



**MANUKAU
INSTITUTE OF
TECHNOLOGY**

Te Whare Takiura o Manukau

ANNUAL REPORT

for twelve months ended 31 December 2021





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ANNUAL REPORT

Twelve months ended 31 December 2021

OUR ORGANISATION



About Manukau Institute of Technology Limited (MIT)

Kaupapa

MIT exists to transform the lives of our students, their families and communities. We connect our students' hopes and aspirations to vocational education, job opportunities and career pathways.

We are the place for all people. Our commitment to Te Tiriti o Waitangi creates a foundation for an inclusive and culturally rich learning experience. Our relationship with our students is a lifelong connection of manaakitanga.

We celebrate and draw upon our diversity, which stems from being based in Manukau at the stern of the Tainui waka and in the heart of the Pacific. Our cultural traditions, languages, beliefs, and skills draw from many ethnic groups. People from all walks of life flourish at MIT, creating a rich tapestry of understanding and then spreading it out across the world.

Goals



GOAL 1:

Grow lifelong learning



GOAL 3:

Maximise relevance to employers



GOAL 5:

Be a great place to work



GOAL 2:

Raise learners' outcomes



GOAL 4:

Add value through targeted research



GOAL 6:

Be excellent, efficient and effective



Our Values

The values below identify what MIT holds to be important in how we go about our Kaupapa. While they are for staff to embody, it is hoped that they can also be imparted onto our students through the behaviours of our staff.



MANAAKITANGA

We genuinely care for others.

So we make all people feel welcome through kindness, understanding and respect. We make you feel appreciated by acknowledging your contributions. All of which creates an environment where achievement can be nurtured.



WE ARE EXCELLENT

We aim for the top in everything we do.

So we push boundaries and exceed expectations. It's how we achieve excellent results and the reason we get to celebrate success.



WE ARE CONNECTED

We build valuable partnerships with individuals, industry and communities, where knowledge is shared and created without silos, fences or egos. When others talk, we really listen. We are open and approachable. We want our networks to be strong and our relationships to be genuine and long-lasting.



WE ARE REAL

We admire people who are genuine and honest. Down to earth people who reflect the way we like to teach, with practical, hands-on learning that leads to real skills for real jobs in the real world.





2021 at a Glance

Financial Overview

12 months

NON-BASE INCOME | NZ\$ 5.9 million

GOVERNMENT FUNDING | NZ\$ 51.4 million

STUDENT FEES AND OTHER REVENUE | NZ\$ 41.5 million

TOTAL EXPENSES* | NZ\$ 96.1 million

TOTAL ASSETS | NZ\$ 273.3 million

SURPLUS / (DEFICIT)* | NZ\$ 2.7 million

*Surplus/(Deficit) before separately disclosed expense items

Our People

677

Permanent and Fixed Term Staff



Female

60% Staff

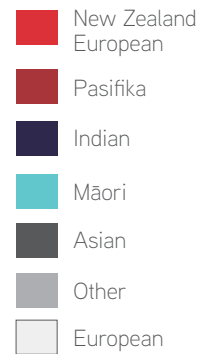
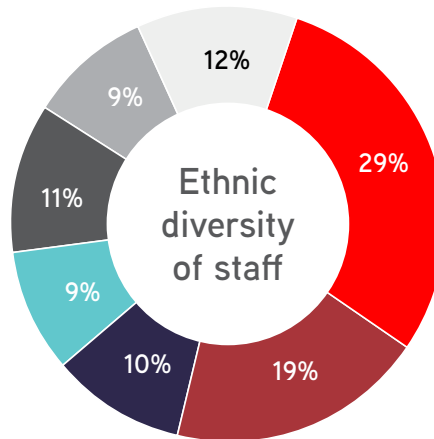
56% In leadership



Male

40% Staff

44% In leadership



Student Participation



11,182

Total enrolled students



5,763

EFTS (Equivalent Full-Time Student)



46%

Female students

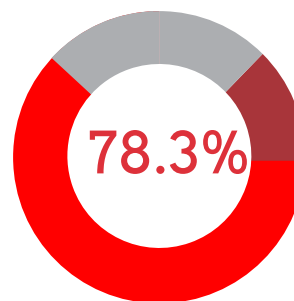


54%

Male students

87.0% OVERALL STUDENT SATISFACTION

Success



Excludes results not entered due to delays caused by covid

QUALIFICATIONS AWARDED:

343

Diplomas and Graduate Diplomas

1873

Certificates and Awards

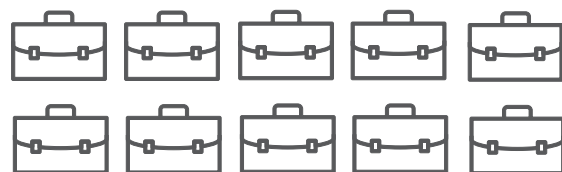
430

Degrees

Employability and Progression

Graduates in employment or further study:

87.7%



CAMPUS LOCATIONS

MIT ŌTARA

Baking, culinary and hospitality; education; english; floristry; hairdressing; horticulture and landscaping; pacific languages; police preparation; social work; sport, recreation and exercise science; supported learning; te reo māori.

Gate 12, Ōtara Road, Ōtara, Auckland

MIT MANUKAU

Business; digital technologies; logistics; nursing; health and counselling.

Corner Manukau Station Road and Davies Avenue, Manukau, Auckland

MIT TECHPARK

Professional engineering and trades; automotive; carpentry, scaffolding, masonry trades; construction supervision; electrical trades; mechanical engineering trades; plumbing, gasfitting and drainlaying; refrigeration and air conditioning.

58 Manukau Station Road, Manukau, Auckland

NEW ZEALAND MARITIME SCHOOL

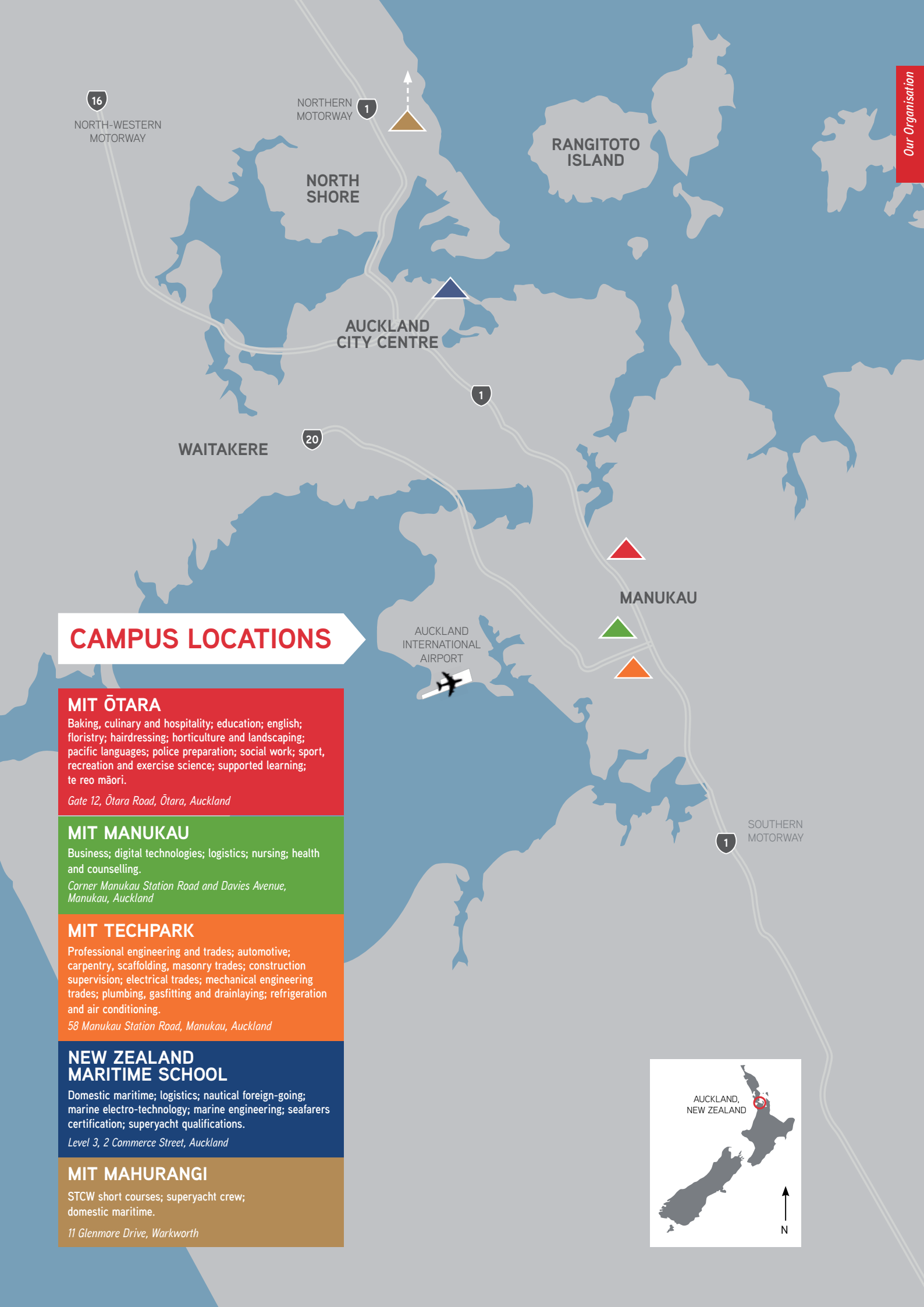
Domestic maritime; logistics; nautical foreign-going; marine electro-technology; marine engineering; seafarers certification; superyacht qualifications.

Level 3, 2 Commerce Street, Auckland

MIT MAHURANGI

STCW short courses; superyacht crew; domestic maritime.

11 Glenmore Drive, Warkworth





Ka mua, ka muri – 'walking backwards into the future.'

Te Aka Mātauranga was unveiled at dawn to mark the launch of MIT's new trades and engineering campus, TechPark.

It is the first pou made with 3D printing technology, created through a partnership between Mana Whenua, a MIT visual arts graduate and the institute.

"The aim of doing it through this method was about the younger ones and opening their minds so they can think a bit more about the future," says Ngāti Tamaoho master carver, Ted Ngataki who with artist Maaka Potini designed the pou.

"The idea was for it to look like a carved pole, but when you get up close, it has the pixilated nature and people go 'what's going on here,'"

"We managed to uphold that side (tikanga) of our culture in terms of the starting prayers, we always go through and the ending. All the stages of karakia we would use taking wood from the forest," he says.

At the base of the pou are Ranginui and Papatuanuku with a spiraling pattern representing whakarare vine connecting the deities to the demi-god and Tainui ancestor, Tāwhaki.

Twelves birds encircle the structure; the kuaka which Māori used to navigate to Aotearoa and symbolizing how our students are guided by kaiako in their journey towards learning.

From the sketches and mātauranga provided by the artist and master carver, a computer-aided design was created by Āwhitu-resident Euan Craig.

"The idea was for it to look like a carved pole, but when you get up close, it has the pixilated nature and people go 'what's going on here,'" the MIT visual arts graduate says.

Over five weeks, the eight parts were printed with FDM - premium (fused deposition modelling) in acrylonitrile styrene acrylate, the bird figures using selective laser sintering.

"They'd be tickled pink to see we are moving on," says Ted Ngataki of how previous generations of carvers would view this innovation.

MIT TechPark is the regional host for the national Construction and Infrastructure Centre of Vocational Excellence (ConCOVE). One of the major projects of the centre is to attract and retain more learners from priority learner groups in trades and engineering careers including women, Pasifika and Māori.

"Māori and Pacific learners have long been underrepresented at the tertiary level in education," Prime Minister Jacinda Ardern said while launching the facility.

"That's why we have set a five-year goal to achieve the same level of participation and achievement for Māori and Pacific learners, as for other learners in tertiary education and I want to acknowledge MIT is playing a huge role in helping to achieve that."

Later in the year, the campus won the New Construction / Entire New Educational Facility category of the Learning Environments Australasia Awards.



New Zealand's first COVID-19 mass vaccination event

More than fifteen thousand people were vaccinated at the country's first mass vaccination event as part of protecting one of our most at-risk communities from COVID-19.

MIT Mass Vaccination took place over three days at Vodafone Events Centre, Manukau.

Mass vaccination events have been used successfully overseas to get large groups of people of all ages vaccinated efficiently and safely in a short period of time at a single venue.

Holding the MIT event early in Group 4 stage of the rollout helped inform the planning of future events.

"Our institute is playing a key role in getting the community vaccinated,"

"This event removes barriers to accessibility for Māori, Pasifika and our South Auckland community, recognising the importance of the local population to the national fight against the virus," says MIT Student Council president Micah Sili.

The event was delivered in partnership between MIT, Auckland district health boards and Ministry of Health.

MIT was chosen to participate because it is a major public institution in the area with more than 11,000 enrolled students and 1,100 staff.

The institute is the largest educator of Pasifika people at tertiary level in the country and 14% of all students are Māori.

"Our institute is playing a key role in getting the community vaccinated," says Chief Executive Gus Gilmore.

"We were privileged to have been chosen to give our learners, staff and their families this opportunity while creating momentum for vaccination and awareness of its benefits in South Auckland. Vaccination is the best way to ensure we can continue to provide essential education and training kanohi ki kanohi," he says.

The event meant some people in Group 4 received the vaccine ahead of schedule. This was an acknowledgment that vaccinating younger people in this community had an overall positive benefit on regional health outcomes.

Alex Pimm, Vaccination Lead for Auckland District Health Board says he was thrilled to partner with MIT for the event.

"We have asked MIT students and staff for their help in encouraging older and more vulnerable members of their whānau and community to come along to get vaccinated with them."

"Only by getting as many members of our most vulnerable communities vaccinated as we can will we win the fight against COVID-19 and keep Aotearoa New Zealand safe," he says

As part of this event, the institute held an online talanoa for staff and students to receive information on vaccination and ask questions from trusted community and health sector figures in a supportive environment.





MIT graduates on the frontline of fighting COVID-19

Nursing graduates Rebecca Nielsen and Tracy Peterson were among the first group in the country to be vaccinated and to act as vaccinators protecting our community from the virus.

Both graduated from MIT in 2019 and now work for Turuki Health Care, based in Māngere, one of the community providers playing an important role engaging with, informing and encouraging particularly Māori to understand the safety and effectiveness of the vaccine.

"My main issue is protecting my friends and whānau – they mean the world to me. And if I had declined, I would have felt like I'm not doing all that I can do," says Rebecca.

"I was happy with the science-based evidence that was provided. This was for my mokopuna and my whānau. I feel like I've done my part," says Tracy, who studied Bachelor of Nursing – Pacific, and took time to research how the vaccine worked.

Turuki Health Care has over 20 years' experience delivering whānau-based health, wellness and social services to people in the area.

The pair were both greatly concerned to see how the south Auckland community was portrayed in the COVID-19 community outbreak of February 2021 and believe the region needs prioritising in the fight against COVID-19.

"That is where the majority of our frontline workers live," says Tracy. "They work in and around the airport. We have big whānau, and our household bubbles are big as well."

MIT Nursing graduates work in a variety of roles supporting the fight against COVID-19, in both inpatient and community environments.

"Our graduates gain evidence-based knowledge enabling them to communicate key information about pandemics, the immune system, prevention strategies and the importance of vaccination to support community protection,"

"This is achieved through health education and health promotion to individuals, their whānau and wider community," says Head of Nursing, Assoc Prof Deborah Rowe.

"Our graduates gain evidence-based knowledge enabling them to communicate key information about pandemics, the immune system, prevention strategies and the importance of vaccination to support community protection," she says.

Bachelor of Nursing – Māori and Bachelor of Nursing – Pacific embed cultural viewpoints and knowledge in healthcare so our graduates can better support outcomes for these communities.

Many of our students are from these backgrounds and see themselves as the change that's needed in the health sector to make a real difference for south Auckland.

Later in the year, MIT students were offered the opportunity to work at centres to help the health system cope with a surge in demand for testing.



'By South Auckland, for South Auckland' approach to initial teacher education.

Manukau Institute of Technology - in partnership with local schools - has designed a qualification that will produce work-ready, culturally-competent teaching graduates equipped to help learners in our region thrive.

Bachelor of Education (Primary, Pasifika), a new three-year degree, allows graduates from all backgrounds to train as teachers with a foundation in Pasifika principles to support the aspirations of students in the multicultural classroom environments of Tāmaki Makaurau.

"As the country's largest educator of Pasifika students at tertiary level, MIT takes pride in innovating in collaboration with our community to achieve more for those learners and in doing so create the futures they deserve,"

"The strength of what we are doing together allows us to place trainee teachers in partner schools two-days a week enriching their learning through creating communities of practice through which they can apply the theory they learn with us," says MIT School of Education head Kylie Smith.

Primary principals and school leadership advising on the development of the field-based qualification spoke of the challenges they faced addressing an overall shortage of teachers, as well as recruiting staff with high levels of confidence and skill working with young learners.

