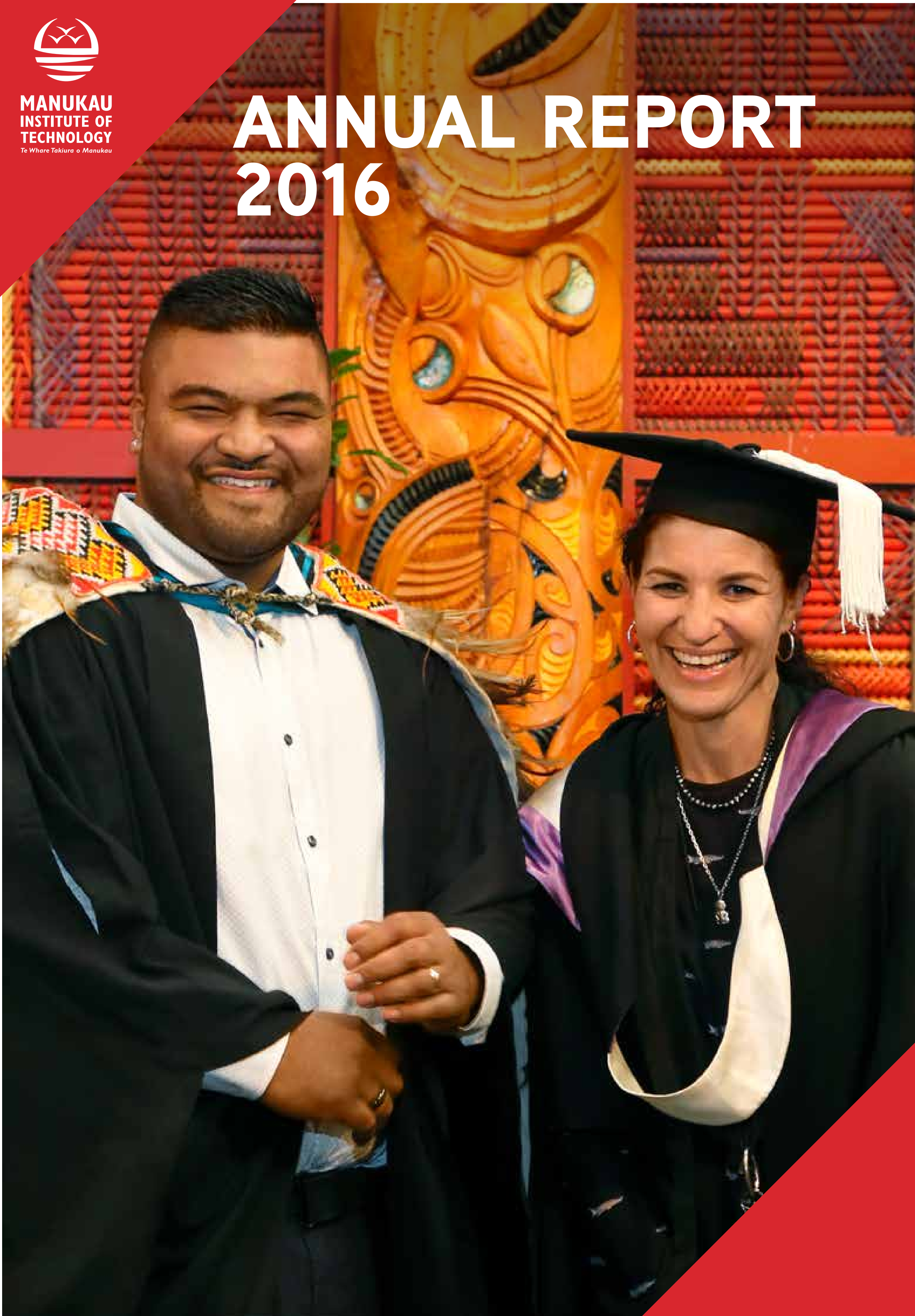
MANUKAU INSTITUTE OF TECHNOLOGY
Te Whare Takiura o Manukau

ANNUAL REPORT 2016



Front Cover:
Left: Stewart Baker, Bachelor of Applied Social Work (Level 7) graduate.
Right: Tania Mullane, Associate Dean Academic (Faculty of Education and Social Sciences).
Background image: Back wall of Ngā Kete Wānanga Marae. Carving is part of a whakapapa indicating knowledge and its transmission.

ANNUAL REPORT 2016

Our Organisation

Governance

Statement Of Service Performance

Financial Statements

General

ABOUT MIT

Our Purpose and Vision

Our Purpose: Our purpose is to get people into great jobs.

Our Vision: To be widely recognised as the leading Institute of Technology in New Zealand.

Established:

1970

What We Offer

204 PROGRAMMES

1,560 COURSES

10 CAMPUSES

Our Mission and Goals

Our Mission:

Our mission is to deliver vocationally focused tertiary education, research and technology transfer that ensures Auckland's economy, graduates, employers and communities have the capability and skills to achieve their potential.

We recognise that we have a special obligation to serve the people, communities and employers of Counties Manukau and that achieving significantly improved tertiary education outcomes in this sub-region is critical to both our mission and to the future economic and social prosperity of the nation.

Five key goals:

1. Improved employability and progression
2. Increased participation
3. Improved success and retention, with a focus on Māori, Pasifika and under 25 students
4. Enhanced experience and satisfaction
5. Increased consultancy and industry training.

NORTHERN MOTORWAY
1
MAHURANGI TECHNICAL INSTITUTE
11 Glenmore Drive, Warkworth
NORTH SHORE
RANGITOTO ISLAND
WAIHEKE ISLAND
MIT QUEEN STREET
Pathway Centre, Tourism and Hospitality
246 Queen Street, Auckland
NEW ZEALAND MARITIME SCHOOL
Level 3, 2 Commerce Street, Auckland
AUCKLAND CITY CENTRE
16
NORTH-WESTERN MOTORWAY
FLORAMAX FLOWER AUCTION HOUSE
Floristry
3 Monahan Road, Mt Wellington, Auckland
SOUTH-WESTERN MOTORWAY
20
1
WAITAKERE
MIT MANGERE
Plumbing & Gasfitting
9B Mahunga Drive, Mangere, Auckland
MIT OTARA
Consumer Services, Creative Arts, Education & Social Sciences, Engineering & Trades, Nursing & Health Studies
Otara Road, Otara, Auckland
KO AWATEA
Nursing Learning Hub
Middlemore Hospital, Hospital Road, Otahuhu, Auckland
MANUKAU
AUCKLAND INTERNATIONAL AIRPORT
MIT KOLMAR
Sport & Recreation
Sutton Crescent, Papatoetoe, Auckland
MIT MANUKAU
Business & Information Technology
Cnr Davies and Manukau Station Road, Manukau, Auckland
1
SOUTHERN MOTORWAY
AUCKLAND, NEW ZEALAND
N
MIT PUKEKOHE
Motorsport Centre
159A & C Manukau Road, Pukekohe, Auckland

2016 AT A GLANCE

Financial Overview

NON-BASE INCOME	NZ$ 9.8 million
GOVERNMENT FUNDING	NZ$ 54.8 million
STUDENT FEES AND DEPARTMENT REVENUE	NZ$ 57.8 million
TOTAL EXPENSES	NZ$ 114.1 million
TOTAL ASSETS	NZ$ 309.8 million
SURPLUS	NZ$ (0.1) million

Our People

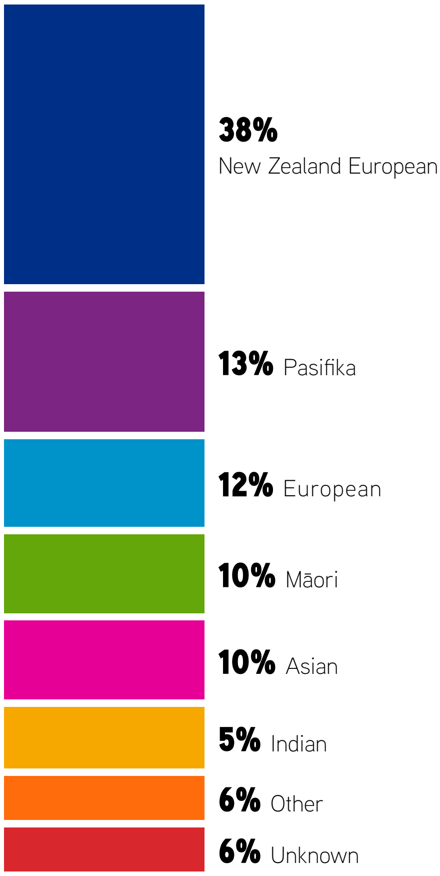
275

New staff members

56% Female staff

44% Male staff

ETHNIC DIVERSITY ON STAFF



Student Participation

15,619

Total enrolled students

7,278

EFTS (Equivalent Full-Time Student)

48% Female students

52% Male students

STUDENTS UNDER 25*

48%

PASIFIKA STUDENTS*

36%

MĀORI STUDENTS*

18%

*Not mutually exclusive.

EFTS weighted SAC calculation.

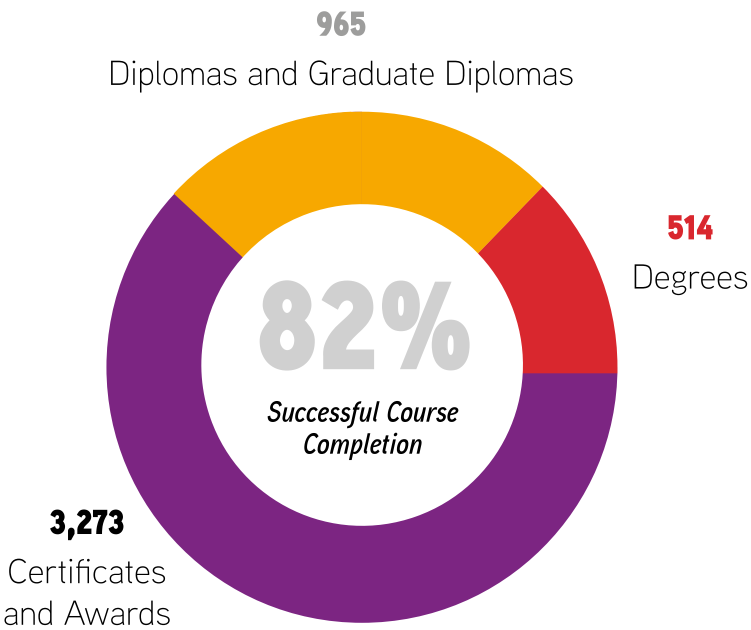
Employability and Progression

Graduates in employment or further study:

79%

Success and Retention

THE FOLLOWING WERE AWARDED:



EFTS weighted SAC calculation.

8.1 OVERALL STUDENT SATISFACTION

GOLD STAR RATING FOR MIT IN LATEST EDUCATIONAL PERFORMANCE REVIEW

NZQA gives MIT a Category One approval

MIT achieved the highest possible rating, Category One, in the External Evaluation and Review (EER) conducted by the New Zealand Qualifications Authority (NZQA) in May.

In its report, NZQA advised that it was both "highly confident in MIT's educational performance" and "highly confident in MIT's self-assessment capability."

The EER is conducted every three years by a panel of independent education experts. During the review, NZQA examined MIT's educational performance and capability in self-assessment, with evaluation delivered as six statements of confidence. EER results hold significant influence for a tertiary institute's reputation, both locally and internationally.

Gus Gilmore, MIT Chief Executive, said the high rating is an endorsement of MIT's focus on student outcomes, and engagement with our communities, industries and professions.

"Our purpose is to get our students into great jobs, providing them with the skills, support and connections to enter their chosen career. This result is a testament to the hard work and professionalism of all MIT staff," said Gilmore.

"We pride ourselves on our strong education and evaluation processes – the results of which are already evident in our graduate outcomes, with achievement increasing for all students over recent years."

MIT was awarded "Excellent/Excellent" statements of confidence in four of the six key evaluative questions and eight of the twelve focus areas, with none of the ratings being lower than "Good." The EER report highlighted significant areas of achievement and innovation at MIT, including commitment to its students, community, the professions, and industry.

Key commentary from the EER report:

- *"MIT is strongly connected to its region, its unique cohort of students and diverse business and community groups. Students complete their study at MIT and are well-supported to gain employment in relevant work areas."*
- *"MIT is actively engaged with industry and with its community at all levels of the organisation."*
- *"MIT continues to seek solutions and adopted a community integration approach; a focus on youth and bridging programmes and initiatives previously reported to try and achieve genuine equality and not just 'an acceptable gap."*
- *"MIT has put in place a range of approaches to engage with young people in the region to create pathways to engage with vocational education and training."*
- *"The governance and management teams at MIT are highly effective in supporting educational achievement."*
- *"Students at MIT gain useful skills, knowledge and qualifications that support them to gain employment and contribute positively to their communities. Across the organisation, students were developing industry-specific skills useful for employment or establishing their own businesses."*
- *"Staff equip students with the skills, capabilities, and the right attitudes to undertake a range of work roles within related industries and professions… [there is] a genuine desire from staff for students to achieve the best possible outcomes from their study at MIT."*

SOUTH AUCKLAND'S FIRST GRADUATION PROCESSION

On Friday 27 May, MIT enjoyed the first-ever graduation procession through the streets of South Auckland, as more than one thousand MIT graduates celebrated with their community.

Dr Stuart Middleton, MIT's Director of External Relations said that the procession represents a coming of age for South Auckland.

"It's a fantastic achievement. The procession is a demonstration of the increasing numbers of people in South Auckland earning an education, and entering the workforce."

"MIT's aim is to get students into great jobs, and the vast majority of our graduates are successful in going onto great jobs, further study, or both."

"The skills and knowledge developed by this year's graduates will help continue to improve the future of South Auckland."

34% of 2016's graduates were Pasifika and Māori students, and ranged in age from 18 to 62.

> *"It's a fantastic achievement. The procession is a demonstration of the increasing numbers of people in South Auckland earning an education, and entering the workforce."*

Many of the graduates were trained in professions needing more workers; including 479 business and IT professionals, 214 nurses, 173 early childhood educators and counsellors, and 107 engineers.

MIT celebrated the awarding of two PhDs, 16 Master's degrees, 786 Bachelor degrees and 397 Diplomas at three graduation ceremonies.

A PLACE FOR PASIFIKA PEOPLE TO CALL THEIR OWN

First dedicated Pasifika Community Centre to open at MIT, South Auckland

Pasifika people of all cultures and faiths have a new place to gather, learn, and celebrate, with the opening of the Pasifika Community Centre (PCC) at Manukau Institute of Technology on Friday 3 June, 2016.

The PCC was officially opened by Hon. Steven Joyce, Minister of Tertiary Education, Skills and Employment, and Hon. Peseta Sam Lotu-liga, Minister for Pacific Peoples, at a ceremony attended by Pasifika delegates, MPs, community leaders and MIT staff and students.

Dr Stuart Middleton, Director of External Relations at MIT, said the opening the Pasifika Community Centre is "an integral part of MIT's commitment to Pasifika and to enabling Pasifika to succeed as Pasifika."

"We want the community to make this new place, their place," he said.

"With this centre, we hope to supplement the facilities that churches offer by creating spaces that go across faith and island groups. It is a place for all Pasifika."

The Pasifika Community Centre hosts spaces that can be used for many purposes, and in most cases is free of charge. It has spaces for meetings of all kinds, quiet social activity, welcoming special people to the community, and special educational events such as lectures.

Seiuli Terri Leo-Mauu, Manager Pasifika Development at MIT, said the centre is about transforming the Pasifika community in South Auckland.

> *It's a sanctuary for everyone in the Pasifika community, young and old.*

"Pasifika people need this space," Terri said. "There are currently no other freely available, inexpensive venues for people to come together and connect with their culture."

The centre has meeting rooms equipped with the latest technologies – videoconferencing, smart boards, and data-show equipment – and one large meeting hall which seats 100 people. It has areas for craft work, and a dedicated Faith Room and office for local church pastors and ministers.

LENDING A HAND IN FIJI

An opportunity to help with the Fiji recovery effort following Tropical Cyclone Winston saw construction lecturer, Nick Ali, fly to Nadi in mid-2016 with two present, and two former MIT students. For Nick and his young crew – who all gave up their holidays to take part – the journey was a life changing experience.

"The plan came together very quickly," explains Nick. "I got the call and jumped at the chance to help. Within a few days I had four volunteers lined up, who ranged in experience from graduates to current students."

Reece Wells, was one of the four volunteers selected for the trip. "I only had limited experience, so I was pretty excited when Nick called," says Reece. "Thankfully I quickly picked up some new skills; it felt good to be able to help."

The initiative was made possible after an arrangement between MIT, the Ministry of Foreign Affairs and Trade and Higgins, with Higgins supplying three containers full of construction materials and tools for the rebuild.

"The early challenge was working out how to maximise all the materials. The homes also had to be constructed to New Zealand standards," says Nick.

Nick and his team did an outstanding job, managing to build eight, 7m x 5m, new homes in just four weeks – their work made harder by the absence of power tools.

> *"The plan came together very quickly, I got the call and jumped at the chance to help. Within a few days I had four volunteers lined up, who ranged in experience from graduates to current students."*

"All of the framework and fabrication was sawn and nailed by hand," says Nick. "Every part of the build, from digging the piles to mixing the concrete, through to putting the roof on was completed manually." Along the way the team learned 'old school' techniques not typically taught in class, such as using a garden hose as a makeshift water level.

An unintended benefit of having a tight build time was that the whole team got a crash-course in site management.

"We had multiple sites on the go, which meant that the guys had to step up and manage the jobs while I moved between sites. It would take years for them to get that opportunity in New Zealand. The trip turned out to be a fast-track for their education," says Nick.

Volunteering to help proved invaluable for young builder Reece, who successfully applied for a fulltime job while in Fiji. "Along with my CV, I also sent photos of the rebuild work I had just done. They must have been impressed because I got the job."

Nick believes that the trip not only improved the team's technical skills but it also broadened everyone's world view. "We were shocked and saddened by the damage but soon became heartened by the generosity and support of the locals, who despite having very little would manage to provide lunch each day. And when you see their smiles at the end of the day it's all worth it."

TEEN MUM TO STRAIGHT-A STUDENT

Five years ago, Moefilifilia (Moe) Aoelua was a 22-year-old mother of two without high school qualifications. In 2016, she graduated with a Bachelor of Nursing Pacific from MIT.

With the support of her husband and classmates, she's now working at Middlemore Hospital as a Registered Nurse specialising in mental health.

"I think having the kids has always been a huge push for me. When studies were getting really hard, I always thought 'if you drop out now, what are you going to provide for your children?'"

"There was never a time that I thought that this wasn't worth it," she says.

As a straight-A student, Moe excelled during her studies and was the selected speaker for the nursing graduation ceremony.

She attributes her success to being organised. "The routine at night would be to go home, have dinner, get the kids showered, help with their homework. When they go to sleep, I'll make lunches and then I start doing homework around 10. It was continuous."

"I guess if you have children you have no choice. You learn to cope."

Moe wants to encourage other teen mums to start studying. "I want other teen mums to see this, because when you're a teen mother you have that stigma attached. We can't change what happened, what we can do is make a difference to it. Do something with your life, and do it with all your ability."

Her passion for working with mental health patients came as a surprise.

"I was fascinated by these new illnesses that I never knew about. I went into my placement, where I'm working now, and it was a completely new view. It changed my thoughts about nursing."

"There's still stigma and discrimination always attached with mental illness," she says. "Any time in your life, even if you're functional and stable, there's always that chance that something could go wrong."

It's amazing when you connect with people that come from the same story as yours and that are struggling, it's really good if you can find those people in your journey and you can help them.

"I always think if anything happens to my children I'd be so traumatised I don't think I could get out of bed. Every time I'm at work, I always put that scenario into my head for people that I'm caring for. These people used to come from functional lives and it's just something's happened to them."

"It's amazing when you connect with people that come from the same story as yours and that are struggling, it's really good if you can find those people in your journey and you can help them."

CHANGING LIVES WITH MIT AND MĀORI AND PASIFIKA TRADES TRAINING

It was just another day in the office for Chris Lautua, when a chance email from Māori and Pasifika Trades Training changed the course of his career.

"Sitting in an office just wasn't me", says Chris, now 30. "I like practical work, being active and moving around. And I always wanted to be my own boss."

