and equipment \$44,000. Net increases on 1 January 2021 total \$222,000; \$248,000 increases relating to computer equipment and \$26,000 decreases relating to plant and equipment. The leased assets are pledged as security for the related finance lease and hire purchase liabilities.

Depreciation

Depreciation is charged on a straight-line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or fair value of the asset less any estimated residual value over its remaining useful life.

| Asset Category         | Useful Life  |
|------------------------|--------------|
| Buildings              | 5 – 80 years |
| Plant and equipment    | 10 years     |
| Furniture and fittings | 10 years     |
| Motor vehicles         | 5 years      |
| Computer equipment     | 4 – 10 years |
| Office equipment       | 3 – 20 years |
| Library collections    | 5 – 10 years |

Leasehold assets are depreciated over the shorter of the lease term and their useful lives.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to general funds within equity.

Impairment of property, plant and equipment

Property, plant and equipment assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. If an asset’s carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return. For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

10 Intangible Assets

Course development

Externally purchased courses are capitalised and amortised over a period not exceeding five years.

Internally developed courses are expensed unless very specific criteria is met, with regards to course materials being identifiable, able to be reliably measured, controllable, and generating future economic benefits.

Software

The Group holds several computer software packages for internal use, including purchased software and software developed inhouse by the Group. Purchased software is recognised and measured at the cost. Developed software is recognised at the cost of development being primarily employee costs.

There are no restrictions over any intangible assets and no intangible assets are pledged as security.

|  | Computer Software<br>\$'000 | Total<br>\$'000 |
|--|-----------------------------|-----------------|
| <b>Cost or valuation</b>                                 |                             |                 |
| 1 April 2020   | 27,244                      | 27,244          |
| Additions  | 387                         | 387             |
| Impairment   | -                           | -               |
| <b>31 December 2020</b>                                  | <b>27,631</b>               | <b>27,631</b>   |
|  |                             |                 |
| 1 January 2021   | 27,631                      | 27,631          |
| Additions  | 198                         | 198             |
| Impairment   | -                           | -               |
| <b>31 December 2021</b>                                  | <b>27,829</b>               | <b>27,829</b>   |
|  |                             |                 |
| <b>Accumulated amortisation and impairment losses</b>    |                             |                 |
| 1 April 2020   | 24,791                      | 24,791          |
| Amortisation Expense                                     | 1,396                       | 1,396           |
| Impairment   | -                           | -               |
| <b>31 December 2020</b>                                  | <b>26,186</b>               | <b>26,186</b>   |
|  |                             |                 |
| 1 January 2021   | 26,186                      | 26,186          |
| Amortisation Expense                                     | 1,241                       | 1,241           |
| Impairment   | -                           | -               |
| <b>31 December 2021</b>                                  | <b>27,427</b>               | <b>27,427</b>   |
|  |                             |                 |
| <b>Carrying amounts</b>                                  |                             |                 |
| 1 April 2020   | 2,453                       | 2,453           |
| At 31 December - prior year and 1 January - current year | 1,444                       | 1,444           |
| <b>31 December 2021</b>                                  | <b>402</b>                  | <b>402</b>      |

Amortisation of intangible assets is recognised within depreciation and amortisation expense in the statement of comprehensive income. All intangible assets are amortised on a straight line basis over the following periods which is assessed to be their useful lives:

|                    |   |
|--------------------|---|
| Course development | 5 years (externally purchased courses only) |
| Computer software  | 3 - 10 years                                |

Impairment of intangible assets

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment. For further details refer to the policy for impairment of property, plant and equipment in Note 9. The same approach applies to the impairment of intangible assets.

## 11 Borrowings

On 31 August 2018, the Institute entered into an unsecured Concessionary Loan Agreement with the Crown for up to \$50m. This loan was established in accordance with the conditions of the Consent to Borrow granted by the Secretary for Education.

As at 31 December 2021, the Institute had drawn down total consideration of \$50m (Tranche A \$10m, Tranche B \$17m, Tranche C \$8m, Tranche D \$5m, Tranche E \$10m). The maturity date of each tranche is 10 years from their start dates, the start dates being 14 September 2018, 16 November 2018, 24 May 2019, 22 November 2019 and 12 May 2020.

The concessionary loan is recognised initially at fair value, based on the discounted future cash flows using a market related rate in interest for a similar loan. (Refer to Note 20 for further details.) The difference between the fair value and the loan proceeds has been recognised as a capital contribution from the Crown.

The loan is subsequently measured at amortised cost and the carrying value adjusted for changes in the timing of future cash flows. Any adjustment to the carrying value due to changes in the timing of future cash flows is recognised directly in equity.

Leases are classified into two categories, finance leases and operating leases. Arrangements are determined to be finance leases if the arrangement transfers substantially all of the risks and benefits incidental to ownership of the leased item to the Group. Conversely, if the arrangement does not transfer substantially all risks and rewards to the Group it is classified as an operating lease.