"MIT students are going to be in schools for a sustained period of time. They see the work the students and teachers do as well as seeing the development in children during the course of the year. To be part of that will be pivotal," says assistant principal Lisa Neish of programme partner school Willowbank.

The conceptual framework for the degree is based on Fatugātiti or the weaving of a waistband traditionally worn by dancers on ceremonial occasions signifying the status of the performer.

The qualification is underpinned by Pacific values including:

- Va Fealoa'i (respect, unity, harmony, relationships)
- Fa'a Pasifika or Pacific Way (culture, language and identity)
- Tomai ma agava'a (knowledge and skills)
- A'oa'oga ma le a'otauina, (teaching and learning)

This responds to a local area in which 46% of the general population is Pasifika.

"A lot of our young people don't see themselves in the things they are learning," says Rowandale School principal Karl Vasau, who is also a founding member of NZ Pasifika Principals' Association. "It's important they come to the classroom with knowledge, experiences and stories that are incorporated into learning."

"As the country's largest educator of Pasifika students at tertiary level, MIT takes pride in innovating in collaboration with our community to achieve more for those learners and in doing so create the futures they deserve," says Deputy Chief Executive – Pasifika, Partnerships and Support, Peseta Sam Lotu-liga.

The qualification helps deliver to key themes in Ministry of Education's Action Plan on Pasifika Education 2020-2030 which requires the sector to develop cultural competency while growing, retaining and valuing highly competent teachers, leaders and educational professionals with diverse Pacific whakapapa.



Largest ship simulator in the Southern Hemisphere launched



New Zealand Maritime School (NZMS) has upgraded its simulation centre to help students and industry prepare for the future of shipping in the region.

Transport Minister Michael Wood opened the new facility at the school in Auckland's CBD that operates a total of seven bridges:

- Two Full Mission Tug and Dynamic Positioning simulators
- A Full Mission Bridge Simulator
- Four Part Task Bridges

The new additions to the school's setup making it the largest Det Norske Veritas-certified ship simulator in the Southern Hemisphere.

At the launch, Minister Wood spoke of the major reliance New Zealand has on the maritime sector, its resilience when faced with COVID-19 and how the introduction of exciting new technology in education helps build a strong talent pipeline.

"We do have an ageing workforce and it is critical we work together across vocational education, Government and the sector itself to make sure we have the offerings that are attractive for

"It enables increasingly larger ships to enter New Zealand and Australian ports. The ports are building larger and more powerful tug boats, resulting in significant growth of the tugboat fleet in Australasia."

people to come into this sector. The kinds of investments that we are here today to get going are a really important part of helping people understand there is a dynamic sector here that they can be involved in," he says.

The new simulators guarantee a realistic range of experiences are available for trainees.

"It enables increasingly larger ships to enter New Zealand and Australian ports. The ports are building larger and more powerful tug boats, resulting in significant growth of the tugboat fleet in Australasia. The new Full Mission Tug simulators are critical in the training programmes for both new and experienced tug masters," says NZMS Industry Engagement and Simulation Manager Kees Buckens.

The two additional Part-Task Tug simulators mean NZMS can plan emergency tow jobs for up to four tugs working on one vessel.

The Simulation Centre is the only Nautical Institute-accredited training facility for dynamic positioning training in the country.

Dynamic Positioning is a computer-controlled system that uses a vessel's propellers and thrusters to maintain its position.

The simulators are also used by the Royal New Zealand Navy for simulation of the new HMNZS Manawanui for type-specific, podded propulsion, ship-handling and dynamic positioning training.

The school acknowledges the valuable contribution of our industry partners in delivering the centre for students.

Dutch tugboat construction company Damen and global technology corporation Kongsberg have generously donated two sets of Rolls Royce control handles.

The control handles match those found in modern tugs, including Sparky, the new electric tug to be delivered to the Port of Auckland later this year.

The consoles in the full mission tug and dynamic positioning simulators were designed in cooperation with the school's tugmaster training partner Seaways with help from experienced trainers to develop realistic and user-friendly controls.



Rugby and culture connecting players to new opportunities

The Tongan Barbarians Rugby Sevens team usually only has a few days to prepare for a World Schools Sevens tournament.

Under the watchful eye of former All Black Pita Alatini and his brother MIT graduate Tony, the young men from throughout the North Island are brought together through a mix of faith, culture and camaraderie.

"If players come to us (and not New Zealand). We want to make sure they get the whole scope of the environment that makes them know they have made the right choice," says campaign manager Pita.

"Our faith is huge, so learning something as simple as a hymn is part of our identity. Having the boys lead that is very special," he says.

The two brothers founded the Malakai Alatini Trust to help develop and foster the careers of a new generation of players using sport and culture as the foundation for a pathway to success on-and-off the field.

They named the trust in honour of their father who like so many of his generation left the islands to pursue a better life for his children in Aotearoa. Malakai is still fondly remembered in the Kingdom as part of the 1973 'Ikale Tahi side who famously upset the Wallabies.

MIT is partnering with the Trust to deliver an intake of the New Zealand Diploma of Sport, Recreation and Exercise (Multi-sector Level 5).

"The strength of doing this diploma contextualised in culture and rugby is it provides a safe space for Pasifika students," says Fran Serrano.

"They need some guidance on what they can do after sport and there are career pathways for you if you do this study,"

The diploma enables students to pursue careers such as school sports coordinators, recreation programmers, coaching, coaching co-ordinator, sport administrator, event manager, personal trainer or to continue studying towards the Bachelor of Applied Sport and Exercise Science.

Tony Alatini completed the Graduate Certificate in Cross Cultural Supervision and Bachelor of Applied Sport and Exercise Science (Level 7) through MIT.

As a youth worker with Oranga Tamariki, Tony sees the potential to use sport to help develop skills transferable to other careers and encourage young people to make positive decisions about their futures.

"They need some guidance on what they can do after sport and there are career pathways for you if you do this study," he says

Tony graduated in 2021. He used his experience as assistant manager of the Tongan team at the 2019 Rugby World Cup as a practicum for the degree.

"Going to a massive event, problem solving, it was a huge growth for me, being in charge of a group of 50-plus at the World Cup, making sure day-to-day things were in line. It was stress city. But I wouldn't replace it for anything. My studies gave me confidence," he says





Chairman of the Board Review

Peter Winder

Chairman of the Board

I begin my final report as Chairman of MIT by expressing huge appreciation for the way institute staff rallied in support of learners during a year of unprecedented change and disruption.

While enduring close to four months of lockdown in Tāmaki Makaurau, our teachers and support staff did not lose sight of the critical role played by skills training in improving the lives of students, their whānau and communities.

Our mission has seldom been more challenging and its purpose has never been more clear.

A strong vocational training sector produces the adaptable, work-ready, culturally competent graduates who are best positioned to make the most of the future economy, whatever shape it may take.

Demand is strong with more New Zealanders retraining and upskilling to navigate towards new opportunities. However, the challenge is to support these learners to ensure that they are able to complete qualifications. Only then can they realise their true potential.

As MIT drew closer to full transition to Te Pūkenga, achieving equity or ōritetanga for all learners in Aotearoa has emerged as the guiding light for our efforts.

Parity for priority learners is not a new goal for the institute. It is already at the heart of many initiatives we partner on; from Māori Pasifika Trades Training to Te Ara Oranga and the Kawenata with Waikato-Tainui.

However, a new development is the level of insight we have gained into the issue of pastoral care and success for students at MIT through the Ōritetanga Project.

This year, the project produced the MIT Student Journey Playbook. The playbook was developed through data collected from close to one thousand students, mapping the push and pull factors motivating learners to choose education and the obstacles preventing them from completing.

One of the most eye-opening statistics contained in the playbook is that, out of every hundred students who enroll at MIT, 24 will leave before the end of the year. Seventeen of those 24 learners (73%) do not make it to one class.

Another sobering insight is that more than half of students lost through disengagement are Māori and Pasifika.

The playbook is not only an articulation of the problem, it contains a series of goals and key opportunities for all teams within MIT to explore mobilizing the whole institute behind removing structural inequities in education.

Taking action is only one part of creating meaningful transformational change. The ability to listen, the courage to engage in difficult conversations and being able to admit when you've got it wrong are also critical to making progress.



“As MIT drew closer to full transition to Te Pūkenga, achieving equity or ōritetanga for all learners in Aotearoa has emerged as the guiding light for our efforts.”

In 2021, the Board and Executive Leadership humbled ourselves in the face of criticism from our Māori staff and communities towards the announced structure of an integrated leadership team to sit across both Unitec and MIT.

Initially, discussions were raw and intense reflecting the genuine sense of hurt – mamae resulting from insufficient consultation on the structure when it was proposed. As these continued over weeks and months, what emerged was a Te Tiriti-based model of co-leadership which in early 2022 led to the appointment of Keith Ikin (Ngāti Maniapoto, Ngāti Apakura) as Pou Hautu – Māori co-leader for the two institutes.

I would like to acknowledge the contributions made to this kaupapa by Waikato Tainui, Ngāti Whātua Ōrākei, Te Tira Kāpuia, MIT Rūnanga, Te Roopū Mataara, Te Tawharau, Rāhui Papa, Ted Ngataki, Papa Hōhepa, Awa Riddell, Matua Vince Hapi, Matua Hare Paniora and kaimahi at both organisations.

Thanks also to Precious Clark of Maurea Consulting who guided the Board and Executive Leadership toward gaining greater understanding of Te Ao Māori and Te Tiriti.

The appointment of Ngāti Whātua Ōrākei Trust Chair Marama Royal to the Boards was also crucial in forging a closer relationship with Mana Whenua in Tāmaki Makaurau. We were grateful to have her mana and insights at the table to negotiate this period before full transition to Te Pūkenga.

Lastly, I need to extend my sincere thanks to Chief Executive Gus who had led MIT with energy, diligence, acumen, humility and a flair for connecting with people since his appointment in 2016.

In those days, the institute was still in the shadow of the debt incurred through the MAINZEAL collapse. The recovery took years. Gus was at the helm for the majority of those years and with Michelle Teirney and executive leadership brought MIT back from that crisis.

He leaves the institute at the end of the year far better off than he found it. A modern, financial accountable, culturally responsive education provider offering world class facilities where learners are inspired to see their futures as productive, fulfilled, valued contributors to industries essential to the health of the region and the country.

I wish MIT, its staff, students and the communities it supports all the best for this future. It has been a privilege for me to work together with you to secure better outcomes for all.



Peter Winder

Chairman of the MIT-Unitec Board



Chief Executive Report

Gus Gilmore

Chief Executive

It is difficult to truly sum up the debt MIT owes its learners, lecturers, support staff and community for their mahi and resilience over the last twelve months.

However, I will try.

In 2021, the institute and its whānau fully embraced what it means to be a provider of community wellbeing through education in a pandemic.

For me, this was underlined by two events that took place weeks apart at the Vodafone Events Centre, Manukau.

The first of these was held in May, when our graduates, their families and well wishers filled the auditorium to capacity to cheer on their success as they embarked on rewarding careers which will make a huge contribution to themselves, their families, our community and region.

The second happened three months later when in the same venue, MIT was the community partner for the country's first mass COVID-19 vaccination event delivered by Auckland district health boards. More than fifteen thousand Aucklanders were vaccinated over the three days.

Taken together, the two engagements highlight the broader mission of education responding to the virus. In short; if a community is not well it cannot learn and if a community does not have access to education and information it cannot remain well in the fullest sense of that word.

Earlier in the year, the institute responded to a positive COVID case on campus. The incident was the focus of national media attention and during this time our whānau showed their true qualities. Public health authorities were extremely complimentary about the way our staff and students assisted them with self-isolation and contact tracing.

I must give special mention to the work done by MIT Student Council President Micah Sili during this episode. Micah spoke up for our tauira and south Auckland with great courage and eloquence when there was a lot of blaming and finger pointing going about online. During her term, Ms Sili has been a model of servant leadership. The institute is grateful for the work she did on behalf of our learners and wish her all the best for a bright future.

While COVID-19 placed major impediments on the institute's operations; it did not stop us passing major milestones as we transition to Te Pūkenga and worked to provide the best environments in which to learn and work.



“Our sustained efforts to upgrade facilities were recognised in NZQA’s Targeted Evaluation Report released in November as being an important factor in lifting student satisfaction and improving retention rates.”

We welcomed the Prime Minister, Minister of Education and Mana Whenua representatives to the launch of new trades and engineering campus, Tech Park. Tech Park is the jewel in the crown of the Campus Masterplan Strategy we began in 2017 to realign MIT’s property footprint to best serve the needs of a modern vocational education provider and offer inspiring facilities to our whānau.

It was a wonderful occasion, which started at dawn with the unveiling of Te Aka Matauranga, the world’s first pou made using 3D printing technology. The pou is a powerful symbol of what the facility aims to do as we move towards new horizons while recognising and honouring where we have come from.

Our sustained efforts to upgrade facilities were recognised in NZQA’s Targeted Evaluation Report released in November as being an important factor in lifting student satisfaction and improving retention rates. The report acknowledged the strengthening of academic governance arrangements and support of schools as having a positive impact on the effectiveness of assessment and quality assurance processes. Thanks to Deputy Chief Executive – Academic, Prof Martin Carroll and the many staff who offered their insights to the review panel on this highly positive result.

This year, we added to our growing suite of culturally-centred qualifications which prepare graduates for the health and education workforces. Bachelor of Education (Primary, Pasifika) is a degree programme developed in partnerships with local schools and delivers graduates to the classroom of our region with a high level of practical experience and the knowledge they need to thrive in the multicultural classrooms of Tāmaki Makaurau.

Much progress has been made in this area during my five years leading this organisation. As we moved towards integration with the national body, one of the central questions that emerged this year was, ‘what does a best practice top-level management model for education in Aotearoa look like?’ At this point, I need to acknowledge those who put the prospect of Te Tiriti-based co-leadership on the agenda and who engaged constructively in the discussions that made it a reality.

While these were not easy, we are in a better place for having had them and it says a lot about our leaders, kaimahi and community that we did not back down from confronting this important issue. The appointment of a Pou Hautu to co-lead MIT and Unitec is an historic achievement that we all should be very proud of.

In closing, I would like to thank the Chair and Board for their astute governance of the institutes, the executive leadership team and on a personal note my wife and family for their support during what has been the most demanding and rewarding year of my long career in management.

Ngā mihi, Gus



Gus Gilmore
Chief Executive



Financial Overview

Financial Statements

These financial Statements for the year ended 31 December 2021 are the first full year for MIT Ltd. Under the Education (Vocation Education and Training And Reform Act 2020) the previous year 2020 was split into two reporting periods with one covering the period 1 January 2020 to 31 March 2020, with the second covering 1 April 2020 to 31 December 2020. As a result the prior period comparatives are the 9 months ended 31 December 2020.

Operating Performance for 2021

The surplus for 2021 is \$2.6m compared to a budget deficit of \$2.6m. This is a positive result which is achieved through the recognition of \$6.3m of funding provided in excess of EFTS delivery. It has to be recognised that this is a unique concession, and without this the adverse impacts of Auckland lockdowns would be reflected in a bottom line deficit.

This has been a challenging year for many MIT students, who are more likely to be represented in a lower socio-economic grouping, and who have faced adverse conditions due to the Auckland lockdowns impacting on themselves and their families. Whilst additional Hardship funding (\$1m) and Technical support for on line learning support (\$0.3m) has been provided through government funding there was a reduction of 228 domestic EFTS from budget. Furthermore, lockdown has adversely impacted the ability to earn contract revenue that would normally have been delivered and also has reduced service revenue. To offset reduced revenue effort has been made to reduce cost where applicable, however in particular for the delivery of practical course requirements under safe Covid protocols this has meant in some cases cost has increased.

Financial Position

The cash position is positive with any cash not required for immediate operational or capital expenditure being invested with Te Pukenga as part of a group approach to managing cashflow requirements. Budget forecasts for 2022 show no requirement for debt drawdown and therefore will be self funding.

Land, land improvements and buildings were revalued as at 31 December 2021. This has resulted in a net reduction in revaluation reserve arising from an increase in land and a decrease in buildings. The increase in land values is incremental to a valuation increase made in 2020 and reflects the rapid rise in land values across the Auckland Region.

The Future

For 2022 the capital programme has returned to business as usual. Outside of this is only the School of Sport relocation and enhancement to provide an improved facility to deliver the Sports programmes from. The Maritime School is in its current premises until the end of 2022 and planning is underway to find an alternative delivery site.

At the time of writing there is positive dialogue from the Government about limited boarder openings for international students. At this stage there have been no new International Students featured in the budget and at this stage this continues to reflect the forecast for 2022. However this will be a consideration for the 2023 budget development.