Chris took the email as a sign and enrolled in the Certificate in Electrical and Electronic Engineering, Level 4, at MIT, with a scholarship from Māori and Pasifika Trades Training (MPTT).

MPTT is a government-funded initiative that brings together tertiary institutions, community groups, trades training organisations and employers to support young Māori and Pasifika in obtaining trade qualifications and apprenticeships.

MIT is the largest single training provider of MPTT students in New Zealand.

"MPTT is a collaborative approach to meeting Auckland's critical shortage of skilled tradespeople," says Kirk Sargent, MPTT's Auckland Project Manager. "It's about bringing different partners together to support young Māori and Pasifika into the trades, and provide better outcomes for employers too."

MPTT provides full tuition fee scholarships to Māori and Pasifika aged 16 to 40, along with wrap-around support to help trainees prepare for the workplace. "We stick with our trainees in any way that's necessary to set them up for success," says Kirk. "We help with everything from coaching, to preparing for interviews or making connections within the MPTT networks."

Around 1500 trainees have participated so far, and 70 percent are MIT graduates across a range of trades from plumbing and gasfitting, to floristry, and automotive technology.

"MPTT is not just about individual trainees, it's about the ripple effect of their success across the community", says Kirk. "Home ownership becomes more of a reality, kids think differently about education, and young women are challenging ideas about female participation in the trades."

Chris is now working through his electrical apprenticeship and his confidence and optimism about the future has soared. "There are so many options open to me now, like quantity surveying, project supervising, teaching, or running my own business," says Chris, "I just need to decide!"

Peter Winder
Chairman of Council

2016 was a challenging year for the tertiary education sector, which saw domestic enrolments decline on the back of a strong labour market. It was therefore encouraging to see MIT improve its financial position throughout the year to achieve a net surplus. We now move forward with a debt position $5.2 million less than budget. This is an excellent result but it's critical that MIT continues to focus on both managing expenditure and generating income, as projections for funding and domestic enrolments are flat for 2017 and beyond.

There was considerable change across the Institute in 2016, including a change in leadership, the rollout of the Futures programme – which will change the way we teach and learn – and changes to MIT subsidiary, Enterprise MIT.

In May, we farewelled Dr Peter Brothers, MIT's Chief Executive for the previous nine years. Dr Brothers made a significant contribution to MIT and I would like to thank him for his service.

In September we welcomed Gus Gilmore as our new Chief Executive. Gus brings a wealth of knowledge to the position from his time with the Tertiary Education Commission, as well as solid commercial experience and a deep understanding of the importance of producing skilled employees, after more than two decades with Air New Zealand.

Our performance and the calibre of MIT's academic staff, support staff, and management was confirmed in 2016 with the results of NZQA's External Evaluation and Review. The four-yearly audit assesses providers against six key evaluative questions, with the results holding significant influence for a tertiary institute's reputation, both locally and internationally.

MIT not only maintained its Category 1 rating, we achieved the best possible ratings – a "highly confident" in educational performance and a "highly confident" in self-assessment capability. Furthermore, MIT was awarded "Excellent/Excellent" statements of confidence in four of the six key evaluative questions and eight of the twelve focus areas, with none of the ratings being lower than "Good." This places MIT at the front of the pack in terms of the standing and credibility of our delivery.

In 2016 MIT launched the Futures Programme – a comprehensive investment to change the way in which we teach, promote learning and get our students into great jobs. To ensure we are at the cutting edge of educational delivery we implemented a new learning management system, Canvas. Canvas encourages online collaboration, and through either recorded or live video, can allow courses to be delivered anywhere and anytime. This has the potential to revolutionise education, enabling those who wouldn't normally be able to participate to do so.

To support our goal of getting all of our students into great jobs we significantly re-shaped our employment centre. Every

> *"MIT not only maintained its Category 1 rating, we achieved the best possible ratings."*

student will now develop a career plan early into their studies, helping to focus their mind on the job they want. This will be coupled with a focus on employability skills and fundamentally different and deeper links with employers. The outcome of this, and other initiatives, are set to make a big impact in our community.

Our reputation is a big factor in attracting International students and in 2016 MIT experienced a 10% upswing in international EFTS numbers, which is a fantastic result. There will likely be a softening in demand for our traditional programmes in 2017 so the focus will be on developing new offerings and diversifying our markets.

During the year, a review was carried out of our wholly owned subsidiary, EnterpriseMIT. EnterpriseMIT was set up in 2012 to support an increased focus on the needs of industry and employers, and to also pilot new and innovative models of delivery that meet the needs of learners today. As a result of the review, MIT decided to consolidate resources and EnterpriseMIT ceased trading, with all programmes and courses delivered by EnterpriseMIT continuing under MIT.

The opening of the Pasifika Community Centre (PCC) in May was a proud moment for the Institute. The space brings the community into MIT and encourages a wide variety of Pasifika groups to engage with us. Within weeks of opening the PCC had hosted groups as diverse as the putuputuanga vainetini (Cook Island women's group), through to a delegation of Pacific parliamentarians. The centre is already being talked about as a model for how to engage with the community.

"The opening of the Pasifika Community Centre (PCC) in May was a proud moment for the Institute."

2016 was a challenging but rewarding year for the Council of MIT. Appointing a new Chief Executive is one of the most significant tasks that any council can do. I wish to thank the Council for their diligence and service through the year. It has been a pleasure to work with such engaging, thoughtful and committed people.

I had the pleasure of attending the 2016 Excellence Awards in November. It was a genuine privilege to help recognise and celebrate those who make a real difference to MIT. I was struck by the generosity of time and spirit that many of the winners demonstrated, with numerous examples of staff going the extra mile to ensure the success of their students and the Institute.

2017 is poised to be a year in which MIT takes some big steps forward. I'm excited about the potential for the Futures programme to deliver real benefits for students, staff and our community.

However, there is no shortage of major issues to address as we face up to what a cutting edge 21st century vocational institute must be. In addition to driving the Futures programme, a major focus for 2017 will be planning for the long-term and master-planning for our buildings, plant and equipment to ensure that they support our vision for the future.

Peter Winder

Chairman of Council

CHIEF EXECUTIVE REPORT

Gus Gilmore
Chief Executive

Being formally welcomed with my family onto MIT's Ngā Kete Wānanga marae in September was a personal highlight for me in 2016. The wero (challenge) laid out during my pōwhiri now seems particularly poignant as I take up the challenge to make a real difference for our students, MIT and the community.

There were some excellent achievements throughout 2016, and as the Chairman mentioned in his message, MIT was again ranked a Category 1 provider in the latest external NZQA review.

This is an extremely important outcome that confirms our reputation as a quality educational provider. The hard work to achieve this all happened before my arrival, so I'd like to thank the MIT leadership team and all of the staff who helped us to achieve this category rating.

Our improved financial position was another positive achievement in 2016. Prudent financial management and an Institute-wide effort to reduce expenditure and grow revenue has seen our debt levels fall to where they were projected to be more than four years ago. This provides a solid base from which to grow.

In 2016, MIT delivered improved performance in a number of areas. Our course completion rates were 2% greater than in 2015 and student satisfaction levels also improved.

It was particularly pleasing to see an improvement in the performance of our priority learner groups (Māori, Pasifika and under 25 students), with increased participation, course success and retention levels.

There were highlights of note from within the faculties, including a 5.6% increase in completion rates for Pasifika in the Faculty of Business and Information Technology, and a 6.7% increase in completion rates for Māori, learners the Faculty of Engineering and Trades.

An important factor in the improved outcomes of priority learner groups is the success of the Māori, and Pasifika Trades Training (MPTT) initiative, which grew by 66% in 2016. Testament to our ability to deliver, we are now the largest provider in this space.

We awarded a total of 4591 qualifications in 2016, in the form of a certificate, degree or diploma. This number is slightly lower than the previous year, which is due to a decrease in domestic enrolments. This is a trend nationally across the sector; a strong economy coupled with high demand for unskilled labour means that fewer people choose to invest in study options. Naturally, we remain committed to improving these participation levels and will be looking at ways to grow our numbers into the future.

"In May, for the first time, a procession of more than 1000 MIT graduates walked proudly through the streets of Manukau."

In 2016 we engaged more closely with our community than ever before. In May, for the first time, a procession of more than 1000 MIT graduates walked proudly through the streets of Manukau, sharing their success with the community. This represents a coming of age for MIT and South Auckland – an area with lower participation levels in tertiary education than the rest of the country. The hope is that the procession will inspire others and become a rite of passage for young people in the community.

As mentioned in the Chairman's message, the opening of the Pasifika Community Centre (PCC) in May, was a true highlight of 2016. The fulfilment of years of planning, the PCC is a place for all Pasifika, to be used for meetings of all kinds, from educational events to quiet social gatherings. By opening our doors to the community we become closer to them and show MIT to be a warm and welcoming place, encouraging people to pursue a tertiary education with us.

We also deepened our connection with Waikato-Tainui, with the signing of a kawenata (covenant), formally recognising their status as mana-whenua. This is the first formal agreement that MIT has had with any iwi and represents a big step to formalising relationships with other iwi.

The arrangement will see MIT and Waikato-Tainui work closely to identify scholarships and to host regular events, including education around Kiingitanga.

Our purpose is to get people into great jobs, so it's fitting that we also strengthened our relationships with two of the country's premier employers. In November we signed agreements with Vodafone and Fisher and Paykel to give valuable experience to those enrolled in our contact centre qualification. Experience is often an essential component in getting a job, and this arrangement will provide real-life work experience, complementing their qualification.

A focus on our relationships with Industry Training Organisations (ITOs), particularly in the Faculty of Engineering and Trades, resulted in a 16% increase in our non-base income, which is a fantastic result. Our relationships to industry are critical and we'll be looking at ways to grow our connections with ITOs and PTEs to see how we can complement each other's offerings into the future.

A fundamental change to the way we teach and learn began last year with the start of the Futures programme. We successfully piloted the redevelopment of more than a dozen programmes, so that learning and teaching takes full advantage of new communication technologies. Learning will becomes more flexible – broadening its appeal – and our graduates will enter the workforce with the competencies and attributes required in contemporary and emerging careers.

> *"A focus on our relationships with Industry Training Organisations (ITOs), particularly in the Faculty of Engineering and Trades, resulted in a 16% increase in our non-base income."*

The goal for 2017 is to redevelop a further 50 programmes.

In early April the Government introduced new Health and Safety legislation, putting increased responsibilities on employers. It's pleasing to report that throughout 2016, MIT recorded 40% fewer incidents than the previous year. Zero harm is the only acceptable target, but we have made excellent progress in this space. The focus for the future is to make sure our graduates are work-ready Health and Safety leaders.

As the Chairman mentioned in his message, in November we celebrated the achievements of 46 individuals and teams at the 2016 Excellence Awards, all of whom made a fantastic contribution to the Institute. I'd like to further recognise two of the winners, Monique Brik and Nicholas Ali. Monique was the recipient of our Premier Award for Sustained Excellence in Teaching and has since gone on to be nominated for a national, Ako Aotearoa Tertiary Teaching Excellence Award. Nicholas (profiled earlier in the annual report) led a team of students to Fiji to help with the relief effort following Tropical Cyclone Winston, changing the lives of his students and the people they helped. Thank you both. Your contributions have been inspirational.

And naturally, I would like to thank all the staff at MIT for their commitment, passion and hard work throughout 2016. You all make MIT a great place to work and study.

Gus Gilmore
Chief Executive

Financial Overview

This overview provides brief commentary on the MIT and group financial performance for the year ended 31 December 2016.

Operating performance

Despite another challenging year, the MIT group outperformed budget expectations, achieving a net surplus before one-off operating expenditure items of $1.4 million against a budgeted deficit of $1.6 million. The total net deficit for the year of $0.1 million includes one-off operating items of $1.5 million relating to restructuring costs and increased depreciation of $0.4 million. Restructuring costs were primarily related to the Faculty of Education and Social Sciences due to a continued decline in demand for Foundation and English programmes.

Government funding and domestic revenues continue to trend below budget primarily due to lower SAC Level 3+ delivery. This trend is consistent across tertiary institutes in New Zealand, reflecting the buoyant economy and high levels of employment. While domestic student revenues remain challenging in the current economic context, this outcome was delivered through a focused effort on growth in international students, up 36% on budgeted revenue, contributing a $4 million positive impact for the year and non-base income from Industry Training Organisations and customised training. MIT remains committed to achieve growth in domestic enrolments, particularly targeted towards our priority groups of Māori, Pasifika and under 25's.

During the year, a review was carried out of our wholly owned subsidiary, EnterpriseMIT. EnterpriseMIT was set up in 2012 to support our increased focus on the needs of industry and employers, and also to pilot new and innovative models of delivery to meet the needs of learners today. As a result of this review, MIT decided to consolidate resources and effective 30 December 2016, EnterpriseMIT ceased trading with all programmes and courses currently delivered by Enterprise MIT continuing under MIT.

Financial Position

The Statement of Financial Position reflects the reorganisation of EnterpriseMIT and MIT as at 30 December, 2016. Net assets ($6m) belonging to EnterpriseMIT as at 30 December were transferred to MIT under a Deed of Reorganisation on that date and are reflected in the MIT net assets as at 31 December, 2016. EnterpriseMIT ceased trading effective this date and the group position is disclosed for comparison purposes only.

MIT's total asset base is consistent with the valuation undertaken as at 31 Dec 2015. This year two properties with a fair value of $4m have been classified under current assets held for sale. These properties were identified as surplus to MIT requirements as part of our long term capital planning and are intended to be sold within the next 12 months. The capital expenditure for the year is a mixture of future focussed purchase of facilities and equipment to provide the infrastructure required to meet MIT's goal as a major tertiary education provider, and renewal works required to deliver services.

Through continued sound financial and cash flow management, borrowings reduced further to $34.5 million at 31 December 2016, below the budget of $36.0 million. Accordingly, MIT's Council authorised the reduction of a further $15 million of debt facilities effective January 2017. Net current liabilities have reduced from last year, highlighted by lower payables and accruals, lower revenue received in advance and lower current portion of term debt.

The Future

Future government funding for MIT is unlikely to increase and therefore MIT must look to innovation and new revenue opportunities to deliver its goals. MIT's current debt levels are now at a sustainable level and are tracking well ahead of our original long term forecasts. This allows us to shift our focus toward long term capital and investment planning to enable MIT to deliver on its mission. The Institute's mission is to deliver vocationally focussed tertiary education, research and technology transfer that ensures Auckland's economy, graduates, employers and communities have the capability and skills to achieve their potential. MIT recognises that we have a special obligation to serve the people, communities and employers of Manukau and that achieving significantly improved tertiary education outcomes in this region is critical to both our mission and to the future economic and social prosperity of the nation.

MIT is confident on meeting its goals by undertaking a measured and pragmatic long term approach.

Financial Performance Summary and Key Statistics

Five Year Financial Performance Summary

All in $000s		ACTUAL 2016	ACTUAL 2015	ACTUAL 2014	ACTUAL 2013	ACTUAL 2012
FINANCIAL PERFORMANCE						
Government Funding		54,786	57,127	55,872	58,157	59,345
Other Income		59,147	54,365	48,817	49,616	50,120
Operating Expenditure		(112,554)	(108,455)	(108,132)	(107,373)	(103,630)
Surplus/(Deficit) from Operations Excluding One Of Items		1,379	3,037	(3,443)	400	5,835
One Off Operating Expenditure		(1,512)				
Total Surplus/(Deficit) from Operations		**(133)**	**3,037**	**(3,443)**	**400**	**5,835**
Non-Operating Expense		0	29,921	1,454	0	0
Net Surplus/(Deficit) for the Year		**(133)**	**32,958**	**(1,989)**	**400**	**5,835**
FINANCIAL POSITION						
Current Assets						
Cash Equivalents and Other Financial Assets		3,727	4,247	5,002	1,917	9,623
Receivables and Inventory		4,046	4,317	3,439	4,692	5,222
Assets held for sale		4,087	0	0	0	0
		11,860	**8,564**	**8,441**	**6,609**	**14,845**
Non-Current Assets						
Property, Plant and Equipment		293,880	301,926	279,076	247,173	218,520
Intangible Assets		4,041	3,717	3,382	4,566	2,871
Total Assets		**309,781**	**314,207**	**290,899**	**258,348**	**236,235**
Current Liabilities						
Payables, Accruals and Provisions		24,667	30,294	33,768	40,149	19,748
Trust Funds		597	578	569	553	549
Borrowings		5,000	10,000	0	0	0
Derivative financial instruments		28	0	0	0	0
		30,292	**40,872**	**34,337**	**40,702**	**20,297**
Non-Current Liabilities						
Provisions		377	399	431	447	293
Borrowings		29,500	23,000	40,000	264	360
Derivative financial instruments		1,806	1,922	1,186	0	0
Total Liabilities		**61,975**	**66,193**	**75,954**	**41,413**	**20,950**
Net Assets		**247,806**	**248,014**	**214,945**	**216,935**	**215,285**
Equity						
Capital Contributions and Retained Earnings		115,850	116,058	112,910	116,354	114,704
Other Comprehensive Income		1,454	1,454	1,454	0	0
Revaluation Reserves		130,502	130,502	100,581	100,581	100,581
Total Equity		**247,806**	**248,014**	**214,945**	**216,935**	**215,285**
CASH FLOW SUMMARY						
Net Cash Flows – Operations		7,394	13,277	16,887	13,144	14,231
Net Cash Flows – Investing Activities		(9,414)	(6,768)	(41,802)	(30,168)	(8,598)
Net Cash Flows – Investing		1,500	(7,264)	28,000	12,092	456
Net (Decrease)/Increase in Cash		(520)	(755)	3,085	(4,932)	6,089
Bank and Cash at beginning of the year		4,247	5,002	1,917	6,849	760
Bank and Cash at end of the year		3,727	4,247	5,002	1,917	6,849
KEY STATISTICS						
Financial						
Current Assets to Current Liabilities		0.26:1	0.21:1	0.24:1	0.16:1	0.73:1
Total Liabilities to Total Assets		20%	21%	26%	16%	9%
Proportion of Government Grants to Total Income Excluding Interest from Investments		48%	51%	53%	54%	54%
Students						
SAC, International, TOPS and Youth Training, ITO and Self Funded		7,278	7,570	7,179	7,692	7,951
Ratio of Students to Tutorial Staff	1	22.3:1	24.0:1	21.0:1	21.9:1	22.3:1

1. The actual FTEs as at 31 December 2016 were used in calculating this ratio.

GOVERNANCE

Governance and Accountability

Statutory role

Manukau Institute of Technology (MIT) is a polytechnic established pursuant to section 162 of the Education Act 1989 (the Act). MIT is also a Crown Entity for the purposes of schedule 13A of the Act and schedule 4 of the Crown Entities Act 2004.

Governance structure

Council

The governing body of MIT is the MIT Council. It comprises eight members appointed in accordance with section 222AA of the Act; four members appointed by the Minister for Tertiary Education, Skills and Employment and four members appointed by the Council.

Council Committees

Pursuant to section 193(3) of the Education Act 1989, the MIT Council is empowered to establish committees to exercise such powers as are delegated to them under the Act or conferred on them by statutes made by the Council. The standing committees of the MIT Council are the:

- Audit and Compliance Committee
- Chief Executive Review Committee
- Executive Committee
- Student Appeal Committee
- Academic Board

These committees are formally constituted with terms of reference.

MIT Rūnanga

The Rūnanga was established as an Advisory Group to Council under Sections 193 and 222 of the Education Act 1989. The Council requires the Rūnanga to perform key tasks in the following areas:

Community Engagement

- To consult with the wider Māori community on issues pertaining to Māori tertiary education and MIT's role in it
- To bring to MIT the voice of the Māori community
- To increase engagement with the wider Māori community with an emphasis on bringing the community into the life of MIT to work together in the interests of increasing Māori participation at MIT across all levels (including higher levels of education and qualification) and
- To advise the wider Māori community of MIT on strategic aspirations pertaining to Māori.

Council Advisory

- To recommend policy development and strategic directions relevant to Māori at MIT to the Council in the annual strategic planning cycle.

Te Tiriti o Waitangi

- To provide the Council with advice pertaining to MIT's Te Tiriti o Waitangi obligations.

