

MAKING A BETTER WORLD



2019
ANNUAL REPORT

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better world
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Making a better world



At Otago Polytechnic, our vision is that our people make a better world.

We are a proud leader in high-quality, career-focused education, with some of the best learner achievement and satisfaction results in New Zealand. We put our learners at the heart of what we do and have a relentless focus on achieving excellence.

- > We have the highest possible quality ratings from the New Zealand Qualifications Authority for our educational performance and our self-assessment capability
- > We lead the ITP sector in course completions
- > Our learner and graduate satisfaction rankings are consistently high, and 96% of our graduates are in work, further study or both.

As a strategically focused organisation with a clarity of purpose, we pay close attention to our financial wellbeing, achieving surpluses that enable investment in our future. We nurture our relationships with industry and the community. Our relationship with mana whenua, formalised in a Memorandum of Understanding with four local Papatipu Rūnaka, gives expression to a spirit of partnership that informs our progress.

- > We were the first organisation in New Zealand to win the Baldrige-affiliated Performance Excellence Study Award (PESA)
- > We are the first tertiary provider to create and adopt a Māori Language Strategy / Te Rautaki Reo Māori
- > There is strong demand for our EduBits in cultural competency, Treaty of Waitangi, te reo and tikaka Māori
- > We have worked closely with papatipu rūnaka and Māori community groups to renew our Māori Strategic Framework
- > We enjoy the highest confidence of employers and our communities, with independent research into stakeholder opinions revealing a 'willingness to recommend' score of 100%.

Our strong values-based culture attracts exceptional staff who we are committed to investing in. We are guided by our values of caring/manaakitaka; courage/māia; accountability/takohaka; and empowerment/whakamanataka.

- > Our highly satisfied and engaged staff thrive within a strong culture of innovation and continuous improvement
- > Our teachers have been awarded 20 Ako Aotearoa National Tertiary Teaching Excellence Awards over the past 13 years.

We are innovative and agile, leading our sector in the development and delivery of digital micro-credentials, open education, assessment of prior learning and learner capability assessment. Through the incorporation of online tools, blended delivery options and work-based learning, we serve those for whom time and distance are barriers to study.

- > We deliver more than 120 micro-credentials under our EduBits brand
- > Our learner capability development and assessment tool, **i am capable**, is being implemented across the institution and piloted by local secondary schools
- > Capable NZ continues to be the provider of choice for the assessment of prior learning and work-based learning.

Our unwavering commitment to sustainability is driven by our goal that our staff, learners and graduates are global citizens who are capable, sustainable practitioners in their chosen fields. We aim to equip them to make a real difference, enriching the communities, industries and sectors they serve.

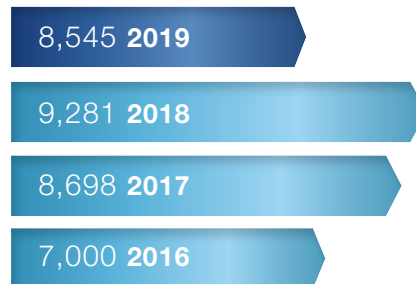
- > We spearheaded the successful bid for Otago to be named a Regional Centre of Expertise in Sustainability by the United Nations University
- > We have adopted 13 of the United Nations' Sustainable Practice Goals.

This report reviews our progress in 2019 and signals our intentions for 2020 and beyond, as we embrace a new era in the wake of the Government's Review of Vocational Education.

Equivalent full-time students (EFTS)



Full- and part-time students



1st 
in NZ
for course
completions

\$98
million in
revenue



100% recommendation score from stakeholders

91% overall student satisfaction
Graduate Destination Benchmark Report 2019

96% of graduates in work, study or both
OP Graduate Destination Survey, 2019

94% of graduate satisfaction
Graduate Destination Benchmark Report 2019

100% of staff care about Otago Polytechnic's success

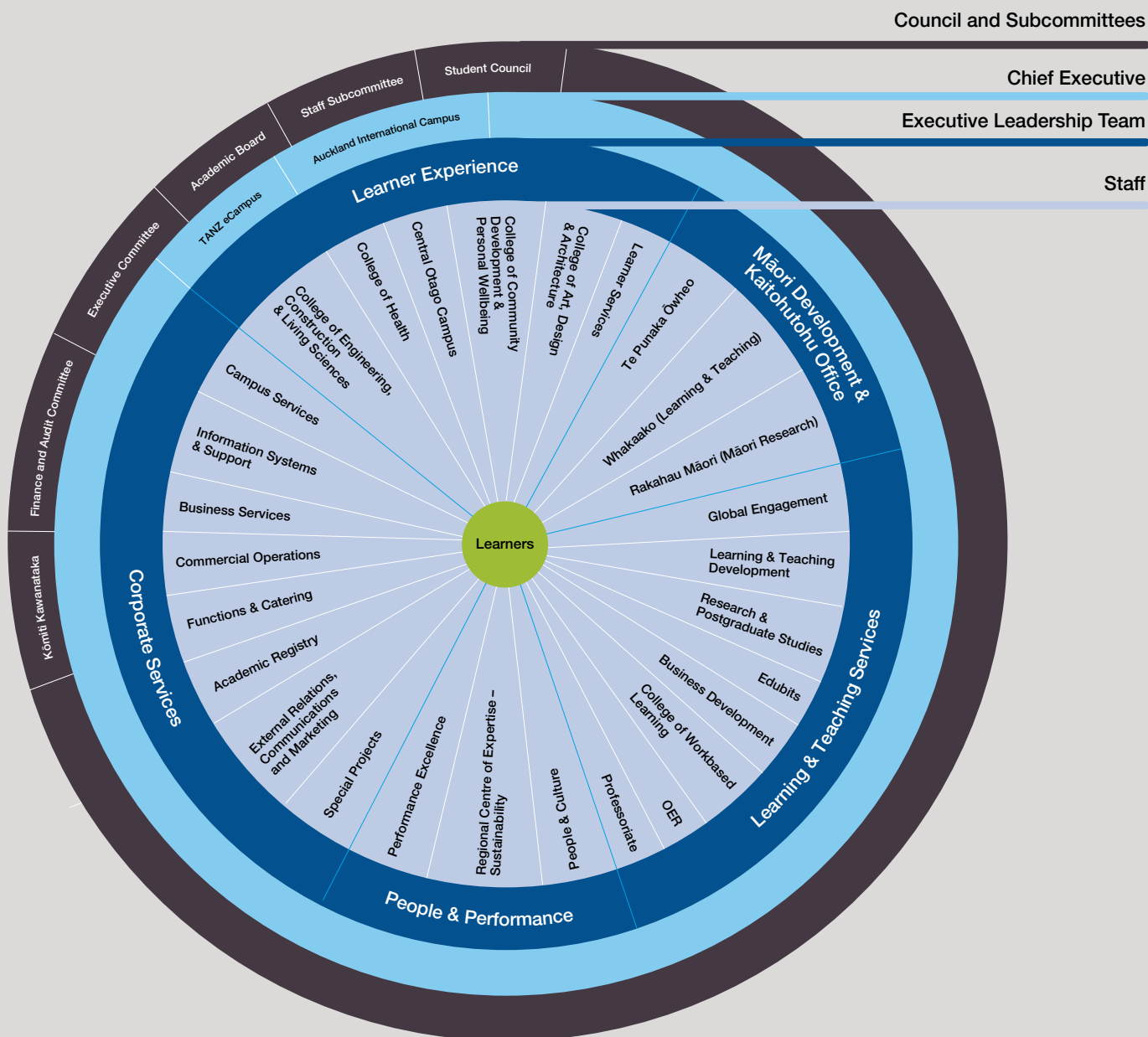
The **only** NZ
educational
recipient of
the **PESA**