If an arrangement is classified as a finance lease the assets held under the arrangements are recognised in the statement of financial position and classified as property, plant and equipment. A liability is also recognised. The asset and liability are initially recognised at the lower of the present value of the future lease payments and the fair value of the leased assets. Subsequent to initial recognition the assets are depreciated over their useful lives. The lease repayments are apportioned between interest and principle repayments.

|                                  | Actual<br>31 Dec 2021<br>\$'000 | Actual<br>31 Dec 2020<br>\$'000 |
|----------------------------------|---------------------------------|---------------------------------|
| <b>Current Portion</b>           |                                 |                                 |
| Borrowings/loans                 | 21,000                          | 21,000                          |
| Finance leases                   | 1,060                           | 900                             |
| <b>Total current portion</b>     | <b>22,060</b>                   | <b>21,900</b>                   |
| <b>Non-current portion</b>       |                                 |                                 |
| Borrowings/loans                 | 23,558                          | 22,840                          |
| Finance leases                   | 1,802                           | 1,726                           |
| <b>Total non-current portion</b> | <b>25,360</b>                   | <b>24,566</b>                   |
| <b>Total borrowings</b>          | <b>47,420</b>                   | <b>46,466</b>                   |

### Analysis of finance leases

|  | Actual<br>31 Dec 2021<br>\$'000 | Actual<br>31 Dec 2020<br>\$'000 |
|--|---------------------------------|---------------------------------|
| <b>Total minimum lease payments payable</b>          |                                 |                                 |
| Within one year                                      | 1,060                           | 957                             |
| After one year but not more than five years          | 1,802                           | 1,669                           |
| <b>Total present value of minimum lease payments</b> | <b>2,862</b>                    | <b>2,626</b>                    |

The finance leases can be renewed at the Group's option, with rents set by reference to current market rates for items of equivalent age and condition. The Group does have the option to purchase the asset at the end of the lease term, but it is likely the option to purchase will not be exercised because the leased assets are usually technologically obsolete at lease expiry. The Group is not permitted to pledge the leased assets as security nor can it sublease the leased equipment without the permission of the lessor. There are no other restrictions on the Group by any of the finance leasing arrangements.

## 12 Provisions

Provisions relate to future unavoidable costs valued at year end prices.

|                                     | Actual<br>31 Dec 2021<br>\$'000 | Actual<br>31 Dec 2020<br>\$'000 |
|-------------------------------------|---------------------------------|---------------------------------|
| <b>Current Provisions</b>           |                                 |                                 |
| Other Provisions                    | -                               | -                               |
| Lease Make Good                     | -                               | -                               |
| <b>Total current provisions</b>     | <b>-</b>                        | <b>-</b>                        |
| <b>Non-Current Provisions</b>       |                                 |                                 |
| Other Provisions                    | -                               | -                               |
| Lease Make Good                     | 296                             | 716                             |
| <b>Total non-current Provisions</b> | <b>296</b>                      | <b>716</b>                      |
| <b>Total provisions</b>             | <b>296</b>                      | <b>716</b>                      |

### The nature of the provisions are as follows:

Lease Make Good provisions are in respect of leased premises where the Group is required at the expiry of the lease term to make good any damage and remove any fixtures and fittings installed by the Group.

| (a) Movements in the provision are as follows: | Actual<br>31 Dec 2021<br>\$'000 | Actual<br>31 Dec 2020<br>\$'000 |
|--|---------------------------------|---------------------------------|
| <b>Other Provisions</b>                        |                                 |                                 |
| Opening  | -                               | 41                              |
| Released during the year                       | -                               | (41)                            |
| <b>Closing</b>                                 | <b>-</b>                        | <b>-</b>                        |
| <b>Lease Make Good</b>                         |                                 |                                 |
| Opening  | 716                             | 700                             |
| Released during the year                       | (420)                           | 16                              |
| <b>Closing</b>                                 | <b>296</b>                      | <b>716</b>                      |

## 13 Operating Lease Commitments

### Operating leases as lessee

|  | Actual<br>31 Dec 2021<br>\$'000 | Actual<br>31 Dec 2020<br>\$'000 |
|--|---------------------------------|---------------------------------|
| <b>Non-cancellable operating lease commitments</b> |                                 |                                 |
| <b>Land and buildings</b>                          |                                 |                                 |
| Within one year                                    | 260                             | 196                             |
| Later than one year and not later than two years   | 64                              | 162                             |
| Later than two years and not later than five years | -                               | 178                             |
| Later than five years                              | -                               | -                               |
|  | <b>324</b>                      | <b>536</b>                      |

### Operating leases as lessor

The Group has entered into commercial leases with tenants on land and buildings. These leases have a non-cancellable remaining term of two to 10 years.

|  | Actual<br>31 Dec 2021<br>\$'000 | Actual<br>31 Dec 2020<br>\$'000 |
|--|---------------------------------|---------------------------------|
| <b>Non-cancellable operating lease commitments</b> |                                 |                                 |
| <b>Land and buildings</b>                          |                                 |                                 |
| Not later than one year                            | 504                             | 812                             |
| Later than one year and not later than two years   | 156                             | 730                             |
| Later than two years and not later than five years | 360                             | 2,011                           |
| Later than five years                              | 199                             | 1,244                           |
|  | <b>1,219</b>                    | <b>4,797</b>                    |

No contingent rents have been recognised in the statement of comprehensive income during the year.

## 14 Commitments

### Capital commitments

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

|                                  | Actual<br>31 Dec 2021<br>\$'000 | Actual<br>31 Dec 2020<br>\$'000 |
|----------------------------------|---------------------------------|---------------------------------|
| Buildings                        | 16,306                          | 8,623                           |
| Computer equipment               | -                               | 761                             |
| Computer software                | -                               | -                               |
| Fixtures and fittings            | -                               | -                               |
| Plant and equipment              | -                               | -                               |
| Course development               | -                               | -                               |
| <b>Total capital commitments</b> | <b>16,306</b>                   | <b>9,384</b>                    |

## 15 Contingent Liabilities

From time to time the Group provides guarantees and is subject to certain personal grievance actions. As a result, costs could be incurred by the Group. At balance date there are no matters that would materially impact on the Group's financial position.