Te Pukenga's subsidiaries including MIT Ltd will dissolve on 31 December 2022 and all assets and liabilities will transfer to Te Pukenga. Whilst the Financial Statements have been prepared on a disestablishment basis vocational deliver will still continue after that disestablishment period. As such MIT remains committed to ensuring its graduates have the skills and capabilities to meet the needs of the modern workplace.



Comparison Of Annual Revenue And Expense And Cash Flows

The financial comparisons for the prior year are the nine months from 1 April to 31 December 2020 being the first year of operations for MIT Ltd. On the 1st of April 2020 the existing Institute's of Technology and Polytechnics (ITPs) became subsidiaries of the newly formed Te Pūkenga.

As a result of the legislative change MIT prepared a special financial report for the period ending 31 March 2020 covering the part of the 2020 financial year from 1 January through to disestablishment on 31 March 2020. MIT Ltd was established on 1 April 2020 as a subsidiary of the Te Pūkenga group and reported from 1 April 2020 through to 31 December 2020. The annual reporting period for the ITPs is the calendar year.

To provide a more meaningful comparison of MIT's performance between 2021 and the prior financial year 2020 the following summary has been provided. The first column provides a summary of Revenue and Expenditure and Cashflows for the 2021 financial year. The second column is representative of the financial year 2020 consisting of the consolidation of the Disestablishment Financial Report, for period 1 January to 31 March 2020 in column 3 and the first reporting period of the new subsidiary in column 4.

Comparison Of Revenue And Expenses

All in \$000s	ACTUAL 12 MONTHS 1 JANUARY 2021 – 31 DECEMBER 2021	LAST YEAR 12 MONTHS 1 JANUARY 2020 – 31 DECEMBER 2020	LAST YEAR 3 MONTHS 1 JANUARY 2020 – 31 MARCH 2020	LAST YEAR 9 MONTHS 1 APRIL 2020 – 31 DECEMBER 2020
REVENUE				
Government grants	51,441	50,003	44,975	5,028
Tuition fees	46,933	48,318	21,544	26,774
Other revenue	462	1,241	153	1,088
Total revenue	98,836	99,562	66,672	32,980
EXPENDITURE				
Personnel & employee benefit costs	59,626	58,809	12,079	46,730
Depreciation and amortisation expenses	12,069	13,129	3,213	9,916
Administration and other expenses	24,447	27,032	6,601	20,431
Total expenditure	96,142	98,970	21,893	77,077
Net Surplus/Deficit	2,694	592	44,779	(44,187)

Comparison of Cash Flows

All in \$000s	ACTUAL 12 MONTHS 1 JANUARY 2021 – 31 DECEMBER 2021	LAST YEAR 12 MONTHS 1 JANUARY 2020 – 31 DECEMBER 2020	LAST YEAR 3 MONTHS 1 JANUARY 2020 – 31 MARCH 2020	LAST YEAR 9 MONTHS 1 APRIL 2020 – 31 DECEMBER 2020
Net cash inflow from operating activities	15,057	15,816	12,724	3,092
Net cash outflow used in investing activities	(4,337)	(18,784)	(3,860)	(14,924)
Net cash flows from financing activities	(355)	(113)	0	(113)
Net (Decrease)/Increase in Cash and Cash Equivalents	10,365	(3,081)	8,864	(11,945)
Cash and cash equivalents at beginning of the period	10,979	14,060	14,060	22,924
Cash and cash equivalents at end of period	21,344	10,979	22,924	10,979



GOVERNANCE

Governance and Accountability

Statutory role

For the period up to and including 31 March 2020, Manukau Institute of Technology was a polytechnic established pursuant to section 162 of the Education Act 2020. As of 1 April 2020, Manukau Institute of Technology Limited (MIT) is a subsidiary of Te Pūkenga – New Zealand Institute of Skills and Technology, constituted in accordance with Part 1, Subpart 5 of Schedule 1 of the Education and Training Act 2020 (the Act). MIT is also a Crown Entity for the purposes schedule 4 of the Crown Entities Act 2004.

Governance structure

Board

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

Board Committees

Pursuant to section 283(4) of the Act, the MIT Board 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 Board. The standing committees of the MIT Board are the:

- Audit and Compliance Committee
- Chief Executive Review Committee
- Student Appeal Committee
- Academic Committee
- MIT Rūnanga
- MIT Pasifika Community Komiti

These committees are formally constituted with terms of reference.

MIT Rūnanga

1. Purpose

To give advice to the Board on strategic matters that impact on Māori at MIT.

2. Membership of the Rūnanga

The Rūnanga comprises of up to eleven members. Membership on the Rūnanga includes:

- a) four members appointed by the Board where nominations are drawn from a general call for applications from the Māori community;
- b) four members, with one appointed from each of the following:
 - i. The recognised tribal authority Te Whakakitenga o Waikato,
 - ii. Manukau based Māori Organisation,
 - iii. Ōtara Community,
 - iv. By/from local secondary schools and/or wharekura;

- c) three ex officio members, the Kaiākau, the Chief Executive Officer MIT (or delegated appointee), and the Deputy Chief Executive, Māori;
- d) the term of appointment is for three years, except where otherwise indicated for the purpose of continuity;
- e) the Chair of the Rūnanga is appointed by the MIT Board
- f) members are able to be reappointed for up to three (3) additional three year terms.

3. Role of the Rūnanga

Community Engagement

To bring to MIT the diverse voices of Māori.

Te Tiriti o Waitangi

To uphold and actively protect and promote Te Tiriti o Waitangi, including MIT's responsibilities and obligations.

Advocacy

To advocate for the strategic priorities of the Māori Education Strategy.

Rūnanga Relative to other MIT Entities

- a) To acknowledge that the Rūnanga is an advisory group to the Board for governance matters.
- b) To help Māori protect tikanga and what is sacred to Māori, and to resolve points of confusion. The Deputy Chief Executive, Māori is MIT's point of reference.

MIT Pasifika Community Komiti (PCK)

1. Purpose

To give advice to Board on matters that impact Pasifika at MIT.

2. Membership of the Pasifika Community Komiti (PCK)

The PCK comprises of up to eleven members:

- a) Four members appointed by the Board where nominations are drawn from a general call for applications from Pasifika communities.
- b) Four members with one appointed by the Board representing each of the following groups:
 - i. Leader from a Pasifika faith-based organisation (i.e.church).
 - ii. Pasifika community organisation
 - iii. Pasifika education sector
 - iv. Leader from the wider Counties Manukau community
- c) Four ex-officio members made up of MIT staff representation (which includes the Deputy Chief Executive (DCE) Pasifika or designate as well as representatives of the MIT Pasifika Development Office (PDO) and a member from the Pasifika Staff Network.
- d) A member may be appointed for up to a four year term, except where otherwise indicated for the purpose of continuity.

- e) The Chair and Deputy Chair of PCK will be appointed by the Board for a four year term.
- f) Members are able to be reappointed to a maximum of two consecutive terms.
- g) Where there are gaps in skills and expertise within the PCK, the PCK may co-opt advisors.

3. Role of the Pasifika Community Komiti

The role of the PCK is to provide advice to MIT Board by:

1. Pasifika Student Success: Developing and recommending to the MIT Board strategies for the recruitment, retention and success of Pasifika students and staff at MIT.
2. Pasifika Engagement: Representing the voice of Pasifika to the MIT Board and providing advice to the MIT Board on matters that impact on Pasifika at MIT.
3. Pasifika Strategic Priorities: Supporting the PDO to achieve the goals set out in the MIT Pasifika Strategic Plan 2018-2023.
4. Pasifika Community Advocacy: Working closely alongside the PDO to ensure that Pasifika communities' needs are being heard. Building strong relationships between MIT and the Pasifika communities of Auckland, Tamaki Makaurau.

Governance Philosophy

Division of Responsibility between Board and Management

The MIT Board 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 Board's approved strategy.

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

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

Legislative Compliance

The MIT Board acknowledges its responsibility to ensure that the institute complies with all relevant legislation. The Board 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.

Risk Management

The MIT Board 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 Board. 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.

Board Fees

	ACTUAL 2021
Peter Winder <i>Chair</i>	40
Monique Cairns	20
Ziena Jalil	20
Fale (Andrew) Lesa <i>Alternate member A&C</i>	20
Peter Parussini	20
Robert Reid	20
Steven Renata	20
Marama Royal	12
Total	172



Staff Remuneration



Based on Remuneration Information (Base salary + Allowances) for the accounting period 1 January 2021 to 31 December 2021.

Disclosure required under the Companies Act 1993

SALARY BRACKETS	COUNT OF EMPLOYEE
100,000 to 110,000	19
110,000 to 120,000	12
120,001 to 130,000	14
130,001 to 140,000	3
140,001 to 150,000	10
150,001 to 160,000	2
160,001 to 170,000	2
170,001 to 180,000	2
180,001 to 190,000	1
190,001 to 200,000	3
200,001 to 210,000	0
210,001 to 220,000	0
220,001 to 230,000	1
230,001 to 240,000	0
240,001 to 250,000	0
250,001 to 260,000	0
260,001 to 270,000	0
270,001 to 280,000	0
280,001 to 290,000	0
290,001 to 300,000	0
300,001 to 310,000	1
310,001 to 320,000	1
320,001 to 330,000	0
330,001 to 340,000	1
340,001 to 350,000	0
350,001 to 360,000	0
360,001 to 370,000	0
370,001 to 380,000	0
380,001 to 390,000	0
390,001 to 400,000	0
400,001 to 410,000	0
410,001 to 420,000	0
420,001 to 430,000	0
430,001 to 440,000	0
440,001 to 450,000	0
450,001 to 460,000	1

Board and Standing Committee Attendance

Board and Standing Committee Attendance 01/01/2021 to 31/12/2021

	BOARD		CE PEOPLE AND CULTURE		TĀMAKI MAKĀURAU STRATEGY		STUDENT APPEAL		AUDIT & COMPLIANCE	
	HELD	ATTENDANCE	HELD	ATTENDANCE	HELD	ATTENDANCE	HELD	ATTENDANCE	HELD	ATTENDANCE
Peter Winder, <i>Chair</i>	12	12	4	4	1	1	0	0	3	3
Steven Renata	12	11	0	0	1	1	0	0	3	2
Peter Parussini	12	10	4	4	0	0	0	0	0	0
Monique Cairns	12	11	0	0	0	0	0	0	3	3
Ziena Jalil	12	12	4	4	1	1	0	0	0	0
Robert Reid	12	12	0	0	1	1	0	0	3	3
Fale (Andrew) Lesa	12	10	0	0	0	0	0	0	0	0
Marama Royal	8	8	4	4	0	0	0	0	0	0

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

Board Members Terms of Appointment

BOARD MEMBER	TERM COMMENCED
Peter Winder, <i>Chair</i>	1 April 2020
Monique Cairns	1 April 2020
Ziena Jalil	1 April 2020
Fale (Andrew) Lesa	1 April 2020
Peter Parussini	1 April 2020
Robert Reid	1 April 2020
Steven Renata	1 April 2020
Marama Royal	24 May 2021



Board Members Register of Interests

Board Member at MIT.

The MIT Board 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 283(4) of the Education and Training Act 2020.

COUNCILLOR	INVOLVEMENTS WITH OTHER ENTITIES	LAST UPDATED
Peter Winder <i>Chair</i>	Director/Shareholder, McGredy Winder and Co Limited Director/Shareholder, The Sound of Music Education Limited Director and Chair, Manukau Institute of Technology Limited Director and Chair, Unitec New Zealand Trustee and Beneficiary, McGredy Winder Family Trust Member, Council of NZ Institute of Skills and Technology Trustee, Operating Theatre Trust aka Tim Bray Productions	November 2021
Peter Parussini	Employee, ANZ Bank New Zealand Limited Parussini Trustee, Southern Cross Campus School Foundation Chair, Southern Cross Campus School Board Member, Australian Institute of Company Directors 1 April 2021 Governor, Radio New Zealand Trustee & Beneficiary, Latisana Family Trust Shareholder & Director, Lignano Limited	November 2021
Monique Cairns	Deputy Chair, The New Zealand Home Loan Company Limited Committee Member, The Northern Club Executive Director, Caribou Consulting Limited Member, New Zealand Institute of Directors Member, Australian Institute of Company Directors Member, Auckland Art Gallery Trustee & Beneficiary, Monstar Trust Trustee & beneficiary, The Almo Trust Trustee, The Kaihere Trust Beneficiary, Cairns Family Trust Shareholder, BoatCo R3500-5 Limited Member, Armstrong's Group Due Diligence Committee Trustee, The NZ Portrait Gallery	November 2021
Robert Reid	President, FIRST Union Member, Forest Ministerial Advisory Group Co-Chair, Auckland Regional Skills Leadership Group Trustee, UnionAid	November 2021
Ziena Jalil	Director, DNA Designed Communications Limited Trustee, Cancer Society Auckland Northland Advisory Board Member, New Zealand Asian Leaders Consulting Partner, Senate SHJ Director / Shareholder, Athene Collaborative Limited Shareholder, MYYODAA Limited Member, New Zealand Institute of Directors Member, Global Women Board Member, Cancer Society of New Zealand (National) Trustee, Asia New Zealand Foundation	November 2021
Fale (Andrew) Lesa	Board Member, Auckland Conservation Board Board Member, Child & Youth Mortality NTA Review Committee Board Member, Oranga Tamariki Board Member, Philanthropy New Zealand Member, Auckland Council – Rainbow Communities Advisory Panel Director, Leukaemia and Blood Cancer NZ Bone Marrow Donor Registry Director, Emerge Aotearoa Director, Diabetes NZ Director, Kidney Health NZ	November 2021

Steven Renata	Co-Owner/Chief Executive, Kiwa Digital Co-Owner/Director, INNOV8HQ Member, New Zealand Defence Industry Association Trustee, Mangaiti Marae Member, Unitec Rūnanga Advisory Committee	November 2021
Marama Royal	Chair, Ngāti Whātua Ōrākei Trustee Limited Chair, Ngāti Whātua Ōrākei Reserves Board Trustee, Ranginui No.12 Trust Co-Chair, Auckland Police Taumata Co-Chair, Sky City Community Trust Member, Justice of the Peace Association Member, Institute of Directors Trustee, Variety Childrens Charity 2021	November 2021

Interests Declaration – All Members

NAME	INTEREST	LAST UPDATED
All Members	Deed of Indemnity executed on behalf of the Company (in the form approved by NZIST Council on 1 April 2020) indemnifying each Director in respect of the matters stipulated in 1 April 2021 the Deed.	1 April 2020

Board Delegations

The MIT Board 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 283(4) of the Education and Training Act 2020.

The following table summarises Board Delegations which are to be exercised in accordance with the provisions of the Education and Training Act 2020, other relevant legislation and Board Approved Statutes and guidelines. All delegations are to be exercised subject to the governance framework between Te Pūkenga – New Zealand Institute of Skills and Technology and MIT, which includes MIT's constitution and any Operational and Financial Parameters Directions issued by Te Pūkenga – New Zealand Institute of Skills and Technology from time to time.

BOARD 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 Committee	Courses/Programmes of Study, Quality Assurance, Research, Sub-Committees, Academic Policies, Incidental and Assessment.
Student Appeals Committee of the Board	Student Appeals.
Chief Executive Review Committee of the Board	Oversight of the Chief Executive's conditions of employment and performance-related matters.
Audit and Compliance Committee	Oversight of risk management

Board Membership

as at 31 December 2021

Chair



Peter Winder

MA (Hons), MCILT
Member of the Institute of Directors

Members



Monique Cairns

Certificate in Company Direction (Company Directors), Institute of Directors NZ Inc.
Bachelor of Business Degree, Marketing Major
Diploma in Marketing



Ziena Jalil

MA (Hons) (Politics and International Relations)
Bachelor of Communication Studies (Public Relations)
Diploma of International Trade



Fale (Andrew) Lesa



Peter Parussini

MComm
GAICD



Robert Reid

Graduate Diploma of Economic Development



Steven Renata

Bachelor of Commerce, Marketing
Master of Commerce, Marketing with Credit



Marama Royal

Equal Educational Opportunities

MIT has, through its Student Regulations (section 1.1) committed to providing an environment in which all students have an equal opportunity to achieve their academic potential and ensuring no unreasonable barriers are created that could prevent students from gaining access to education and training. MIT places particular emphasis on the elimination of barriers that result in under representation in tertiary education.

Obviously, the COVID-19 pandemic made this challenging during 2021, and the Institute was able to respond in a manner that ensured student outcomes were maintained.

In 2021, the Institute provided 26 fees scholarships, as well as various other fees, grants supporting community initiatives and supporting the transition of students into tertiary study. The Institute's financial commitment in 2021 to these scholarships was \$91,475 (down from \$167,058 in 2020). The Government's Fees Free policy means that most scholarships are applied to students' second year of study, hence creating a timing lag in much of this expenditure.