180+
programmes from
certificates to
doctorate



Permanent and fixed-term staff





Otago Polytechnic
Organisation Structure



EXECUTIVE LEADERSHIP TEAM 2019

From left to right: Janine Kapa, Megan Gibbons, Phil Ker, Oonagh McGirr, Philip Cullen and Chris Morland



OTAGO POLYTECHNIC COUNCIL 2019

From left to right: Megan Potiki, Paul Allison, Jamie Adamson, Kathy Grant, Peter Coolbear, Neil Barns, Bill Moran

Governance and leadership

Governance and leadership at Otago Polytechnic are complementary teams that work together to promote excellence and accountability.

The Otago Polytechnic Council is advised by student and staff sub-committees, and delegates some of its work to standing committees. It has developed a business-wide risk management framework which considers all critical, strategic and operational risks.

Komiti Kāwanataka

This committee operates within the Memorandum of Understanding established by the Rūnaka of Moeraki, Kāti Huirapa ki Puketeraki, Ōtākou, Hokonui and Otago Polytechnic Council.

Komiti provides a powerful mechanism for Māori participation in governance and decision making in relation to the Polytechnic's responsiveness to the Treaty of Waitangi and Kāi Tahu's Education Strategy. In particular, attention is given to effective communication, developing and monitoring the Polytechnic's Māori Strategic Framework, and ensuring that Kāi Tahutaka, as practised by paptipu rūnaka locally, is the basis for all Māori activities within the Polytechnic.

Finance and Audit Committee

This committee monitors financial and educational performance and forecast outcomes and makes appropriate enquiries into internal control systems and mechanisms. It has direct involvement in key strategic decisions that affect the financial position of the Polytechnic and has a delegated responsibility to oversee the external and internal audit process.

Executive Committee

This committee is convened by the Council at its discretion and includes the Chair and Deputy Chair, Chairs of Komiti Kāwanataka and the Finance and Audit Committee.

Executive Leadership Team

The Executive Leadership Team comprises the Chief Executive and five Deputy Chief Executives who oversee nine Directors and seven Heads of School/College.

Report from the Council Chair and Chief Executive

We are pleased to report on the performance of Otago Polytechnic for 2019. Overall results are pleasing – particularly so given that this was a year of considerable distraction for staff and leadership alike as the proposals for reform of vocational education in New Zealand unfolded.

The Polytechnic maintained its high level of educational performance with course and qualification completions once again firmly in the upper quartile of the sector. We continued to achieve excellent post-study outcomes for our learners, with 96% of graduates who responded to our survey in work or further study. Our research performance was pleasing, with a 18% improvement in the number of PBRF Evidence Portfolios gaining funded categories compared with 2012.

Stakeholder satisfaction with the Polytechnic was undoubtedly a highlight for the year: student satisfaction at 90%, graduate satisfaction at 94% and staff satisfaction at 96%. Independent research involving 58 industry and community stakeholders revealed a net promoter score of 100%, i.e. all stakeholders consulted had full confidence in the Polytechnic and would recommend it to others.

The Polytechnic prides itself on being highly responsive to industry and employer needs and 2019 was no exception, with the commissioning of a new heavy automotive training facility in Kaikorai Valley in Dunedin. This facility was a direct response to industry needs and was well supported by key industry players, including in the form of plant and equipment. We are anticipating further development of the Kaikorai Valley site in the near future.

We are proud of our relationships with and responsiveness to our Māori communities. We are grateful for the active engagement from papatipu rūnaka in the third revision of our Māori Strategic Framework, which is our road map for meeting the needs of Māori in the region. We launched a new Māori Language Strategy for the Polytechnic, a first in the country, and enjoyed considerable success with our Te Reo Māori EduBit – our most successful microcredential to date.

The financial performance of the Polytechnic did not meet our budget expectations, but in the context of overall sector performance, our 1.6% surplus was a very good outcome. We are extremely disappointed with the reduction in international student numbers and revenues at our Auckland Campus, which was the primary cause of the lower than expected surplus. While enrolment demand continued at the same level and from high calibre applicants, the visa processing delays by Immigration New Zealand were the primary cause of the reduction in student enrolments.

A consequence of the reduced surplus has been the postponement of the next stage of our campus development – the much-needed new Engineering facility. On the positive side, we were able to proceed with several smaller capital projects and are very pleased with new horticulture facilities and additional student accommodation for our Central Campus, which introduced a range of new programmes.