## 16 Unitec Controlled Entities

Unitec controls two entities. They are constituted as charitable trusts being Unitec Trust, and Unitec Apprenticeship Training Trust. The charitable purposes of the trusts are to further student education, achievement and employment.

|  | Actual<br>31 Dec 2021<br>\$'000 | Actual<br>31 Dec 2020<br>\$'000 |
|--|---------------------------------|---------------------------------|
| <b>Summarised statement of financial position</b>    |                                 |                                 |
| <b>Assets</b>  |                                 |                                 |
| Current assets                                       | 331                             | 329                             |
| Non-current assets                                   | -                               | -                               |
| <b>Total assets</b>                                  | <b>331</b>                      | <b>329</b>                      |
| <b>Liabilities</b>                                   |                                 |                                 |
| Current liabilities                                  | -                               | -                               |
| Non-current liabilities                              | -                               | -                               |
| <b>Total liabilities</b>                             | <b>-</b>                        | <b>-</b>                        |
| <b>Net assets</b>                                    | <b>331</b>                      | <b>329</b>                      |
| <b>Summarised statement of financial performance</b> |                                 |                                 |
| Income   | 1                               | 2                               |
| Expenses   | -                               | -                               |
| <b>Net surplus/(deficit)</b>                         | <b>1</b>                        | <b>2</b>                        |

17 Related Party Transactions

- Related Party disclosures have not been made for transactions with related parties that are:
- Within a normal supplier or client/recipient relationship; and
  - On terms and conditions no more or less favourable than those that are reasonable to expect that the Institute would have adopted in dealing with the party at arm's length in the same circumstances.

Further, transactions with government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements with tertiary education institutions and undertaken on the normal terms and conditions for such transactions

|   | Actual<br>31 Dec 2021<br>\$'000 | Actual<br>31 Dec 2020<br>\$'000 |
|---|---------------------------------|---------------------------------|
| <b>Board</b>                                      |                                 |                                 |
| Remuneration                                      | 171                             | 120                             |
| Full-Time Equivalent members                      | 1                               | 1                               |
| <b>Leadership Team</b>                            |                                 |                                 |
| Salaries and other short term employee benefits * | 1,173                           | 1,298                           |
| Full-Time Equivalent members                      | 4.0                             | 5.3                             |
| <b>Total remuneration</b>                         | <b>1,344</b>                    | <b>1,418</b>                    |

18 Board Fees

The following fees were paid to members of the Board:

|                         | Actual<br>31 Dec 2021<br>\$'000 | Actual<br>31 Dec 2020<br>\$'000 |
|-------------------------|---------------------------------|---------------------------------|
| <b>Board Fees</b>       |                                 |                                 |
| Peter Winder            | 40                              | 30                              |
| Steven Renata           | 20                              | 15                              |
| Peter Parussini         | 20                              | 15                              |
| Monique Cairns          | 20                              | 15                              |
| Ziena Jalil             | 20                              | 15                              |
| Robert Reid             | 20                              | 15                              |
| Andrew (Fale) Lesa      | 20                              | 15                              |
| Marama Royal            | 12                              | -                               |
| <b>Total Board Fees</b> | <b>172</b>                      | <b>120</b>                      |

\* This includes salaries and other short term employee benefits for those members of the leadership team who have left Unitec during the period.

19 Basis of Preparation

Statement of compliance and basis of preparation

The financial statements have been prepared on a disestablishment basis, as the Education and Training Act 2020 (the Act) states that each Te Pūkenga subsidiary continues in existence until the close of 31 December 2022. Under the Act, Te Pūkenga may dissolve Unitec New Zealand Limited at or before this date and transfer some or all the rights, assets, and liabilities to Te Pūkenga or another Te Pūkenga subsidiary. Because the vocational education will continue to be provided after the transfer, no changes were made to the carrying value of assets and liabilities as a result of the disestablishment basis of accounting.

Presentation, currency and rounding

The financial report is presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated.

## 20 Critical accounting estimates and assumptions, and judgements in applying accounting policies

The preparation of the Group’s Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Estimates and assumptions

#### Estimating the fair value of land and buildings

The key assumptions used to determine the fair value of these non-financial assets are provided in Note 9.

#### Concessionary Loan

On 31 August 2018, Unitec and the Crown entered into a concessionary loan agreement for up to \$50m at 0% interest. The terms and conditions of the loan state:

- Each Tranche is available during the availability period
- The final repayment date is 10 years after the drawdown date, unless prior repayment conditions have been agreed.

The following repayment plan for the Crown Concessionary Loan was agreed with TEC as an administrator of the loan in 2021.

- Repayment of \$21m on settlement of the land sale to Ministry of Housing and Urban Development (HUD), which is anticipated to be in mid 2022
- A further repayment, if applicable, using the Net Cash Flow from Operations (NCFO) methodology (adjusted for capital expenditure cash flows) following a reforecast of 2022 performance once Semester One enrolments are known. Unitec has committed to undertaking this reforecast by 13 May 2022 and engaging with the TEC regarding an additional repayment at that time.
- Any remaining amount, if applicable, would be agreed as part of the engagement between Unitec and the TEC following Unitec’s reforecast of 2022 performance.
- The net cash flow position at the time of adoption of the financial statements will not result in further immediate repayment of cash to TEC. At this point, Unitec’s 2022 forecast suggests a drop in EFTS and related revenue. Unitec is committed to doing regular cost assessments to keep the projected expenses in line with the drop in EFTS while managing the current inflationary pressure. The 2022 capital expenditure budget covers the planned Capex for the upgrade of Building 108 for our Creative Industries relocation, deferred maintenance, and BAU requirements, however, the Institute needs to cover any unexpected costs (both Capex and Opex) or contingencies in 2022.
- The assumption that the remaining tranches will be repaid in line with the 10-year settlement dates, remains valid.