Membership

- Membership of the MIT Rūnanga comprises representatives from:

a) Five members appointed by Council where nominations are drawn from a general call for applications from the Māori community

b) Four members appointed – one from each of the following:

(i) One representative appointed by the recognised tribal authority Te Whakakitenga o Waikato

(ii) One representative appointed by Manukau Urban Māori Authority

(iii) One representative from the Ōtara Community

(iv) One representative appointed by/from local secondary schools and/or wharekura

c) Three ex-officio members, the Kaiākau and the CEO MIT (or delegated appointee); the chair of Te Komiti Tangata Whenua.

Governance Philosophy

Division of Responsibility between Council and Management

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

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

Both the MIT Council and management acknowledge their responsibilities by certifying 'The Statement of Responsibility' (in terms of the Crown Entities Act 2004) contained within this Annual Report.

Legislative Compliance

The MIT Council acknowledges its responsibility to ensure that the organisation complies with all legislation. The Council oversees the Chief Executive's operation of a MIT-wide legislative compliance programme that systematically identifies compliance issues so that all staff are aware of legislative requirements relevant to their role. As part of this programme, management provides the Audit and Compliance Committee with the results of an annual verification of MIT's compliance with specific legislative requirements.

Risk Management

The MIT Council is committed to the management of risk at MIT and takes part in risk workshops and has approved procedures for the identification and management of risk in order to deliver a balanced portfolio of risk exposures.

Internal Audit

The internal audit work at MIT is for the most part directed to high-risk areas; this means that the internal audit plan is responsive to major changes in the risk profile of the Institute. The Audit and Compliance Committee reviews internal audit coverage and the Annual Audit Plan and recommends approval of the Plan and any subsequent amendments to the MIT Council. The Audit and Compliance Committee monitors the delivery of the Annual Audit Plan and management's responses to and implementation of significant internal audit recommendations.

2016 Highlights and Developments

This year MIT made great progress in a number of areas. Particular highlights included:

- International Equivalent Full-time Students (EFTS) increased by 10% in 2016 from 961 to 1,059. This follows growth of 56% in 2014.
- Across all funding types, year on year improvements in course success rates have been delivered for the last 3 years reaching the target rate of 83% in 2016.
- In 2016 result for the Māori, and Pasifika priority groups have improved in the majority of performance metrics. The continued success of the Māori, and Pasifika Trades Training initiative, which has grown by 66% in 2016, has contributed to this improved performance.
- There has been strong growth in Industry Training Organisations (ITO) Off Job Training increasing by 112% to 216 EFTS, reflecting changing patterns of study for students.
- MIT group has improved its financial performance by reducing the budgeted deficit of $1.5 million to just $0.13 million.

Council Fees

All in $000s	ACTUAL 2016	ACTUAL 2015
P Winder *Chairman*	42	32
B Monk *Deputy Chairman*	26	20
J Hannan	16	16
Dr M Henare *Term Expired 30 April 2015*	-	6
Dr K Larsen *Term Expired 30 April 2015*	-	6
B Pone	19	16
K Schaffler	21	10
H Small *Term Expired 30 April 2015*	-	6
J Tattersall	20	10
R Tuwhangai	21	9
D Wong-Tung	21	16
Total	**186**	**147**

Council and Standing Committee Attendance

	COUNCIL		AUDIT AND COMPLIANCE		CHIEF EXECUTIVE REVIEW		EXECUTIVE		STUDENT APPEAL	
	HELD	ATTENDANCE	HELD	ATTENDANCE	HELD	ATTENDANCE	HELD	ATTENDANCE	HELD	ATTENDANCE
P Winder *Chairman*	11	10	-	-	2	2	-	-	-	-
B Monk *Deputy Chairman*	11	10	5	5	2	2	-	-	-	-
John Hannan	11	7	5	3	-	-	-	-	-	-
Bernadette Pone	11	9	-	-	-	-	-	-	-	-
Kira Schaffler	11	10	-	-	-	-	-	-	-	-
Jill Tattersall	11	9	1	1	-	-	-	-	-	-
Rachael Tuwhanagi	11	10	5	5			-	-	-	-
David Wong-Tung	11	8	5	2	2	2	-	-	-	-

The Council meets monthly from February to November and at other times as required. Standing Committee Meetings x 10 (February 2016 – November 2016). Additional Council Meeting x one (November 2016). Sub Committee Meetings x seven (Audit & Compliance Committee Meetings and the CE Review Committee Meetings).

Council Members Register of Interests

COUNCILLOR	INVOLVEMENTS WITH OTHER ENTITIES	LAST UPDATED
P Winder *Chairman*	Director, McGredy Winder and Co Limited Director, The Sound of Music Education Limited Crown Manager, Kaipara District Council Trustee, Silo Theatre Company Committee Member on State Services Commission's Risk and Audit Committee Director, EnterpriseMIT Limited Chair, EnterpriseMIT Limited	27 October 2016
B Monk *Deputy Chairman*	Chief Financial Officer, Watercare Services Limited Trustee, Watercare Harbour Clean Up Trust Trustee, Te Motu a Hiaroa (Puketutu Island) Governance Trust Director, EnterpriseMIT Limited	14 July 2016
J Hannan	Partner, DLA Piper Director, EnterpriseMIT Limited	29 September 2016
B Pone	Member, Pacific Community Advisory Board – MIT Director, EnterpriseMIT Limited	14 July 2016
K Schaffler	Director, EnterpriseMIT Limited	27 October 2016
J Tattersall	Chair, Kiwa Digital Limited Consultant, Cognition Education Director, EnterpriseMIT Limited	14 July 2016
R Tuwhangai	Member, the Atea Māori Justice Network Chair, MIT Rūnanga Director, Board of NZQA Trustee, Manalive Trust Managing Director, Māori and Pasifika Support Services Member, Advisory Board, School of Secondary and Tertiary Studies Professional Learning and Development Facilitator, University of Auckland Director, EnterpriseMIT Limited	14 July 2016
D Wong-Tung	Honorary Independent Special Projects Advisor and Consultant to the Prime Minister of Samoa Trustee, Best Pacific Foundation Commissioner, NZ-Samoa Trade and Investment Commission Trustee, Youthline Director, Puriri Nurseries Limited Director, Pacific 28 Limited Director, Kauri Connect Limited Director, Oravida NZ Limited Director, Kauri Orewa Limited Director, Kauri 139 Limited Director, Kauri Ruakaka Limited Director, NZG Limited Director, JWT Investments Limited Director, Kauri McArthur Ridge Limited Director, EnterpriseMIT Limited	14 July 2016

Note: involvements that should be registered are those where there may at some future time be a conflict of interest with the individual's role as a Council Member at MIT.

Representatives of Council on other MIT Boards/Committees

COUNCILLOR	INTEREST	LAST UPDATED
P Winder	Chairman, EnterpriseMIT Limited	14 July 2016
B Monk	Director, EnterpriseMIT Limited	14 July 2016
J Hannan	Director, EnterpriseMIT Limited	25 June 2015
B Pone	Member, Pacific Community Advisory Board – MIT Director, EnterpriseMIT Limited	14 July 2016
K Schaffler	Director, EnterpriseMIT Limited	14 July 2016
J Tattersall	Director, EnterpriseMIT Limited	25 June 2015
R Tuwhangai	Director, EnterpriseMIT Limited	14 July 2016
D Wong-Tung	Director, EnterpriseMIT Limited	14 July 2016

Council Delegations

Pursuant to section 222(1) of the Education Act 1989, the MIT Council may delegate any of its functions or powers (except the appointment of the Chief Executive) to the Chief Executive or a Committee appointed in accordance with section 193(3) of the Act.

The following table summarises Council Delegations which are to be exercised in accordance with the provisions of the Education Act 1989, other relevant legislation and Council Approved Statutes:

COUNCIL DELEGATION	SUMMARY
Chief Executive – Operational	Provision of Courses/Programmes of Study, Strategic Planning, Management, Management Policies, Manufacture and Distribution of Goods, Provision of Goods and Services, Urgency and Incidental.
Chief Executive – Academic	Enrolment, Refusal and Cancellation of Enrolment, Student Discipline, Granting of Awards and Unsealed Certificates.
Chief Executive – Financial	Expenditure, Tenders for Capital Expenditure, Sensitive Expenditure, Disposal of Assets, Fellowships, Scholarships, Bursaries or Prizes, Student Grants and Loans, Gifts, Devices and Bequests, Fees, Fee Instalments and Refunds.
Academic Board	Courses/Programmes of Study, Quality Assurance, Research, Sub-Committees, Academic Policies, Incidental and Assessment.
Executive Committee of Council	To act with the full powers of the Council during the extended summer holiday period and at other times when (in either case) urgent matters arise.
Student Appeals Committee of Council	Student Appeals.
Chief Executive Review Committee of Council	Oversight of the Chief Executive's conditions of employment and performance-related matters.

The Audit and Compliance Committee has no formal delegation. The Audit and Compliance Committee acts under its terms of reference to advise the MIT Council on audit and compliance requirements.

Council Membership

as at 31 December 2016

Chairman

Peter Winder
MA (Hons), MCILT
Ministerial Appointment

Deputy Chair

Brian Monk
BCom ACA
Ministerial Appointment

Members

John Hannan
LLB (Hons) (1st Class), BA
Council Appointment

Bernadette Pone
Council Appointment

Kira Schaffler
Council Appointment
Appointed 1 May 2015

Jill Tattersall
MA (Hons)
Council Appointment
Appointed 1 May 2015

Rachael Tuwhangai
M.Ed, M.ProfSt (LangTch),
PGDipEd (Counselling), DipTchg
Ministerial Appointment
Appointed 1 May 2015

David Wong-Tung
LLB, MBA, MinstD
Ministerial Appointment

Equal Educational Opportunities

The Institute strives to provide equitable educational access, appropriate support service and barrier-free facilities for all students. Manukau Institute of Technology (MIT), through its Equal Educational Opportunities Policy, seeks to create an environment in which all students have an equal opportunity to access education to achieve their potential. The areas of content and delivery of programmes, policies and procedures, provision of support services, staff training, provision of a hardship fund and scholarships, and student representation are designed and monitored in line with MIT's commitment to all students.

In 2016 scholarships provided totalled $202,000 and included 60 tertiary scholarships as well as various other grants supporting community initiatives and supporting the transition of students into tertiary study. Hardship assistance totalled a further $14,127 – 146 applications were processed. This confirms MIT's strong commitment to supporting tertiary study in the southern region of Greater Auckland.

MIT receives equity funding to support tertiary students with disabilities. Disability Support delivers integrated and specialist support services to registered students which are individually designed to ensure access to all aspects of tertiary life. This funding is used to meet specific objectives set each year and covers recruitment of new students, provision of specialist equipment and employment of support staff who offer one-on-one support in the classroom. In 2016, MIT supported 419 students with disabilities. The MIT coordinator for disability support continues to work closely with many community agencies. Disability Support implemented a wraparound service at MIT where we believe that services and supports should be flexibly arranged to meet the unique needs of the students. This has been a success as we look at the increased retention and success of students as they progress towards employability or higher studies.

MIT Disability Support continues to work closely with the Ministry of Social Development and Workbridge employment consultants to support students with significant disabilities into mainstream employment and Internship programmes.

MIT provides a range of amenities and support services for all students. This includes a state-of-the-art library with an information commons giving easy access to computing facilities. The Learning Support Centre delivers a range of learning and language support, including seminars on exam and study techniques, group and peer tutoring sessions and other learning assistance sessions directly related to the student's programme of study. The Health and Counselling Centre provides medical and counselling services as well as organising and participating in activities promoting general health and well being.

The MIT Children's Education Centre is situated on North campus for pre-school children. This is a well-equipped, purpose-built facility where the children are cared for using the widely recognised Reggio Emilia early childhood philosophy and Te Whāriki curriculum. The centre is staffed by qualified teachers and supports a number of parents who study at MIT.

Strengthening our workforce and Equal Employment Opportunities 2016

A safe, healthy workplace is crucial to MIT achieving its purpose of getting people into great jobs. The modern workplace requires employees who understand safe work practices, making it imperative that MIT's staff understand and can role model safe practices to students. 2016 saw the introduction of the new Health and Safety at Work legislation, and MIT responded with a significant investment into this area. A new Health and Safety team was given significant resource and budget to drive an overhaul of MIT's health and safety management system. Training and education was a major focus, with over 130 safety reps and leaders trained to use the system. A new 'Take 5' for Health and Safety campaign was launched, lifting the visibility and relevance of Health and Safety to all staff across MIT. Particular focus was put on high risk areas such as engineering and trades and facilities management, with targeted support provided to these areas to help them modernise and more effectively manage their safety practices. Safety statistics for 2016 show significant improvement on the prior year. Staff experienced 45% fewer injuries than in 2015, while students experienced 49% fewer injuries. ACC claims reduced by 41%.

MIT also reflects its care for staff by introducing staff-friendly policies. Our recruitment and selection policy was updated to clearly articulate MIT's stance on Equal Employment Opportunities, our commitment to Te Tiriti o Waitangi in partnership with Māori and our obligations under the Vulnerable Children's Act. A new Wellness Policy was adopted based on the Te Whare Tapa Whā framework. This looks at the four aspects of Wellness – physical, mental and emotional, family, and spiritual and environmental. The focus is now on developing our strategy and selection of best fit programmes to support our staff these four areas. MIT takes its commitment to being smoke free seriously, and our Smoke Free Policy was updated to ensure that it best delivered on this commitment on all of our campuses and with consideration of other groups who use our sites as well as the general public.

Attracting and retaining good staff is an ongoing focus. MIT participated in the IBM Kenexa Best Workplaces survey, which provides a benchmark for employers across New Zealand. MIT achieved a staff engagement score of 68%, which is on par with other ITPs but is below the average for employers across NZ. Staff told us they value the opportunities MIT gives them to improve and innovate and that they receive clear feedback and coaching from managers. Opportunities for improvement included stronger communication about how MIT is tracking and giving staff more change to have a say. Our new CEO has made staff engagement a top priority, and has undertaken a series of discussion forums and site visits that have been extremely well received by staff.

MIT celebrated the good, the great and the extraordinary at our annual employee recognition awards. The 2016 MIT Staff Excellence Awards were held at our recently opened Pasifika Community Centre. In front of an audience of over 100 of their colleagues CEO Gus Gilmore and Chairman Peter Winder presented 46 awards to employees recognising their exceptional contributions. The Awards consist of three categories; Outstanding Achievements, Living the Values and Teaching Excellence.

Recipients of the awards were a diverse group, representative of the people MIT is proud to call its workforce. An environment of inclusiveness and inspiration enables the Institute through its staff to produce great results for our students, transforming their lives through education.

Evelyn Hikuroa, Faculty Leader Māori from the Faculty of Nursing and Health Studies was recognised for excellence in the leadership of Māori students. Under Evelyn's watch Māori students have been hugely successful with an average course completion rate of 87% or more for many years.

Her leadership spans from the whānau room to external stakeholders such as Wharangi Ruamano and Counties Manukau Health, from students to staff and beyond. Evelyn is one of the main drivers behind the Faculty's well recognised success with Māori. Her efforts have been a big part of the Faculty's well regarded success with Māori learners – a staff member that exemplifies the essence of MIT and our purpose of getting people into great jobs.

MIT's values – we are real, manaakitanga, we are connected and we are excellent – are at the centre of who we are. In 2016 our values were re-launched featuring some members of our staff who role model the values as ambassadors in posters, post cards and on-line imagery. Using bold colours and supported by Pasifika-inspired designs, these images helped reignite conversations about who we are and how we work together across MIT. Our staff are our greatest asset as we continue to transform lives through learning.

STATEMENT OF SERVICE PERFORMANCE

This Statement of Service Performance, when read in conjunction with the balance of this Annual Report, provides an assessment of our performance against our strategic goals for the 2016 Financial Year.

The operating environment

Manukau Institute of Technology was established in 1970 as the first purpose-built polytechnic in New Zealand. We serve three generic client communities (students, business, and industry/professions) along with the wider community of Manukau and its surrounding areas. We are located in the Counties Manukau sub-region, within Tainui tribal boundaries. This area:

- is characterised by a high concentration of the country's Māori and Pacific populations
- is the home of many new immigrant groups, especially from Asia
- has significantly lower engagement in vocational education than nationally
- has an exceptionally high proportion of low decile schools within its boundaries coupled with a small group of high decile schools; and
- has significant local concentrations of business and industry.

Manukau Institute of Technology is committed to delivering service through its exceptionally strong and committed academic and allied staff supporting each other in integrated roles.

Our Strategic Plan

Purpose

Our purpose is to get people into great jobs.

Vision

Our vision is to be widely recognised as the leading ITP in New Zealand.

In particular, we will be known for:

- our success in meeting Auckland's vocational education and training needs
- our success in meeting the needs of our students and communities
- the strength of our partnerships with community and other providers
- the employability and progression of our graduates; and
- our innovation and entrepreneurship.

Mission

Our mission is to deliver vocationally focused tertiary education, research and technology transfer that ensures Auckland's economy, graduates, employers and communities have the capability and skills to achieve their potential.

We recognise that we have a special obligation to serve the people, communities and employers of Counties Manukau and that achieving significantly improved tertiary education outcomes in this sub-region is critical to both our mission and to the future economic and social prosperity of the nation.

Areas of Focus

We are focused on improved outcomes for Māori, Pasifika and under-25-year-olds.

Measures of Success

Our success will be measured by the following five goals:

- Improved employability and progression;
- Increased participation;
- Improved success and retention;
- Enhanced experience and satisfaction; and
- Increased consultancy and industry training.

The Government's vision is for a world-leading education system that equips all New Zealanders with knowledge, skills and values to be successful citizens in the 21st century.[1]

Tertiary Education Strategy 2014–19

"The Government's vision is for a world-leading education system that equips all New Zealanders with knowledge, skills and values to be successful citizens in the 21st century." [1]

The first steps to achieving these shifts are outlined in the following six priorities:

- Priority 1: Delivering skills for industry
- Priority 2: Getting at-risk young people into a career
- Priority 3: Boosting achievement of Māori and Pasifika
- Priority 4: Improving adult literacy and numeracy
- Priority 5: Strengthening research-based institutions
- Priority 6: Growing international linkages.

The core roles of institutes of technology and polytechnics are:

- To deliver vocational education that provides skills for employment;
- To undertake applied research that supports vocational learning and technology transfer; and
- To assist progression to higher level of learning or to work through foundation education.

We perform our role and deliver the key outcomes from the Tertiary Education Strategy 2014-19 by ensuring our Strategic Plan and Investment Plan are aligned to the Strategy.

Our Investment Plan 2015-2017

Our Investment Plan 2015–17 confirms our strong commitment to the Tertiary Education Strategy and restates a number of aspects of our Strategic Plan.

Specific performance commitments are made in the Investment Plan in relation to Participation and Educational Performance. These two areas are a subset of our strategic goals and as a consequence the reporting against the Strategic Plan and the Investment Plan in the following sections are combined.

The final section, section 6, of this Statement of Service Performance outlines some high level performance indications for EnterpriseMIT Limited.

Our Performance

In 2016, MIT has delivered improved performance on 2015 in a number of areas. Overall course completion is up 2% and has met the 2016 target. Retention rates have increased for SAC and Youth Guarantee and student satisfaction levels have improved. Our non-base revenue has also increased by 16% predominantly in our Faculty of Engineering and Trades as our SAC shortfalls are offset by increased income from students from the ITO sector. The performance of the priority groups (Māori, Pasifika and under 25 students) has also improved with increased participation, course success and retention. The Māori, and Pasifika Trades Training initiative grew by 66% in 2016 and this focused support to the education of priority groups has contributed to our success.

It has been disappointing to see a drop in overall participation due to lower domestic enrolments. However, this is an overall trend across sector due to the impact of a buoyant economy with high levels of employment. MIT remains committed to addressing this decline. Growth in international enrolments continued, however recent changes to student visa conditions will make further growth challenging.

1. MIT 2017 Statement of Service Provision, pg1

How Are We Doing?

1. Increased Participation

To increase participation

Relevant Tertiary Education Strategy 2014-19 outcome: Delivering Skills for Industry and Growing international linkages.