Students were severely impacted by COVID-19 disruptions in 2021. MIT was the largest recipient of hardship funding in Te Pukenga network during the lockdown starting in August with \$979,700 paid from TEC's COVID-19 Hardship Fund for Learners (HAFL) benefiting 559 students. This compares with 351 applications totaling \$806,850 in 2020. The MIT fund distributed \$10,650 to 22 students including 3 International learners.

Also, in response to COVID-19, MIT successfully applied for \$300,000 in Technology Access Funds for Learners (TAFL), which was used to support students with devices and internet access. This compares with \$687,000 in TAFL distributed in 2020. This funding was drawn down prior to the fund being folded into the overall hardship allocation. One hundred and seventy-five laptops and wrap around services were purchased. These included configuration, delivery, support and insurance. Twenty-seven students were assisted with internet connections.

In 2021, MIT was allocated 862 places for Trades Academy delivery and 200 places in its School of Secondary Tertiary Studies. Students from thirty-three local attended these programmes.

The 2020 Outcomes Data from Ministry of Education shows that students from MIT Trades Academy (MITTA) who achieved >80% of the credits from their Secondary-Tertiary Programme was 74.1% compared with 54.7% for all New Zealand; MIT Trades Academy Maori students were at 80.2% compared with 48.8% for all New Zealand; and Pacific students were at 70% compared with 57.1% for all New Zealand. These stunning results show that MIT Trades Academy is serving the academic needs of its students. In terms of "successful transition" rates from Trades Academy into further education or employment, MIT Trades Academy achieve 90.5% compared with 89.6%. Of students, 25.2% were identified as moving into further tertiary studies compared with 16.6% for all New Zealand.

The 2020 Outcomes Data from Ministry of Education shows that students from MIT Tertiary High School (SSTS) who achieved >80% of the credits for their programme was 60.4% compared with 54.7% for all New Zealand; SSTS Maori students were at 71.9% compared with 48.8% for all New Zealand; and Pacific students were 53.2% compared with 57.1% for all New Zealand. These results show that SSTS is serving the academic needs of its students. In terms of "successful transition" rates from SSTS into further education or employment, SSTS achieved 70.4% compared with 89.6%. Of students, 25.9% were identified as moving into further tertiary studies compared with 16.6% for all New Zealand.

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

In 2021, the Disability Support Team continued to work closely with our external community partners to promote inclusion in the learning environment through day to day supports and adaptive technology. Disability Support implemented a wrap around service at MIT to enable flexible learning and study arrangements to meet the unique needs of students.

Success has been seen through high proactive engagements and increased retention and success rates of students as they progress towards employment and / or higher studies.

MIT provides a range of amenities, events and support services for all students. This includes:

- Student Life covering a variety of on-boarding and transition support events and activities throughout the year.
- Student Support Advisors ensure students transition into their studies with wellbeing support, outreach and on-going pastoral care as needed.
- Library and Learning Services covers easy access to computing and study facilities, and delivers a range of learning and language support services, including seminars on exam and study techniques, groups and peer tutoring sessions and other learning assistance sessions directly related to the student's programme of study.
- The MIT Children's Education Centre is situated on MIT Ōtara campus and is 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 Supporting the Wellbeing and Safety of our Employees - 2021

Māori and Pasifika Talent Strategy

During 2021 MIT continued to focus on the Māori and Pasifika Talent Strategy. The key focus continues to be to apply a conscious effort to increase MIT's Māori and Pasifika employment proposition to increase the number of Māori and Pasifika staff and leaders. The original objective set by the steering committee to Attract, engage & grow Māori and Pasifika staff and leaders across MIT remained unchanged as did the goals:

- Increase the proportion of Māori in leadership roles from 13% to 20%
- Increase the proportion of Pasifika in leadership roles from 11% to 20%
- Increase the proportion of Māori in Academic roles from 8% to 15%
- Increase the proportion of Pasifika in Academic roles from 10% to 20%

2021 continued to be challenging due to COVID-19 and as such some of the actions set to meet our objectives had to pivot. Many were either rolled into business as usual recruitment processes or reset for 2021 due to COVID delays. For example, Whānau interviews needed to go on line as did the interviewing training for managers. But other activities continued, including:

- Recruitment - Targeted recruitment strategies, using internal and community networks, panel interviews, specific job boards and a buddy system.
- Engagement of Leaders through our leadership Days.
- Focus on retention of Māori and Pasifika Staff.
- Engaging our community - Marae and Pasifika teams' part of the Talent Strategy project team.
- Board and Runanga and Pasifika Community Group keep informed of the data and strategy.
- More visible reporting
- 2021 was a challenging year for talent attraction in a very tight employment market. However for Pasifika staff we saw an increase of 2% to 19% for 2020, but our Māori staff we saw a drop to 9% (from 10% in 2020)
- In 2022, we are looking to continue to focus on areas that have been a focus in past years but also introduce some new key areas of focus:
- Enhance engagement with community groups
- Implement retention strategies for key roles
- Translation of adverts
- Implement Internally Te Tiriti o Waitangi, Māori cultural competency and Pasifika cultural intelligence.
- Supporting Te Pūkenga through secondments of our Māori and Pasifika staff.
- Weave Te Rau and cultural competency into every day MIT People Processes.

Strengthening our Workforce

In 2021, despite a year where talent attraction was tight, we continued to work on goals around attracting and retaining key talent and growing talent from within. Within that strategy was a focus on women in leadership. We had a number of key internal appointments into leadership roles as well as to secondments within Te Pūkenga. As at the end of 2021, we had 3% more females in leadership roles than we did in 2020. We continue to focus on strategies such as paying the living wage. In 2021 there were two increases towards paying the living wage to staff. In addition, we applied strategies such as flexible work opportunities, promotion of our employment brand, development opportunities for staff through our lunch and learns and the launch of a new careers site and video.

MIT's Engagement Survey (My Voice) was again rolled out in 2021, but in addition to the yearly survey we also did a number of pulse surveys such as working from home and COVID to support a number of actions we put in place. We saw an increase in our overall engagement in 2021 vs 2020. Following feedback, we rolled out a number of new initiatives in 2021, a number on wellbeing including launch of Lunch and Learns, wellbeing days and a new wellbeing policy. We increased communication both through COVID and around MIT's strategy. We structured our leadership days to cover topics such as change management and resilience that our people told us were important. We provided leaders with tools to have feedback sessions on the MyVoice and set goals and actions. For 2022 we are looking to continue our focus on wellbeing and communication as well as an increased focus on performance with the re-release of MIT's Perform, performance conversations processes.

Safety and Wellbeing

2021 continued to see an increased focus on Safety and Wellbeing, with MIT choosing to focus very heavily on staff and student wellbeing.

We were lucky during the period when Campuses were open to be able to hold a wellbeing day at our Ōtara Campus. This was exceptionally well received and a day where staff and students could come together. A number of wellbeing stalls were set up dedicated to looking after people's wellbeing.

MIT also focused heavily on on-line wellbeing lunch and learns, including topics on stress management, looking after yourself through good diet and exercise and management of self through COVID. Towards the end of the year we run some online cooking demonstrations.



From a safety perspective, our incident rates and ACC claims continued to decline. We rolled out Safe 365 which replaced our previous auditing system. For our early adopting safety committees, results show in the high 60's out of 100. Industry average is mid 50's. Intention is to continue rolling these out in person during 2022. Due to COVID-19 a few audits have either been delayed till 2022 or done on line. There continues to be a strong engagement to safety from both our people leaders and staff. During 2022, we will look to roll out in person our people leaders induction.



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 2021 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 that 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's Kaupapa sets out its reason for being which guides our strategy and the measures that we assess our performance against.

Kaupapa

MIT exists to transform the lives of our students, their families and communities. We connect our students' hopes and aspirations to vocational education, job opportunities and career pathways.

We are the place for all people. Our commitment to Te Tiriti o Waitangi creates a foundation for an inclusive and culturally rich learning experience. Our relationship with our students is a lifelong connection of manaakitanga.

We celebrate and draw upon our diversity, which stems from being based in Manukau at the stern of the Tainui waka and in the heart of the Pacific. Our cultural traditions, languages, beliefs, and skills draw from many ethnic groups. People from all walks of life flourish at MIT, creating a rich tapestry of understanding and then spreading it out across the world.

Tertiary Education Strategy 2020

The Government's Tertiary Education Strategy has eight priorities for tertiary education organisations to focus on that cover:

- The achievement and wellbeing of all learners
- Ensuring that places of learning are safe and inclusive and free from racism, discrimination, and bullying
- Reducing barriers to success and strengthening the quality of teaching to give learners the skills they
- need to succeed in education, work and life
- taking account of learners' needs, identities, languages and cultures in their planning and practice
- incorporating te reo Māori and tikanga Māori into their everyday activities

- collaborating more with whānau, employers, industry and communities to support learners to succeed in work.

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 by ensuring our strategy and performance measures are aligned.

Our Investment Plan 2019-2021

Due to Covid-19 a revised investment plan was not issued but the existing plan was extended to cover 2021.

Our Investment Plan 2019-21 confirms our strong commitment to the Tertiary Education Strategy through the measures used to assess our performance and our main areas of focus.

Measures of Success

Our success will be measured by the following five goals:

1. Improved employability and progression;
2. Increased participation;
3. Improved success and retention;
4. Enhanced experience and satisfaction; and
5. Increased consultancy and Industry Training

Areas of Focus

We are focused on improved outcomes for priority learners including; Māori, Pasifika and under 25 year olds.

Our Performance

The delivery of programmes during 2021 has been challenging due to the limitations imposed by covid. This has required flexible, new approaches to be adopted which have been disruptive to both staff and students.

International enrolments continued to decline due to border restrictions limiting new enrolments, whilst domestic enrolments were initially strong they tailed off significantly in semester 2 as further covid restrictions were introduced.

The interim results presented here are lower than in a usual year as course end dates had to be extended and additional extensions for the completion of course work were granted to support students to complete their courses. Despite all these challenges there have been some successes, with underlying course completion rates for SAC students increasing by 1.2%, excellent student satisfaction results consistently above target and interim total graduate numbers comparable to last year despite delays to courses.

Of note is the increased participation numbers for students 25 and over which increased by 11.7% which likely reflects the covid impact on the economic environment.

How Are We Doing?

1. Increased Participation

To increase participation

Relevant Tertiary Education Strategy 2020 area: reducing barriers to success and strengthening the quality of teaching to give learners the skills they need to succeed in education, work and life.

PARTICIPATION	NOTE	TARGET 2021	ACTUAL 2021	ACTUAL 2020	ACTUAL 2019
To increase the number of domestic EFTS	9	NLM	NLM	5,001	5,279
To increase the number of domestic SAC and YG EFTS	1,8	4,641	4,414	NM	NM

SAC and YG enrolments have increased by 7% overall with significant growth in the areas of Nursing, Health and Counselling and Specialist Trades which between them had growth of 34% or 457 EFTS. The areas where EFTS have mainly declined are Business, Languages and Maritime. EFTS have dropped at levels 1 and 2 but increased at all higher levels with covid preventing delivery of some programmes at level 2.

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

Relevant Tertiary Education Strategy 2020 area: taking account of learners' needs, identities, languages and cultures in their planning and practice.

KEY PERFORMANCE INDICATORS	NOTE	TARGET 2021	ACTUAL 2021	ACTUAL 2020	ACTUAL 2019
Non-Māori and non-Pasifika					
SAC level 1-3	7	46.0%	47.4%	46.9%	44.2%
SAC level 4-7 (non degree)	7	55.0%	56.7%	54.7%	55.0%
SAC level 7 degree	7	45.0%	45.1%	45.2%	45.1%
Māori					
SAC level 1-3	7	23.0%	20.5%	22.6%	20.8%
SAC level 4-7 (non degree)	7	14.0%	13.1%	14.0%	14.1%
SAC level 7 degree	7	16.0%	15.9%	15.9%	16.7%
Pasifika					
SAC level 1-3	7	36.0%	36.4%	34.6%	38.3%
SAC level 4-7 (non degree)	7	33.0%	32.3%	33.5%	33.1%
SAC level 7 degree	7	42.0%	41.9%	41.8%	41.2%
Under 25					
SAC level 1-3	7	45.0%	45.2%	45.7%	53.4%
SAC level 4-7 (non degree)	7	40.0%	35.2%	40.0%	49.2%
SAC level 7 degree	7	45.0%	41.9%	44.9%	48.2%

In 2021 SAC EFTS for non-Māori and non-Pasifika students increased by 0.8% to 50.1% of SAC EFTS. The increased proportion of non-Māori and non-Pasifika EFTS is due to increased EFTS in Construction, Specialist Trades and Health and Counselling

2021 SAC EFTS for Māori students were comparable to 2020 but decreased as a proportion of total SAC EFTS by 1% to 16.1%. Whilst EFTS at level 7 degree increased, EFTS decreased at lower levels. The growth at level 7 was driven by Nursing programmes and part of this success is due to the Te Ara Oranga Project to support Māori and Pasifika students in Nursing and Health Programmes. At lower levels there has been an overall decline in SAC EFTS in language and foundation programmes which traditionally have some of the highest proportions of Māori students. Some of these programmes could not be delivered due to covid restrictions.

The proportion of Pasifika EFTS at level 7 degree continues to increase representing 41.9% of SAC EFTS at this level compared to 36.8% for all levels due to a higher proportion of Pasifika students studying Nursing, Business and Social Work and Sport. Programmes in Electrical Engineering and foundation programmes for Nursing have supported greater participation for Pasifika students at levels 1 to 3.

Overall Under 25 SAC EFTS decreased by 1% whereas SAC EFTS for students aged 25 and over have increased by 11.7%. For Under 25 students the strongest EFTS growth has been in level 1 to 3 programmes in Specialist Trades and Health and Counselling. For students 25 and over there has been growth at higher levels in Nursing, Construction and Health and Counselling.



2. Improved Success, Retention and Educational Performance

To increase the successful course completion rate of students

Relevant Tertiary Education Strategy 2020 area: the achievement and wellbeing of all learners.

COURSE COMPLETION RATES	NOTE	TARGET 2021	INTERIM 2021	INTERIM 2020	INTERIM 2019	ACTUAL 2020	ACTUAL 2019
Maori, Level 1-10	2,3	72.0%	61.8%	67.8%	72%	69%	72%
Non Maori and Non Pasifika level 1-10	2,3	86.0%	78.8%	84.8%	85%	85%	85%
Pasifika level 1 - 10	2,3	75.0%	67.9%	73.6%	74%	74%	75%

The interim course completion rates (CCR) for 2021 are lower than previous years due to the impacts of covid. To support students to complete their programmes of study, course end dates were extended and extensions granted, resulting in an unusually high number of courses with outstanding results. Outstanding results are included as fails which is consistent with the approach used in previous years.

The overall course completion rate for 2021 including those with outstanding results is 72.8%, if the results for courses with outstanding results are excluded the course completion rate increases to 78.3%, the comparable number for 2020 is 79.6%, the adjusted course completion rate decreased by 1.3%.

The remaining commentary below is excluding the impact of outstanding results in order to assess the underlying performance without the impact of delays caused by covid.

The underlying CCR shows that on average the course completion rate for individual courses improved however in 2021 however there was an increase in EFTS completing courses with lower course completion rates in 2020, which reduced the CCR. The overall CCR was also impacted by a reduced number of international students who have historically had the highest course completion rates. The CCR for SAC students increased by 1.2% to 80.2%

Delivery of courses for Trades Academy students have been particularly negatively impacted by covid lockdowns which led to the withdrawal of students. Trades Academy students account for 9% of the Maori EFTS and 9% of Pasifika EFTS completing courses, if these are excluded, the CCR for Maori students has increased from 69.3% in 2020 to 69.7% in 2021 and for Pasifika students it has increased from 75.1% in 2020 to 75.2% in 2021. For Maori students the increase is driven by improved completion rates in Counselling and Business offset by increased EFTS in Service Industry programmes which have lower successful course completion rates. For Pasifika students improved performance in Engineering, Business and Languages were offset by a drop in the CCR for Construction.

For Non-Maori and non-Pasifika the CCR decreased from 85.5% to 84.7% the majority of this decline can be attributed to a subcontracted programme in Service Industries which will no longer be delivered in 2022 and the reduced number of international students.

To increase the number of successful qualification completions

Relevant Tertiary Education Strategy 2020 area: reducing barriers to success and strengthening the quality of teaching to give learners the skills they need to succeed in education, work and life.

GRADUATES	NOTE	TARGET 2021	INTERIM 2021	INTERIM 2020	INTERIM 2019	ACTUAL 2020	ACTUAL 2019
To increase the number of graduates for qualifications at levels 04 and above	3	2,003	1,525	1,817	2,084	1,929	2,165
To increase the total number of graduates	3	3,022	2,647	2,650	3,188	2,876	3,409

The completion of qualifications for many students has been delayed due to the impact of covid lockdowns and the resulting delay in course completions and extensions required for students to complete. The final results in April will provide a better indication of performance relative to 2020. It is encouraging that the interim total graduates for 2021 is comparable to 2020 despite these delays.