Any changes to this in the short term are highly unlikely.

- Any decision made in engaging with TEC after the May 2022 forecast will remain in line with clause 12.8 of the Concessionary Loan Agreement, which requires that any payment obligations to TEC should not significantly impact Unitec’s financial viability and solvency.

### Judgements

#### Revenue and capital contributions

Most Crown funding received is operational in nature and is provided by the Crown under the authority of an expense appropriation and is recognised as revenue. Where funding is received from the Crown under the authority of a capital appropriation, the Group accounts for the funding as a capital contribution directly in equity.

#### Classification of concessionary loan

The Group has exercised judgement when classifying its concessionary loan as current or non-current based on when it expects to be required to make repayments as a result of asset disposals.

This judgement is made at year-end as required by the accounting standards. The TEC confirmation in terms of what is due in the short term formed the main basis of only classifying the \$21m as a current liability as this is the only amount agreed and committed to. Any additional cash repayments will only be agreed upon after the review of the latest forecast in May 2022. As noted above, it is highly unlikely that any additional cash will flow back to TEC from the proceeds of land sales in the next 12 months.

## 21 Financial Instruments

### Financial instrument categories

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are recognised initially at fair value plus transaction costs, and subsequently measured at amortised cost using the effective interest rate method. All financial assets being cash and cash equivalents, term deposits, trade and other receivables and loans to joint ventures have been categorised as loans and receivables.

During 2021 the Institute sent debts worth \$0.4m to a third party (Baycorp) for recovery, out of which 38% were recovered by the end of 2021.

Financial liabilities being trade and other payables (excluding revenue in advance), borrowings and finance leases are categorised as financial liabilities measured at amortised cost.

The Institute has a Bank guarantee arrangement with Brosnan Construction Ltd for \$500,000.

The Institute does not hold any derivative financial instruments.

|  | Actual<br>31 Dec 2021<br>\$'000 | Actual<br>31 Dec 2020<br>\$'000 |
|--|---------------------------------|---------------------------------|
| <b>Financial Instrument Categories</b>   |                                 |                                 |
| The accounting policies for financial instruments have been applied to the line items below: |                                 |                                 |
| <b>Financial Assets</b>  |                                 |                                 |
| <b>Loans and Receivables</b>   |                                 |                                 |
| Cash and Cash Equivalents  | 35,587                          | 32,417                          |
| Student Fees and Other Receivables   | 5,145                           | 12,124                          |
| Total Loans and Receivables  | 40,732                          | 44,541                          |
| <b>Financial Liabilities</b>   |                                 |                                 |
| <b>Financial Liabilities Measured at Amortised Costs</b>                                     |                                 |                                 |
| Creditors and other payables   | 9,426                           | 11,173                          |
| Finance Lease  | 2,862                           | 2,626                           |
| Borrowings   | 44,558                          | 43,840                          |
| Total Financial Liabilities Measured at Amortised Cost                                       | 56,846                          | 57,639                          |
| <b>Financial Liabilities Measured at Fair Value</b>  |                                 |                                 |
| Derivative financial instruments   | -                               | -                               |
| Total Financial Liabilities Measured at Fair Value   | -                               | -                               |

### Financial instrument risks

The Group’s activities expose it to a variety of financial instrument risks, including market risk, interest rate risk, credit risk and liquidity risk. The Group has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure to those instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

Contractual Maturity Analysis of Financial Liabilities

The table below analyses financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are contractual undiscounted cashflows.

| All in \$000s                                 | Carrying Amount | Contractual Cash Flow | Less than 6 Months | 6-12 Months | 1-2 Years | 2-3 Years | More than 3 Years |
|---|-----------------|-----------------------|--------------------|-------------|-----------|-----------|-------------------|
| 31 December 2021                              |                 |                       |                    |             |           |           |                   |
| Trade and other payables                      | 9,426           | 9,426                 | 9,426              | -           | -         | -         | -                 |
| Finance leases                                | 2,862           | 2,972                 | 2                  | 11          | 393       | 1,375     | 1,191             |
| Borrowings                                    | 44,558          | 50,000                | 21,000             | -           | -         | -         | 29,000            |
| Total Financial Liabilities at Amortised Cost | 56,846          | 62,398                | 30,428             | 11          | 393       | 1,375     | 30,191            |
| Derivative financial instruments              | -               | -                     | -                  | -           | -         | -         | -                 |
| Total Financial Liabilities at Fair Value     | -               | -                     | -                  | -           | -         | -         | -                 |

| All in \$000s                                 | Carrying Amount | Contractual Cash Flow | Less than 6 Months | 6-12 Months | 1-2 Years | 2-3 Years | More than 3 Years |
|---|-----------------|-----------------------|--------------------|-------------|-----------|-----------|-------------------|
| 31 December 2020                              |                 |                       |                    |             |           |           |                   |
| Trade and other payables                      | 11,173          | 11,173                | 11,173             | -           | -         | -         | -                 |
| Finance leases                                | 2,626           | 2,738                 | 41                 | 114         | 50        | 634       | 1,899             |
| Borrowings                                    | 43,840          | 50,000                | 21,000             | -           | -         | -         | 29,000            |
| Total Financial Liabilities at Amortised Cost | 57,639          | 63,911                | 32,214             | 114         | 50        | 634       | 30,899            |
| Derivative financial instruments              | -               | -                     | -                  | -           | -         | -         | -                 |
| Total Financial Liabilities at Fair Value     | -               | -                     | -                  | -           | -         | -         | -                 |

Market risk

The Group is subject to interest rate risk and foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. The Group manages this risk through the use of interest rate swaps, options and caps to fix interest rates on forecast future borrowings. The Group updates forecast cash flows and associated future debt levels on a short, medium and long term basis on a weekly and monthly basis to ensure sufficient interest rate cover is maintained.