KEY PERFORMANCE INDICATORS	NOTE	TARGET 2016	ACTUAL 2016	ACTUAL 2015	ACTUAL 2014	ACTUAL 2013
To increase the number of domestic EFTS	1	7,800	6,219	6,627	6,561	7,168
To increase the number of International EFTS		1,000	1,059	961	617	524
To increase the number base SAC EFTS	1	5,663	5,021	5,435	5,409	5,876

In 2016, the domestic funded enrolments at MIT declined by 6%, mainly driven by a fall in SAC enrolments. The most significant change was in level 3 SAC EFTS which fell from 787 to 562. In other areas there has been growth in Industry Training Organisations (ITO) Off Job Training and reduced demand for ACE training. Domestic enrolments in the sector in New Zealand has been declining due to our high employment levels and achieving growth is challenging but MIT is committed to achieving it.

MIT has continued to see growth in International EFTS with a further increase of 10% this year, predominantly driven through growth in the Indian market. With recent changes to student visa conditions further growth in this area will become more challenging. MIT will continue to strengthen international relationships and develop new programmes attractive to international students.

To increase participation rates for Māori, Pasifika and under 25 year olds

Relevant Tertiary Education Strategy 2014-19 outcome: Boosting Achievement of Māori and Pasifika students and Getting at-risk young people into a career.

KEY PERFORMANCE INDICATORS	NOTE	TARGET 2016	ACTUAL 2016	ACTUAL 2015	ACTUAL 2014	ACTUAL 2013
Māori						
SAC levels 1 and 2	1	1.5%	2.5%	2.2%	1.5%	1.2%
SAC levels 3 and above	1	16.0%	15.8%	15.6%	16.0%	14.5%
SAC levels 4 and above	1	12.0%	13.3%	12.6%	12.2%	11.1%
Pasifika						
SAC levels 1 and 2	1	3.0%	3.0%	2.8%	2.4%	2.3%
SAC levels 3 and above	1	33.0%	32.6%	32.0%	32.2%	32.7%
SAC levels 4 and above	1	27.0%	27.7%	25.4%	24.7%	26.1%
Under 25						
SAC levels 3 and above	1	48.0%	44.2%	45.8%	48.1%	46.6%
SAC levels 4 and above	1	38.0%	38.5%	38.0%	37.7%	37.0%

MIT is committed to improving the participation and achievement of Māori, Pasifika and students aged under 25 this commitment is reflected in the excellent participation results for 2016. Participation levels in all groups improved across all SAC categories except for students under 25 at SAC level 3. In this category, greater participation at level 3 has occurred through Youth Guarantee.

Participation of Māori and Pasifika students continues to be higher than the proportion of these ethnicities in the local community. This result has been favourably impacted by the growth in the Māori and Pasifika trades training (MPTT) initiative, which provides focused support to these groups. EFTS in MPTT have grown year on year and from 262 EFTS in 2015 to 434 EFTS in 2016.

Overall MIT is very pleased with these results and is positioned well to continue to meet or exceed future participation targets for our priority student groups.

2. Improved Success, Retention and Educational Performance

To increase the successful course completion rate of students

Relevant Tertiary Education Strategy 2014-19 outcome: Delivering Skills for Industry, Boosting Achievement of Māori and Pasifika students and Getting at-risk young people into a career.

FUNDING TYPE AND LEVEL	NOTE	TARGET 2016	ACTUAL 2016	ACTUAL 2015	ACTUAL 2014	ACTUAL 2013
All Students						
All Funding Types	2,3	83%	83%	81%	80%	79%
SAC levels 1 and 2	2,3	79%	75%	75%	77%	74%
SAC levels 3 and above	2,3	82%	83%	81%	80%	80%
SAC levels 4 and above	2,3	83%	83%	83%	82%	80%
Youth Guarantee level 1	2,3	62%	100%	100%	89%	NA
Youth Guarantee level 2	2,3	68%	76%	67%	66%	67%
Youth Guarantee level 3	2,3	74%	76%	78%	78%	73%
Māori						
SAC levels 3 and above	2,3	78%	77%	76%	74%	74%
SAC levels 4 and above	2,3	79%	78%	78%	77%	75%
Pasifika						
SAC levels 3 and above	2,3	76%	78%	77%	75%	74%
SAC levels 4 and above	2,3	77%	78%	78%	76%	73%
Under 25						
SAC levels 3 and above	2,3	79%	81%	79%	77%	76%
SAC levels 4 and above	2,3	80%	81%	81%	80%	76%

Overall MIT continues to produce year on year improvements in course completion rates across all funding types by achieving the 2016 target of 83% and an increase of 2% on 2015 performance. Performance dipped below 2015 results in only one area with Youth Guarantee level 3 falling by 2%, however there was a significant improvement in Youth Guarantee level 2 where course completions increased by 9%. Overall Youth guarantee for level 1 to 3 has increased by 2%. These results are driven from MIT's commitment to continuously improve the programmes offered to meet demand and to provide students with excellent support throughout their studies.

In 2016 MIT has continued to deliver excellent results for priority groups with completion rates being maintained or improved for Māori, Pasifika and students under 25 at SAC levels 3 and above plus SAC levels 4 and above. Again the success of the MPTT initiative and the enhanced support provided to these priority groups has contributed to the improved result as well as the continued focus on striving to deliver the best results for our students.

To increase the number of successful qualification completions

Relevant Tertiary Education Strategy 2014-19 outcome: Delivering Skills for Industry.

KEY PERFORMANCE INDICATORS	NOTE	TARGET 2016	INTERIM 2016	INTERIM 2015	INTERIM 2014	INTERIM 2013	ACTUAL 2015	ACTUAL 2014	ACTUAL 2013
To increase the number of graduates for qualifications at Level 4 and above	2,3	2,903	2,848	2,827	2,406	2,478	2,799	2,516	2,642
To increase the total number of graduates	2,3	4,968	4,591	4,813	4,490	4,483	4,840	4,611	4,684

The number of graduates can only be finalised after April once all graduation results are known. For all graduates the interim results are lower than 2015 but higher than prior years despite lower average participation numbers. The interim result for 2015 will be affected by a change in the mix of programmes undertaken.

For level 4 qualifications and above the number of graduates increased by 1% as compared to 2015 which is a good result with participation at this level falling by 0.8%.

To increase the qualification completion rate of SAC and Youth Guarantee students

Relevant Tertiary Education Strategy 2014-19 outcome: Delivering Skills for Industry, Boosting Achievement of Māori and Pasifika students and Getting at-risk young people into a career.

KEY PERFORMANCE INDICATORS	NOTE	TARGET 2016	INTERIM 2016	INTERIM 2015	INTERIM 2014	INTERIM 2013	ACTUAL 2015	ACTUAL 2014	ACTUAL 2013
All Students									
SAC levels 1 and 2	2,3	54%	57%	56%	65%	44%	55%	65%	45%
SAC levels 3 and above	2,3	73%	69%	73%	73%	67%	76%	73%	70%
SAC levels 4 and above	2,3	74%	69%	73%	76%	68%	77%	76%	72%
Youth Guarantee levels 1 and 2	2,3	58%	72%	61%	56%	56%	64%	58%	61%
Youth Guarantee level 3	2,3	66%	67%	72%	70%	57%	71%	72%	65%
Māori									
SAC levels 3 and above	2,3	69%	66%	63%	61%	62%	62%	62%	64%
SAC levels 4 and above	2,3	68%	66%	63%	62%	60%	63%	62%	63%
Pasifika									
SAC levels 3 and above	2,3	65%	66%	67%	70%	58%	69%	70%	60%
SAC levels 4 and above	2,3	65%	65%	65%	74%	55%	69%	74%	59%
Under 25									
SAC levels 3 and above	2,3	66%	62%	63%	66%	59%	66%	67%	60%
SAC levels 4 and above	2,3	65%	62%	63%	68%	58%	67%	70%	60%

The qualification completion measure is based on Tertiary Education Commission's Education Performance Indicator. In 2017 this measure will be replaced with a new cohort based approach to measuring qualification success. Results for this measure can be impacted by changes in enrolment patterns. At MIT enrolment patterns have been influenced by; more flexible learning with cohorts running when there is demand, more programmes delivered as trimesters or 8 week blocks, students getting jobs and completing their studies part-time whilst at work, as well as fluctuations in participation rates between years. These changes will impact the qualification rates but MIT is confident, based on the course completion results, that we continue to deliver good outcomes for our students.

To increase the retention rate of SAC and Youth Guarantee students

Relevant Tertiary Education Strategy 2014-19 outcome: Delivering Skills for Industry and Boosting Achievement of Māori and Pasifika students.

KEY PERFORMANCE INDICATORS	NOTE	TARGET 2016	ACTUAL 2016	ACTUAL 2015	ACTUAL 2014	ACTUAL 2013
All Students						
SAC levels 1 and 2	2,3	48%	61%	47%	35%	44%
SAC levels 3 and above	2,3	71%	71%	71%	67%	69%
Youth Guarantee level 1	2,3	55%	100%	100%	0%	0%
Youth Guarantee level 2	2,3	53%	68%	37%	55%	45%
Youth Guarantee level 3	2,3	74%	73%	71%	74%	73%
Māori						
SAC levels 1 and 2	2,3	48%	59%	37%	31%	36%
SAC levels 3 and above	2,3	68%	66%	68%	66%	66%
Pasifika						
SAC levels 1 and 2	2,3	48%	57%	48%	35%	44%
SAC levels 3 and above	2,3	71%	73%	70%	67%	71%

Overall the retention rate target for 2016 has been exceeded and represents an excellent result. There has been a dip in performance for Māori students at SAC level 3+ down 2%. Though, there has been notable improvements in SAC levels 1 and 2 increasing by 14% and Youth Guarantee level 2 increasing by 31%. The overall retention rate for Youth guarantee funded students has increased from 2015; by 16% in Māori, 2% in Pasifika and 7% in Under 25.

When these results are considered in conjunction with falling participation it highlights the challenge to attract new students, once enrolled MIT has demonstrated by these results that they are engaged and supported to deliver excellent results.

3. Improved Employability and Progression

To improve the progression of students

Relevant Tertiary Education Strategy 2014-19 outcome: Delivering Skills for Industry and Boosting Achievement of Māori and Pasifika students.

KEY PERFORMANCE INDICATORS	NOTE	TARGET 2016	INTERIM 2016	INTERIM 2015	INTERIM 2014	INTERIM 2013	ACTUAL 2015	ACTUAL 2014	ACTUAL 2013
All Students									
SAC levels 1 to 3 to a higher level	2,3,4	61%	51%	50%	49%	54%	50%	49%	54%
Youth Guarantee level 1 to a higher level	2,3,4	40%	60%	13%	NA	NA	13%	NA	NA
Youth Guarantee level 2 to a higher level	2,3,4	75%	69%	85%	72%	NA	85%	72%	84%
Youth Guarantee level 3 to a higher level	2,3,4	37%	55%	50%	43%	NA	50%	43%	35%
Māori									
SAC levels 1 to 3 to a higher level	2,3,4	58%	52%	57%	53%	53%	57%	53%	53%
Pasifika									
SAC levels 1 to 3 to a higher level	2,3,4	63%	47%	51%	56%	59%	51%	56%	59%

Whilst MIT has focused on the encouragement and support of students to pursue further study the progression of students at levels 1 to 3 has been affected by the strong employment market for trades, this has led to a complex pattern of results. The increase in the progression rate at Youth Guarantee level 1 is mainly due to the volatility of results due to smaller EFTS numbers.

To increase the percentage of graduates moving into employment or higher education

Relevant Tertiary Education Strategy 2014-19 outcome: Delivering Skills for Industry.

KEY PERFORMANCE INDICATORS	NOTE	TARGET 2016	ACTUAL 2016	ACTUAL 2015	ACTUAL 2014	ACTUAL 2013
To increase the proportion of graduates moving into employment or higher education within six months of programme completion	5	88%	79%	83%	86%	82%

The results are based on a graduate survey with an 87% response rate. MIT is disappointed to see that despite improving the results achieved by students the outcomes in terms of further education or employment has declined by 4%. Whilst there has been a small drop in the proportion going into employment the result is mainly driven by less students pursuing further education. MIT will continue to build relationships with employers and work with students to try and secure good outcomes for all our students.

4. Enhanced Experience and Satisfaction

To increase student satisfaction

Relevant Tertiary Education Strategy 2014-19 outcome: Delivering Skills for Industry.

KEY PERFORMANCE INDICATORS	NOTE	TARGET 2016	ACTUAL 2016	ACTUAL 2015	ACTUAL 2014	ACTUAL 2013
To maintain student satisfaction above 8.0	6	8.3	8.1	8.0	8.0	8.2

The 2016 survey results show an improvement on 2015 performance. The maximum score of 10 can only be achieved if all students strongly agree that overall the course is good. A score of 8.1, though short of the target, still represents a positive experience for students and an improvement on 2015. MIT will seek to further improve students experience and this will be supported through initiatives to redevelop and improve a number of programmes for 2017.

5. Increased Non-Base Revenue

To increase non-base revenue

Relevant Tertiary Education Strategy 2014-19 outcome: Delivering Skills for Industry.

KEY PERFORMANCE INDICATORS All in $000s	NOTE	TARGET 2016 $000	ACTUAL 2016 $000	ACTUAL 2015 $000	ACTUAL 2014 $000	ACTUAL 2013 $000
To increase non-base revenue and recoveries		18,448	21,067	18,214	16,808	16,231

This result is a 16% increase in revenue over 2015, with strong growth in Engineering. MIT continues to partner with businesses to develop courses and services to meet their needs, further growth in this area is anticipated for 2017.

6. EnterpriseMIT Limited

To increase success, retention and educational performance

Relevant Tertiary Education Strategy 2014-19 outcome: Delivering Skills for Industry.

KEY PERFORMANCE INDICATORS	NOTE	TARGET 2016	ACTUAL 2016	ACTUAL 2015	ACTUAL 2014
To deliver full allocation of SAC places funded by TEC		100%	89%	120%	100%
To deliver full allocation of Youth Guarantee places funded by TEC		100%	87%	74%	40%
To increase the average EFTS weighted successful course completion for SAC funded students at level 3 and above	7	84%	65%	84%	85%
To increase the average EFTS weighted successful course completion for SAC funded students at level 4 and above	7	84%	91%	87%	96%
To improve the average EFTS weighted course completion rates for Youth Guarantee students at level 1	7	70%	40%	52%	53%

In 2016 Enterprise has delivered more subcontracted EFTS for MIT and as a result slightly less EFTS have been delivered under Enterprise's own funding. The participation rate for Youth Guarantee has increased as 2015 EFTS levels have been maintained whilst the 2016 target was lower. For SAC level 3 and Youth Guarantee there are a high level of extensions to complete assessment work after having been placed into employment at the reporting date and are expected to complete the programme requirements before April. We therefore anticipate the final completion rate for 2015 students to be closer to the target. The course completion rate for SAC level 4 and above is 4% higher than 2015 and 7% above target and represent an excellent result.

Notes to the Statement of Service Performance:

1. SAC and Youth Guarantee EFTS are dependent on funding levels from TEC.
2. Investment Plan Indicator. Please also note that in some cases the historic results as published in the MIT Investment Plan 2015-17 differ slightly from the result published in this Annual Report and previous Annual Reports. This is because the historic results in the Investment Plan are drawn from the final April SDR in each year and the Annual Reports are based on the January SDR in each year.
3. These results are based on data from a January 2017 SDR and the final results will not be available until April 2017 when the final graduation results are known.
4. The interim results for 2012 to 2016 are sourced from TEC and measure progression for SAC and Youth Guarantee students only.
5. This result is based off the student graduate survey that is sent to MIT 2015 graduates.
6. This result is based off the student satisfaction survey undertaken during the 2016 year.
7. Educational Performance results are interim only as a large number of students are yet to complete final course assessments because of practicum requirements. These students are expected to complete prior to educational performance for 2016 being finalised in April.

Financial Statements

Statement of Responsibility

In terms of the Crown Entities Act 2004, we certify that:

1: We have been responsible for the preparation of these group financial statements, statement of service performance and the judgements used therein;

and

2: We have been responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and performance reporting;

and

3: We are of the opinion that these financial statements and statement of service performance fairly reflect the financial position and operations of this Institution for the year ended 31 December 2016.

Peter Winder
Chair of Council

Brian Monk
Deputy Chair of Council

Gus Gilmore
Chief Executive

Date: 30 March 2017

Independent Auditor's Report

To the readers of Manukau Institute of Technology and group's financial statements and statement of service performancefor the year ended 31 December 2016.

The Auditor-General is the auditor of Manukau Institute of Technology (the Institute) and group. The Auditor-General has appointed me, David Walker, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the Institute and group on his behalf.

Opinion

We have audited:

- the financial statements of the Institute and group on pages 41 to 67, that comprise the statement of financial position as at 31 December 2016, the statement of comprehensive revenue and expenditure, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the Institute and group on pages 31 to 37.

In our opinion:

- the financial statements of the Institute and group on pages 41 to 67:
  - present fairly, in all material respects:
    - the financial position as at 31 December 2016; and
    - the financial performance and cash flows for the year then ended;
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the statement of service performance of the Institute and group on pages 31 to 37 presents fairly, in all material respects, the Institute and group's service performance achievements measured against the proposed outcomes described in the investment plan for the year ended 31 December 2016.

Our audit was completed on 30 March 2017. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities relating to the financial statements and the statement of service performance, we comment on other information, and we explain our independence.

Basis of 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 Council for the financial statements and the statement of service performance

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

The Council is also responsible on behalf of the Institute and group for preparing a statement of service performance that is fairly presented.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the statement of service performance, the Council is responsible on behalf of the Institute and group for assessing the Institute and group's ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Council intends to liquidate the Institute and group or to cease operations, or has no realistic alternative but to do so.

The Council's responsibilities arise from the Crown Entities Act 2004 and the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements and the statement of service performance

Our objectives are to obtain reasonable assurance about whether the financial statements and the statement of service performance, 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 and statement of service performance.

For the budget information reported in the financial statements and statement of service performance, our procedures were limited to checking that the information agreed to:

- the Institute and group's Council approved budget for the financial statements; and
- the investment plan for the statement of service performance.

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

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 and the statement of service performance, 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 Institute and group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute and group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the statement of service performance or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institute and group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the statement of service performance, including the disclosures, and whether the financial statements and the statement of service performance represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements and the statement of service performance of the entities or business activities within the group to express an opinion on the consolidated financial statements and them consolidated statement of service performance. 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 Council 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 Council is responsible for the other information. The other information comprises the information included on pages 4 to 29, but does not include the financial statements and the statement of service performance, and our auditor's report thereon.

Our opinion on the financial statements and the statement of service performance 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 and the statement of service performance, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the statement of service performance 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 Institute and 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 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the Institute or any of its subsidiaries.

David Walker
Audit New Zealand

On behalf of the Auditor-General
Auckland, New Zealand

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Statement of Comprehensive Revenue and Expense

for the year ended 31 December 2016

		INSTITUTE			GROUP	
All in $000s	NOTE	ACTUAL 2016	BUDGET 2016	ACTUAL 2015	ACTUAL 2016	ACTUAL 2015
REVENUE						
Government Funding	2	53,564	55,927	55,925	54,786	57,127
Student Fees and Department Revenue	3	50,926	46,309	48,316	57,782	53,151
Other Revenue		363	238	470	1,289	1,166
Interest Revenue		50	0	6	76	48
Gifting of Enterprise Net Assets	32	6,007	0	0	0	0
Total Revenue		110,910	102,474	104,717	113,933	111,492
EXPENDITURE						
Employee Benefit Expenses	4	66,887	61,812	63,976	69,505	67,848
Depreciation and Amortisation Expense	11,12	13,329	12,960	12,434	13,418	12,515
Interest Expense		1,655	2,138	1,634	1,655	1,634
Other Losses/(Gains)	10	(88)	0	735	(88)	735
Other Expenses	4	26,268	27,718	24,429	29,576	25,723
Total Expenditure		108,051	104,628	103,208	114,066	108,455
Surplus/(Deficit)		2,859	(2,154)	1,509	(133)	3,037
Other Comprehensive Revenue and Expense						
Gains on Property Valuations		0	0	29,921	0	29,921
Total Other Comprehensive Revenue and Expense		0	0	29,921	0	29,921
Total Comprehensive Revenue and Expense	19	2,859	(2,154)	31,430	(133)	32,958

Explanations of major variances against budget are provided in note 22.

The accompanying notes form part of these financial statements, which comprise the Institute and Group.