To increase the retention rate of first year SAC and Youth Guarantee students

Relevant Tertiary Education Strategy 2020 area: ensuring that places of learning are safe and inclusive and free from racism, discrimination, and bullying.

1ST YEAR RETENTION	NOTE	TARGET 2021	ACTUAL 2021	ACTUAL 2020	ACTUAL 2019
Non-Māori and non-Pasifika					
level 4-7 (non degree)	4, 11	67.0%	69.6%	66.7%	53%
level 7 degree	4, 11	80.0%	68.3%	79.7%	80%
Māori					
level 4-7 (non degree)	4, 11	41.0%	50.0%	40.0%	48%
level 7 degree	4, 11	64.0%	66.7%	63.2%	65%
Pasifika					
level 4-7 (non degree)	4, 11	60.0%	50.7%	58.8%	39%
level 7 degree	4, 11	70.0%	69.9%	69.2%	73%

For non degree programmes the improved retention rates for Non-Māori and non-Pasifika are driven by improved retention rates in Construction and Carpentry. For Pasifika and Māori the student numbers are lower which can lead to more volatile results. The Pasifika results were impacted by falling retention rates in Maritime and Engineering where student number were lower offset by a smaller improvement in Construction affecting more students. The improved retention rates for Māori students is due to a significant increase in the number of students retained in Construction.

At degree level the main drivers for the improved retention for Māori is an increase in students in Nursing and improved retention rates in Health and Counselling again the Te Ara Oranga project to encourage Māori and Pasifika students into these areas contributed to this result. Non-Māori and non-Pasifika gains made in retaining Health and Counselling students were offset by reduced retention of Nursing students. For Pasifika there were rate improvements in the more popular areas of Nursing and Social Work but these were offset by declines in other areas including Business and Counselling.

How Are We Doing? (continued)

3. Improved Employability and Progression

To improve the progression of students

Relevant Tertiary Education Strategy 2020 outcome: Delivering Skills for Industry and Boosting Achievement of Māori and Pasifika students.

PROGRESSION	NOTE	TARGET 2021	ACTUAL 2021	ACTUAL 2020	ACTUAL 2019
All Students					
Non-Māori, non-Pasifika students at level 1-3	4	34.0%	41.6%	34.0%	42%
Māori students at level 1-3	4	33.0%	25.9%	32.7%	37%
Pasifika students at level 1-3	4	32.0%	37.8%	28.5%	44%
Under 25 students at level 1-3	4	32.0%	38.4%	30.7%	42%
SAC					
Non-Māori, non-Pasifika students at level 1-3	4	33.0%	41.4%	34.5%	38%
Māori students at level 1-3	4	31.0%	27.5%	31.1%	35%
Pasifika students at level 1-3	4	32.0%	38.6%	28.7%	43%
Under 25 students at level 1-3	4	32.0%	39.2%	30.8%	38%
Youth Guarantee					
Non-Māori, non-Pasifika students at level 1-3	4, 9	NLM	NLM	24.7%	43%
Māori students at level 1-3	4, 9	NLM	NLM	47.6%	44%
Pasifika students at level 1-3	4, 9	NLM	NLM	31.9%	48%
Under 25 students at level 1-3	4, 9	NLM	NLM	30.1%	45%

For all students and SAC students there has been an increase in students completing qualifications with good progression rates including study and career preparation programmes and in Education and a reduction in students completing qualifications in areas with lower progression rates including Construction, Service Areas and Maritime.

The progression rates for Māori have been impacted more than other priority groups by a reduction in students completing Hospitality programmes in cookery and baking which have good progression rates, there was also a drop in the progression rates for some foundation programmes.

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

Relevant Tertiary Education Strategy 2020 area: reducing barriers to success and strengthening the quality of teaching to give learners

the skills they need to succeed in education, work and life

GRADUATE DESTINATIONS	NOTE	TARGET 2021	ACTUAL 2021	ACTUAL 2020	ACTUAL 2020
To increase the proportion of graduates moving into employment or higher education - within six months of programme completion	5	80.0%	87.7%	85.8%	76%

The increased percentage of students being employed or entering higher education is a result of high rates of graduates entering employment in Service Industries, improved rates of employment in Engineering and more students entering higher education in Health and Counselling. These results are consistent with the improved progression results.





4. Enhanced Experience and Satisfaction

To increase student satisfaction

Relevant Tertiary Education Strategy 2020 outcome: Delivering Skills for Industry.

STUDENT SATISFACTION	NOTE	TARGET 2021	ACTUAL 2021	ACTUAL 2020	ACTUAL 2019
To maintain student satisfaction above 8.0	9,10	NLM	NLM	7.6	8.2
Surveyed course satisfaction responses rated as either good or very good	8,10	80%	87%	NM	NM

There were several areas in the satisfaction survey that had over 90% of responses as either good or very good including that lecturers were prepared, knowledgeable and respected culture and that students felt safe and welcome. The responses for all but one question were higher than target with the inclusion of Māori knowledge identified as an area to focus on.

5. Growing International Enrolments

To increase the number of international EFTS enrolled

Relevant Tertiary Education Strategy 2020 area: reducing barriers to success and strengthening the quality of teaching to give learners the skills they need to succeed in education, work and life

KEY PERFORMANCE INDICATORS	NOTE	TARGET 2021	ACTUAL 2021	ACTUAL 2020	ACTUAL 2019
To increase the number of International EFTS		424	342	761	842

International EFTS have declined further as new international EFTS enrolments are curtailed by covid restrictions on travel. The 2021 enrolments are mainly students enrolled in prior years complete their studies.

Statement of the Costs of Outputs

MIT's activities generate three broad classes of outputs. These outputs are Learning and Teaching, Research and Engagement with Communities.

OUTPUTS	All in \$000s	NOTE	TARGET 2021	ACTUAL 2021	ACTUAL 2020	ACTUAL 2019
Learning and Teaching			97,949	92,308	90,606	96,652
Research			1,714	1,947	1,145	1,694
Engagement with Communities			2,480	1,887	2,329	2,087
TOTAL COST OF OUTPUTS			102,143	96,142	94,080	100,433

Learning and Teaching costs below the prior year and budget reflect lower overall EFTS due to the impact of Covid19.

Increased research costs reflect a 19% overall increase in research hours, this is in all School except Digital Technologies and Social Work Community Engagement continued to be challenging in 2021 due to Covid19, resulting in lower levels of expenditure.

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 2019-20 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 2021 SDR and the final results will not be available until April 2021 when the final graduation results are known.
4. Progression results 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's 2020 graduates.
6. This result is based off the student satisfaction survey undertaken during the 2021 year.
7. Participation results showing the percentage of students at each level
8. New measure NM, not used in previous annual reports
9. No longer measured NLM
10. Methodology for assessment has been updated and is not directly comparable to previous methodology
11. Only measured for programmes above level 3 with an EFTS value greater or equal to 2



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 financial statements, 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 reporting;
and
- 3: We are of the opinion that these financial statements fairly reflect the financial position and operations of this Institution for the twelve months ending 31 December 2021.

Peter Winder
Director

Monique Cairns
Director

Gus Gilmore
Chief Executive

Date: 26 April 2022





Independent auditor's report

To the readers of Manukau Institute of Technology Limited's financial statements for the period ended 31 December 2021

The Auditor-General is the auditor of Manukau Institute of Technology Limited (the company). The Auditor-General has appointed me, Carl Wessels, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the company on his behalf.

Opinion

We have audited:

- the financial statements of the company on pages 38 to 67, that comprise the statement of financial position as at 31 December 2021, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the period ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion:

- the financial statements of the company on pages 38 to 67, which have been prepared on a disestablishment basis:
 - present fairly, in all material respects:
 - the financial position as at 31 December 2021; and
 - the financial performance and cash flows for the period then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards

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

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

The financial statements have been prepared on a disestablishment basis

Without modifying our opinion, we draw attention to the Basis of preparation Note 1 on page 42, which outlines that under the Education and Training Act 2020, the company will cease to exist by the close of 31 December 2022. The company therefore prepared its financial statements on a disestablishment basis. There have been no changes to the values of assets and liabilities as the operations of the company will be transferred to Te Pūkenga at their carrying value.

Basis for our opinion

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

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

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

Responsibilities of the Board of Directors for the financial statements

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

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Directors are responsible for the other information. The other information comprises the information included on pages 2 to 35, and 68 to 71, but does not include the financial statements, and our auditor's report thereon.

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

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

Independence

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

Other than the audit, we have no relationship with or interests in the company.



Carl Wessels

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 twelve months ended 31 December 2021

All in \$000s	NOTE	ACTUAL 12 MONTHS ENDED 31 DECEMBER 2021	BUDGET 12 MONTHS ENDED 31 DECEMBER 2021	ACUTAL 9 MONTHS ENDED 31 DECEMBER 2020
REVENUE				
Government Funding	2	51,441	47,713	398
Student Fees and Department Revenue	3	46,933	51,798	31,404
Other Revenue		353	0	672
Gain on Disposal of Property, Plant and Equipment		2	0	0
Gains on Derivatives	9	0	0	262
Interest Revenue		107	0	154
Total Revenue		98,836	99,511	32,890
EXPENDITURE				
Employee Benefit Expenses	4	59,626	62,659	46,730
Depreciation and Amortisation Expense	10,11	12,069	12,352	9,916
Interest Expense		615	100	462
Other Expenses	4	23,832	27,032	19,969
Total Expenditure		96,142	102,143	77,077
Surplus/(Deficit) before separately disclosed expense items		2,694	(2,632)	(44,187)
Other Comprehensive Revenue and Expense <i>Items that will not be reclassified to surplus/(deficit)</i>				
Revaluation of land and buildings	18	(2,050)	0	3,422
Total Other Comprehensive Revenue and Expenses		(2,050)	0	3,422
Total Comprehensive Revenue and Expenditure		644	(2,632)	(40,765)

Explanations of major variances against budget are provided in Note 21.

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the twelve months ended 31 December 2021

All in \$000s	NOTE	ACTUAL 12 MONTHS ENDED 31 DECEMBER 2021	BUDGET 12 MONTHS ENDED 31 DECEMBER 2021	ACUTAL 9 MONTHS ENDED 31 DECEMBER 2020
Balance at 1 January 2021 / 1 April 2020		238,156	231,901	271,979
Other Comprehensive Revenue and Expense				
Surplus/(Deficit)	18	2,694	(2,632)	(44,187)
Other Comprehensive Revenue	18	(2,050)	0	3,422
Total Comprehensive Revenue and Expenses		644	(2,632)	(40,765)
Non Comprehensive Revenue and Expense items				
Other Contributions from the Crown ¹	18	0	0	811
Distribution from the Crown ²	18	0	0	6,131
Total Non-comprehensive Revenue and Expenditure		0	0	6,942
Balance at 31 December		238,800	229,269	238,156

Explanations of major variances against budget are provided in Note 21.

¹Contribution from the Crown is the temporary peppercorn lease provided subsequent to the settlement of assets held for sale.

²Distribution from the Crown is the return of the encumbrance on Assets held for sale paid to the Crown on settlement.

The accompanying notes form part of these financial statements.

Statement of Financial Position

as at 31 December 2021

All in \$000s	NOTE	ACTUAL 31 DECEMBER 2021	BUDGET 31 DECEMBER 2021	ACTUAL 31 DECEMBER 2020
ASSETS				
Current Assets				
Cash and Cash Equivalents	6	21,344	6,628	10,979
Student Fees and Other Receivables	7	2,651	3,427	2,665
Prepayment		2,020	1,480	1,377
Inventory	8	408	577	376
Total Current Assets		26,423	12,112	15,397
Non Current Assets				
Property, Plant and Equipment	10	243,456	233,948	252,523
Intangible Assets	11	3,510	2,624	4,472
Total Non Current Assets		246,966	236,572	256,995
Total Assets		273,389	248,684	272,392
LIABILITIES				
Current Liabilities				
Trade and Other Payables	12	10,948	7,899	9,132
Employee Entitlements	13	6,506	4,056	6,660
Revenue Received in Advance	16	4,667	6,434	5,645
Trust Funds	17	623	648	623
Borrowings	19	0	0	0
Lease Liability	14	364	0	360
Derivative Financial Instruments	9	0	0	0
Total Current Liabilities		23,108	19,037	22,420
Non Current Liabilities				
Employee Entitlements	13	324	378	300
Borrowings	19	0	0	0
Lease Liability	14	11,157	0	11,516
Derivative Financial Instruments	9	0	0	0
Total Non Current Liabilities		11,481	378	11,816
Total Liabilities		34,589	19,415	34,236
Net Assets		238,800	229,269	238,156
EQUITY				
General Funds	18	137,625	130,920	134,931
Property Revaluation Reserve	18	101,175	98,349	103,225
Total Equity		238,800	229,269	238,156

Explanations of major variances against budget are provided in Note 21.
The accompanying notes form part of these financial statements.



Peter Winder
Director



Monique Cairns
Director



Gus Gilmore
Chief Executive

Date: 26 April 2022



Statement of Cash Flows

for the twelve months ended 31 December 2021

All in \$000s	NOTE	ACTUAL 12 MONTHS ENDED 31 DECEMBER 2021	BUDGET 12 MONTHS ENDED 31 DECEMBER 2021	ACUTAL 9 MONTHS ENDED 31 DECEMBER 2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Government Funding		52,382	53,711	35,971
Receipts from Student Fees and Other Revenue		43,683	47,597	36,389
Interest Revenue Received		107	0	154
Goods and Services Tax (Net)		83	0	(1,133)
Payments to Employees		(58,339)	(62,142)	(42,857)
Payments to Suppliers		(22,244)	(28,137)	(24,970)
Interest Paid		(615)	(100)	(462)
Net Cash Inflow from Operating Activities		15,057	10,929	3,092
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from Sale of Property, Plant and Equipment		0	0	22
Purchase of Property, Plant and Equipment		(4,237)	(7,088)	(13,762)
Purchase of Intangible Assets		(100)	(350)	(846)
Settlement of Derivatives		0	(0)	(338)
Net Cash Outflow used in Investing Activities		(4,337)	(7,438)	(14,924)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from Borrowings		0	0	0
Repayment of Borrowings		0	0	0
Finance Lease		(355)	0	(113)
Net Cash Flows from Financing Activities		(355)	0	(113)
Net (Decrease)/Increase in Cash and Cash Equivalents		10,365	3,491	(11,945)
Cash and Cash Equivalents at Beginning of the Year		10,979	3,137	22,924
Cash and Cash Equivalents at End of the Year	6	21,344	6,628	10,979

Explanations of major variances against budget are provided in Note 21.

The accompanying notes form part of these financial statements.

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

All in \$000s	ACTUAL 12 MONTHS ENDED 31 DECEMBER 2021	ACUTAL 9 MONTHS ENDED 31 DECEMBER 2020
Net Surplus/(Deficit) for the Year	2,694	(44,188)
before separately disclosed expenditure	0	0
Distribution from the Crown	0	6,131
Add/(Less) Non Cash Items:		
Depreciation and Amortisation Expense	12,069	9,916
Bad Debt Provision Movement	(335)	173
Other Losses/(Gains)	247	(262)
Add/(Less) Items Classified as Investing or Financing Activities:		
Net Loss/(Gain) on Disposal of Property, Plant and Equipment	0	391
Add/(Less) Movements in Working Capital:		
(Increase)/Decrease in Accounts Receivable and Other Receivables	(293)	42,581
(Increase)/Decrease in Inventories	(32)	668
Increase/(Decrease) in Trade and Other Payables	1,816	(4,157)
Increase/(Decrease) in Provisions	(130)	2,022
Increase/(Decrease) in Fees in Advance	(978)	(10,187)
Increase/(Decrease) in Trust Funds	(1)	4
Net Cash from Operating Activities	15,057	3,092

Explanations of major variances against budget are provided in Note 21.

The accompanying notes form part of these financial statements.



Notes to the Financial Statements

FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2021

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1: Statement of Accounting Policies

REPORTING ENTITY

Manukau Institute of Technology Limited is a crown entity company that is domiciled and operates in New Zealand. It is a wholly owned subsidiary of Te Pūkenga. The relevant legislation governing the Institute's operations includes the Crown Entities Act 2004, the Education and Training Act 2020 and the Companies Act 1993.

The primary objective of the Institute 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 as public benefit entities (PBEs) for the purposes of complying with general accepted accounting practice.

BASIS OF PREPARATION

The Education and Training Act 2020 (the Act) states that each Te Pūkenga subsidiary continues in existence only until the close of 31 December 2022, at which point all the rights, assets, and liabilities of the Te Pūkenga subsidiary will be transferred to Te Pūkenga.

The Act allows Te Pūkenga to dissolve MIT Ltd before 31 December 2022 and transfer some or all the rights, assets, and liabilities to Te Pūkenga or another Te Pūkenga subsidiary.

As the company will cease to exist by the close of 31 December 2022, the financial statements have been prepared on a disestablishment basis.