Term deposits are made for periods less than, equal to, or greater than three months, depending on the Group’s cash requirements, and earn interest at the respective short-term deposit rates.

Foreign exchange risk

Foreign exchange rate risk is the risk that the value of foreign currency denominated future cash flows will fluctuate due to changes in exchange rates.

Sensitivity analysis

As at 31 December 2021, if the average interest rate on interest-bearing deposits over the year had been 100 basis points higher or lower, with all other variables held constant, the (deficit)/surplus would have been:

| Period ended     | Higher  | Lower     |
|------------------|---------|-----------|
| 31 December 2021 | 270,152 | (270,152) |
| 31 December 2020 | 361,761 | (361,761) |

Credit risk

Credit risk represents the risk that a third party will default on its obligations to the Group, causing it to incur a loss. Financial instruments which subject the Group to credit risk consist of bank balances, bank term deposits and trade and other receivables. For each of these, the maximum credit exposure is best represented by the carrying amount in the statement of financial position.

Cash, deposits and derivatives are held with registered banks in New Zealand which are rated at least Aa2 by Moody’s and AA – by Standard & Poor’s.

The Group does not require collateral or security to support financial instruments. Trade receivables (at year end) relate to receivables from students and commercial debtors. Exposure to bad debts is not considered significant and is provided for at historic impairment rates.

Liquidity risk

Liquidity risk represents the Group’s ability to meet its contractual obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash, availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group mostly manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

The Group has cash, short-term deposits and borrowings that it can use to meet its ongoing payment obligations.

The Group’s creditors are mainly those reported as trade and other payables and borrowings. The Group will pay trade and other creditors within 30 days of incurring the liability. The contractual maturity of Borrowings and Finance leases are disclosed in Note 11.

On 31 August 2018, the Institute entered into an unsecured Concessionary Loan Agreement with the Crown for up to \$50m. This loan was established in accordance with the conditions of the Consent to Borrow granted by the Secretary for Education. The loan is fully drawn as at 31 December 2021 and a repayment plan is agreed with TEC as an administrator of the loan in 2021, whereby \$21m is payable on settlement of the land sale to HUD which is anticipated to be in early 2022. For any further repayment NCFO methodology (adjusted for capital expenditure cash flows) is in place and it would be agreed as part of the engagement between the Institute and the TEC following the Institute’s reforecast of 2022 performance.

22 Capital Management

The Group’s capital is its equity, which is comprised of accumulated funds and revaluation reserves. Equity is represented by net assets.

The Group is subject to the financial management and accountability provisions of the Education and Training Act 2020, which impose restrictions on disposing of assets or interests in assets, ability to mortgage or otherwise charge assets or interests in assets, granting leases of land or buildings or parts of buildings, and borrowing.

The Group manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments and general financial dealings, to ensure that the Group effectively achieves its objectives and purpose, while remaining a going concern.

## 23 Major Budget Variances

The budget figures are derived from the Group's 2021 budget which were approved by the Board in September 2020. The budget figures shown in the Financial Statements are for 12 months to 31 December 2021, and have been prepared in accordance with PBE FRS 42 using accounting policies consistent with those applied in preparing the December 2021 financial statements.

Explanations for significant variances from budget are as follows:

### Statement of Comprehensive Income

#### Revenues

Government grants and Student Tuition fees favourable variance:

- higher number of actual EFTS than budgeted as a result of higher uptake in Targeted Training and Apprenticeship Fund (TTAF) programmes, coupled with 2020 wash up revenue received in 2021.

#### Expenses

Personnel costs favourable variance:

- due to tighter control over new employee recruitment, delayed recruitment of replacement positions, strategies such as using casuals or contractors to fill the gap caused by vacancies. This is offset by a significant adverse holiday pay variance caused by COVID-19 lockdown.

#### Depreciation and Amortisation favourable variance:

- Building 108 was budgeted to be capitalised in 2021, not capitalised as a result of delays caused by the lockdown.

#### Administration and other expenses favourable variances:

- Reduced property overheads due to campus closure from August 21 during lockdown, lower student projects expenses due to delays in building houses, lower research expenses due to the cancellation of one research contract offset by one-off Asbestos and Building 48 expenses incurred in 2021.

### Statement of Financial Position

#### Assets

- Increase in current assets over budget (with a simultaneous decrease in non current asset) due to movement of \$66.8m of Land as Assets held for sale.
- Variance in non current assets primarily due to higher opening assets in 2021 as a result of \$70m of property revaluation gain considered in 2020. This was not considered under the 2021 budget.
- Assets under construction shows capital spent on property projects including Building 108 roof project where \$14m of spend over budget, as a result of additional approval of \$24m granted during 2021. The project is not completed due to delays caused by COVID-19.

#### Liabilities

Total Liabilities are in line with the budget. Higher employee entitlement liabilities than budget caused by COVID-19 lockdown offset by other reduced liabilities under borrowings and revenue in advance.