The Polytechnic continued to innovate through 2019, making significant progress with the implementation of our Learner Capability Framework and the **I am capable** online tool. This process is Otago Polytechnic's unique response to embedding transferrable skills in all of our programmes. Considerable interest by other providers, including secondary schools, suggests that **I am capable** may have significant impact on vocational education in the future.

The major highlight for 2019 was undoubtedly the establishment of the Regional Centre of Expertise in Sustainability for the Otago region, endorsed by the United Nations University. This initiative was led by Otago Polytechnic as part of our commitment to sustainable practice and has resulted in a unique partnership which brings together educators, local authorities and a wide range of industry players who are all committed to address the United Nations Sustainable Development Goals.

The 2019 year was also one of considerable distraction as Otago Polytechnic engaged with the Minister of Education's proposal for the Reform of Vocational Education in New Zealand. While the Polytechnic was supportive of several areas of change in our vocational system, we were dismayed with the intention to disestablish high performing institutions such as Otago Polytechnic. Although Otago Polytechnic will continue as a subsidiary of NZIST (under whatever name), it will only do so until the end of 2022, at which time it will be absorbed into NZIST unless the Minister recommends that Otago Polytechnic Limited continues as a subsidiary of NZIST.

Notwithstanding our disappointment at the pathway that has been identified, we have taken a positive view of the immediate future and have set the Polytechnic on a developmental pathway for the next two or three years, intended to contribute through active leadership to the success of the new entity. Otago Polytechnic has been particularly successful and is committed to sharing its expertise in the development of micro-credentials, learner capability, performance excellence, recognition of prior learning and internationalisation.



Statement of Responsibility

Annual financial report
for the year ended
31 December 2019

We would like to acknowledge the contribution of Mike Horne whose four-year term as a member of the Polytechnic Council came to an end on 30 April 2019. The Council has benefitted significantly not only from Mike's chairing of the Finance and Audit Committee but also his input around the Council table. To both roles he brought an impressive financial skill set, commercial acumen and insight into the sector. Jamie Adamson, now a partner at Deloitte, was appointed to the Council at the expiration of Mike's term.

It is appropriate to conclude this review of 2019 with our sincere thanks to our regional employers, community organisations and communities generally which have been integral to our success and came out in full force in support of our submissions to the Minister to retain our autonomy. As we transition to a new era as a subsidiary of the NZIST we hope that this support will continue and that Otago Polytechnic can continue to stand out, lead and excel.



Phil Ker
CHIEF EXECUTIVE



Kathy Grant
COUNCIL CHAIR

We hereby certify that:

1. The Council and Management of Otago Polytechnic accept responsibility for the preparation of the financial statements and statement of service performance and the judgements used therein; and
2. The Council and Management of Otago Polytechnic accept responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurances as to the integrity and reliability of financial reporting and
3. In the opinion of the Council and Management of the Otago Polytechnic, the financial statements and the statement of service performance fairly reflect the financial position and operations of this institution for the year ended 31 December 2019.

The financial statements were authorised for issue by Council on 27 March 2020.

K Grant
COUNCIL CHAIR

P Ker
CHIEF EXECUTIVE

P Cullen
CHIEF OPERATING OFFICER

Our strategy for success

These are our Strategic Goals. Achieving these goals requires an aligned strategy, interweaving our organisation's **directions**, **needs** and **actions**.

For more information about the **SDGs** see the next page.



needs

actions

01

Grow innovation
Strengthen educational leadership
Improve learner success - academic and employment
Strengthen research performance
Strengthen secondary tertiary partnerships
SDG 4: Quality education
SDG 10: Address and reduce inequalities
SDG 17: Partnerships

Introduce new leading edge programmes
Develop educational leadership
Introduce Learner Capability Framework
Accelerate Designing for Learner Success initiative
Introduce new secondary-tertiary programmes
Maximise PBRF outcomes
Implement strategy for Pasifika success

02

Further diversify our revenue base
Further strengthen Self Leading Teams
Enhance our self-assessment processes
Improve campus facilities
SDG 8: Decent work and sustainable economic development
SDG 12: Sustainable consumption and production
SDG 16: Peace, justice and strong institutions
SDG 17: Partnerships

Establish a business development unit
Grow domestic EFTS, especially postgraduate and work-based learning
Implement next stage of Campus Master Plan

03

Improve engagement with industry and communities
Strengthen secondary-tertiary partnerships
SDG 4: Quality education
SDG 5: Gender equality and women's empowerment
SDG 17: Partnerships

Develop a stakeholder and community engagement plan
Enhance relationships with Māori business
Advance Capable NZ partnership with Kāi Tahu

04

Embed sustainability in campus development
Embed education for sustainability in all of our programmes
Actively manage operations for improved sustainability
SDG 6: Action for clean water and sanitation
SDG 13: Climate action

Implement our sustainability standards for new buildings
Reduce rate for landfill energy consumption, travel and IT footprints

05

Strengthen our culture for improved staff engagement
Further strengthen the work environment to empower staff
Strengthen leadership
Recruit more Māori and Pasifika staff
SDG 3: Promote good health and wellbeing
SDG 10: Reduced inequalities

Improve communications, especially with off-campus staff
Address Priority 1 Work Environment Survey (WES) concerns
Develop emerging leaders
Implement our health and wellbeing strategy

Education for Sustainable Development

Otago Polytechnic is committed to playing its role in achieving the United Nations General Assembly-adopted 2030 Agenda of Sustainable Development. Central to this Agenda are 17 **Sustainable Development Goals (SDGs)**.

The process of embedding the SDGs in our programmes of learning has triggered a transformation of how we think, design and create learning experiences.

Otago Polytechnic's strong focus on sustainability teaching and research is driven by a vision for a more sustainable future, and the desire to contribute to the development of sustainable and resilient communities. We want all of our graduates and staff to be capable, sustainable practitioners who can help make a better world.

To create meaningful learning experiences, it is essential that learners develop the transferable skills, knowledge and attitudes required to contribute to the challenge of sustainable development, which we have addressed through our learner capability initiative.

Seven of the SDGs align directly to the Otago Polytechnic strategic plan and address important regional issues (refer to the Tier 1 list following).