Because the vocational education will continue to be provided after the transfer, no changes were made to the carrying value of assets and liabilities as a result of the disestablishment basis of accounting.

Reporting period

Manukau Institute of Technology came into effect on the 1 April 2020. The Financial Statements have been prepared for the twelve months from 1 January to 31 December 2021 with nine months comparative from 1 April 2020 to 30 December 2020. An exception is Note 27 Early Childhood Education Centre which is disclosed for the twelve months for both year ended 31 December 2021 and 31 December 2020.

Statement of compliance

The financial statements of the Institute have been prepared in accordance with the requirements of the Crown Entities Act 2004, Companies Act 1993 and the Education Act 2020, which include the requirement to comply with New Zealand generally accepted accounting practice in New Zealand (NZ GAAP). These financial statements have been prepared in accordance with Tier 1 PBE Standards.

Presentation currency and rounding

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 is New Zealand dollars (NZ\$).

Standards issued and not yet effective and not early adopted

PBE FRS 48 Service Performance Reporting: PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2022. MIT has not yet determined how the application of PBE FRS 48 will affect its statement of service performance.

PBE IPSAS 13 Accounting for Leases: PBE IPSAS 13 Accounting for Leases is effective for reporting periods beginning on or after 1 January 2022 with early adoption permitted in the financial year starting 1 January 2021. MIT has chosen not to early adopt this standard and intends to adopt the standard for the 31 December 2022 financial year. MIT has not yet assessed in data the impact of the new standard.

STANDARDS ISSUED AND ADOPTED EARLY

Standards and amendments issued but not yet effective that have not been early adopted and which are relevant to MIT are:

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

PBE IPSAS 41 largely retains the existing requirements in PBE IPSAS 29 for classification and measurement of financial liabilities. The adoption of PBE IPSAS 41 has not had a significant effect on the MIT's accounting policies related to financial liabilities and derivative financial instruments.

MIT has determined that the application of PBE IPSAS 41's impairment requirements is not material.

BUDGET FIGURES

The budget figures for Manukau Institute of Technology Ltd have been derived from the budget approved by the Board in 2020. Those budget figures have been prepared in accordance with NZ GAAP, the budget approved was for the full 1 January 2021 to 31 December 2021 year.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

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

Income tax

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

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 expense.

Cost allocation

The cost of service for each significant activity of the Institute 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.

Critical accounting assumptions and estimates

In preparing these financial statements, the Institute 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:

(a) Property revaluations

Note 10 provides information about the estimates and assumptions exercised in the measurement of revalued land and buildings.

(b) Long Service Leave

Note 13 provides information about the estimates and assumptions exercised in the measurement of long service leave.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

- (a) Distinction between revenue and capital contributions - refer to Note 2.
- (b) Research leave - refer to Note 13.

REVENUE

Revenue is measured at the fair value.

The specific accounting policies for significant revenue items are explained below:

(a) Government grants - refer to Note 2

(b) Performance-Based Research Fund (PBRF) - refer to Note 2

(c) Research revenue - refer to Note 2

(d) Student tuition fees - refer to Note 3

(e) 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.

(f) 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.

(g) Interest

Interest revenue is recognised using the effective interest method.





2: Government Funding

Accounting policy

Revenue is measured at fair value. The specific accounting policies for significant revenue items are explained below:

Student Achievement Component funding

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

Performance-Based Research Fund (PBRF)

MIT considers funding received from Performance-Based Research Fund (PBRF) to be non-exchange in nature. PBRF funding is specifically identified by the TEC as being for a funding period as required by section 425 of the Education and Training Act 2020. MIT recognises its confirmed allocation of PBRF funding at the commencement of the specified funding period, which is the same as the financial year. PBRF revenue is measured based on the 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.

Other Funding

Other funding is recognised as revenue when it becomes receivable unless there is an obligation, in substance, to return the funds if conditions of the funding are not met. If there is such an obligation, the funding is initially recorded as funding received in advance and then recognised as revenue when the conditions of the funding are satisfied.

Critical judgements in applying accounting policies

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 accounts for the funding as a capital contribution directly in equity. Information about capital contributions recognised in equity is disclosed in note 18.

All in \$000s	ACTUAL 12 MONTHS ENDED DECEMBER 2021	ACTUAL 9 MONTHS ENDED DECEMBER 2020
Government funding classified as non-exchange transactions		
Student Disability Grant	120	0
Literacy Funding	1,829	0
Youth Guarantee	2,530	245
Other Government Grants	112	3
Māori and Pacific Islands Grant	295	0
Student Achievement Component (SAC) Funding	46,157	149
Performance Based Research Fund	398	1
Total Government Funding Excluding Department Funding	51,441	398

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.

For the 2021 year Government funding includes \$6.3m that is not subject to clawback as a result of student withdrawals, provided in recognition of the hardships and reduced revenue opportunities over the Auckland lockdown periods.

3: Student Fees and Department Revenue

Accounting policy

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.

Fees-free revenue

MIT considers fees-free revenue is non-exchange revenue and recognises revenue when the course withdrawal date for an eligible student has passed. MIT Ltd has presented funding received for fees-free as part of tuition fees. This is on the basis that receipts from the TEC are for payment on behalf of the student as specified in the relevant funding mechanism.

Targeted Training and Apprenticeship Fund (TTAF)

MIT considers TTAF revenue is non-exchange revenue and recognises revenue when the course withdrawal date for an eligible student has passed.

Research revenue

For an exchange research contract, revenue is recognised on a percentage completion basis. The percentage of completion is measured by reference to the actual research expenditure incurred as a proportion to total expenditure expected to be incurred. For a non-exchange research contract, the total funding receivable under the contract is recognised as revenue immediately, unless there are substantive conditions in the contract. If there are substantive

conditions, revenue is recognised when the conditions are satisfied. A condition could include the requirement to complete research to the satisfaction of the funder to retain funding or return unspent funds. Revenue for future periods is not recognised where the contract

contains substantive termination provisions for failure to comply with the requirements of the contract. Conditions and termination provisions need to be substantive, which is assessed by considering factors such as contract monitoring mechanisms of the funder and the past practice of the funder.

Other grants received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and then recognised as revenue when the conditions of the grant are satisfied.

Donations, trust funds, endowments, bequests, and pledges

Donations, trust funds, endowments, and bequests for the benefit of MIT Ltd are recognised as an asset and revenue when the right to receive the funding or asset has been established, unless there is an obligation in substance to return the funds if conditions 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.

Sales of goods

Revenue from the sale of goods is recognised when the product is sold to the customer.

Accommodation services

Revenue from the provision of accommodation services is recognised on a percentage completion basis. This is determined by reference to the number of accommodation days used up until exit date as a proportion of the total accommodation days contracted for with the individual.

Interest and dividends

Interest revenue is recognised by accruing on a time proportion basis the interest due for the investment. Dividends are recognised when the right to receive payment has been confirmed.

All in \$000s	ACTUAL 12 MONTHS ENDED 31 DECEMBER 2021	ACTUAL 9 MONTHS ENDED 31 DECEMBER 2020
Student fees and department revenue classified as exchange transactions		
Student Fees – International Students	6,476	11,344
Departmental Revenue (Non-Base Revenue and Recoveries)	10,806	10,159
Total Student Fees and Department Revenue classified as Exchange Transactions	17,282	21,503
Student fees and department revenue classified as non-exchange transactions		
Student Fees – Domestic Students and Other Departmental Revenue	26,288	9,778
Revenue from Fees-Free	3,363	123
Total Student Fees and Department Revenue classified as Non-Exchange Transactions	29,651	9,901
Total Student Fees and Department Revenue	46,933	31,404





4: Expenditure

Accounting policy

Superannuation schemes

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.

Borrowing costs

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

All in \$000s	NOTE	ACTUAL 12 MONTHS ENDED 31 DECEMBER 2021	ACTUAL 9 MONTHS ENDED 31 DECEMBER 2020
Employee Benefits Expense			
Salaries and Wages		58,168	43,539
Defined Contribution Plan Employer Contributions		1,416	1,008
Board Fees	26	172	161
Increase/(Decrease) in Employee Benefit Liabilities	13	(130)	2,022
Total Employee Benefits Expense		59,626	46,730
Other Expenditure			
Auditors' Remuneration			
Fees to Principal Auditor for Financial Statement Audit		238	222
Total Auditors' Remuneration		238	222
General Costs			
Operating Lease Payments	24	3,671	1,642
Bad and Doubtful Debts - Written Off		0	8
Net Increase/(Decrease) Bad and Doubtful Debts Provision	7	106	173
Course Delivery Contracts		2,974	1,710
Donations		5	4
Loss on Disposal of Property, Plant and Equipment		249	391
Administrative, Materials and Consumables Expenses		16,589	15,819
Total General Costs		23,594	19,747
Total Other Expenditure		23,832	19,969

Employer contributions to defined contribution plans include contributions to KiwiSaver and the National Provident Fund.

5: Analysis of Department Costs

All in \$000s	12 MONTHS ENDED 31 DECEMBER 2021			
	ACTUAL REVENUE	ACTUAL EXPENDITURE	ACTUAL NET COST	BUDGET NET COST
Manukau Campus	37,862	37,635	(227)	601
Ōtara Campus	18,131	29,110	10,979	9,614
Technology Park Campus	24,639	29,397	4,758	4,741
Total	80,632	96,142	15,510	14,956
Included in the department net cost are the following overheads:				
Property			13,789	14,592
Administration			40,496	45,208
Total Overheads Allocated			54,285	59,800

All in \$000s	9 MONTHS ENDED 31 DECEMBER 2020			
	ACTUAL REVENUE	ACTUAL EXPENDITURE	ACTUAL NET COST	BUDGET NET COST
Manukau Campus	23,187	23,834	647	(2,216)
Ōtara Campus	21,132	29,195	8,063	9,329
Technology Park Campus	22,901	24,048	1,147	5,877
Total	67,220	77,077	9,857	12,990
Included in the department net cost are the following overheads:				
Property			11,543	14,959
Administration			33,682	40,459
Total Overheads Allocated			45,225	55,418

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 2021 have been netted off against overhead expenditure allocation.

6: Cash and Cash Equivalents

Accounting policy

Cash and cash equivalents includes 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.

All in \$000s	ACTUAL 31 DECEMBER 2021	ACTUAL 31 DECEMBER 2020
Cash at Bank and on Hand	3,722	358
Call Deposits	622	621
Term Deposits with Maturities less than 3 Months at Acquisition	17,000	10,000
Total Cash and Cash Equivalents	21,344	10,979
Weighted Average Effective Interest Rate	0.08%	0.5%

The carrying value approximates fair value. None designated at fair value. Assets recognised in a non-exchange transaction that are subject to restrictions. The Institute holds \$622k (2020: \$621k) 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.





7: Student Fees and Other Receivables

Accounting policy

Debtors and other receivables

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

In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery.

All in \$000s	ACTUAL 31 DECEMBER 2021	ACTUAL 31 DECEMBER 2020
Receivables classified as exchange transactions		
Student Fees and service fee Receivables	317	638
Less: Allowance for Credit Losses	(74)	(812)
Net Student Fees Receivables	243	(174)
Other Receivables	90	184
Less: Allowance for Credit Losses	0	0
Net Student Fees Receivables	90	184
Total Receivables classified as exchange transactions	333	10
Receivables classified as non-exchange transactions		
Student Fees and Sundry Receivables	1,040	1,973
Other non-exchange Receivables	1,681	682
Less: Allowance for Credit Losses	(403)	0
Total Receivables classified as non-exchange transactions	2,318	2,655
Classifications		
Receivables from Exchange Transactions	407	822
Receivables from Non-Exchange Transactions	2,721	2,655
Total Net Receivables (excluding impairment)	3,128	3,477
Less Provision of Impairment for Receivables	(477)	(812)
Total Net Receivables	2,651	2,665

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.

Credit Losses	ACTUAL 2021	ACTUAL 2020
Student Fee Receivables - Gross		
Ageing profile for student fees receivable at year end.		
Not Past Due	401	-
Past Due 1 – 30 Days	83	760
Past Due 31 – 60 Days	78	552
Past Due 61 – 90 Days	82	190
Past Due over 90 Days	714	1,109
Total Gross Student Fee Receivables	1,358	2,611
Expected Credit Loss Rate (%)		
Not Past Due	7%	0%
Past Due 1 – 30 Days	14%	2%
Past Due 31 – 60 Days	9%	11%
Past Due 61 – 90 Days	23%	15%
Past Due over 90 Days	58%	63%

Expected Credit Loss		
Not Past Due	28	-
Past Due 1 – 30 Days	12	17
Past Due 31 – 60 Days	7	63
Past Due 61 – 90 Days	19	28
Past Due over 90 Days	411	704
Expected Credit Loss	477	812
Other Receivables - Gross		
Not Past Due	88	184
Past Due 1 – 30 Days	-	-
Past Due 31 – 60 Days	-	-
Past Due 61 – 90 Days	-	-
Past Due over 90 Days	2	-
Total Gross Other Receivables	90	184
Expected Credit Loss Rate (%)		
Not Past Due	0%	0%
Past Due 1 – 30 Days	0%	0%
Past Due 31 – 60 Days	0%	0%
Past Due 61 – 90 Days	0%	0%
Past Due over 90 Days	0%	0%
Expected Credit Loss		
Not Past Due	-	-
Past Due 1 – 30 Days	-	-
Past Due 31 – 60 Days	-	-
Past Due over 90 Days	-	-
Expected Credit Loss	-	-
Total Expected Credit Loss	477	812

	ACTUAL 2021	ACTUAL 2020
Movements in the provision for impairment of student receivables		
At 1 January	812	639
Additional Provisions made during the Year	106	812
Provisions Adjustments during the Year	10	84
Receivables Written-off during the Year	(451)	(723)
At 31 December	477	812





8: Inventory

Accounting policy

Accounting policy 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.

All in \$000s	ACTUAL 31 DECEMBER 2021	ACTUAL 31 DECEMBER 2020
Building Stock	283	249
Hospitality Stock	64	69
Staff Services Stock	38	25
Cafeteria Stock	23	33
Total Inventory	408	376

Inventories are valued at the lower of cost or net realisable value. There was no write down of inventories held for distribution. No inventories are pledged as security.

9: Derivative Financial Instruments

Accounting policy

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 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.

All in \$000s	ACTUAL 31 DECEMBER 2021	ACTUAL 31 DECEMBER 2020
Interest Rate Swaps		
Total Current Liability Portion	0	0
Total Non-Current Liability Portion	0	0
Total Derivative Financial Instruments	0	0

There are no derivations traded for the twelve months ended 31 December 2021. In prior year, the derivatives were traded on 31 August 2020 to a nil balance. Interest costs to the date of trade were included in the interest line item and the realised gain is separately disclosed in the Statement of Comprehensive Revenue and Expenditure.

10: Property, Plant and Equipment

Accounting policy

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.

Revaluation

Land and buildings and Infrastructure 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 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.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset, only when it is probable that future economic benefits or service potential associated with the item will flow to the Institute 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 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. Additions over \$2000 in value are capitalised.

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.

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% - 9.1%)
Fit out	6 - 29 years (3.5% - 16.7%)
Services	9 - 33 years (3% - 11.1%)
Infrastructure	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.

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.

Impairment of property, plant, and equipment

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. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in surplus or deficit, a reversal of an impairment loss is also recognised in 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.

Critical judgements in applying accounting policies Crown-owned land and buildings

Property assets owned by the crown and occupied by MIT under lease arrangements have been disclosed under Intangible assets. Apart from these disclosures all property assets are owned by MIT.