Statement of Changes in Equity

for the year ended 31 December 2016

		INSTITUTE			GROUP	
All in $000s	NOTE	ACTUAL 2016	BUDGET 2016	ACTUAL 2015	ACTUAL 2016	ACTUAL 2015
Balance at 1 January		244,947	211,560	213,517	248,014	215,056
Adjustment to Opening Equity		0	0	0	(75)	0
Adjused Opening Equity		244,947	211,560	213,517	247,939	215,056
Other Comprehensive Revenue and Expense						
Surplus/(Deficit)		2,859	(2,154)	1,509	(133)	3,037
Other Comprehensive Revenue		0	0	29,921	0	29,921
Total Comprehensive Revenue and Expense	19	2,859	(2,154)	31,430	(133)	32,958
Non Comprehensive Revenue Items						
Other Contributions from the Crown		0	0	0	0	0
Total Comprehensive Revenue and Expense		0	0	31,430	0	32,958
Balance at 31 December	19	247,806	209,406	244,947	247,806	248,014

The accompanying notes form part of these financial statements, which comprise the Institute and Group.

Statement of Financial Position

as at 31 December 2016

All in $000s	NOTE	INSTITUTE ACTUAL 2016	INSTITUTE BUDGET 2016	INSTITUTE ACTUAL 2015	GROUP ACTUAL 2016	GROUP ACTUAL 2015
ASSETS						
Current Assets						
Cash and Cash Equivalents	6	3,727	248	2,545	3,727	4,247
Student Fees and Other Receivables	7	3,709	3,931	1,933	3,709	3,095
Inventory	8	337	477	1,222	337	1,222
Assets Held For Sale	9	4,087	0	0	4,087	0
Total Current Assets		11,860	4,656	5,700	11,860	8,564
Non Current Assets						
Property, Plant and Equipment	11	293,880	270,099	301,288	293,880	301,926
Intangible Assets	12	4,041	3,271	3,702	4,041	3,717
Investments	13	0	755	755	0	0
Total Non Current Assets		297,921	274,125	305,745	297,921	305,643
Total Assets		309,781	278,781	311,445	309,781	314,207
LIABILITIES						
Current Liabilities						
Trade and Other Payables	14	11,947	20,167	14,918	11,947	14,387
Employee Entitlements	15	4,159	3,795	4,193	4,159	4,419
Revenue Received in Advance	17	8,561	6,241	11,488	8,561	11,488
Trust Funds	18	597	589	578	597	578
Borrowings	20	5,000	0	10,000	5,000	10,000
Derivative Financial Instruments	10	28	0	0	28	0
Total Current Liabilities		30,292	30,792	41,177	30,292	40,872
Non Current Liabilities						
Employee Entitlements	15	377	443	399	377	399
Borrowings	20	29,500	36,000	23,000	29,500	23,000
Derivative Financial Instruments	10	1,806	2,140	1,922	1,806	1,922
Total Non Current Liabilities		31,683	38,583	25,321	31,683	25,321
Total Liabilities		61,975	69,375	66,498	61,975	66,193
Net Assets		247,806	209,406	244,947	247,806	248,014
EQUITY						
General Funds	19	115,850	107,371	112,991	115,850	116,058
Other Comprehensive Revenue and Expense	19	1,454	1,454	1,454	1,454	1,454
Property Revaluation Reserve	19	130,502	100,581	130,502	130,502	130,502
Total Equity		247,806	209,406	244,947	247,806	248,014

Explanations of major variances against budget are provided in note 22.

The accompanying notes form part of these financial statements, which comprise the Institute and Group.

Peter Winder
Chair of Council

Brian Monk
Deputy Chair of Council

Gus Gilmore
Chief Executive

Date: 30 March 2017

Statement of Cash Flows

for the year ended 31 December 2016

All in $000s	NOTE	INSTITUTE ACTUAL 2016	INSTITUTE BUDGET 2016	INSTITUTE ACTUAL 2015	GROUP ACTUAL 2016	GROUP ACTUAL 2015
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Government Funding		52,492	58,243	54,483	53,809	55,053
Receipts from Student Fees and Other Revenue		47,395	44,914	52,036	57,539	56,885
Interest Revenue Received		50	0	6	76	48
Cash From Enterprise Transfer		2,585	0	0	0	0
Goods and Services Tax (Net)		(402)	0	(610)	(593)	(492)
Payments to Employees		(67,521)	(61,909)	(64,692)	(72,500)	(68,426)
Payments to Suppliers		(23,242)	(31,805)	(26,921)	(28,505)	(28,069)
Interest Paid		(1,655)	(2,138)	(1,722)	(1,655)	(1,722)
Net Cash Inflow from Operating Activities		9,702	7,305	12,580	8,171	13,277
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of Property, Plant and Equipment		(9,066)	(8,507)	(5,916)	(9,225)	(5,928)
Purchase of Intangible Assets		(954)	0	(840)	(966)	(840)
Net Cash Outflow used in Investing Activities		(10,020)	(8,507)	(6,756)	(10,191)	(6,768)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from Borrowings		4,000	1,000	32,000	4,000	32,000
Repayment of Borrowings		(2,500)	0	(39,264)	(2,500)	(39,264)
Net Cash Flows from Financing Activities		1,500	1,000	(7,264)	1,500	(7,264)
Net (Decrease)/Increase in Cash and Cash Equivalents		1,182	(202)	(1,440)	(520)	(755)
Cash and Cash Equivalents at Beginning of the Year		2,545	450	3,985	4,247	5,002
Cash and Cash Equivalents at End of the Year	6	3,727	248	2,545	3,727	4,247

RECONCILIATION FROM NET SURPLUS/(DEFICIT) TO NET CASH FLOW FROM OPERATING ACTIVITIES

All in $000s	INSTITUTE ACTUAL 2016	INSTITUTE ACTUAL 2015	GROUP ACTUAL 2016	GROUP ACTUAL 2015
Net Surplus/(Deficit) for the Year	2,859	1,509	(133)	3,037
Add/(Less) Non Cash Items:				
Depreciation and Amortisation Expense	13,329	12,434	13,418	12,515
Bad Debt Provision Movement	573	457	573	457
Other Losses/(Gains)	(88)	735	(88)	735
Add/(Less) Items Classified as Investing or Financing Activities:				
Net Loss/(Gain) on Disposal of Property, Plant and Equipment	25	254	25	256
Add/(Less) Movements in Working Capital:				
(Increase)/Decrease in Accounts Receivable and Other Receivables	(2,349)	(25)	(1,187)	(657)
Increase/(Decrease) in Inventories	885	(678)	885	(678)
Increase/(Decrease) in Trade and Other Payables	(2,568)	(3,444)	(2,132)	(3,781)
Increase/(Decrease) in Provisions	(56)	(2,077)	(282)	(1,971)
Increase/(Decrease) in Fees in Advance	(2,927)	3,406	(2,927)	3,355
Increase/(Decrease) in Trust Funds	19	9	19	9
Net Cash from Operating Activities	9,702	12,580	8,171	13,277

The accompanying notes form part of these financial statements, which comprise the Institute and Group.

Notes to the Financial Statements

for the year ended 31 December 2016

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

1. REPORTING ENTITY

Manukau Institute of Technology (the Institute) is a TEI that is domiciled and operates in New Zealand. The relevant legislation governing the institutes operations includes the Crown Entities Act 2004 and the Education Act 1989.

The Institute and Group consists of Manukau Institute of Technology and its subsidiary, EnterpriseMIT Limited (100% Owned). The Institute has contributed assets to the jointly controlled venture of Ko Awatea Education facility; these are included in the parent financial statements as jointly controlled assets. All subsidiaries, and joint ventures are incorporated and domiciled in New Zealand.

The primary objective of the Institute and Group is to provide tertiary education services for the benefit of the community. It does not operate to make a financial return. Accordingly, the Institute has designated itself and the Group as public benefit entities (PBEs) for the purposes of complying with general accepted accounting practice.

The financial statements of the Institute and Group are for the year ended 31 December 2016, and were authorised for issue by the Council on 28 April 2017.

2. STATEMENT OF COMPLIANCE

The financial statements of the Institute and Group have been prepared in accordance with the requirements of the Crown Entities Act 2004 and the Education Act 1989, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with Tier 1 PBE Standards.

These financial statements comply with PBE Standards.

3. MEASUREMENT BASE

The financial statements have been prepared on a going concern and historical cost basis, except where modified by the revaluation of land, buildings, and certain financial instruments (including derivative instruments) to fair value.

4. FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000). The functional currency of the Institute and its subsidiary is New Zealand dollars (NZ$).

5. STANDARDS, AMENDMENTS, AND INTERPRETATIONS ISSUED THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED

There are no standards issued and not yet effective that are relevant to the Institute and Group.

6. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

Management has exercised the following critical judgements in applying accounting policies for the year ended 31 December 2016:

a) Crown-owned land and buildings

Property in the legal name of the Crown that is occupied by the Institute and Group is recognised as an asset in the statement of financial position. The Institute and Group considers it has assumed all the normal risks and rewards of ownership of this property despite legal ownership not being transferred and accordingly it would be misleading to exclude these assets from the financial statements.

The Institute and Group has secured the use of the property by means of a licence to occupy land from the Ministry of Education for a period of 30 years from 13 March 2010 at nominal rent. This has been recognised as an intangible asset (Note 12).

b) Distinction between 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 Institute and Group accounts for the funding as a capital contribution directly in equity. Information about capital contributions recognised in equity is disclosed in note 19.

c) Research leave

Teaching staff are entitled to research leave in certain circumstances. The substance of this leave is that it is leave from teaching duties to undertake research activity with staff continuing to earn their salary and other employee entitlements. The Institute is of the view that research leave is not the type of leave contemplated in PBE IPSAS 25 Employee Benefits. Accordingly, a liability has not been recognised for such leave.

7. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of consolidation

The Group financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses, and cash flows on a line-by-line basis. All intragroup balances, transactions, revenue, and expenses are eliminated on consolidation.

(i) Subsidiaries

The Institute consolidates in the Group financial statements all entities where the Institute has the capacity to control their financing and operating so as to obtain benefits from the activities of the subsidiary. This power exists where the Institute controls the majority voting power on the governing body or where financing and operating policies have been irreversibly predetermined by the Institute or where the determination of such policies is unable to materially affect the level of potential ownership benefits that arise from the activities of the subsidiary.

The Institute will recognise goodwill where there is an excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. This difference reflects the goodwill to be recognised by the Institute. If the consideration transferred is lower than the net fair value of the Institute's interest in the identifiable assets acquired and liabilities assumed, the difference will be recognised immediately in the surplus or deficit.

Investments in subsidiaries are carried at cost in the Institute's parent entity financial statements.

(ii) Joint venture

A joint venture is a binding arrangement whereby two or more parties are committed to undertake an activity that is subject to joint control. Joint control is the agreed sharing of control over an activity.

(iii) Jointly controlled assets

The Institute's jointly controlled entity interest is accounted for by proportionate interests in the assets, liabilities, revenue and expenses of a jointly controlled asset have been incorporated in the financial statements under the appropriate headings.

b) Revenue

Revenue is measured at the fair value.

(i) Government grants

Student Achievement Component (SAC) funding is the Institute's main source of operational funding from the Tertiary Education Commission (TEC). 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.

(ii) Student 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.

(iii) Performance-Based Research Fund (PBRF)

The Institute considers PBRF funding to be non-exchange in nature. PBRF funding is specifically identified by the TEC as being for a funding period as required by section 159YA of the Education Act 1989. 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.

(iv) 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 needs to be substantive, which is assessed by considering factors such as contract monitoring mechanisms of the funder and past practice of the funder.

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(v) Donations, bequests, and pledges

Donations and bequests are recognised as revenue when the right to receive the fund or asset has been established, unless there is an obligation in substance to return the funds if conditions of the donation or bequest are not met. If there is such an obligation, they are initially recorded as revenue in advance and then recognised as revenue when the conditions are satisfied. Pledges are not recognised as assets or revenue until the pledged item is received.

(vi) Other Revenue

Other Revenue is recognised when earned. For the sale of materials this is when the significant risks and rewards of ownership have passed to the customer and can be measured reliably.

(vii) Interest

Interest revenue is recognised using the effective interest method.

c) Borrowing costs

Borrowing costs are expensed in the financial year in which they are incurred.

d) Leases

(i) Finance leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not the title is eventually transferred.

At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty as to whether the Institute and Group will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

(ii) Operating leases (Lessor or Lessee)

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

e) Foreign currency transactions

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into NZ$ (the functional currency) using the spot exchange rates at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

g) Debtors and other receivables

Short-term debtors and other short-term receivables are recorded at their face value, less any provision for impairment.

h) Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate risks arising from the Institute's financing activities. In accordance with its treasury policy, the Institute does not hold or issue derivative financial instruments for trading purposes. The Institute and Group has elected not to apply hedge accounting.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date with the resulting gain or loss recognised in the surplus or deficit.

A forward foreign exchange derivative is classified as current if the contract is due for settlement within 12 months of balance date. Otherwise, the full fair value of forward foreign exchange derivatives is classified as non-current. The portion of the fair value of an interest rate derivative that is expected to be realised or settled within 12 months of the balance date is classified as current, with the remaining portion of the derivative classified as non-current.

i) Other financial assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Institute and Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Institute and Group has transferred substantially all the risks and rewards of ownership.

Financial assets are classified into the following categories for the purposes of measurement:

- fair value through surplus or deficit;
- loans and receivables; and
- fair value through other comprehensive revenue and expenses.

Classification of the financial asset depends on the purpose for which the instruments were acquired.

(i) Financial assets at fair value through surplus or deficit

Currently the Institute does not hold any financial assets in this category.

(ii) Loans and receivables (including cash and cash equivalents and debtors and other receivables)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. After initial recognition, loans and receivables are measured at amortised cost using the effective interest method less any provision for impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

(iii) Financial assets at fair value through other comprehensive revenue and expenses

Currently the Institute does not hold any financial assets in this category.

j) Impairment of financial assets

At each balance date, the Institute and Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

(i) Loans and receivables (including cash and cash equivalents and debtors and other receivables)

Impairment of a loan or a receivable is established when there is objective evidence that the Institute and Group will not be able to collect amounts due according to the original terms of the loan or receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation, and default in payments are considered indicators that the asset is impaired.

The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). For other financial assets, impairment losses are recognised directly against the instrument's carrying amount.

k) Inventories

Inventories held for distribution or consumption in the provision of goods and services. The measurement of inventories depends on whether the inventories are held for commercial or non-commercial (distribution at no charge or for a nominal charge) distribution or use. Inventories are measured as follows:

- Commercial: measured at the lower of cost and net realisable value.
- Non-commercial: measured at cost, adjusted for any loss of service potential.

Cost is allocated using the first in, first out (FIFO) method, which assumes the inventories that were purchased first are distributed or used first.

Any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the year of the write-down.

l) Property, plant, and equipment

Property, plant, and equipment consists of the following asset classes: land, buildings, land improvements, plant and equipment, computer hardware, furniture and fittings, motor vehicles, library collection. Land is measured at fair value and buildings are measured at fair value less accumulated depreciation. All other asset classes are measured at cost, less accumulated depreciation and impairment losses.

(i) Revaluation

Land and buildings and Land improvements are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. The most recent valuation of land and buildings was performed by P Todd (BPA MRICS SPINZ), independent registered property, plant and machinery valuer, of Darroch Limited. The effective date of the revaluation was 31 December 2015. The next revaluation is due 31 December 2018. The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from fair value. If there is evidence supporting a material difference, then the off-cycle asset classes are revalued.

Revaluation movements are accounted for on a class-of-asset basis.

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. Where this would result in a debit balance in the asset revaluation reserve, this balance is recognised in the surplus or deficit.

Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

(ii) Additions

The cost of an item of property, plant, and equipment is recognised as an asset it is probable that future economic benefits or service potential associated with the item will flow to the Institute and Group and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at fair value as at the date of acquisition.

Cost incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Institute and Group and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

(iii) 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.

(iv) Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment other than land at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Class of Asset		Rate
Buildings	- Structure	11 – 100 years (1% – 91%)
	- Fit Out	6 – 29 years (3.5% – 16.7%)
	- Services	9 – 33 years (3% – 11.1%)
Land Improvements		7 – 40 years (3% – 14%)
Plant and Equipment		3 – 20 years (5% – 33.3%)
Furniture and Fittings		5 – 12 years (8.3% – 20%)
Motor Vehicles		4 – 10 years (10% – 25%)
Computer Hardware		4 – 7 years (14.3% – 25%)
Library Collection		3 – 10 years (10% – 33%)
Office Equipment		10 years (10%)

Leasehold improvements are depreciated over the shorter of the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter. The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

(v) Library Collection

The library collection that had been revalued to fair value prior to 31 December 2006, the date of the transition to NZ IFRS, is measured on the basis of deemed cost, being the revalued amount at the date of the revaluation. All purchases after this date are recorded at cost.

m) Intangible assets

(i) Software acquisition and development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs that are directly associated with the development of software for internal use, are recognised as an intangible asset. Direct costs include the software development employee related costs and an appropriate portion of relevant overheads. Staff training costs are recognised as an expense when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred.

(ii) Course development costs

Costs that are directly associated with the development of new educational courses are recognised as an intangible asset to the extent that such costs are expected to be recovered. The development costs primarily consist of employee costs.

(iii) Intellectual property development

Research costs are expensed as incurred in the surplus or deficit.

Development costs that are directly attributable to the design, construction, and testing of preproduction or pre-use prototypes and models associated with intellectual property development are recognised as an intangible asset if all the following can be demonstrated:

- It is technically feasible to complete the product so that it will be available for use or sale;
- Management intends to complete the product and use or sell it;
- There is an ability to use or sell the product;
- It can be demonstrated how the product will generate probable future economic benefits;
- Adequate technical, financial, and other resources to complete the development and to use or sell the product are available; and
- The expenditure attributable to the product during its development can be reliably measured.

Other development expenses that do not meet these criteria are recognised as an expense as incurred in the surplus or deficit. Development costs previously recognised as an expense cannot be subsequently recognised as an asset.

(iv) Licence to Occupy Land

Where the Institute has a licence to occupy land at a nominal rent, the Institute recognises the intangible asset based on an independent valuation of the estimated market ground rent over the licence term. Land with a licence to occupy is amortised over the unexpired period of the licence.

(v) Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Class of Asset	Rate
Computer Software	2 – 10 years 10% – 50%

Capitalised intellectual property development costs are still work in progress. The useful life of completed projects will be established at project completion.

n) Impairment of property, plant, and equipment and intangible assets

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment. Property, plant, and equipment held at cost that have a finite useful life are reviewed for impairment at each balance date and 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 assets is considered to be impaired and the carrying amount is written-down to the recoverable amount. The impairment loss is recognised in the surplus or deficit.

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.

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash-generating assets is the present value of expected future cash flows.

o) Creditors and other payables

Short-term creditors and other short-term payables are recorded the amount payable.

p) Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance.

Borrowings are classified as current liabilities unless the Institute has an unconditional right to

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

defer settlement of the liability for at least 12 months after the balance date.

q) Employee entitlements

(i) Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date, and sick leave.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

(ii) Long-term employee entitlements

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 on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

(iii) Presentation of employee entitlements

Sick leave, annual leave, vested long service leave are classified as a current liability. Non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

r) Superannuation schemes

(i) Defined contribution schemes

Employer contributions to KiwiSaver, the Government Superannuation Fund, and other defined contribution superannuation schemes are accounted for as defined contribution schemes and are recognised as an expense in the surplus or deficit when incurred.

s) Trust Funds

Manukau Institute of Technology receives bequests plus other funding to be held in trusts, which are required to be used for specific activities such as scholarships and awards. As the Institute administers these funds which have restricted use, they are treated as current liabilities and are not included in the Statement of Comprehensive Revenue and Expense.

t) Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits or service potential will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in “finance costs”.

u) Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- General funds;
- Capital contributions; and
- Property revaluation reserve.