Specific aspects of other SDGs are addressed by activity in different departments, through cross-institutional activity and partnerships with other organisations (refer to the Tier 2 list following).

We focus on the SDGs we can do exceptionally well and others where we can make a strong contribution.

Tier one



GOAL 3 : GOOD HEALTH AND WELLBEING

Ensure healthy lives and promote wellbeing for all at all ages.



GOAL 4 : QUALITY EDUCATION

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



GOAL 5 : GENDER EQUALITY

Achieve gender equality and empowerment for all.



GOAL 6: CLEAN WATER AND SANITATION

Ensure availability and sustainable management of water and sanitation for all.



GOAL 8 : DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive and sustainable economic growth, full and productive employment.



GOAL 12: RESPONSIBLE PRODUCTION AND CONSUMPTION

Ensure sustainable consumption and production patterns.



GOAL 13 : CLIMATE ACTION

Take urgent action to combat climate and its impacts.

Tier two

7 AFFORDABLE AND CLEAN ENERGY



GOAL 7: AFFORDABLE AND CLEAN ENERGY

Ensure access to affordable, reliable, sustainable and clean energy for all.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



GOAL 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build infrastructure, promote inclusive and sustainable industrialisation and foster innovation.

10 REDUCED INEQUALITIES



GOAL 10: REDUCED INEQUALITIES

Reduce inequality within and among countries.

11 SUSTAINABLE CITIES AND COMMUNITIES



GOAL 11: SUSTAINABLE CITIES AND COMMUNITIES

Make cities and human settlements inclusive, safe, resilient and sustainable.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



GOAL 16: PEACE, JUSTICE AND STRONG INSTITUTIONS

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

17 PARTNERSHIPS FOR THE GOALS



GOAL 17: PARTNERSHIPS FOR THE GOALS

Strengthen the implementation and revitalise the global partnership for sustainable development.

Leading regional change

In 2019, Otago Polytechnic spearheaded a successful bid for Otago to be named a United Nations Regional Centre of Expertise (RCE) for Sustainability.

Joining Otago Polytechnic in support of the application were the Mayors of Otago, Kāi Tahu, University of Otago, Otago Regional Council, Otago Chamber of Commerce, Naylor Love, Contact Energy, Queenstown Resort College, Untouched World Foundation, Tourism Industry Aotearoa, Wanaka Tourism, and many other businesses and groups, including four secondary schools.

RCE-Otago will provide a regional model for New Zealand, demonstrating ways that other communities throughout the country might address sustainability issues.

Read more on page 50



01

Achieve excellent outcomes for our learners

Kia whakatutuki rawe i kā whakaputaka
mō ā mātou taurira

This goal means our learners succeed in their studies and enjoy an outstanding experience. Our graduates are capable, future-focused and work-ready, can practise sustainably and make a difference to society. They achieve employment or self-employment relevant to their studies.



Highlights

- > Led the sector in course completions in 2018, according to figures released in 2019
- > 96% of our graduates are in work or further study, according to our latest Graduate Destination Survey
- > 91% of our students are satisfied with Otago Polytechnic
- > 94% of graduates are satisfied with Otago Polytechnic
- > We launched our new *i am capable* learner capability framework in degree-level programmes, embedding transferrable skills in the curriculum.