### Statement of Cash Flows

#### Cash from operating activities

Operating cashflow is higher than budget due to higher opening cash and the change in EBITDA.

#### Cash from investing activities

Net cash flows from investing activities is higher than the budget due to additional spend in capital project offset by \$10m land sale retention money received.

#### Cash from financing activities

Net cash flows from financing activities are towards finance lease payments.

## 24 COVID-19

On 11 March 2020, the World Health Organisation declared the outbreak of the COVID-19 global pandemic. Since then, the New Zealand Government has implemented a range of domestic restrictions and border controls to limit the spread of the virus. The effect on Unitec's operations is reflected in these financial statements based on the information available to the date these financial statements were approved.

The main impacts on the Institute's financial statements due to COVID-19 are explained below. This includes information about key assumptions concerning the future and other sources of estimation uncertainty due to COVID-19. The main impacts on Unitec's performance measures are explained in the Statement of Service Performance on page 17.

#### Revenue

In 2021 Te Pūkenga agreed (and endorsed by Council) that initial allocations will remain due to significant disruptions in 2021 delivery. In January 2022 Te Pūkenga confirmed no clawback recovery for 2021 funding. This provided the Institute with certainty that it could continue to deliver to students despite the disruption caused by COVID-19. As a consequence of this, Unitec recognised the no clawback funding revenue funding in its 2021 financial statements.

Other revenues generated from rental income were impacted adversely due to the closure of the campuses during Levels 3 and 4 lockdowns, where no rentals were charged to the tenants. The inability to complete house builds and move these houses offsite due to campus closures meant that revenue could not be recognised for the houses, as budgeted in 2021.

#### Students

The closure of our borders had a detrimental impact on our international student numbers for 2021, which were down over 200 EFTS in the prior year. However, domestic numbers showed a positive impact due to the adverse economy and Government initiatives such as TTAF/Fees-Free resulting in an increase of 700 EFTS in 2020.

#### Suppliers

Suppliers were not adversely impacted except where services were to be delivered in lockdown. The impacts of lockdown meant that in some situations timing of delivery was delayed in line with amended course dates. Where required Unitec has acquired additional personal protective equipment to allow for both staff and students to comply with the COVID-19 restrictions in line with Government's guidelines.

Unitec experienced long delays due to border closures where goods were sourced from offshore suppliers. Sourcing IT equipment continued to be the main problem in 2021. Renewing staff laptop leases and student laptops under the TAFL funding was significantly impacted where the stock was not in the country. The shortage of housing material caused a considerable delay in completing the houses planned. Delays in getting project supplies and inability to work onsite due to COVID-19 lockdown caused disruptions for key capital projects and stretched the completion timelines further.

#### Employees

The impact on employees and productivity was minimal as courses were delivered online, and support services were also delivered via an online mechanism. Where required Unitec altered working patterns or added additional staff to allow for COVID-19 restrictions in line with the Government's guidelines.

#### Liquidity

The adverse impact on cash flows from lower international student numbers has been offset by higher than budgeted domestic student numbers, tighter controls on the operating cost, and Te Pūkenga waiving the 2021 funding wash-up requirements.

#### Property Asset fair value

The revaluation of Unitec land and Buildings as of 31 December 2021 showed an increase in property values. It is not known if any of this increase is directly attributable to COVID-19.

#### Impairment of Assets

An impairment assessment has been completed for tangible and intangible assets. The result of this assessment was that there was no impairment to recognise. The recoverability of receivables has been reviewed and no significant increases in impairment have arisen due to COVID-19.

## 25 Significant events after balance date

There have been no material events after balance date.

## 26 Income tax and other taxes

### Income tax

The Group is exempt from income tax. Accordingly, no provision has been made for income tax.

### Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- In the case of receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a net basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

## 27 Standards and amendments issued

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Institute and Group are:

### Financial Instruments

The Institute along with the Group has early adopted PBE IPSAS 41 Financial Instruments for the year ended 31 December 2021. This new standard is effective for periods beginning on or after 1 January 2022, however, the Group has elected to early adopt the standard. PBE IPSAS 41 establishes requirements for the recognition and measurement of financial instruments by Tier 1 and Tier 2 public benefit entities. This standard replaces PBE IPSAS 29 Financial Instruments.

### Recognition and Measurement

PBE IPSAS 41 largely retains the existing requirements in PBE IPSAS 29 for classification and measurement of financial liabilities. The adoption of PBE IPSAS 41 has not had a significant effect on the Institute's accounting policies related to financial liabilities. The Institute has determined that the application of PBE IPSAS 41's impairment requirement is not material.

### Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 31 December 2023, with early application permitted. The Institute has not assessed in detail the impact of PBE FRS 48 on its Statement of Service Performance.

### Accounting for Leases

PBE IPSAS 13 Accounting for Leases is effective for reporting periods beginning on or after 1 January 2022 with early adoption permitted in the financial year starting 1 January 2020. The Institute does not intend to early adopt this standard and intends to adopt the standard for the 31 December 2022 financial year.

## 28 Restatement of comparative figures

### Accounting Policy

All material prior-period misstatements are corrected retrospectively by restating the comparative figures in the financial statements after their discovery.

### Impact of restatement of comparative figures

During the revaluation of building assets as at 31 December 2021, it was identified that some components of Building 108 (B108) had not been disposed of in prior years when no future service potential was expected from those components.