(i) Property revaluation reserves

These reserves relates to the revaluation of land and buildings to fair value.

v) Tax

(i) Goods and services tax

Items in the financial statements are stated exclusive of goods and services tax (GST), except for debtors and other receivables and creditors and other payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

(ii) Income tax

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

w) Budget figures

The budget figures for the Institute are those approved by the Council at the start of the financial year. The Group budget figures are also approved by the Council at the start of the financial year. The Group budget consists of the budget of the Institute and the individual budgets of the Institute’s subsidiaries, approved by the governing bodies of those subsidiaries. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

x) Cost allocation

The cost of service for each significant activity of the Institute and Group has been derived using the cost allocation system outlined below. Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be attributed to a specific significant activity in an economically feasible manner. Direct costs are charged directly to significant activities. Indirect costs are allocated to academic departments only based on the floor space used for teaching purposes and administration costs based on the proportion of the salary costs expensed to the academic departments.

y) Critical accounting estimates and assumptions

In preparing these financial statements, the Institute and Group has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Property revaluations

Note 11 provides information about the estimates and assumptions exercised in the measurement of revalued land and buildings.

(ii) Long Service Leave

Note 15 provides information about the estimates and assumptions exercised in the measurement of long service leave.

z) Non-current assets held for sale

A non-current asset is classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use. The asset is measured at the lower of its carrying amount and fair value less costs to sell.

Write-downs of the asset are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised in the surplus or deficit up to the level of any impairment losses that have previously been recognised.

A non-current asset is not depreciated or amortised while classified as held for sale.

NOTE 2: GOVERNMENT FUNDING

All in $000s	INSTITUTE ACTUAL 2016	INSTITUTE ACTUAL 2015	GROUP ACTUAL 2016	GROUP ACTUAL 2015
Government funding classified as non-exchange transactions				
Student Disability Grant	182	183	182	183
Literacy Funding	1,667	1,659	1,667	1,659
Youth Guarantee	5,300	5,470	6,522	6,672
Other Government Grants	800	42	800	42
Māori and Pacific Islands Grant	329	332	329	332
Student Achievement Component (SAC) Funding	44,905	47,846	44,905	47,846
Performance Based Research Fund	381	393	381	393
Total Government Funding Excluding Department Funding	53,564	55,925	54,786	57,127

The Student Achievement Component (SAC) operational bulk grant is based on equivalent full-time student (EFTS) levels and the funding category levels for those EFTS and specific service grants. There are no unfulfilled contingencies for Government funding recognised as revenue.

Other Government funding is included as department income as the funding has been subject to a competitive tender process for training contracts. The funding is provided by the Tertiary Education Commission and Industry Training Organisations.

NOTE 3: STUDENT FEES AND DEPARTMENT REVENUE

All in $000s	INSTITUTE ACTUAL 2016	INSTITUTE ACTUAL 2015	GROUP ACTUAL 2016	GROUP ACTUAL 2015
Student fees and department revenue classified as exchange transactions				
Student Fees – International Students	16,801	13,980	16,848	13,994
Departmental Revenue (Non-Base Revenue and Recoveries)	7,987	14,210	14,629	18,778
Total Student Fees and Department Revenue classified as Exchange Transactions	24,788	28,190	31,477	32,772
Student fees and department revenue classified as non-exchange transactions				
Student Fees – Domestic Students	26,138	20,126	26,305	20,379
Total Student Fees and Department Revenue classified as Non-Exchange Transactions	26,138	20,126	26,305	20,379
Total Student Fees and Department Revenue	50,926	48,316	57,782	53,151

NOTE 4: EXPENDITURE

All in $000s	NOTE	INSTITUTE ACTUAL 2016	INSTITUTE ACTUAL 2015	GROUP ACTUAL 2016	GROUP ACTUAL 2015
Employee Benefits Expense					
Salaries and Wages		65,303	64,541	67,807	68,205
Defined Contribution Plan Employer Contributions		1,445	1,361	1,533	1,395
Councillors and Board Fees	27	195	151	220	199
Increase/(Decrease) in Employee Benefit Liabilities	15	(56)	(2,077)	(56)	(1,951)
Total Employee Benefits Expense		66,887	63,976	69,505	67,848
Other Expenditure					
Auditors' Remuneration					
Fees to Principal Auditor for Financial Statement Audit		238	105	271	133
Other Services		0	0	0	0
Total Auditors' Remuneration		238	105	271	133
General Costs					
Operating Lease Payments	25	2,371	2,303	2,590	2,478
Bad and Doubtful Debts – Written Off	7	16	3	67	3
Net Increase/(Decrease) Bad and Doubtful Debts Provision	7	573	457	573	457
Course Delivery Contracts		3,461	3,003	1,435	1,269
Donations		11	4	11	4
Loss on disposal of property, plant and equipment		25	254	25	256
Administrative, Materials and Consumables Expenses		19,573	18,300	24,604	21,123
Total General Costs		26,030	24,324	29,305	25,590
Total Other Expenditure		26,268	24,429	29,576	25,723

Employer contributions to defined contribution plans include contributions to KiwiSaver and the Government Superannuation Fund.

NOTE 5: ANALYSIS OF DEPARTMENT COSTS

	INSTITUTE				
				2016	2015
All in $000s	ACTUAL REVENUE	ACTUAL EXPENDITURE	ACTUAL NET COST	BUDGET NET COST	ACTUAL NET COST
Faculty of Consumer Services	12,190	11,671	(519)	638	(841)
Faculty of Business and Information Technology	17,820	20,185	2,365	1,561	1,407
Faculty of Engineering and Trades	20,265	25,586	5,321	3,499	2,039
Faculty of Education and Social Sciences	19,641	24,948	5,307	4,151	5,143
Faculty of Creative Arts	2,848	5,092	2,244	1,802	2,074
New Zealand Maritime School	10,451	10,158	(293)	(673)	(1,600)
Faculty of Nursing and Health Studies	12,660	10,474	(2,186)	(2,242)	(2,290)
Total Department Costs	95,875	108,114	12,239	8,736	5,933
Included in the department net cost are the following overheads:					
Property			17,042	17,689	15,863
Administration			44,166	42,156	39,834
Total Overheads Allocated			61,208	59,845	55,697

Overheads are allocated in accordance with notes to the financial statements, summary of significant accounting policies, allocation of overheads.

Department recoveries for services provided during 2016 have been netted off against overhead expenditure allocation. Total recoveries of $976,944 (2015 $1,120,493).

NOTE 6: CASH AND CASH EQUIVALENTS

All in $000s	NOTE	INSTITUTE ACTUAL 2016	INSTITUTE ACTUAL 2015	GROUP ACTUAL 2016	GROUP ACTUAL 2015
Cash at Bank and on Hand		507	1,887	507	1,819
Call Deposits		3,220	658	3,220	2,428
Total Cash and Cash Equivalents		3,727	2,545	3,727	4,247
Weighted Average Effective Interest Rate		2.0%	2.9%	2.0%	2.9%

The carrying value approximates fair value. None designated at fair value.

Assets recognised in a non-exchange transaction that are subject to restrictions.

The group holds $597k (2015 $578k) included in cash and cash equivalents of trust funds which are subject to restrictions. The restrictions generally specify how the trust fund is to be used in providing awards to students.

Cash at bank includes funds on call deposit that earn interest at floating rates based on the daily bank deposit rates. Short term deposits are made for short varying periods up to three months and earn interest at the respective term deposit rates. The carrying value of cash at bank and on hand, and call deposits approximate their fair value.

NOTE 7: STUDENT FEES AND OTHER RECEIVABLES

All in $000s	INSTITUTE ACTUAL 2016	INSTITUTE ACTUAL 2015	GROUP ACTUAL 2016	GROUP ACTUAL 2015
Receivables classified as exchange transactions				
Student Fees and Sundry Receivables	2,447	1,082	2,447	2,133
Prepayments	1,351	1,253	1,351	1,257
Other Receivables	82	0	82	93
Total Receivables classified as exchange transactions	3,880	2,335	3,880	3,484
Receivables classified as non-exchange transactions				
Student Fees and Sundry Receivables	837	520	837	533
Other non-exchange Receivables	487	0	487	0
Total Receivables classified as non-exchange transactions	1,324	520	1,324	533
Total Student Fees and Other Receivables (excluding Impairment)	5,204	2,855	5,204	4,017
Less Provision of Impairment for Receivables	(1,495)	(922)	(1,495)	(922)
Total Student Fees and Other Receivables	3,709	1,933	3,709	3,095

Student fees receivables are non-interest bearing and generally should be paid on enrolment and no later than at graduation.
The carrying value of Student Fees and Other Receivables approximates their fair value.

	INSTITUTE						GROUP					
	2016			2015			2016			2015		
All in $000s	GROSS	IMPAIRMENT	NET	GROSS	IMPAIRMENT	NET	GROSS	IMPAIRMENT	NET	GROSS	IMPAIRMENT	NET
Impairment												
Ageing profile for student fees receivable at year end.												
Not Past Due	0	0	0	208	(13)	195	0	0	0	766	(13)	753
Past Due 1 – 30 Days	220	(14)	206	126	(8)	118	220	(14)	206	435	(8)	427
Past Due 31 – 60 Days	614	(4)	610	145	(38)	107	614	(4)	610	336	(38)	299
Past Due 61 – 90 Days	184	0	184	104	(43)	61	184	0	184	294	(43)	251
Past Due over 90 Days	2,266	(1,477)	789	1,019	(820)	199	2,266	(1,477)	789	834	(820)	14
Total Impairment	3,284	(1,495)	1,789	1,602	(922)	680	3,284	(1,495)	1,789	2,666	(922)	1,744

All in $000s	INSTITUTE ACTUAL 2016	INSTITUTE ACTUAL 2015	GROUP ACTUAL 2016	GROUP ACTUAL 2015
Movements in the provision for impairment of student receivables				
At 1 January	922	465	922	465
Additional Provisions made during the Year	573	452	573	452
Provisions Reversed during the Year	0	8	0	8
Receivables Written-off during the Year	0	(3)	0	(3)
At 31 December	1,495	922	1,495	922

All receivables greater than 30 days in age are considered to be past due. The impairment assessment is performed on an individual basis, based on analysis of past collection history and debt write-offs.

NOTE 8: INVENTORY

All in $000s	INSTITUTE ACTUAL 2016	INSTITUTE ACTUAL 2015	GROUP ACTUAL 2016	GROUP ACTUAL 2015
Building Stock	161	1,081	161	1,081
Hospitality Stock	98	45	98	45
Staff Services Stock	24	32	24	32
Cafeteria Stock	54	64	54	64
Total Inventory	337	1,222	337	1,222

Inventories are valued at the lower of cost or net realisable value. Nil was written down of inventories held for distribution (2015 $nil).
No inventories are pledged as security.

NOTE 9: ASSETS HELD FOR SALE

All in $000s	INSTITUTE ACTUAL 2016	INSTITUTE ACTUAL 2015	GROUP ACTUAL 2016	GROUP ACTUAL 2015
Property Held For Sale	4,087	0	4,087	0
Total Assets Held For Sale	4,087	0	4,087	0

As part of a review of building assets a number of properties have been identified as being surplus to future requirements. The authority to dispose of these properties required under s192 of the Education Act, having been sought and received, means the properties can now be marketed for sale and are presented as held for sale within current assets in the 2016 Financial Statements. They are expected to sell within twelve months.

These properties comprise Q Block and the Tyreforce sites (58-64 Lovegrove Crescent and 3 Watford Street, Otara).

NOTE 10: DERIVATIVE FINANCIAL INSTRUMENTS

All in $000s	INSTITUTE ACTUAL 2016	INSTITUTE ACTUAL 2015	GROUP ACTUAL 2016	GROUP ACTUAL 2015
Non-Current Liability Portion				
Interest Rate Swaps	1,834	1,922	1,834	1,922
Total Current Liability Portion	28	0	28	0
Total Non-Current Liability Portion	1,806	1,922	1,806	1,922
Total Derivative Financial Instruments	1,834	1,922	1,834	1,922

Interest Rate Swaps

The fair value of interest rate swaps has been determined by calculating the expected cash flows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are from independently sourced market parameters such as interest rate yield curves. Most market parameters are implied from instrument prices.

The changes in the fair value of interest rate swaps are recognised in the Statement of Comprehensive Revenue and Expense.

The notional principal amounts of the outstanding interest rate swap contracts totalled $33 million (2015 $33 million). The fixed rate of interest rate swaps vary from 4.27% to 4.94%.

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

INSTITUTE

All in $000s	1 JAN 2016			2016				31 DEC 2016		
	COST OR FAIR VALUE	ACCUMULATED DEPRECIATION	NET CARRYING VALUE	ADDITIONS/ RECLASSIFICATIONS	REVALUATION	NET BOOK VALUE OF DISPOSALS	DEPRECIATION	COST OR FAIR VALUE	ACCUMULATED DEPRECIATION	NET CARRYING VALUE
Land – Crown	31,250	0	31,250	0	0	0	0	31,250	0	31,250
Land – Institute	14,673	0	14,673	0	0	0	0	14,673	0	14,673
Land Improvements	8,377	0	8,377	29	0	0	(426)	8,405	(426)	7,979
Buildings – Crown	47,983	0	47,983	259	0	0	(2,005)	48,242	(2,005)	46,238
Buildings – Institute	178,069	0	178,069	4,535	0	0	(5,123)	182,605	(5,123)	177,482
Library Collection	5,147	(3,665)	1,482	439	0	(0)	(382)	5,586	(4,047)	1,539
Computer Hardware	28,340	(19,223)	9,117	2,168	0	0	(2,905)	24,528	(16,148)	8,379
Plant and Equipment	19,343	(12,976)	6,367	1,205	0	(25)	(1,136)	19,890	(13,479)	6,411
Motor Vehicles	1,821	(1,179)	642	241	0	0	(165)	1,966	(1,248)	718
Furniture and Fittings	6,205	(2,878)	3,327	500	0	0	(528)	6,700	(3,402)	3,298
Total Property, Plant & Equipment	341,209	(39,921)	301,288	9,376	0	(25)	(12,670)	343,845	(45,878)	297,967
Property transferred to Assets Held for Sale										4,087
Total Property, Plant and Equipment after transfer										293,880

GROUP

All in $000s	1 JAN 2016			2016				31 DEC 2016		
	COST OR FAIR VALUE	ACCUMULATED DEPRECIATION	NET CARRYING VALUE	ADDITIONS/ RECLASSIFICATIONS	REVALUATION	NET BOOK VALUE OF DISPOSALS	DEPRECIATION	COST OR FAIR VALUE	ACCUMULATED DEPRECIATION	NET CARRYING VALUE
Land – Crown	31,250	0	31,250	0	0	0	0	31,250	0	31,250
Land – Institute	14,673	0	14,673	0	0	0	0	14,673	0	14,673
Land Improvements	8,377	0	8,377	29	0	0	(426)	8,405	(426)	7,979
Buildings – Crown	47,983	0	47,983	259	0	0	(2,005)	48,242	(2,005)	46,238
Buildings – Institute	178,069	0	178,069	4,535	0	0	(5,123)	182,605	(5,123)	177,482
Library Collection	5,147	(3,665)	1,482	439	0	(0)	(382)	5,586	(4,047)	1,539
Computer Hardware	28,340	(19,223)	9,117	2,168	0	(9)	(2,905)	24,528	(16,148)	8,379
Plant and Equipment	20,080	(13,175)	6,905	1,352	0	(634)	(1,202)	19,890	(13,479)	6,411
Motor Vehicles	1,936	(1,225)	711	236	0	(51)	(178)	1,966	(1,248)	718
Furniture and Fittings	6,251	(2,894)	3,358	512	0	(38)	(533)	6,700	(3,402)	3,298
Total Property, Plant & Equipment	342,107	(40,182)	301,926	9,530	0	(732)	(12,754)	343,845	(45,878)	297,967
Property transferred to Assets Held for Sale										4,087
Total Property, Plant and Equipment after transfer										293,880

$4.85m accumulated depreciation included in reclassifications, and $2.21m accumulated depreciation writeback included in the net book value of disposals.

INSTITUTE

All in $000s	1 JAN 2015			2015				31 DEC 2015		
	COST OR FAIR VALUE	ACCUMULATED DEPRECIATION	NET CARRYING VALUE	ADDITIONS/ RECLASSIFICATIONS	REVALUATION	NET BOOK VALUE OF DISPOSALS	DEPRECIATION	COST OR FAIR VALUE	ACCUMULATED DEPRECIATION	NET CARRYING VALUE
Land – Crown	18,820	0	18,820	0	12,430	0	0	31,250	0	31,250
Land – Institute	8,443	0	8,443	0	6,230	0	0	14,673	0	14,673
Land Improvements	4,182	(703)	3,479	5,132	115	0	(350)	8,377	0	8,377
Buildings – Crown	47,957	(3,660)	44,297	565	5,014	0	(1,893)	47,983	0	47,983
Buildings – Institute	185,746	(7,456)	178,289	(2,438)	6,131	0	(3,914)	178,069	0	178,069
Library Collection	4,858	(3,268)	1,590	289	0	0	(397)	5,147	(3,665)	1,482
Computer Hardware	27,708	(15,816)	11,891	812	0	(180)	(3,407)	28,340	(19,223)	9,117
Plant and Equipment	18,855	(11,697)	7,159	512	(23)	(1)	(1,279)	19,343	(12,976)	6,367
Motor Vehicles	1,785	(1,024)	761	36	0	0	(155)	1,821	(1,179)	642
Furniture and Fittings	6,092	(2,339)	3,753	186	0	(73)	(539)	6,205	(2,878)	3,327
Total Property, Plant & Equipment	324,445	(45,963)	278,482	5,072	29,921	(254)	(11,934)	341,209	(39,921)	301,288

GROUP

All in $000s	1 JAN 2015			2015				31 DEC 2015		
	COST OR FAIR VALUE	ACCUMULATED DEPRECIATION	NET CARRYING VALUE	ADDITIONS/ RECLASSIFICATIONS	REVALUATION	NET BOOK VALUE OF DISPOSALS	DEPRECIATION	COST OR FAIR VALUE	ACCUMULATED DEPRECIATION	NET CARRYING VALUE
Land – Crown	18,820	0	18,820	0	12,430	0	0	31,250	0	31,250
Land – Institute	8,443	0	8,443	0	6,230	0	0	14,673	0	14,673
Land Improvements	4,182	(703)	3,479	5,132	115	0	(350)	8,377	0	8,377
Buildings – Crown	47,957	(3,660)	44,297	565	5,014	0	(1,893)	47,983	0	47,983
Buildings – Institute	185,746	(7,461)	178,285	(2,438)	6,131	0	(3,914)	183,356	0	178,069
Library Collection	4,858	(3,267)	1,590	289	0	0	(397)	5,147	(3,665)	1,482
Computer Hardware	27,708	(15,811)	11,897	812	0	(180)	(3,407)	28,340	(19,223)	9,117
Plant and Equipment	19,473	(11,837)	7,636	635	(23)	(3)	(1,337)	20,080	(13,175)	6,905
Motor Vehicles	1,900	(1,056)	843	36	0	0	(169)	1,936	(1,225)	711
Furniture and Fittings	6,139	(2,353)	3,786	186	0	(73)	(544)	6,251	(2,894)	3,358
Total Property, Plant & Equipment	325,225	(46,148)	279,077	5,195	29,921	(256)	(12,010)	342,107	(40,182)	301,926

NOTE 11: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

REVALUATIONS

An independent valuation was obtained to determine the fair value of land and buildings. Fair value is determined by reference to an open market basis, being the amount for which assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's-length transaction at the valuation date for land and buildings of a non-education specific nature. Where buildings have been designed specifically for educational purposes they are valued at optimised depreciated replacement cost which is considered to reflect fair value for such assets.

The most recent valuation of land and buildings was performed by P Todd (BPA SPINZ MRICS), independent registered property and plant and machinery valuer, of Darroch Limited at a fair value of $280,354,000. The effective date of the revaluation was 31 December 2015. The next revaluation is due 31 December 2018.

Land

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values.

Restrictions on the Institute and Group's ability to sell land would normally not impair the value of the land because the Institute and group has operational use of the land for the foreseeable future and will substantially receive the full benefits of outright ownership.

Buildings

Specialised buildings (e.g. buildings on campuses) are valued at fair value using optimised depreciated replacement cost because no reliable market data is available for buildings designed for education delivery purposes.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- The replacement asset is based on the replacement with modern equivalent assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- For the Institute's earthquake prone buildings that are expected to be strengthened, the estimated earthquake-strengthening costs have been deducted off the depreciated replacement cost.
- The remaining useful life of assets is estimated.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value. These valuations include adjustments for estimated building strengthening costs for earthquake prone buildings and the associated lost rental during the time to undertake the strengthening work.