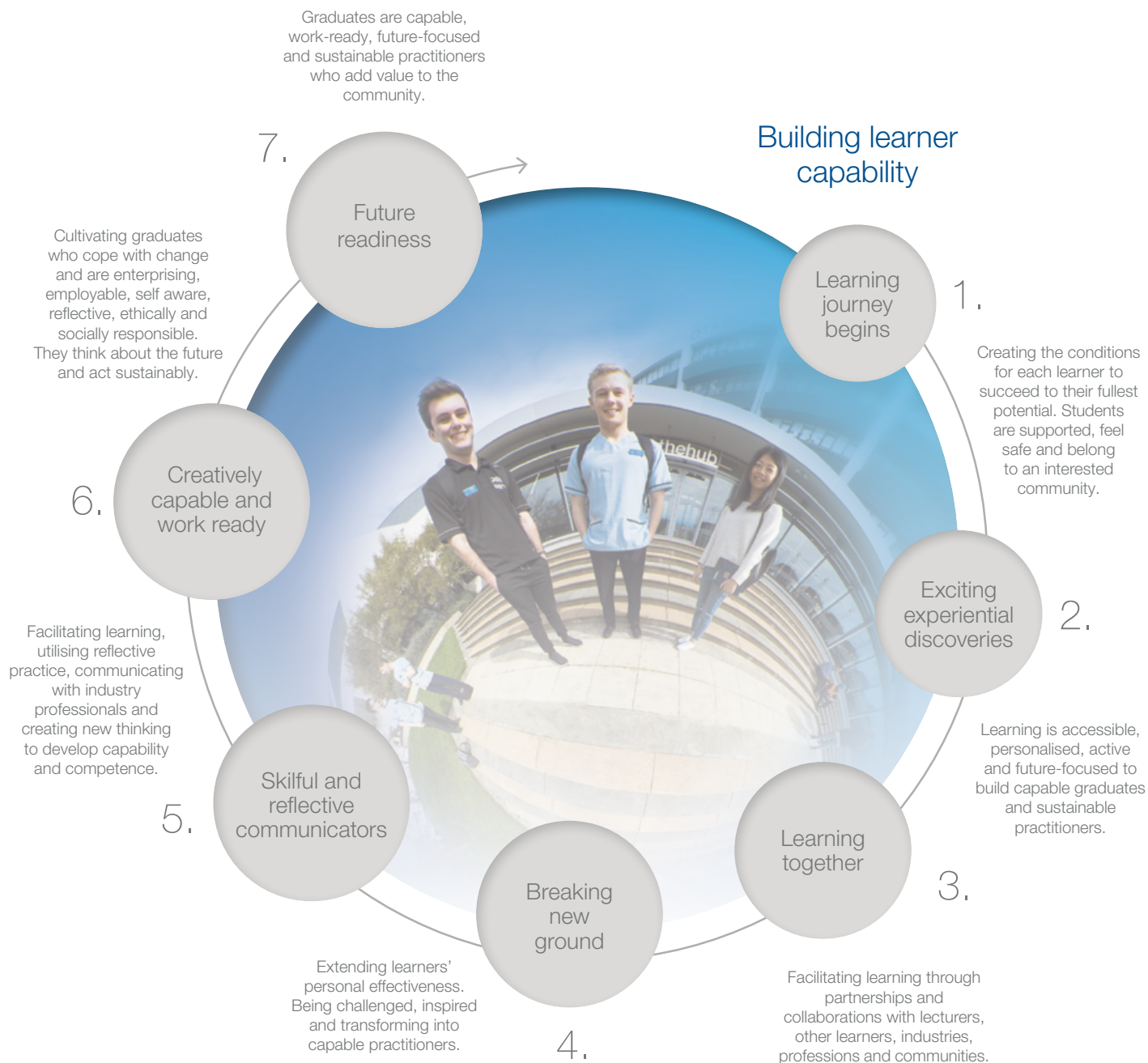
Looking ahead to 2020

- > Embed the learner capability framework, *i am capable*, into all programmes
- > Continue to prioritise employer- and workplace-focused learning pathways, through the development of the College of Work Based Learning
- > Further strengthen sustainable practice, experiential learning and learner capability in our curricula
- > Strengthen the learner voice
- > Build academic staff capability in learning design, assessment practice and technology for learning
- > Support all staff who teach degrees and postgraduate programmes to be research-engaged
- > Look for ways to streamline academic processes to reduce workload for staff
- > Further develop and strengthen our relationships with business, industry and international providers.

Aspirations by 2021

- > Maintain highly confident ratings in the next External Evaluation and Review
- > Achieve a course completion rate of at least 90% at degree level, and 80% at lower levels, for all learners and courses
- > Achieve a qualification completion rate of 70%
- > That 100% of permanent academic staff teaching on degrees are research-engaged
- > Achieve a graduate employment rate of 80%.





Learning life cycles

It is a special privilege to guide our learners through a formative time in their lifelong learning journeys. At Otago Polytechnic, learners engage in an experiential learning process and emerge as capable, work-ready practitioners.



Vincent Egan
& Madison
Henry Ryan

BACHELOR OF DESIGN
(COMMUNICATION)

Two Otago Polytechnic graduates have taken their passion and talent for film, design, animation and illustration to the next level, with their digital content creation company, Māui Studios.

Vincent Egan (Ngāti Ruahine, Ngāti Ruanui) and Madison Henry Ryan (Ngāi Tahu, Ngāti Māmoë, Waitaha, Ngāti Rarotonga) met while studying Communication Design at Otago Polytechnic, and immediately hit it off.

"It was awesome to be working alongside Madison, and other like-minded people who shared my creative and cultural values," says Vincent.

"The degree incorporated graphic design, storytelling and problem solving, and we had the opportunity to discover what it means to communicate ideas by engaging in a whole range of creative mediums," says Madison. "During our studies, Vincent and I had the opportunity to pursue projects that allowed us to explore cultural identity as Māori and Pacific Islanders, which encouraged us to connect with our roots."

After graduating, both men interned at Otago Polytechnic's former design studio, NewSplash, while freelancing on the side. Soon, they decided to go all

out on their own, working on branding, website and film projects in Māori communities.

"We set up our business to fill a need within the Māori economy, so that we could work on purposeful projects and be self-determining," says Vincent. "We were creating work that aligned with our values, and that reflected te ao tangata whenua – the realm of Māoridom – which is much more our style."

Their business, Māui Studios, is thriving. Based in Christchurch, its seven team members create dynamic digital content, from augmented reality, apps and games, to films, websites and corporate branding.

"We just celebrated our fifth anniversary in business and I'm humbled to have such amazing creative minds around me," says Madison. "Every day, I wake up and I can't wait to get into the studio."

Vincent is most proud that Māui Studios is in a position to influence and inspire others.

"We're working hard to push the boundaries, and to help lift the capability of our youth demographic and support our communities," he says.

Educational performance

TEC PRIORITY 3
Boosting achievement of Māori and Pasifika

 **SDG 10 : REDUCED INEQUALITIES**

Overall, Otago Polytechnic maintained its very high level of educational achievement, placing us as one of New Zealand's top performing polytechnics. We continue to focus on continuous improvement in the pursuit of Tertiary Education Commission (TEC) performance target achievement.

According to educational performance data for 2018, released by TEC in 2019, we maintained our top ITP sector ranking for course completions at 86%.

Preliminary results for 2019 show we sustained an overall course completion rate of 81%, with rates for Pasifika learners also maintained at 69%. Māori course completion fell by 6%, with no specific cause identified. This will be reviewed further in 2020.

Performance measures relating to Pasifika learners were positive with the exception of a disappointing drop in first-year retention at Level 7. This will be an area of focus for us in 2020.

Pleasingly, progression rates for both Māori and Pasifika exceeded targets, and we maintained or improved all of our participation rates in 2019, continuing a positive trend evident over the past four years.

Educational achievement and participation

As these are new measures for 2019, previous year comparatives are unavailable.

EXPECTED GRADUATES LEVEL 1-3 – NUMBER

| | 2019 | 2019 Target |
|----------------------------|------|-------------|
| Non-Māori and non-Pasifika | 434 | 315 |
| Māori | 109 | 132 |
| Pasifika | 39 | 20 |

PARTICIPATION RATES AS A PERCENTAGE OF TOTAL – LEVEL 1-3 EFTS

| | 2019 | 2019 Target |
|----------------------------|-------|-------------|
| Non-Māori and non-Pasifika | 74.2% | 97.0% |
| Māori | 21.1% | 3.0% |
| Pasifika | 6.8% | 0.1% |

PARTICIPATION RATES AS A PERCENTAGE OF TOTAL – LEVEL 4-7 (NON-DEGREE) EFTS

| | 2019 | 2019 Target |
|----------------------------|-------|-------------|
| Non-Māori and non-Pasifika | 83.3% | 82.0% |
| Māori | 13.9% | 17.0% |
| Pasifika | 4.1% | 1.0% |