An assessment of the appropriate effective date for disposal of the services and fitout elements of B108 was carried out for the purpose of 31 December 2021 financial statements. We estimated that there was an insignificant book value left for these components as at 1 April 2020. The book value hence needed to be adjusted at that date to ensure that the revaluation movement in the current financial year is fairly presented.

While the decision to replace the B108 roof was made in October 2020, the review of earlier Executive team decisions taken prior to this it is clear that in substance decisions for the future use of this building including demolition as a result of poor condition, particularly of the roof, were made prior to 1 April 2020. The delays appear to be in relation to the governance structure and ensuring alignment to strategy.

It is important to note the fact that the demolition and works commenced almost immediately post the October decisions, consents were in place and contracts had been substantively negotiated and parties in place subject to the final decisions. Therefore, the disposal decision of building components has been recorded effective 1 April 2020 via an opening balance adjustment. We believe the adjustment is a reliable estimate based on the best information available.

The effect of this is shown as a restatement of comparative figures as at 1 April 2020 and 31 December 2020 to reduce \$2.5m of property, plant and equipment and general funds previously recognised. Additionally, the revaluation reserve of \$311,963 for the building components disposed of is transferred to general funds.

### Comparative figures restatement impact

|   | As previously<br>stated<br>\$'000 | Adjustment<br>\$'000 | Restated<br>\$'000 |
|---|-----------------------------------|----------------------|--------------------|
| <b>Statement of financial position as at 1 April 2020</b> |                                   |                      |                    |
| <b>Impact on</b>  |                                   |                      |                    |
| Property, plant and equipment                             | 233,261                           | (2,500)              | 230,761            |
| Total non-current assets                                  | 241,969                           | (2,500)              | 239,469            |
| Total assets  | 339,375                           | (2,500)              | 336,875            |
| Net assets  | 272,023                           | (2,500)              | 269,523            |
|   |                                   |                      |                    |
| General Funds   | 176,283                           | (2,188)              | 174,095            |
| Building revaluation reserves                             | 45,953                            | (312)                | 45,641             |
| <b>Total equity</b>                                       | <b>272,023</b>                    | <b>(2,500)</b>       | <b>269,523</b>     |

### Statement of financial position as at 31 December 2020

|                               |                |                |                |
|-------------------------------|----------------|----------------|----------------|
| <b>Impact on</b>              |                |                |                |
| Property, plant and equipment | 300,096        | (2,500)        | 297,596        |
| Total non-current assets      | 308,866        | (2,500)        | 306,366        |
| Total assets                  | 361,397        | (2,500)        | 358,897        |
| Net assets                    | 289,908        | (2,500)        | 287,408        |
|                               |                |                |                |
| General Funds                 | 124,495        | (2,188)        | 122,307        |
| Building revaluation reserves | 45,926         | (312)          | 45,614         |
| <b>Total equity</b>           | <b>289,908</b> | <b>(2,500)</b> | <b>287,408</b> |

The impact on the depreciation of the 2020 year is trivial and therefore no adjustment has been shown for this.

# Appendix Āpitihangā

## 1 Student services fee

In accordance with the Education Act 1989, the Minister for Tertiary Education, Skills and Employment issues directions annually to providers relating to Compulsory Student Services Fees. Providers are required to comply with the Ministerial Direction, within given timeframes and ensure there are appropriate mechanisms for enrolled students to be involved in specific aspects of the process.

The direction allows for a student services fee or levy to be charged for some types of services and includes requirements to account separately for these fees. Unitec complies with this aspect by using a unique separate general ledger account for student services.

It also requires institutions to report a description of the services funded out of the fee and a statement of the fee income and expenditure for each type of student service in the Institution's annual report as well as the levy charged per Equivalent Full Time Student (EFTS). The levy per EFTS in 2021 was \$356, and the accompanying tables provide an overview of the income and expenditure related to this.

The direction also requires providers to make decisions jointly or in consultation with students or their representatives on the amount of the fee, the types of services to be delivered, and how these are procured and how expenditure is authorised. Unitec consulted with students through the Unitec Student Council on these matters prior to providing a proposal to the Unitec Council for the setting and use of these fees for 2021.

| FY2021<br>\$ Figures | Advocacy and<br>Legal Advice | Career<br>Information,<br>Advice and<br>Guidance | Counselling<br>Services and<br>Pastoral Care | Employment<br>Information | Financial<br>Support and<br>Advice | Health<br>Services | Media   | Childcare<br>Services | Clubs and<br>Societies | Sports,<br>Recreation<br>and Cultural<br>Activities | Total<br>\$ |
|----------------------|------------------------------|--|--|---------------------------|------------------------------------|--------------------|---------|-----------------------|------------------------|---|-------------|
| Revenue              | 168,394                      | 188,892  | 779,659                                      | 2,636                     | 248,519                            | 228,315            | 2,636   | 2,636                 | 51,433                 | 51,433  | 1,724,555   |
| Expenditure          | 276,880                      | 310,583  | 1,281,947                                    | 4,335                     | 408,625                            | 375,405            | 4,335   | 4,335                 | 84,569                 | 84,569  | 2,835,582   |
| Net cost             | (108,486)                    | (121,691)  | (502,287)                                    | (1,699)                   | (160,106)                          | (147,090)          | (1,699) | (1,699)               | (33,135)               | (33,135)  | (1,111,027) |