Excluded assets include:

- Loose plant and equipment and similar assets such as furniture, workbenches, computers and workshop tools.
- Underground services
- Carvings and all artwork including wall linings

Refer to Note 19 for revaluation reserves and explanations of revaluation movements.

Work in Progress

At the end of the period the total amount of property, plant and equipment work in progress is $2,438,203 consisting entirely of buildings (2015 $0).

Restrictions on title

Under the Education Act 1989, the Institute is required to obtain the consent from the Ministry of Education to dispose of land and buildings. For plant and equipment there is an asset disposal limit formula with provides a limit up to which a TEI may dispose of plant and equipment without seeking the approval from the Ministry of Education. Detailed information on the asset disposal rules can be found on the Tertiary Education Commission website. There are also various restrictions in the form of historic designations, reserve, and endowment encumbrances attached to land. The Institute does not consider it practical to disclose in detail the value of land subject to these restrictions.

EnterpriseMIT

On 24th November 2016 Council passed a resolution to transfer EnterpriseMIT net assets to MIT. From 30 December 2016 EnterpriseMIT ceased trading and all activities and net assets held at that date are now included in MIT operations.

Ko Awatea

The Institute has a 31% share of Ko Awatea assets as jointly controlled assets. The details of the assets by categories are as below:

Furniture and Fittings	$152K	(2015 $152k)
Plant and Equipment	$213K	(2015 $213k)
Computer Hardware	$385K	(2015 $385k)
Computer Software	$9k	(2015 $9k)
Total Property, Plant and Equipment	$759K	(2015 $759k)

The accumulated depreciation for 2016 is $668k (2015 $453k), which brings the asset book value to $90k (2015 $306k). $150,992 was incurred as the MIT share of the operating costs of the joint venture (2015 $413,634).

NOTE 12: INTANGIBLE ASSETS

All in $000s	INSTITUTE 1 JAN 2016 COST OR FAIR VALUE	ACCUMULATED AMORTISATION	NET CARRYING VALUE	2016 ADDITIONS/ RECLASSIFICATIONS	REVALUATION	NET BOOK VALUE OF DISPOSALS	AMORTISATION	31 DEC 2016 COST OR FAIR VALUE	ACCUMULATED AMORTISATION	NET CARRYING VALUE
Computer Software	4,664	(1,972)	2,692	995	0	0	(614)	5,639	(2,565)	3,074
Other Intangible Assets	1,250	(240)	1,010	0	0	0	(43)	1,250	(283)	967
Total Intangible Assets	5,914	(2,212)	3,702	995	0	0	(657)	6,889	(2,848)	4,041

All in $000s	GROUP 1 JAN 2016 COST OR FAIR VALUE	ACCUMULATED AMORTISATION	NET CARRYING VALUE	2016 ADDITIONS/ RECLASSIFICATION	REVALUATION	NET BOOK VALUE OF DISPOSALS	AMORTISATION	31 DEC 2016 COST OR FAIR VALUE	ACCUMULATED AMORTISATION	NET CARRYING VALUE
Computer Software	4,689	(1,982)	2,707	995	0	(21)	(620)	5,639	(2,565)	3,074
Other Intangible Assets	1,250	(240)	1,010	0	0	0	(43)	1,250	(283)	967
Total Intangible Assets	5,939	(2,222)	3,717	995	0	(21)	(663)	6,889	(2,848)	4,041

$18k accumulated depreciation included in reclassification, $19k accumulated depreciation writeback is included in the net book value of disposals.

All in $000s	INSTITUTE 1 JAN 2015 COST OR FAIR VALUE	ACCUMULATED AMORTISATION	NET CARRYING VALUE	2015 ADDITIONS/ RECLASSIFICATIONS	REVALUATION	NET BOOK VALUE OF DISPOSALS	AMORTISATION	31 DEC 2015 COST OR FAIR VALUE	ACCUMULATED AMORTISATION	NET CARRYING VALUE
Computer Software	3,825	(1,515)	2,310	839	0	0	(457)	4,664	(1,972)	2,692
Other Intangible Assets	1,250	(198)	1,052	0	0	0	(42)	1,250	(240)	1,010
Total Intangible Assets	5,075	(1,713)	3,362	839	0	0	(499)	5,914	(2,212)	3,702

All in $000s	GROUP 1 JAN 2015 COST OR FAIR VALUE	ACCUMULATED AMORTISATION	NET CARRYING VALUE	2015 ADDITIONS/ RECLASSIFICATIONS	REVALUATION	NET BOOK VALUE OF DISPOSALS	AMORTISATION	31 DEC 2015 COST OR FAIR VALUE	ACCUMULATED AMORTISATION	NET CARRYING VALUE
Computer Software	3,850	(1,520)	2,330	839	0	0	(462)	4,689	(1,982)	2,707
Other Intangible Assets	1,250	(198)	1,052	0	0	0	(42)	1,250	(240)	1,010
Total Intangible Assets	5,100	(1,718)	3,382	839	0	0	(504)	5,939	(2,222)	3,717

Work in Progress

At the end of the period the total amount of intangible assets work in progress is $293,231 consisting entirely of computer software (2015 $0).

Other Intangible Assets

Other intangible assets include the licence to occupy land at 52 Ōtara Rd from the Ministry of Education for a period of 30 years at a nominal rent. The amount recognised as an intangible asset is based on an independent valuation. The valuation methodology adopted by the independent valuer, Darroch Ltd, is based on an estimated land value of $2m and an adopted ground rental percentage of 5.5%. The resultant estimated market ground rent has a land value growth of 2% per annum applied and a discount rate of 10% to determine the present value of the rental benefit, over the licence term.

EnterpriseMIT

On 24th November 2016 Council passed a resolution to transfer EnterpriseMIT net assets to MIT. From 30 December 2016 EnterpriseMIT ceased trading and all activities and net assets held at that date are now included in MIT operations.

NOTE 13: INVESTMENTS

All in $000s	INSTITUTE ACTUAL 2016	INSTITUTE ACTUAL 2015	GROUP ACTUAL 2016	GROUP ACTUAL 2015
Investment	0	755	0	0
Total Investments	0	755	0	0

In December 2011 the Institute acquired $100 of shares at $1.00 per ordinary share in its subsidiary EnterpriseMIT Limited. In July 2013 the Institute acquired an additional $754,900 of shares at $1.00 per ordinary share in its subsidiary EnterpiseMIT Limited. On 24th November 2016 Council passed a resolution to transfer EnterpriseMIT net assets to MIT. From 30 December 2016 EnterpriseMIT ceased trading and all activities and net assets held at that date are now included in MIT operations.

NOTE 14: TRADE AND OTHER PAYABLES

All in $000s	INSTITUTE ACTUAL 2016	INSTITUTE ACTUAL 2015	GROUP ACTUAL 2016	GROUP ACTUAL 2015
Payables under exchange transactions				
Trade Payables	3,414	2,323	3,414	2,312
Accrued Expenses	1,653	3,834	1,653	3,552
Other Payables	136	577	136	159
Total Payables under Exchange Transactions	5,203	6,734	5,203	6,024
Payables under non-exchange transactions				
Other Payables	6,292	7,234	6,292	7,303
Net GST Payable/ (Receivable)	452	950	452	1,060
Total Payables under Non-Exchange Transactions	6,744	8,184	6,744	8,363
Total Trade and Other Payables	11,947	14,918	11,947	14,387

Total Trade and Other Payables are non-interest bearing and are normally settled on 30 day terms. Therefore, the carrying value approximates fair value. Included in Trade Payables above are retentions of $539k (2015 $500k) related to the MIT Manukau construction project.

NOTE 15: EMPLOYEE BENEFIT LIABILITIES

All in $000s	INSTITUTE ACTUAL 2016	INSTITUTE ACTUAL 2015	GROUP ACTUAL 2016	GROUP ACTUAL 2015
Employee Entitlements				
Accrued Pay	52	1,600	52	1,673
Annual Leave	2,662	2,330	2,662	2,476
Sick Leave	280	247	280	254
Long Service Leave	247	216	247	216
Retirement Leave	129	184	129	184
Restructuring Provision	1,166	15	1,166	15
Total Employee Benefit Liabilities	4,536	4,592	4,536	4,818
Current Portion	4,159	4,193	4,159	4,419
Non-Current Portion	377	399	377	399
Total Employee Benefit Liabilities	4,536	4,592	4,536	4,818

The present value of the long service obligations depends on factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will impact on the carrying amount of the liability.

Expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand government bonds. The discount rate used match, as closely as possible, the estimated future cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns.

If the salary inflation factor were to increase or decrease by 1% from that used, with all other factors held constant, the carrying amount of the long service leave liability would be an estimated $21,491 higher / lower (2015 $18,873).

If the discount rates used were to increase or decrease by 1% from that used, with all other factors held constant, the carrying amount of the long service liability would be an estimated $18,219 higher / lower (2015 $16,507).

NOTE 16: SEVERANCE AND REDUNDANCY PAYMENTS

The total value of compensation paid in respect of redundancies and severance to employees during the financial year was $1.6m (2015 $2.6m). This includes $1.2m payable in the 2017 year.

NOTE 17: REVENUE RECEIVED IN ADVANCE

	INSTITUTE		GROUP	
All in $000s	ACTUAL 2016	ACTUAL 2015	ACTUAL 2016	ACTUAL 2015
Students' Fees	7,717	9,999	7,717	9,999
Other Revenue Received in Advance	844	1,489	844	1,489
Total	8,561	11,488	8,561	11,488
Current Portion	8,561	11,488	8,561	11,488
Total	8,561	11,488	8,561	11,488

During 2010, the Institute and Group received a grant from Manukau City Council for the construction of the MIT Pasifika Centre. The grant is recognised as revenue received in advance. The Institute will be required to pay all or part of the grant up to a maximum of $500,000 should the conditions of the contract not be met.

NOTE 18: TRUST FUNDS

	INSTITUTE		GROUP	
All in $000s	ACTUAL 2016	ACTUAL 2015	ACTUAL 2016	ACTUAL 2015
Opening Balance	578	569	578	569
Interest Received	19	17	19	17
Less Grants Awarded	0	(8)	0	(8)
Total Trust Funds	597	578	597	578
Represented by:				
G F Dawson Memorial Fund	11	11	11	11
J M Grant Memorial Fund	9	0	9	0
MIT Students' Trust Fund	480	472	480	472
Young Memorial Fund	97	95	97	95
Total Trust Funds	597	578	597	578

Restrictions on use

Manukau Institute of Technology holds these funds in trust for the purposes of providing out of the income derived an award for students.

NOTE 19: EQUITY

	INSTITUTE		GROUP	
All in $000s	ACTUAL 2016	ACTUAL 2015	ACTUAL 2016	ACTUAL 2015
General Funds				
At 1 January	112,991	111,482	116,058	112,910
Opening Balance Adjustment	0	0	(75)	111
Surplus/(Deficit) for the year	2,859	1,509	(133)	3,037
Balance as at 31 December	115,850	112,991	115,850	116,058
Property Revaluation Reserves				
Balance as at 1 January	130,502	100,581	130,502	100,581
Land Net Revaluations Gain	0	15,531	0	15,531
Buildings Net Revaluations Gain	0	14,390	0	14,390
Balance as at 31 December	130,502	130,502	130,502	130,502
Fair value through Other Comprehensive Income Reserve				
Balance as at 1 January	1,454	1,454	1,454	1,454
Gains on property valuations	0	0	0	0
Gains on property valuations	0	0	0	0
Balance as at 31 December	1,454	1,454	1,454	1,454
Total Equity	247,806	244,947	247,806	248,014
Property Revaluation Reserves				
Property Revaluation Reserves consist of:				
Land	41,052	41,052	41,052	41,052
Buildings	89,450	89,450	89,450	89,450
Total Property Revaluation Reserves	130,502	130,502	130,502	130,502

Capital Contributions

Capital Contributions – Capital contributions received in 2016 were nil (2015: $0).

Opening Balance Adjustment

Opening Balance Adjustment – Relates to corrections required for the Enterprise Financial Statements in 2015.

NOTE 20: BORROWINGS

	INSTITUTE		GROUP	
All in $000s	ACTUAL 2016	ACTUAL 2015	ACTUAL 2016	ACTUAL 2015
Current Portion	5,000	10,000	5,000	10,000
Non-Current Portion	29,500	23,000	29,500	23,000
Total Borrowings	34,500	33,000	34,500	33,000
Weighted Average Effective Interest Rate	5.92%	5.17%	5.92%	5.17%

Borrowings

The Institute has a revolving cash facility of $50m (2015 $55m), a liquidity facility of nil (2015 $15m) and a working capital overdraft facility of $5m (2015 $5m) with ANZ Bank providing funding for capital projects and liquidity. Certain covenants are required to be met in relation to the facilities. The maturity date of the existing facility is 31 December 2019, with an option to extend the expiry date, subject to the agreement of the lender. Under Ministry of Education consent to borrow dated 18 June 2014, MIT is required to stepdown the maximum aggregate borrowing limits. The annual $5.0m reduction effective from 1 Jan 2016 has been incorporated with the revolving cash facility. In light of MIT's lower than expected debt MIT Council has approved a further $5.0m reduction is disclosed as current portion.

Bank Covenants	ACTUAL	REQUIRED	HEADROOM
Maximum Total Debt to Total Debt plus Equity Ratio	12.20%	<25%	12.80%
Minimum Interest Cover Ratio	7.2	>2x	5.2
Minimum Guaranteeing Group Cover	100%	>90%	10%

NOTE 21: FINANCIAL INSTRUMENTS

All in $000s	INSTITUTE ACTUAL 2016	INSTITUTE ACTUAL 2015	GROUP ACTUAL 2016	GROUP ACTUAL 2015
Financial Instrument Categories				
The accounting policies for financial instruments have been applied to the line items below:				
Financial Assets				
Loans and Receivables				
Cash and Cash Equivalents	3,727	2,545	3,727	4,247
Student Fees and Other Receivables	3,284	1,602	3,284	2,666
Total Loans and Receivables	7,011	4,147	7,011	6,913
Financial Liabilities				
Financial Liabilities Measured at Amortised Costs				
Creditors and other payables	11,947	13,968	11,947	13,328
Borrowings	34,500	33,000	34,500	33,000
Total Financial Liabilities Measured at Amortised Cost	46,447	46,968	46,447	46,328
Financial Liabilities Measured at Fair Value				
Derivative financial instruments	1,834	1,926	1,834	1,926
Total Financial Liabilities Measured at Fair Value	1,834	1,926	1,834	1,926

Financial Instruments Risks

MIT's activities expose it to a variety of financial risks including market risk (interest rate risk and currency risk), credit risk and liquidity risk. The Institute and Group manages its financial instruments risk in accordance with relevant legislation and is risk adverse and seeks to minimise exposure from its treasury activities. These policies do not allow any transactions that are speculative in nature to be entered into.

NOTE 21: FINANCIAL INSTRUMENTS (CONTINUED)

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. Future interest payments on floating rate debt are based on the "floating rate on the instrument at balance date." The amounts disclosed are contractual undiscounted cash flows:

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
Institute 2016							
Trade and other payables	11,947	11,947	11,947	0	0	0	0
Borrowings	34,500	36,558	483	15,483	546	20,046	0
Total Financial Liabilities at Amortised Cost	46,447	48,505	12,430	15,483	546	20,046	0
Derivative financial instruments	1,834	1,834	28	0	116	244	1,446
Total Financial Liabilities at Fair Value	1,834	1,834	28	0	116	244	1,446
Group 2016							
Trade and other payables	11,947	11,947	11,947	0	0	0	0
Borrowings	34,500	36,558	483	15,483	546	20,046	0
Total Financial Liabilities at Amortised Cost	46,447	48,505	12,430	15,483	546	20,046	0
Derivative financial instruments	1,834	1,834	28	0	116	244	1,446
Total Financial Liabilities at Fair Value	1,834	1,834	28	0	116	244	1,446
Institute 2015							
Trade and other payables	13,968	13,968	13,968	0	0	0	0
Borrowings	33,000	39,736	842	10,842	1,684	1,684	24,684
Total Financial Liabilities at Amortised Cost	46,968	53,704	14,810	10,842	1,684	1,684	24,684
Derivative financial instruments	1,926	1,926	0	0	0	0	1,926
Total Financial Liabilities at Fair Value	1,926	1,926	0	0	0	0	1,926
Group 2015							
Trade and other payables	13,328	13,328	13,328	0	0	0	0
Borrowings	33,000	39,736	842	10,842	1,684	1,684	24,684
Total Financial Liabilities at Amortised Cost	46,328	53,064	14,170	10,842	1,684	1,684	24,684
Derivative financial instruments	1,926	1,926	0	0	0	0	1,926
Total Financial Liabilities at Fair Value	1,926	1,926	0	0	0	0	1,926

MARKET RISK

Currency and Interest Rate Risk

The Institute and Group is exposed to changes in interest rates on short term investments, bank deposits and term lending facilities. There is no significant exposure to currency and interest rate risk on the Institute's financial assets.

The interest rate on the Institute and Group's investments is disclosed in Note 9. The Institute is exposed to interest rate risk on borrowings as disclosed in Note 20.

Cash Flow Interest Rate Risk

Cash flow interest rate risk is the risk that cash flows from a financial instrument will fluctuate because of changes in market interest rates. Investments issued at variable interest rates create exposure to cash flow interest rate risk. Borrowings at variable interest rates create exposure to cash flow interest rate risk.

Credit Risk

Credit risk is the risk a third party will default on its obligation to the Institute, thereby causing the Institute and group to incur a loss.
Due to the timing of its cash inflows and outflows, surplus cash is invested into the term deposits which give rise to credit risk.
The Institute and group places its investments with institutions which have a high credit rating such as registered banks that have a Standard and Poor's credit rating of at least A-.

The Institute has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

NOTE 21: FINANCIAL INSTRUMENTS (CONTINUED)

All in $000s	INSTITUTE ACTUAL 2016	INSTITUTE ACTUAL 2015	GROUP ACTUAL 2016	GROUP ACTUAL 2015
The maximum credit exposure for each class of financial instrument is as follows:				
Cash and Cash Equivalents	3,727	2,545	3,727	4,247
Trade and Other Receivables	3,284	1,602	3,284	2,666
Total Credit Risk On Loans and Receivables	7,011	4,147	7,011	6,913
The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counter party default rates:				
Counter parties with Credit Ratings				
Cash and Cash Equivalents:				
AA-	3,727	2,545	3,727	4,247
Short Term Deposits:				
AA-	0	0	0	0
Counter parties without Credit Ratings				
Loans to subsidiary	0	0	0	0
Existing counter party with no defaults in the past	0	0	0	0
Existing counter party with defaults in the past	0	0	0	0
Total Loans to Related Parties	0	0	0	0
Debtors and other receivables				
Existing counter party with no defaults in the past	3,284	1,602	3,284	2,666
Existing counter party with defaults in the past	0	0	0	0
Total debtors and other receivables	3,284	1,602	3,284	2,666
Trade and Other Receivables	3,284	1,602	3,284	2,666

Trade and Other Receivables

Trade and receivables mainly arise from the Institute's operation functions, therefore there are no procedures in place to monitor or report the credit quality of trade and other receivables with reference to internal or external credit ratings. The Institute is not exposed to any material concentrations of credit risk. Trade and other receivables balances are monitored on an ongoing basis to ensure that the exposure to bad debts is not significant.

LIQUIDITY RISK

Management of Liquidity Risk

Liquidity risk is the risk MIT will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Institute and group aims to maintain flexibility in funding by keeping committed credit lines open.

In meeting its liquidity requirements, MIT maintains investments that must mature within the next 12 months.

The Institute and Group manage liquidity risk by continuously monitoring forecast and actual cash flow requirements and matching the maturity profiles of financial assets and liabilities.

Sensitivity Analysis

The tables below illustrate the potential profit and loss and equity (excluding retained surplus) impact for possible market movements in interest rates, with all other variables held constant, based on the Institute's financial instrument exposures at balance date.