FOR 12 MONTHS PERIOD 1 JANUARY 2021 - DECEMBER 2021										
Property, plant and equipment	LAND	INFRASTRUCTURE	BUILDINGS	LEASEHOLD IMPROVEMENTS	FURNITURE AND EQUIPMENT	COMPUTER HARDWARE	MOTOR VEHICLES	HERITAGE COLLECTION	LIBRARY COLLECTION	TOTAL
Cost or Fair Value - Brought Forward	22,999	6,164	199,173	13,156	21,246	26,638	1,229	26	4,245	294,876
Accumulated Depreciation - Brought Forward	0	(624)	(10,637)	0	(11,550)	(22,251)	(904)	0	(3,068)	(49,034)
Net Carrying Value - 1 January 2021	22,999	5,540	188,536	13,156	9,696	4,387	325	26	1,177	245,842
Additions	0	179	1,631	1,004	2,226	3,840	54	151	102	9,187
Reclassifications	0	0	(334)	269	65	0	0	0	0	0
Net Revaluation	5,900	(993)	(24,074)	0	0	0	0	0	0	(19,167)
Disposals	0	0	(136)	0	(600)	(7,550)	(24)	0	0	(8,310)
Depreciation on Disposals	0	0	(86)	0	572	7,550	24	0	0	8,060
Reverse Accumulated Depreciation - Reclassification	0	6	(10)	0	4	0	0	0	0	0
Reverse Accumulated Depreciation - Revaluation Write Back	0	939	16,181	0	0	0	0	0	0	17,120
Depreciation	0	(321)	(5,448)	(557)	(1,709)	(2,349)	(88)	0	(227)	(10,699)
Cost or Fair Value	28,899	5,350	176,260	14,429	22,937	22,928	1,259	177	4,347	276,586
Accumulated Depreciation	0	0	0	(557)	(12,683)	(17,050)	(968)	-	(3,295)	(34,553)
Net Carrying Value - 31 December 2021	28,899	5,350	176,260	13,872	10,254	5,878	291	177	1,052	242,033

Assets under construction	LAND	INFRASTRUCTURE	BUILDINGS	LEASEHOLD IMPROVEMENTS	FURNITURE AND EQUIPMENT	COMPUTER HARDWARE	MOTOR VEHICLES	HERITAGE COLLECTION	LIBRARY COLLECTION	TOTAL
Opening Value - 1 January 2021	0	0	1,653	1,004	1,612	2,372	0	0	40	6,681
Additions	0	238	7	0	1,280	2,143	54	151	66	3,939
Capitalisations	0	(189)	(1,631)	(1,004)	(2,226)	(3,840)	(54)	(151)	(102)	(9,197)
Closing Value - 31 December 2021	0	49	29	0	666	675	0	0	4	1,423

FOR 9 MONTHS PERIOD: 1 APRIL 2020 - 31 DECEMBER 2020										
Property, plant and equipment	LAND	INFRASTRUCTURE	BUILDINGS	LEASEHOLD IMPROVEMENTS	FURNITURE AND EQUIPMENT	COMPUTER HARDWARE	MOTOR VEHICLES	HERITAGE COLLECTION	LIBRARY COLLECTION	TOTAL
Cost or Fair Value - Brought Forward	19,577	6,178	192,384	7	20,378	25,358	1,230	26	4,201	269,339
Accumulated Depreciation - Brought Forward	0	(390)	(6,585)	0	(13,983)	(21,042)	(835)	0	(2,873)	(45,708)
Net Carrying Value - 1 April 2020	19,577	5,788	185,799	7	6,395	4,316	395	26	1,328	223,631
Additions and reallocations	0	(7)	7,135	13,149	4,754	1,475	0	0	44	26,550
Net Revaluation	3,422	0	0	0	0	0	0	0	0	3,422
Disposals	0	(7)	(346)	0	(3,886)	(195)	(1)	0	0	(4,435)
Depreciation on Disposals	0	1	134	0	3,657	182	0	0	0	3,974
Depreciation	0	(235)	(4,186)	0	(1,224)	(1,391)	(69)	0	(195)	(7,300)
Cost or Fair Value	22,999	6,164	199,173	0	21,246	26,638	1,229	26	4,245	294,876
Accumulated Depreciation	0	(624)	(10,637)	0	(11,550)	(22,251)	(904)	-	(3,068)	(49,034)
Net Carrying Value - 31 December 2020	22,999	5,540	188,536	13,156	9,696	4,387	325	26	1,177	245,842

Assets under construction	LAND	INFRASTRUCTURE	BUILDINGS	LEASEHOLD IMPROVEMENTS	FURNITURE AND EQUIPMENT	COMPUTER HARDWARE	MOTOR VEHICLES	HERITAGE COLLECTION	LIBRARY COLLECTION	TOTAL
Opening Value - 1 April 2020	0	0	6,024	0	1,075	345	0	0	(4)	7,440
Additions	0	0	2,764	14,153	5,291	3,502	0	0	88	25,798
Capitalisations	0	0	(7,135)	(13,149)	(4,754)	(1,475)	0	0	(44)	(26,557)
Closing Value - 31 December 2020	0	0	1,653	1,004	1,612	2,372	0	0	40	6,681

Revaluations

An independent valuation was obtained to determine the fair value of land, buildings and infrastructure. 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.

The most recent valuation of land and buildings was performed by CBRE Ltd. The effective date of the revaluation was 31 December 2021. The next revaluation is due 31 December 2024.

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

Buildings and Infrastructure

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.
- There have been no optimisation adjustments made in the 2021 revaluation
- The replacement cost is derived from construction costs detailed in QV builder, costs through the valuers experience with similar assets within New Zealand, and actual cost data relating to recent improvements. The range of rates used vary from \$950 to \$5,600 per sqm. CBRE has not made any adjustments for factors such as contamination of land, asbestos, remediation and earthquake strengthening.
- The remaining useful life of assets is estimated against the age of the components taking into account alterations of additions, their present condition, expected future utility and total useful life. In determining useful lives CBRE have considered industry accepted building loss cycle factors, Treasury Guidelines and CBRE own experience with similar buildings.
- 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.

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 18 for revaluation reserves and revaluation movements.

Restrictions on title

Under the Education and Training Act 2020, 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 which 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.

Leased assets

At the commencement of the lease term, MIT shall recognise assets acquired under finance leases as assets, and the associated lease obligations as liabilities in the statement of financial position. Although the legal form of a lease agreement is that the lessee may acquire no legal title to the leased asset, in the case of finance leases the substance and financial reality are that the lessee acquires the economic benefits or service potential of the use of the lease asset for the major part of its economic life in return for entering into an obligation to pay for that right, an amount approximating, at the inception of the lease, the fair value of the asset and the related finance charge. A finance lease gives rise to a depreciation expense for depreciable assets as well as a finance expense. The depreciation policy for depreciable leased assets shall be consistent with that for the depreciable assets that are owned. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the assets shall be fully depreciated over the shorter of the lease term or its useful life.





11: Intangible Assets

Accounting policy

Software acquisition and development

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 software development employee costs and relevant professional fees. Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Course development cost

Course-related software and website development costs are classified as software and accounted for in accordance with the accounting policy for software. Capitalised costs are tested for impairment and, once available for use, amortised in accordance with that policy.

Courses purchased from other organisations

Separately acquired courses and programmes (including trademarks and licences) acquired from outside of the Te Pūkenga group are initially recognised at historical cost. They have a finite useful life and, subsequent to initial recognition, should be carried at cost less accumulated amortisation and impairment losses. They are amortised over a period not exceeding 5 years.

Internally developed courses

Course development costs are expensed when incurred unless the course development costs are directly attributable to the design of identifiable and unique courses and programmes controlled by the group in which case they are recognised as intangible assets where all of the following criteria are met:

(a) The course material is identifiable and the use and redistribution of course material is controlled by the group through legal or other means.

(b) It is probable that the courses will generate future economic benefits attributable to the course and the cost can be reliably measured. This is the case when:

- (i) it is technically feasible to complete the development so that the course or programme will be available for use and/or sale;
- (ii) management intends to complete the development of the course or programme and use or sell it;
- (iii) there is an ability to use or sell the course or programme;
- (iv) it can be demonstrated how the course or programme will generate probable future economic benefits;
- (v) there are adequate technical, financial and other resources available to complete development of the course or programme and to use or sell the course or programme; and
- (vi) the expenditure attributable to the course or programme development can be reliably measured.

Capitalised course development costs related to courses that are not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Capitalised course development costs are amortised from the point at which the course or programme is ready for use and are amortised over a period not exceeding 5 years. They are carried at cost less accumulated amortisation and impairment losses. They are tested for impairment whenever there is an indication that the asset may be impaired.

Costs associated with maintaining courses and programmes are recognised as an expense as incurred.

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.

License to occupy land

Where the Institute has a license 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 license term. Land with a license to occupy is amortised over the unexpired period of the license.

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 de recognised. 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	2-10 years
Software	(10% - 50%)

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

Impairment of 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. For further details refer to the policy for impairment of property, plant and equipment in Note 10. The same approach applies to the impairment of intangible assets.

	FOR 12 MONTHS PERIOD: 1 JANUARY 2021 - 31 DECEMBER 2021			
	COMPUTER SOFTWARE	OTHER INTANGIBLE ASSETS	LEASE ASSETS	TOTAL
Intangible Assets				
Cost or Fair Value - Brought Forward	9,107	1,273	0	10,380
Accumulated Depreciation - Brought Forward	(6,158)	(473)	0	(6,631)
Net Carrying Value - 1 January 2021	2,949	800	0	3,749
Additions	884	91	0	975
Depreciation	(1,317)	(53)	0	(1,370)
Cost or Fair Value	9,991	1,364	0	11,355
Accumulated Depreciation	(7,475)	(526)	0	(8,001)
Net Carrying Value - 31 December 2021	2,516	838	0	3,354

	COMPUTER SOFTWARE	OTHER INTANGIBLE ASSETS	LEASE ASSETS	TOTAL
Work in Progress				
Opening Value - 1 January 2021	722	1	0	723
Additions	318	90	0	408
Capitalisations	(884)	(91)	0	(975)
Closing Value - 31 December 2021	156	0	0	156

	FOR 9 MONTHS PERIOD: 1 APRIL 2020 - 31 DECEMBER 2020			
	COMPUTER SOFTWARE	OTHER INTANGIBLE ASSETS	LEASE ASSETS	TOTAL
Intangible Assets				
Cost or Fair Value - Brought Forward	8,979	1,250	1,587	11,816
Accumulated Depreciation - Brought Forward	(5,185)	(437)	(793)	(6,415)
Net Carrying Value - 1 April 2020	3,794	813	794	5,401
Additions	128	23	811	962
Disposals	0	0	(2,398)	(2,398)
Depreciation on Disposals	0	0	2,400	2,400
Depreciation	(973)	(36)	(1,607)	(2,616)
Cost or Fair Value	9,107	1,273	0	10,380
Accumulated Depreciation	(6,158)	(473)	0	(6,631)
Net Carrying Value - 31 December 2020	2,949	800	0	3,749

	COMPUTER SOFTWARE	OTHER INTANGIBLE ASSETS	LEASE ASSETS	TOTAL
Work in Progress				
Opening Value - 1 April 2020	29	0	0	29
Additions	821	24	0	845
Capitalisations	(128)	(23)	0	(151)
Closing Value - 31 December 2020	722	1	0	723

Other Intangible Assets

Other intangible assets include the license to occupy land at 52 Ōtara Road 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 license term.





12: Trade and Other Payables

Accounting policy

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

All in \$000s	ACTUAL 31 DECEMBER 2021	ACTUAL 31 DECEMBER 2020
Payables under exchange transactions		
Trade Payables	2,367	1,119
Accrued Expenses	2,182	3,981
Other Payables	0	5
Total Payables under Exchange Transactions	4,549	5,105
Payables under non-exchange transactions		
Other Payables	5,339	3,051
Net GST Payable/ (Receivable)	1,060	976
Total Payables under Non-Exchange Transactions	6,399	4,027
Total Trade and Other Payables	10,948	9,132

Total Trade and Other Payables are non-interest bearing and are normally settled on 30 day terms. Therefore, the carrying value approximates fair value.



13: Employee Benefit Liabilities

Accounting policy

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.

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.

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.

Restructuring

A provision for restructuring is recognised when either an approved detailed formal plan for the restructuring has been announced publicly to those affected, or implementation of it has already started.

Critical judgements in applying accounting policies

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 39 Employee Benefits. Accordingly, a liability has not been recognised for such leave.

All in \$000s	ACTUAL 31 DECEMBER 2021	ACTUAL 31 DECEMBER 2020
Employee Entitlements		
Accrued Pay	622	671
Annual Leave	5,623	4,989
Sick Leave	228	225
Long Service Leave	106	103
Retirement Leave	251	239
Restructuring Provision	0	733
Total Employee Benefit Liabilities	6,830	6,960
Current Portion	6,506	6,660
Non-Current Portion	324	300
Total Employee Benefit Liabilities	6,830	6,960

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 \$1,353.00 higher / lower.

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 \$1,284.00 higher / lower.





14: Finance Lease Liability

Accounting policy

Finance leases

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

All in \$000s	ACTUAL 31 DECEMBER 2021	ACTUAL 31 DECEMBER 2020
Current Portion	364	360
Non-Current Portion	11,157	11,516
Total	11,521	11,876

All in \$000s	ACTUAL 31 DECEMBER 2021	ACTUAL 31 DECEMBER 2020
Present value of minimum lease payments payable		
Not later than one year	989	959
Later than one year and not later than five years	3,954	3,837
Later than five years	13,512	14,068
Total minimum lease payments as lessee	18,455	18,864
Future finance charges	6,934	6,989
Present value of minimum lease payments	11,521	11,875

All in \$000s	ACTUAL 31 DECEMBER 2021	ACTUAL 31 DECEMBER 2020
Present value of minimum lease payments payable		
Not later than one year	364	360
Later than one year and not later than five years	1,673	1,637
Later than five years	9,484	9,878
Total Leases as Lessee	11,521	11,875

15: Severances and Redundancy Payments

Redundancy payments amounting to \$249k and severance payments amounting to \$40k were paid in 2021. These were provisioned for in 2020. No additional provisions were made in 2021. (December 2020: \$936k).

16: Revenue Received in Advance

All in \$000s	ACTUAL 31 DECEMBER 2021	ACTUAL 31 DECEMBER 2020
Student Fees	4,162	5,349
Other Revenue Received in Advance	505	296
Total	4,667	5,645
Current Portion	4,667	5,645
Term Portion	0	0

Revenue in Advance from tuition fees includes both liabilities recognised for domestic student fees received for which the course withdrawal date has not yet passed and for international student fees, which is based on the percentage completion of the course. Other revenue received in advance are various receipts that are subject to conditions being met before they can be recognised as revenue.



17: Trust Funds

Accounting policy

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.

All in \$000s	ACTUAL 31 DECEMBER 2021	ACTUAL 31 DECEMBER 2020
Opening Balance	624	619
Interest Received	0	5
Less Adjustment	(1)	0
Total Trust Funds	623	624
Represented by:		
G F Dawson Memorial Fund	11	11
J M Grant Memorial Fund	9	9
MIT Students' Trust Fund	500	500
Young Memorial Fund	101	101
Other	2	3
Total Trust Funds	623	624

Restrictions on use

MIT holds these funds in trust for the purpose of providing scholarships and awards for students in accordance with the funding conditions.

18: Equity

Accounting policy

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

- General funds; and
- Property revaluation reserve.

Property revaluation reserves

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

All in \$000s	ACTUAL 31 DECEMBER 2021	ACTUAL 31 DECEMBER 2020
General Funds		
At 1 January 2021/1 April 2020	134,931	172,176
Surplus/(Deficit) for the year before separately disclosed expenditure	2,694	(44,817)
Capital Contributions from the Crown	0	811
Capital Distributions from the Crown	0	6,131
Balance as at 31 December 2021	137,625	134,931
Property Revaluation Reserves		
Balance as at 1 January 2021/1 April 2020	103,225	99,803
Land Net Revaluations Gain/(Loss)	(2,050)	3,422
Balance as at 31 December 2021	101,175	103,225
Total Equity	238,800	238,156
Property Revaluation Reserves		
Property Revaluation Reserves consist of:		
Land	28,109	22,210
Land improvements	206	255
Buildings	72,860	80,760
Total Property Revaluation Reserves	101,175	103,225

Capital Contributions

Contribution from the Crown is the temporary pepper corn lease provided subsequent to the settlement of assets held for sale. Distribution to the Crown is the encumbrance on assets held for sale paid to the Crown on settlement.

19: Borrowings

Accounting policy

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

All in \$000s	ACTUAL 2021	ACTUAL 2020
Current Portion	0	0
Non-Current Portion	0	0
Total	0	0
Weighted Average Effective Interest Rate	-	-

From June 2021 MIT relinquished its debt facilities with ANZ and from that date any treasury arrangements are now worked at group level with Te Pukenga. As at 31st December MIT debt consists of a finance lease disclosed in Note 14. Consent for this debt is provided by the Ministry of Education under the Education and Training Act 2020 section 282(4)(b).

20: Financial Instruments

Accounting policy

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 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 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.

Financial assets at fair value through surplus or deficit

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

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 de recognised are recognised in the surplus or deficit.

Financial assets at fair value through other comprehensive revenue and expenses

Currently, the institute has no assets in this category.

Impairment of financial assets

At each balance date, the Institute 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.

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 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.

All in \$000s	ACTUAL 31 DECEMBER 2021	ACTUAL 31 DECEMBER 2020
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	21,344	10,979
Student Fees and Other Receivables	2,651	2,665
Total Loans and Receivables	23,995	13,644
Financial Liabilities		
Financial Liabilities Measured at Amortised Costs		
Creditors and other payables	10,948	9,132
Finance Lease	11,521	11,876
Borrowings	0	0
Total Financial Liabilities Measured at Amortised Cost	22,469	21,008
Financial Liabilities Measured at Fair Value		
Derivative financial instruments	0	0
Total Financial Liabilities Measured at Fair Value	0	0

Financial Instruments Risks

Manukau Institute of Technology'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 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.