PARTICIPATION RATES AS A PERCENTAGE OF TOTAL – LEVEL 4-7 (DEGREE) EFTS

| | 2019 | 2019 Target |
|----------------------------|-------|-------------|
| Non-Māori and non-Pasifika | 78.9% | 86.0% |
| Māori | 16.5% | 12.0% |
| Pasifika | 6.4% | 2.0% |



PARTICIPATION RATES AS A PERCENTAGE OF TOTAL – LEVEL 8-10 EFTS

| | 2019 | 2019 Target |
|----------------------------|-------|----------------|
| Non-Māori and non-Pasifika | 85.8% | 99.0% |
| Māori | 12.9% | 1.0% |
| Pasifika | 2.5% | 0% |

FIRST-YEAR RETENTION RATES – LEVEL 4-7 (NON-DEGREE)

| | 2019 | 2019 Target |
|----------------------------|--------|----------------|
| Non-Māori and non-Pasifika | 94.0% | 60.0% |
| Māori | 85.2% | 55.0% |
| Pasifika | 100.0% | 55.0% |

FIRST-YEAR RETENTION RATES – LEVEL 7 (DEGREE)

| | 2019 | 2019 Target |
|----------------------------|-------|----------------|
| Non-Māori and non-Pasifika | 75.0% | 60.0% |
| Māori | 61.7% | 55.0% |
| Pasifika | 42.2% | 55.0% |

COURSE COMPLETION RATES – LEVELS 1-10

| | 2019 | 2019 Target |
|----------------------------|-------|----------------|
| Non-Māori and non-Pasifika | 83.0% | 85.0% |
| Māori | 72.3% | 80.0% |
| Pasifika | 69.4% | 78.0% |

PROGRESSION RATE – LEVEL 1-3

| | 2019 | 2019 Target |
|----------------------------|-------|----------------|
| Non-Māori and non-Pasifika | 48.2% | 46.0% |
| Māori | 45.3% | 35.0% |
| Pasifika | 60.0% | 35.0% |



Sporting greats graduate

Elite rugby players Sonny Bill Williams, Jerome Kaino and DJ Forbes were among our first Bachelor of Applied Management graduates through Capable NZ in Auckland.

DJ Forbes played for the All Blacks Sevens team for over a decade and captained the side to gold at the Commonwealth Games. Yet he says graduating was easily one of his biggest achievements.



SDG 4: QUALITY EDUCATION

Student satisfaction

Overall, we met or exceeded our target of 90% satisfaction in four of the five reported categories in 2019.

We employed varied methods and platforms to gather valid and reliable feedback from our student body and encourage learner engagement, including pop ups and apps. The response rates exceed the minimum requirement to be representative of the total student population.

Satisfaction with Otago Polytechnic

| Student satisfaction rates – all learners: | 2019 | 2019 Target | 2018 | 2017 |
|--|------|-------------|------|------|
| Overall | 91% | 90% | 90% | 90% |
| With services | 92% | 90% | 92% | 93% |
| With teaching | 90% | 90% | 90% | 89% |
| With programmes | 89% | 90% | 88% | 89% |
| With learning environment | 90% | 90% | 91% | 91% |

| Graduate outcomes | 2019 | 2019 Target | 2018 | 2017 |
|---|------|-------------|------|------|
| Graduate satisfaction with programme (reported) | 94% | 90% | 93% | 94% |

Graduate destinations

TEC PRIORITY 1
Delivering skills to industry



SDG 8 : DECENT WORK AND ECONOMIC GROWTH

| Graduate destinations | 2019 | 2018 | 2017 |
|--|------|------|------|
| Graduates are working and/or self-employed | 77% | 79% | 79% |
| Graduates are either working and/or studying | 96% | 97% | 96% |
| Māori graduates are working and/or studying | 99% | 100% | 99% |
| Pasifika graduates are working and/or studying | 97% | 100% | 94% |

| Graduate destinations | 2019 | 2018 | 2017 |
|---|------|------|------|
| Graduates are working in an area relevant to their qualifications | 82% | 85% | 83% |
| Graduates are in full-time work | 67% | 68% | 65% |
| Graduates whose post-graduation job is their first full-time job | 39% | 38% | 32% |

The Graduate Destination Survey was distributed in July 2019, approximately eight months after students completed their 2018 qualifications. It explored graduates' satisfaction with their experiences at Otago Polytechnic and how well they thought their qualifications prepared them for their careers. The survey reports on their activities as at 1 June 2019.

The number of graduates satisfied with the quality of their programme of study remained steady at a very positive 94%.

Results show more than three-quarters of graduates were either working or self-employed. The median gross salary for these graduates was \$45,540, up on \$41,580 in 2018. Graduates with a postgraduate degree had the highest median salary at \$60,400.

Female graduates earned a median salary of \$45,613, an increase on \$43,000 in 2018. Male graduates earned slightly more, at a median of \$46,530.

Of the employed graduates, 62% were working in Otago, with 8% in Canterbury, and 6% in both Auckland and Wellington.

In 2019, 96% of graduates were in work or further study.

Further study intentions of graduates

Results show 34% of graduates were studying or had enrolled in further study at the time of this survey. An additional 9% intended to study in the second semester of 2019 or in 2020. Overall, 31% of graduates were undecided about their future study intentions.

Pasifika graduates were more likely than other graduates to be enrolled for further study, consistent with the findings of previous years.

Of those students who had enrolled in study, 78% were studying within the ITP sector compared with 18% studying at a university. The vast majority of these learners – 71% – were enrolled at Otago Polytechnic.