| FY2020<br>\$ Figures | Advocacy and<br>Legal Advice | Career<br>Information,<br>Advice and<br>Guidance | Counselling<br>Services and<br>Pastoral Care | Employment<br>Information | Financial<br>Support and<br>Advice | Health<br>Services | Media   | Childcare<br>Services | Clubs and<br>Societies | Sports,<br>Recreation<br>and Cultural<br>Activities | Total<br>\$ |
|----------------------|------------------------------|--|--|---------------------------|------------------------------------|--------------------|---------|-----------------------|------------------------|---|-------------|
| Revenue              | 146,418                      | 164,241  | 677,914                                      | 2,292                     | 216,087                            | 198,520            | 2,292   | 2,292                 | 44,721                 | 44,721  | 1,499,501   |
| Expenditure          | 285,543                      | 320,300  | 1,322,056                                    | 4,471                     | 421,410                            | 387,151            | 4,471   | 4,471                 | 87,215                 | 87,215  | 2,924,301   |
| Net cost             | (139,124)                    | (156,059)  | (644,142)                                    | (2,178)                   | (205,323)                          | (188,631)          | (2,178) | (2,178)               | (42,493)               | (42,493)  | (1,424,800) |

### Advocacy and Legal Advice

This is provided by Unitec Student Council representatives voted from the annual election. The Student Council advocates for students and their interests. This is an active demonstration of Student Voice in action.

### Careers Information, Advice and Guidance

We provide both individual and group career workshops and guidance. We also facilitate key Career Development events such as the Volunteer Expo.

### Counselling Services

We provide counselling services for concerns about study or personal matters, and also have mental health advisors for specialist support. We also facilitate proactive workshops to help build resilience.

### Employment Information

We provide students with information about employment opportunities both full-time and part-time. Our Career Development team also maintains online job vacancies

### Financial Support and Advice

We provide a range of options to help students manage money effectively. These include tools, advice, workshops and hardship support.

### Health Services

We provide on-site affordable and comprehensive healthcare through medical support from doctors, nurses and Community Health initiatives.

### Childcare Services

We provide on-site affordable childcare centres with a range of options.

### Clubs and Societies

We provide assistance to a wide range of clubs and societies. This is determined by students' needs and requests.

### Sport, Recreation and Cultural Activities

We support a wide range of sports and cultural activities for students, especially around Orientation. This is determined by students' needs and requests.

*As part of our commitment to Te Noho Kotahitanga, we continue to demonstrate Kaitiakitanga in our active role of Guardianship of this levy and the responsibility we have to students in our provision of services to support their success.*

## 2 Key staff statistics

### Ethnic Mix

|                    |        |
|--------------------|--------|
| British/Irish      | 5.47%  |
| Chinese            | 8.66%  |
| Fijian             | 2.19%  |
| Indian             | 9.17%  |
| Māori              | 10.93% |
| NZ/European/Pakeha | 43.31% |
| Other              | 28.60% |
| Pacific Islanders  | 8.41%  |

Where a person reported more than one ethnic group, they have been counted in each applicable group. As a result percentages do not add up to 100.

Those who did not disclose their ethnicity were excluded from this table.

### Gender Mix

|              | Total        |             |
|--------------|--------------|-------------|
| Female       | 588          | 56.53%      |
| Male         | 452          | 43.47%      |
| <b>Total</b> | <b>1,039</b> | <b>100%</b> |

| Occupational Group | Full-time  | Part-time  | Casual     | Total        |
|--------------------|------------|------------|------------|--------------|
| Academic           | 276        | 113        | 110        | 497          |
| Allied             | 281        | 86         | 62         | 429          |
| Management         | 99         | 13         | -          | 112          |
| <b>Total</b>       | <b>656</b> | <b>212</b> | <b>173</b> | <b>1,039</b> |

### AGE PROFILE

| Age Band     | All Staff    | Academic Staff |
|--------------|--------------|----------------|
| 10-19        | 3            | 1              |
| 20 - 29      | 89           | 35             |
| 30 - 39      | 202          | 75             |
| 40 - 49      | 232          | 106            |
| 50 - 59      | 257          | 134            |
| 60 - 69      | 215          | 117            |
| 70 - 79      | 41           | 31             |
| 80 - 89      | 2            | 1              |
| <b>Total</b> | <b>1,039</b> | <b>500</b>     |

### Remuneration & Gender for Employees Earning Over \$100k

|        | No of Staff earning > \$100k | % earning > \$100k | No of Staff earning > \$150k | % earning > \$150k |
|--------|------------------------------|--------------------|------------------------------|--------------------|
| Female | 47                           | 45.19%             | 10                           | 45.45%             |
| Male   | 57                           | 54.81%             | 12                           | 54.55%             |

Each July, Unitec reviews remuneration levels (minimum, midpoint and maximum levels) and adjusts as appropriate. Diversity reviews are also undertaken to ensure that there are no anomalies and these are adjusted accordingly in the annual review. Special attention and strategies are considered for those under 85% of the band and also anyone over 115% to ensure the remuneration levels for individuals are fair and equitable in all respects - for example, considering market, band and internal relativities. In our recruitment processes (for new hires or internal movements), we review the latest market rates, band and internal relativities. We also adjust all our minimum rates to the `Unitec Living Wage` (aligns to the `NZ Living Wage`) each year.

We provide a range of flexibility options to ensure that we are attracting and retaining females into roles. For example, we have a significant number of proportional roles and commonly adjust to suit employees' requirements. We utilise consistent interview guides and have a selection panel to ensure a robust recruitment process and equity. We provide good technology options including Teams, Video Interviews, remote access and laptops. We have targets in place to increase our Māori and Pacific academic and leadership staff. We have a number of Kaihautū and Pacific Navigator roles to assist and enable success for Māori and Pasifika students along with a Learner Outreach Programme which has been in place since 2020.