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	CONTRACTUAL CASH						
	CARRYING AMOUNT	CONTRACTUAL CASH FLOW	LESS THAN 6 MONTHS	6-12 MONTHS	1-2 YEARS	2-3 YEARS	MORE THAN 3 YEARS
31 December 2021							
Trade and other payables	10,948	10,948	10,948	0	0	0	0
Finance leases	11,521	18,454	494	494	989	989	15,488
Borrowings	0	0	0	0	0	0	0
Total Financial Liabilities at Amortised Cost	22,469	29,402	11,442	494	989	989	15,488
Derivative financial instruments	0	0	0	0	0	0	0
Total Financial Liabilities at Fair Value	0	0	0	0	0	0	0

All in \$000s	CONTRACTUAL CASH						
	CARRYING AMOUNT	CONTRACTUAL CASH FLOW	LESS THAN 6 MONTHS	6-12 MONTHS	1-2 YEARS	2-3 YEARS	MORE THAN 3 YEARS
31 December 2020							
Trade and other payables	9,132	9,132	9,132	0	0	0	0
Finance leases	11,876	18,864	480	480	959	959	15,986
Borrowings	0	0	0	0	0	0	0
Total Financial Liabilities at Amortised Cost	21,008	27,996	9,612	480	959	959	15,986
Derivative financial instruments	0	0	0	0	0	0	0
Total Financial Liabilities at Fair Value	0	0	0	0	0	0	0

Market Risk

Currency and Interest Rate Risk

The Institute 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's investments is disclosed in Note 9. The Institute is exposed to interest rate risk on borrowings as disclosed in Note 19.



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 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 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.

All in \$000s	ACTUAL 31 DECEMBER 2021	ACTUAL 31 DECEMBER 2020
The maximum credit exposure for each class of financial instrument is as follows:		
Cash and Cash Equivalents	21,344	10,979
Student Fees and Other Receivables	2,651	2,665
Total Credit Risk On Loans and Receivables	23,995	13,644
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 counterparty default rates:		
Counter parties with Credit Ratings		
Cash and Cash Equivalents:		
AA-	21,344	10,979
Short Term Deposits:		
AA-	0	0
Counter parties without Credit Ratings		
Loans to subsidiary		
Existing counter party with no defaults in the past	0	0
Existing counter party with defaults in the past	0	0
Total Loans to Related Parties	0	0
Debtors and other receivables		
Existing counter party with no defaults in the past	2,651	2,665
Existing counter party with defaults in the past	0	0
Total debtors and other receivables	2,651	2,665
Trade and Other Receivables	2,651	2,665

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 Manukau Institute of Technology 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 aims to maintain flexibility in funding by keeping committed credit lines open. In meeting its liquidity requirements, Manukau Institute of Technology maintains investments that must mature within the next 12 months.

The Institute manages 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.

All in \$000s	PROFIT/ (LOSS) OTHER EQUITY	
	+100BPS	-100BP
Interest Rate Risk 31 December 2021		
Financial Assets		
Cash and Cash Equivalents	213	(213)
Short Term Deposits	0	0
Financial Liabilities		
Derivative Financial Instruments	0	0
Borrowings	0	0
Finance Lease	(1,464)	1,404
Total Sensitivity to Interest Rate Risk	(1,251)	1,191

All in \$000s	PROFIT/ (LOSS) OTHER EQUITY	
	+100BPS	-100BP
Interest Rate Risk 31 December 2020		
Financial Assets		
Cash and Cash Equivalents	110	(110)
Short Term Deposits	0	0
Financial Liabilities		
Derivative Financial Instruments	0	0
Borrowings	0	0
Total Sensitivity to Interest Rate Risk	110	(110)

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 process 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.

All in \$000s	VALUATION TECHNIQUE	
	TOTAL	QUOTED MARKET PRICE
31 December 2021		
Financial Liabilities		
Derivative Financial Instruments	0	0

All in \$000s	VALUATION TECHNIQUE	
	TOTAL	QUOTED MARKET PRICE
31 December 2020		
Financial Liabilities		
Derivative Financial Instruments	0	0



21: Major Budget Variations

All in \$000s	BUDGET VARIANCE 12 MONTHS ENDED 31 DECEMBER 2021
Explanations for major budget variations from the 2021 Institute budget are as follows:	
Statement of Comprehensive Revenue and Expense	
Budget Surplus/(Deficit)	(2,632)
Revenue Variances	
Government Funding	3,728
Student Fees & Departmental Revenue	(4,865)
Other Revenue and Interest Revenue	460
Gain on asset sales	2
Expenditure Variances	
Employee Benefit Expenses	3,033
Depreciation and Amortisation	283
Interest Expense	(515)
Other Gains/(Losses)	0
Other Operating Expenditure	3,200
Surplus/(Deficit) before separately disclosed expense items	2,694

Commentaries on the 2021 budget variances are as follows:

The above variances compare the twelve month actuals to the comparative twelve month budget (Prior year was nine months actuals to the comparative nine month budget).

The Government revenue variance is additional payments over the initial investment plan funding.

Student fees and other revenue budget variation is due to overall student enrollments being less than budgeted compounded with higher than expected withdrawals from Semester 2. In addition the Auckland lockdowns due to Covid significantly limited expected contract revenue.

Employee benefits increases include additional teaching requirements due to Covid, and additional fixed term staff for courses attracting increased student numbers. However these were offset but savings due to recharges with Unitec and Te Pukenga, and targeted savings in the Service Departments.

Interest expense is more than budget mainly due to interest for the finance lease included as operational cost in the budget.

Operating expenses for the year feature targeted cost reductions particularly in the service departments to mitigate lost revenue due to covid and reduced student numbers.

22: Capital Expenditure Project Performance

All in \$000s	ACTUAL 31 DECEMBER 2021	BUDGET 31 DECEMBER 2021
Major Investment Projects		
TechPark Fit Out	704	986
Wayfinding	23	29
Maritime	357	658
Bakery Relocation	40	43
Strategic Property balance of works	0	384
Fleximode	62	0
Timetabling Extension	87	0
Other Investments	14	1,308
Total Major Investment Projects	1,287	3,408
Annual Allocations		
Property & Campus Services Annual Replacement	1,602	1,750
Library	159	330
Technology Services	1,196	1,700
Academic Departments	100	250
Total Annual Allocations	3,057	4,030

Capital Commentary

Capital was underspent during the year. This was partly impacted by Covid which inhibited some projects.

As a result other projects that were able to be delivered were brought forward from 2022 to be delivered in their stead.

23: Capital Management

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

The Institute is subject to the financial management and accountability provisions of the Education Act 2020, 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 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'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.

24: Operating Leases

Accounting policy

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.

All in \$000s	ACTUAL 31 DECEMBER 2021	ACTUAL 31 DECEMBER 2020
Leases as Lessee		
Non-cancellable operating lease rentals are payable as follows:		
Not later than one year	3,346	3,346
Later than one year and not later than five years	11,578	10,648
Later than five years	57,887	60,333
Total Leases as Lessee	72,811	74,327

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 twelve months ending December 2021 \$3,671,015 (2020 9 months \$1,642,000) was recognised as an expense in the Statement of Comprehensive Revenue & Expense in respect of operating leases.

During the twelve months ending December 2021 \$1,705,730 (2020 9 months \$1,411,079) was recognised as revenue in the Statement of Comprehensive Revenue & Expense in respect of operating leases.

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

All in \$000s	ACTUAL 31 DECEMBER 2021	ACTUAL 31 DECEMBER 2020
Leases as Lessor		
The Institute leases 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:		
Not later than one year	1,402	1,402
Later than one year and not later than five years	1,092	2,496
Later than five years	0	0
Total Leases as Lessor	2,494	3,898





25: Commitments and Contingencies

All in \$000s	ACTUAL 31 DECEMBER 2021	ACTUAL 31 DECEMBER 2020
Capital Commitments		
Capital commitments denote approved capital expenditure contracted for at year-end but not yet incurred.		
Approved and Committed		
Buildings Institute	2	855
Computer Hardware	100	0
Plant Equipment and Furniture	95	1,194
Intangible assets	386	295
Total Capital Commitments	583	2,344

Commitments relate to annual capital projects. There are no contingent liabilities as at balance date. 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. The Institute's interest in the land was valued at \$12 million (Valuation date 31 December 2021).

MIT has entered into a contract to lease the TechPark building to be constructed by Haydn & Rollett, for a period of 30 years with two rights of renewal for ten years each. The value of the operating lease commitment is \$2.4m per year. The finance lease is disclosed in Note 14.

As lessee there are responsibilities to minimise impact to the lessors premises at the time of exit. Previously MIT had specific make good clauses in the Maritime lease agreements. Most of these were negotiated out during 2020 renegotiations. MITs requirements now are to ensure they remediate any damage caused by the removal of MIT owned property and to leave the premises clean and tidy. MIT intends to utilise MIT staff to manage the exit of the Maritime premises and will only outsource tasks that required specialised skills. On this basis MIT do not anticipate these costs being material and accordingly no commitment has been recognised for make good. MIT have entered into a lease agreement for Techpark. The agreement commenced on 1 September 2020 and will run for 50 years. As at 31 December 2021, the net present value of any make good provision is considered to be immaterial and accordingly no make good provision has been recognised.

26: 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.

All in \$000s	ACTUAL 31 DECEMBER 2021	ACTUAL 31 DECEMBER 2020
Key Management Personnel Compensation		
<i>Board members</i>		
Full-time equivalent members	0.7	1.0
Remuneration	172	120
<i>General Managers and Chief Executive</i>		
Full-time equivalent members	6.8	6.5
Remuneration	1,660	1,595
Total Full-time equivalent members	7.5	7.5
Total Key Management Personnel Remuneration	1,832	1,715

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

No Board members received compensation or other benefits in relation to cessation.

All in \$000s	ACTUAL 31 DECEMBER 2021	ACTUAL 31 DECEMBER 2020
Board Fees		
Peter Winder (<i>Chair</i>)	40	30
Monique Cairns	20	15
Ziena Jalil	20	15
Fale (Andrew) Lesa	20	15
Peter Parussini	20	15
Robert Reid	20	15
Steven Renata	20	15
Marama Royal	12	0
Total Board Members' Remuneration	172	120

27: Early Childhood Education Centre

Note: this note discloses a full year expenditure and budget

All in \$000s	ACTUAL 12 MONTHS ENDED 31 DECEMBER 2021	BUDGET 12 MONTHS ENDED 31 DECEMBER 2021	ACTUAL 9 MONTHS ENDED 31 DECEMBER 2020
Statement of Comprehensive Revenue and Expense			
Revenue			
Government Funding	556	567	661
Equity Funding	46	0	41
Payment Fees (including WINZ)	132	333	136
Total Revenue	734	900	838
Expenses			
Employee Benefit Expenses	524	605	576
Other Expenses	210	295	262
Total Expenses	734	900	838
Equity Funding Statement			
Revenue			
Equity Funding	46	0	41
Expenditure			
Centre Resources	35	0	20
Contract Staff	7	0	21
Class material	2	0	0
Staff training	2	0	0
Total Expenditure	46	0	41

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.

28: Income Tax

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

29: Covid 19

On 11 March 2020, the World Health Organisation declared the outbreak of Covid-19 global pandemic.

Since then, the New Zealand Government has implemented a range of domestic restrictions and border controls to limit the spread of the virus.

The main impacts on the Institute's financial statements due to Covid-19 are explained below. This includes information about key assumptions concerning the future and other sources of estimation uncertainty

Government Revenue

Te Pukenga has approved Government funding for MIT amounting to \$6.3m which would normally be subject to clawback as a result of student numbers being in deficit to budget. However this funding has been provided in recognition of hardships and other revenue deficits arising from Auckland lockdowns.

Student numbers and fees

Overall student numbers were down 310 EFTS on budget. This is due to larger withdrawals than anticipated as well as the inability to obtain targeted numbers in some programmes. Nursing and Health & Counselling were notable exceptions that exceeded budget. For a majority of domestic students, fees are funded by Fees Free, TTAF or Student Loan. No exceptional debt collection issues were experienced for current students. Over \$1m was paid out from Government funding

to students in order to assist with hardship and to provide technical assistance for on line courses. International students were only budgeted to the extent of students already in the country.

Other revenue

The Auckland lockdowns significantly impacted on contract delivery and service revenue such as parking fees and cafeteria fees.

Expenditure

The Campuses experienced some challenges in aligning cost downward to match the reduced student numbers. Delivery of the practical courses components with distancing and other risk mitigation requirements often incurred additional cost. However savings across the board from Service centres have been achieved which have assisted in mitigating some of the revenue loss.

Liquidity

Liquidity is now managed within the Te Pukenga group. For the 2021 year MIT has been cash positive and current cashflow projections have no liquidity concerns.

Property Asset revaluation

Property was revalued as at 31 December 2021. The land values had increased in line with the Auckland market whilst buildings valuation has decreased. The decrease in building values is not covid related, nor does it reflect any significant deterioration of service delivery.

30: Events After Balance Date

There have been no material events after balance date.





Compulsory Student Service Fees

twelve months to 31 December 2021

The Compulsory Student Services Fee (CSSF) was set at \$306 (GST inclusive) per full-time student in 2021 (2020: \$306). 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, alternatively if eligible this fee is covered under the fees free policy.

31 December 2021

All in \$000s	Total	Advocacy and legal advice	Careers information, advice and guidance	Employment Information	Pastoral care	Financial Support and advice	Health and Counselling Services	Clubs and societies	Sports, recreation and cultural activities
Revenue									
Compulsory Student Fees	1,091	157	103	103	503	13	112	0	100
Total Revenue	1,091	157	103	103	503	13	112	0	100
Expenditure	1,112	160	105	105	513	13	114	0	102
Surplus/(Deficit)	(21)	(3)	(2)	(2)	(10)	\$0	(1)	\$0	(2)

31 December 2020

All in \$000s	Total	Advocacy and legal advice	Careers information, advice and guidance	Employment Information	Pastoral care	Financial Support and advice	Health and Counselling Services	Clubs and societies	Sports, recreation and cultural activities
Revenue									
Compulsory Student Fees	1,055	186	127	127	422	13	79	4	97
Other									
Total Revenue	1,055	186	127	127	422	13	79	4	97
Expenditure	958	169	115	115	383	12	72	4	88
Surplus/(Deficit)	97	17	12	12	39	1	7	0	9

The administration of Compulsory Student Services Fees is integrated within 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 to the students. This includes the provision of 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 2021

CAMPUS	ADDRESS	ACTIVITY
Institute Property		
Ōtara North	Alexander Crescent and Ōtara Road, Ōtara - Manukau	Early Childhood; Tertiary Teaching; English; Literacy and Numeracy; Pacific Languages; Te Reo Māori; Logistics; Social Work; Applied Sport and Recreation; Hairdressing; Arboriculture; Floristry; Landscaping, Nursery Production and Parks and Gardens; Baking and Patisserie; Culinary; Hospitality and Café, Barista and Restaurant; International Diplomas in Cookery and Baking; Employment Preparation; Police Studies and Security; Supported Learning (Inclusive Education); Animal Care; Foundation and Bridging Studies
Manukau	Corner Manukau Station Road and Davies Avenue, Manukau	Business; Digital Technologies; Nursing; Counselling; Health Support; Mental Health; Public Health and Health Promotion; First Aid - Short Courses
SSTS	Ōtara Road	School of Secondary-Tertiary Studies
School of Sport	Ōtara Road	Sport and Exercise Science

Other Premises

Auckland City	Union House, 2 Commerce Street and 132 Quay Street, Auckland	Domestic Maritime; Marine Engineering; Nautical Foreign-Going
TechPark	58 Manukau Station Road, Manukau	Automotive Technologies; Civil Engineering; Electrical Engineering; Mechanical Engineering; Building, Construction and Carpentry; Construction Management; Electrical Trades; Mechanical Engineering Trades; Refrigeration and Air Conditioning
Ōtara	Ōtara Recreational Centre, Newbury Street	High Performance Lab
Warkworth	11 Glenmore Drive, Warkworth	New Zealand Maritime

Library Collection

Number of Titles in the Library Collection:	31 DECEMBER 2021	2020	2019	2018	2017	2016
Books	37,902	31,367	33,097	37,724	47,855	52,424
Serials	537	577	930	1,448	1,765	2,117
Videos	816	949	1,001	1,367	1,489	1,770
Total Number of Titles	39,255	32,893	35,028	40,539	51,109	56,311

Staffing

Staff Employed for year:	31 DECEMBER 2021	2020	2019	2018	2017	2016
Teaching Staff	287	280	282	300	272	327
Administration (Support Functions and Academic Admin)	352	374	351	364	414	406
Total Equivalent Full-time Staff*	639	654	633	664	686	733

Note these are FTE. Headcount is 677





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

NZIST New Zealand Institute of Skills and Technology

NZQA New Zealand Qualifications Authority

PCC Pasifika Community Centre

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

Contact us

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