Graduate Outcome Survey

| | Total | Employed earning wages or a salary | | Self-employed | | Not working or self-employed | |
|---|------------|------------------------------------|------------|---------------|-----------|------------------------------|------------|
| | n | n | % | n | % | n | % |
| Do not intend to do more study | 199 | 150 | 75% | 19 | 10% | 30 | 15% |
| Currently studying full-time or part-time | 213 | 99 | 46% | 12 | 6% | 102 | 48% |
| Currently enrolled to commence study | 35 | 29 | 83% | 1 | 3% | 5 | 14% |
| Intend to enrol in 2019 or 2020 | 61 | 47 | 77% | 0 | 0% | 14 | 23% |
| Undecided at this stage | 205 | 167 | 81% | 5 | 2% | 33 | 16% |
| TOTAL | 713 | 492 | 69% | 37 | 5% | 184 | 26% |

Learner capability - i am capable



SDG 4: QUALITY EDUCATION

Otago Polytechnic has introduced a ground-breaking tool that assesses learners' transferable skills – the work-ready capabilities that are sought by employers, which we call learner capabilities.

We identified 25 learner capabilities that employers wish to see in graduates, such as problem-solving, critical thinking, independence, resilience, effective communication and working as part of a team. We then developed **i am capable**, a digital platform that enables users to develop, track and prove their capabilities. We gathered feedback from 160 employers from a variety of industries and workplaces, which validated our approach.

After running a range of pilot programmes in 2018, we embedded **i am capable** in all degree-level programmes in 2019. Learners were able to develop online profiles to share with prospective employers showcasing their learner capabilities – effectively a transcript of transferable skills. In 2020, **i am capable** will be rolled out to all Otago Polytechnic programmes.

Additionally, Otago Girls' High School, Otago Boys' High School and Tokomairiro High School piloted a secondary school version of the tool.

i am capable has a range of applications, including for professional development in the workplace, and as a system for employers to find graduates who have the skills they seek.

Student Support

TEC PRIORITY 2
Getting at-risk young people into a career

TEC PRIORITY 3
Boosting achievement of Māori and Pasifika

TEC PRIORITY 4
Boosting adult literacy and numeracy



SDG 10 : REDUCED INEQUALITIES

| Student contacts (appointments) | 2019 | 2018 | 2017 |
|---------------------------------|--------------|--------------|--------------|
| Careers | 1,147 | 1,114 | 1,025 |
| Māori/Kaitautoko | 1,056 | 899 | 408 |
| Pasifika | 564 | 540 | 675 |
| Disabilities and Wellbeing | 1,780 | 680 | 614 |
| Learning Advisors | 1,487 | 1,802 | 1,664 |
| Student Advisor | 580 | 972 | 996 |
| Counsellors | 1,404 | 1,682 | 828 |
| International | 1,191 | 1,311 | 1,682 |
| Total | 9,209 | 9,000 | 7,892 |

Contacts are defined as meaningful contacts of at least 15 minutes' duration with a student.

Changes in learner support

With increasing numbers of learners accessing support from Student Success, we made changes in 2019 to better support these students.

In addition to offering one-to-one appointments, we provided group workshops so more learners could access support. This reduced the demand on our general Learning Advisors and Student Advisor. It also meant that learners were more likely to access the appropriate service for their needs right away, leading to a decrease in Counselling appointments and an increase in Disability and Wellbeing Support provision.

Careers

In 2019, the Career Services team had 1147 contacts with 967 learners. We hosted nine placements for second- and third-year Bachelor of Social Services learners specialising in Career Practice, each completing 72 hours. We also hosted two Study Abroad students.

Throughout the year, we facilitated 84 tailored workshops and seminars for learners in their classes, covering topics such as work-readiness, career planning, job searching, CV and cover letter development, interview skills and employability skills. We presented two workshops on interview skills to international students of both Otago Polytechnic and the University of Otago as part of our Work Ready Programme. We also held an evening of speed interviews for JobDUN in partnership with the Dunedin City Council and the University of Otago.

Two Career Guidance Days were popular with the general public and new learners to Otago Polytechnic, providing support with career decision-making and course planning, and information about Study Link and Student Success. A Careers Expo in October was well attended by employers eager to interact with our learners.

Māori learners

Otago Polytechnic's Māori Centre, Te Punaka Ōwheo, had 1056 contacts with 380 individual Māori students in 2019 – a 306% increase on the 126 learners seen in 2018.

All Māori students were contacted during the application process to ask if they required any additional support, and those who enrolled were phoned by Te Punaka Ōwheo staff who outlined our services.

Te Punaka Ōwheo held a number of workshops over the course of the year on topics such as scholarships, essays and exams, and living to a budget.

The centre also includes Poho, our Māori student common room, which continued to be well-utilised for breakfasts and lunches. The Chief Executive attended a number of lunches during the year to hear feedback directly from our Māori learners.

Pasifika learners

There were 564 contacts with 165 Pasifika students in 2019. Many of these learners accessed one-on-one academic support, focused on understanding course terminologies and assignment instructions, as well as reflective writing.

We utilised learner retention reports to identify learners who may be having difficulties, and to inform targeted support for those students. The Pasifika room was well used by learners for breakfast, lunch and networking with their peers. Pasifika



Creating success

Second-year learner David Macdonald won the Student Comic Category at the Chroma Art Awards for his graphic novel, *Copper Lens*, about a blind youth living in a Steampunk universe.

The Bachelor of Design (Communication) student has already begun work on his second graphic novel.



SDG 4: QUALITY EDUCATION



learners use the Pasifika Room and The Hub for their studies after hours, and our shared lunches twice a semester are popular.

Our first Pasifika pre-graduation ceremony was held at the end of the year to celebrate Pasifika achievement. Held in response to learner feedback, this was an inclusive event for families to celebrate their loved ones' successes.

All new learners enrolled for 2020 have been interviewed by the Pasifika Advisor, with appropriate support planned for implementation.

Disability and wellbeing support

There was a major increase in the number of learners requiring support with their wellbeing, predominantly mental health issues. Learning difficulties such as dyslexia as well as physical and sensory difficulties were the primary drivers for those accessing disability support. Our on-campus Sensory Space was well-utilised, with great results reported from our learners.

We ran workshops throughout the year covering a variety of topics including anxiety, resilience, time and stress management, exams and professionalism. Our Disability and Wellbeing Advisor was trained as a facilitator for Good Yarns, an initiative that aims to reduce stigma and start a conversation around mental health, and ways to support our colleagues, friends and whānau.

Our Wellbeing Advisors continue to build strong relationships and networks with services in the wider community.