NOTE 21: FINANCIAL INSTRUMENTS (CONTINUED)

All in $000s	INSTITUTE PROFIT/(LOSS) OTHER EQUITY +100BPS	-100BPS
Interest Rate Risk 2016		
Financial Assets		
Cash and Cash Equivalents	37	(37)
Short Term Deposits	0	0
Financial Liabilities		
Derivative Financial Instruments	(18)	18
Borrowings	(345)	345
Total Sensitivity to Interest Rate Risk	(326)	326
Interest Rate Risk 2015		
Financial Assets		
Cash and Cash Equivalents	25	(25)
Short Term Deposits	0	0
Financial Liabilities		
Derivative Financial Instruments	(19)	19
Borrowings	(330)	330
Total Sensitivity to Interest Rate Risk	(324)	324

All in $000s	GROUP PROFIT/(LOSS) OTHER EQUITY +100BPS	-100BPS
Interest Rate Risk 2016		
Financial Assets		
Cash and Cash Equivalents	37	(37)
Short Term Deposits	0	0
Financial Liabilities		
Derivative Financial Instruments	(18)	18
Borrowings	(345)	345
Total Sensitivity to Interest Rate Risk	(326)	326
Interest Rate Risk 2015		
Financial Assets		
Cash and Cash Equivalents	43	(43)
Short Term Deposits	0	0
Financial Liabilities	0	0
Derivative Financial Instruments	(19)	19
Borrowings	(330)	330
Total Sensitivity to Interest Rate Risk	(306)	306

Explanation of Interest Rate Risk Sensitivity
The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example a decrease in 100 bps is equivalent to a decrease in interest rates of 1.0%.

Fair Value Estimation and Fair Value Hierarchy
The fair value of financial assets and financial liabilities must be estimated for recognition and measurement for disclosure purposes. Fair value is the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's-length transaction. The fair values of all financial instruments equate to carrying values.

Fair Value Hierarchy disclosures
For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price – Financial instruments with quoted prices for identical instruments in active markets.
- Valuation techniques using observable inputs – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where significant inputs are observable.
- Valuation techniques with significant non-observable inputs – Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position:

All in $000s	VALUATION TECHNIQUE			
	TOTAL	QUOTED MARKET PRICE	OBSERVABLE INPUTS	SIGNIFICANT NON-OBSERVABLE INPUTS
31 December 2016 Institute				
Financial Liabilities				
Derivative Financial Instruments	1,834	0	1,834	0
31 December 2015 Institute				
Financial Liabilities				
Derivative Financial Instruments	1,922	0	1,922	0
31 December 2016 Group				
Financial Liabilities				
Derivative Financial Instruments	1,834	0	1,834	0
31 December 2015 Group				
Financial Liabilities				
Derivative Financial Instruments	1,922	0	1,922	0

NOTE 22: MAJOR BUDGET VARIATIONS

All in $000s	INSTITUTE ACTUAL 2016
Explanations for major variations from the 2016 Institute budget are as follows:	
Statement of Comprehensive Revenue and Expense	
Budget Surplus/(Deficit)	(2,154)
Revenue Variances	
Government Funding	(2,363)
Student Fees and Departmental Revenue	4,617
Other Revenue and Interest Revenue	175
Expenditure Variances	
Employee Benefit Expenses	(5,075)
Depreciation and Amortisation	(369)
Interest Expense	483
Other Gains/(Losses)	88
Other Operating Expenditure	1,450
Other Comprehensive Revenue and Expense	
Other Comprehensive Revenue and Expense	6,007
Net Surplus/(Deficit) for the Year	2,859

The unfavourable Government funding revenue variance is mainly due to the decline in domestic student numbers particularly Level 3 + base student being 10% less than budget. Student fees is favourable due to International student enrolments continuing to grow, up 24% on budget. Other Revenue favourable variance is largely due to unbudgeted miscellaneous recoveries. Employee Benefit expenses variance is unfavourable due to restructuring costs and additional teaching staff to deliver unbudgeted demand for Consumer Services courses and additional ITO and customised courses in Engineering. Depreciation is unfavourable due to unbudgeted depreciation. Savings in Interest payable is due to average debt during the year being lower than budgeted debt position. Other Gains/(Losses) unfavourable variance relates to the unrealised gain on the interest rate swap transactions. Other expenditure is under spent as progress in deliver in the futures projects has taken longer than expected and Enterprise staff recoveries higher than expected'.

Statement of Financial Position

Cash and Cash Equivalents and Other Financial Assets

Variance reflects Enterprise cash and call deposits transferred to MIT at 30 December.

Property, Plant and Equipment And Intangible Assets

Actual includes Enterprise assets ($730k). Variance to budget due to budget comparison prepared prior to 2015 revaluation.

Trade and Other Payables

Reflects a reduction in budgeted expenditure due to cost savings during the year required due to reduced revenue.

Revenue Received in Advance

Actual higher than budget reflecting more enrolments than planned following 2016 trend of increases in foreign student enrolments.

Borrowing

Overall debt $1.5m less than budget. Mainly due to a lower opening position than budgeted for.

NOTE 23: CAPITAL EXPENDITURE PROJECT PERFORMANCE TO BUDGET

All in $000s	INSTITUTE ACTUAL 2016	INSTITUTE BUDGET 2016
Annual Allocations (Renewals)		
Facilities Annual Replacements	1,889	2,122
Furniture Annual Allocation	119	127
Information Technology Allocation	1,631	1,592
Vehicle Replacement	58	106
Library Annual Allocation	343	382
Academic Departments	626	628
Business Systems	123	250
Building Fit-Out	0	100
Total Annual Allocation	4,789	5,307
Investment Committee Projects		
Sales Process Redevelopment	65	67
Futures@MIT	476	842
MIT Enterprise Network Upgrade	819	1,053
Unallocated	0	538
Total Investment Committee Projects	1,360	2,500
Major Projects		
NT Building Refit	2,062	700
MIT Manukau	37	0
Refurbish NO, NQ, NR and NS Blocks	1,383	0
Total Major Projects	3,482	700
Total Capital Expenditure	9,631	8,507

Major Capital Variances

The refurbishment of NO, NQ, NR and NS blocks was deferred from 2015, with a carry-over budget of $1.47m.
The NT building refit was deferred from 2015, with a carry-over budget of $1m. There was an additional $300k unplanned expenditure for design and compliance issues with the roofing.

NOTE 24: CAPITAL MANAGEMENT

The Institute and Group's capital is its equity, which comprises general funds, and property valuation and fair value through comprehensive income reserves. Equity is represented by net assets.

The Institute and group is subject to the financial management and accountability provisions of the Education Act 1989, which assets and liabilities. includes restrictions in relation to: 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 Institute and Group manages its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently, and in a manner that promotes the current and future interests of the community. The Institute and group's equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings. The objective of managing the Institute's equity is to ensure the Institute effectively achieves the goals and objectives for which it has been established, while remaining a going concern.

NOTE 25: OPERATING LEASES

All in $000s	INSTITUTE ACTUAL 2016	INSTITUTE ACTUAL 2015	GROUP ACTUAL 2016	GROUP ACTUAL 2015
Leases as Lessee				
Non-cancellable operating lease rentals are payable as follows:				
Not later than one year	1,234	1,492	1,482	1,748
Later than one year and not later than five years	2,583	3,681	3,209	5,137
Later than five years	0	70	0	70
Total Leases as Lessee	3,817	5,243	4,691	6,955

The Institute leases a number of premises for teaching purposes. The leases run for periods ranging from one to ten years with an option to renew the lease after that date. The Institute also leases office equipment where it is not in the best interests of the Institute to purchase these assets.

Lease payments are renegotiated at the time of renewal.

The leased properties have not been sublet.

During the year $2,371,059 (2015 $2,303,243) and $2,578,201 (2015 $2,477,966) was recognised as an expense in the Institute and Group Statement of Comprehensive Revenue and Expense in respect of operating leases respectively.

During the year $315,486 (2015 $179,621) was recognised as revenue in the Statement of Comprehensive Revenue & Expense in respect of operating leases.

The exemption available to public benefit entities set out in PBE IPSAS 16 Investment Property 13 (g) property held for strategic purposes has been applied to the property at 50 & 58 Lovegrove Crescent which is recorded as an asset in property, plant and equipment.

No contingent rents have been recognised in the Statement of Comprehensive Revenue & Expense during the year.

Leases as Lessor

The Institute leases out its property purchased for strategic purpose pending future use by the institute under operating leases. The future minimum lease payments under non-cancellable leases are as follows:

All in $000s	INSTITUTE ACTUAL 2016	INSTITUTE ACTUAL 2015	GROUP ACTUAL 2016	GROUP ACTUAL 2015
Leases as Lessor				
Not later than one year	100	178	100	178
Later than one year and not later than five years	204	302	204	302
Later than five years	0	0	0	0
Total Leases as Lessor	304	480	304	480

NOTE 26: COMMITMENTS AND CONTINGENCIES

All in $000s	INSTITUTE ACTUAL 2016	INSTITUTE ACTUAL 2015	GROUP ACTUAL 2016	GROUP ACTUAL 2015
Capital Commitments				
Capital commitments denote approved capital expenditure contracted for at year-end but not yet incurred.				
Approved and Committed				
Buildings Institute	772	1,586	772	1,586
Plant and equipment	416	27	416	27
Intangible assets	135	0	135	0
Total Capital Commitments	1,323	1,613	1,323	1,613

2016 commitments relate to annual capital projects.

There are no contingent liabilities or assets (2015 $nil).

Contingent Asset

The Institute has a peppercorn lease with Auckland Council for the use of the Hayman Park land on Station Road Manukau. The intangible asset has not been recognized in MIT's accounts as the lease commencement date is yet to be determined and is subject to a new separate stratum leasehold title to be issued for the site by Auckland Council. As at 31 December 2016 the Institute's interest in the land was valued at $10.8m.

NOTE 27: RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL

The Institute is a wholly owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier of client/recipient relationship 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 TEIs and undertaken on the normal terms and conditions for such transactions.

	INSTITUTE		GROUP	
All in $000s	ACTUAL 2016	ACTUAL 2015	ACTUAL 2016	ACTUAL 2015
Key Management Personnel Compensation				
Council members				
Full-time equivalent members	1.5	1.5	1.5	1.5
Remuneration	185	147	185	147
Directors and Chief Executive				
Full-time equivalent members	7.0	9.0	7.0	9.0
Remuneration	2,084	1,903	2,084	1,903
Total Full-time equivalent members	8.5	10.5	8.5	10.5
Total Key Management Personnel Remuneration	2,269	2,050	2,269	2,050

The full-time equivalent for Council members has been determined based on the frequency and length of Council meetings and the estimated time for members to prepare for meetings.

	INSTITUTE	
All in $000s	ACTUAL 2016	ACTUAL 2015
Councillor Fees		
Peter Winder (Chair)	40	32
Brian Monk (Deputy Chair – Appointed 01/05/2014)	25	20
John Hannan*	20	16
Dr Manuka Henare (Term Expired 30/04/2015)	0	6
Dr Ken Larsen (Term Expired 30/04/2015)*	0	6
Bernadette Pone	20	16
Kira Schaffler (Appointed 01/05/2015)	20	10
Howard Small (Term Expired 30/04/2015)*	0	6
Jill Tattersall (Appointed 01/05/2015)*	20	10
Rachael Tuwhangai (Appointed 01/05/2015)	20	9
David Wong-Tung	20	16
Total Council Members' Remuneration	185	147

*Jill Tattersall, Dr Ken Larsen, Howard Small and John Hannan are Directors of EnterpriseMIT Limited and also received Director fees of $40k (2015 $32k).

No Councillors received compensation or other benefits in relation to cessation (2014 Nil).

EnterpriseMIT dissolved their board of directors on June 2016. Effective July 2016, John Hannon and Jill Tattersall are members of the MIT Council.

NOTE 28: EARLY CHILDHOOD EDUCATION CENTRE

All in $000s	INSTITUTE ACTUAL 2016	INSTITUTE BUDGET 2016	INSTITUTE ACTUAL 2015
Statement of Comprehensive Income			
Income			
Government Funding	710	793	694
Equity Funding	48	25	49
Payment Fees (including WINZ)	426	498	437
Total Income	1,184	1,316	1,180
Expenses			
Employee Benefit Expenses	1,065	1,055	1,019
Other Expenses	119	261	161
Total Expenses	1,184	1,316	1,180
Total Comprehensive Income	0	0	0
Equity Funding Statement			
Income			
Equity Funding	48	25	49
Expenditure			
Centre Resources	0	0	0
Text Books	8	0	11
Staff Training	6	0	7
Contract Staff	34	0	32
Total Expenditure	48	0	50

Centre Resources are general resource products for staff training.

Contract Staff costs are to enable centre staff to attend courses and have non-contact time.

NOTE 29: ADJUSTMENTS ARISING ON TRANSITION TO THE NEW PBE ACCOUNTING STANDARDS

Reclassification Adjustments

There have been no reclassifications on the face of the financial statements in adopting the new PBE accounting standards.

Recognition and measurement adjustments

There have been no recognition and measurement adjustments to the 31 December 2015 comparative information resulting from the transition to the new PBE accounting standards.

NOTE 30: INCOME TAX

As at balance date the Group and its subsidiary had been granted charitable status and as a result are exempt from company tax.

NOTE 31: EVENTS AFTER BALANCE DATE

There have been no events after balance date.

NOTE 32: GIFTING OF ENTERPRISE NET ASSETS

During the year, a review was carried out of our wholly owned subsidiary EnterpriseMIT. EnterpriseMIT was setup in 2012 to support our increased focus on the needs of industry and employers and also pilot new and innovative models of delivery. As a result of this review, MIT decided to consolidate resources and effective 30 December 2016, EnterpriseMIT ceased trading with all programmes and courses currently delivered by EnterpriseMIT continuing under MIT.

MIT and EnterpriseMIT entered into a Deed of Reorganisation dated 24 November 2016 pursuant to which EnterpriseMIT gifted its net assets to MIT and MIT assumed all of the known liabilities and contingent liabilities of EnterpriseMIT effective 30 December 2016. The net assets of EnterpriseMIT ($6.8m) were transferred to MIT at their net book value at the date of transfer. The requirement to adjust for share capital results in net revenue of $6.007m. There are no non-exchange receivables or restrictions on the assets gifted.

Compulsory Student Service Fees

for the year ended 31 December 2016

The Compulsory Student Services Fee (CSSF) was set at $171.00 (GST exclusive) per full-time student in 2016. The Fee funds key services for students to assist their success, retention and overall wellbeing while studying at MIT. All students, except distance and exchange students, must pay the Fee and can borrow the amount against their student loan.

All in $000s	ACTUAL 2016	ACTUAL 2015
Service Fee – Tuition Fees	**540**	**589**
Service Category Costs		
Advocacy and Legal Advice	105	67
Careers Information, Advice and Guidance	88	149
Employment Information	72	82
Pastoral Care	384	268
Financial Support and Advice	10	7
Health and Counselling Services	541	544
Clubs and Societies	40	70
Sports, Recreation and Cultural Activities	110	63
Total	**1,350**	**1250**
Net Cost	**810**	**661**

The administration of Compulsory Student Services Fees is integrated within the MIT's normal operations. All income and expenditure associated with the provision of student services is separately accounted for in the Institute's accounting system.

Advocacy and Legal Advice

Advocacy support is provided to students who need help to resolve student issues. These can range from difficulties with their courses or attendance to misunderstandings with lecturers. This extends to legal advice and providing support and advocacy for meetings where students go through a misconduct hearing.

Careers Information, Advice and Guidance

Careers information, individual CV support and workshops, interview practice, internship preparation and careers counselling are all provided for the students. This year we will also provide psychometric testing.

Employment Information

We have links with employers and are a central point for industry vacancies. The careers and employment team also prepare the students for interviews by offering advice on speaking, clothing and deportment.

Pastoral Care

Pastoral care is provided for students and involves support with WINZ and Studylink, accommodation, facilitating meetings with external providers, absenteeism, family and relationship issues and bullying. The chaplaincy team also provide some pastoral care.

Financial Support and Advice

A student financial assistance fund is available to assist students in overcoming financial barriers that are directly related to and adversely affect their current course of study.

Health and Counselling Services

The Health and Counselling Centre is available for students to access as needed. Doctors, nurses and counsellors offer a variety of services from medical assistance to guidance.

Clubs and Societies, Sports, Recreation and Cultural Activities

We support students to organise clubs, find venues and organise events. We also organise training facilities and coordinate teams to participate in competitions and events.

Statement of Resources

as at 31 December 2016

CAMPUS	ADDRESS	ACTIVITY
Institute Property		
South	Newbury Street and Ōtara Road Ōtara, Manukau	Consumer Services (Baking and Patisserie, Hairdressing), Education and Social Sciences (Employment Programmes, Foundation Studies, Literacy and Numeracy, English for Speakers of Other Languages), Engineering and Trades (Civil Engineering, Electrical Engineering, Mechanical Engineering, Building Trades, Mechanical Trades, Fabrication, Welding, Refrigeration, Automotive and Vehicle Technology), Nursing and Health Studies.
North	Alexander Crescent and Ōtara Road, Ōtara, Manukau	Consumer Services (Catering, Hospitality, Hotel Services and Horticulture), Education and Social Sciences (Education, School of Sport), Engineering and Trades (Building and Construction, Horticulture) and Te Tari Mātauranga Māori.
MIT Manukau	Corner Manukau Station Road and Davies Avenue, Manukau	Business and Business Administration and Technology, Information Communications Technology and Tourism.
Lovegrove	Lovegrove Crescent, Ōtara, Manukau	Visual and Performing Arts and Creative Writing
SSTS	Ōtara Road	School of Secondary-Tertiary Studies
School of Sport	Ōtara Road	School of Sport
Other Premises		
Auckland City	Union House, 2 Commerce Street and 132 Quay Street 246 Queen Street (L3, L7)	Maritime and Logistics Early Childhood Education
Mangere	Unit 9B Mahunga Drive	Plumbing
Pukekohe	159 Manukau Road	Motorsport
Mt Wellington	3 Monahan Road, Mt Wellington	Floristry
Mt Albert	Carington Road, Mt Albert	Horticulture
Ōtara	Otara Recreational Centre, Newbury Street	High Performance Lab
Otahuhu	Middlemore Hospital, Hospital Road	Nursing
Papatoetoe	Sutton Crescent	Sport

Library Collection

Number of Titles in the Library Collection:	2016	2015	2014	2013	2012	2011
Books	52,424	56,397	59,344	68,491	62,276	63,526
Serials	2,117	2,373	2,240	4,402	4,531	5,463
Videos	1,770	2,290	3,057	3,486	3,441	3,434
Total Number of Titles	**56,311**	**61,060**	**64,641**	**76,379**	**70,248**	**72,423**

Staffing

Staff Employed for year:	2016	2015	2014	2013	2012	2011
Tutorial	327	322	342	353	359	396
Administration	406	411	411	422	428	442
Total Equivalent Full-time Staff	**733**	**733**	**753**	**775**	**787**	**838**

Glossary of terms

Course A self-contained block of study which may comprise one or more units of learning

EFTS Equivalent full-time student

- SAC Funded: student component funded (Ministry funded)
- Non-SAC Funded: Non-Ministry funded, including overseas, TOPs, STAR and self-funded students

Ethnic Students Students who identify on enrolment forms that they are of another ethnic group

ITO Industry Training Organisation

ITP Institutes of Technology and Polytechnics

ITPNZ Institutes of Technology and Polytechnics of New Zealand

Māori Students Students who identify on enrolment forms that they are Māori

NZQA New Zealand Qualifications Authority

Pasifika Students Students who identify on enrolment forms that they are Pacific Islanders

PBRF Performance Based Research Fund

Programme The combination of courses or units of learning with which a student is required to be credited in order to be awarded a specified qualification by the Institute, school or department. This includes courses that stand alone.

Research Outputs Research outputs include books and sections in books, journal articles both referred and non-referred, consultancies, conference publications, art exhibitions and catalogues. Other scholarly activities, conference presentations (unless in proceedings) and material produced primarily for teaching purposes are not included.

SAC Student Achievement Component

SDR Single Data Return

Teaching Area Net area of all teaching space including laboratories, workshops, workrooms and classrooms

TEC Tertiary Education Commission

TEI Tertiary Education Institute

THS Tertiary High School

WINZ Work and Income New Zealand

MANUKAU INSTITUTE OF TECHNOLOGY
Te Whare Takiura o Manukau

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