Student Advisor

Our Student Advisor works to support domestic learners through issues that are impacting on attendance or course work completion. Most appointments relate to circumstances in learners' lives outside of study that affect their ability to achieve.

Individual appointments are made by self-referral and by lecturer referral. Issues include, but are not limited to, financial stress, relationship issues, family illness, accommodation changes and mental illness.

Contact can be face-to-face, or via skype, emails, text and phone calls. The development on online resources has been a priority and adds a depth to the service provided. In particular, learners are encouraged to engage with our Wellbeing Toolbox and Getting Started resources.

As well as individual contacts with learners throughout 2019, the Advisor worked in with the wellbeing team to facilitate workshops and group sessions on wellbeing strategies and resilience.

Counselling

Financial hardship due to increases in rent and living costs had a significant impact on students' mental wellbeing this year, our counsellors report.

Many students are working longer hours to survive and these result in higher levels of stress. There was a marked increase in students affected by anxiety and depression, and other issues noted included grief, screen addiction, dealing with historical abuse memories that are triggered with stress, self-efficacy (loneliness, confidence) and course challenges.

International

Learner engagement in 2019 included providing our core functions of orientation, social activities, advocacy and support.

With the arrival of a cohort from Dalian Ocean University in our English Language programmes, we initiated increased support for all students from China. This included the availability and frequent use of an interpreter, key information provided in first language and displayed in the Hub, and the arrangement of social activities and events including weekly Tai Chi. There was an increased need for student advisor support and involvement with these English Language students.

There was consistent need for support with visa renewals at peak times and medical insurance claims throughout the year.

Learning Advisors

Our Learning Advisors provided 1487 contacts with 551 individual students requiring learning support in 2019. In addition, 865 students received support through workshops and group sessions. The work of the Learning Advisors focused largely on the development of study, academic writing, research and presentation skills.

Otago Polytechnic engaged in a pilot of an online feedback service provided by Studiosity. This additional service enabled Learning Advisors to direct their services to where they are most needed, such as learners with complex needs, learning disabilities and general academic skill building. We also focused on international learners, who often benefit from face-to-face learning support to build learning skills and understand assignment requirements and expectations.



Top award for student apprentice

Anna Winskill-Moore was named joint winner of the Student/Apprentice Excellence Award at the National Association of Women in Construction Excellence Awards.

"I think I'm most proud that I haven't let societal attitudes and expectations hold me back from pursuing a career in construction," she says.

Research and postgraduate studies

TEC PRIORITY 5
Strengthening research-based organisations



SDG 4: QUALITY EDUCATION

| Measure | 2019 | 2018 | 2017 |
|---|------|------|------|
| Number of research-active staff | 213 | 170 | 168 |
| Total Number of Quality Assured Outputs | 441 | 325 | 523 |
| Total number of research outputs | 588 | 438 | 642 |

Otago Polytechnic staff had a very productive year with their research in 2019, resulting in significant increases in research outputs across the board. Overall, there were 588 research outputs in 2019, a 34% increase on the previous year.

Of particular note were the 241 outputs relating to knowledge around learning and teaching – a 295% increase on 2018; and 94 outputs adding to knowledge around sustainable practice – a 395% increase on 2018.

In addition, secondment of the Director of Research and Postgraduate Studies to the Auckland International Campus to improve research processes and encourage research activity, resulted in a 400% increase in research outputs from that campus for 2019.

The number of research degrees completed rose 19%, from 82 in 2018 to 101 in 2019.

Work undertaken in the previous six years preparing for the 2018 Performance Based Research Fund (PBRF) Quality Evaluation Round was rewarded with an 18% improvement on the number of Evidence Portfolios gaining funded categories compared with 2012, and 62% since our first submission in 2006. Our strongest performing subject areas were in the Creative and Performing Arts (including Design) followed by Health (including Sport), with credible results for Business, Social Science, Engineering, IT, Education, Māori Knowledge and the Humanities.

With the announcement of the Review of Vocational Education (RoVE) and the proposal to combine all ITPs into a single entity

Programme for former refugees

A cohort of 20 young people completed our Former Refugee Youth Summer Programme in 2019.

For former refugees aged from 16-21, the programme involves sport and fitness, English language study, study for learner car licenses, volunteering and planning for future goals.

“The refugee background students are very resilient and keen to get moving after many years of being in limbo,” says Aaron Blaker, English Language Centre Team Leader.





in 2020, we were proactive in working with other ITP research leaders to develop a strategy and a position statement on research in the new entity and how that might be managed.

The learner capability framework research project continued as one of our key projects in 2019. Funded by an Ako Aotearoa National Grant, this project is already bearing fruit with findings that will improve curricula to increase graduates' employability and work-readiness. This work will continue in 2020.

In order to increase the dissemination of our research to our communities of interest, we published eight issues of our open access academic journal, *Scope: Contemporary Research Topics*. These were accompanied by one issue of our international publication, *Junctures: The Journal for Thematic Dialogue*. A survey of readers of our monthly e-magazine *Relevant Research* revealed that this is succeeding in increasing awareness of our research and its relevance.

In addition to many open lectures and seminars, we hosted a number of significant research events including Capable NZ's second Professional Practice Symposium. We jointly hosted an annual research symposium with Southern Institute of Technology and collaborated with Eastern Institute of Technology to organise the annual ITP Research Symposium.

We are delighted to have applied successfully to join the international DESIS Network of organisations with a research focus on social innovation and sustainability. Our design-based research centre, EPICentre, has continued to develop as a valuable research hub for students and staff to work on applied solutions to technical research problems. EPICentre was visited 3200 times in 2019, and in a user survey 94% of learners rated the facility and support as excellent.

Māori researchers continue to actively engage in research at Otago Polytechnic, with a 35% increase in overall outputs in 2019. Six Māori researchers were also successful in the 2018 PBRF round, twice as many as in the previous round.

In 2019, we published our fifth issue of *Scope Contemporary Research Topics: Kaupapa Kāi Tahu*. In this issue, there were 11 contributions published, including one work in te reo Māori.

There was a 7% increase in the number of Māori consultation applications to the Kaitohutohu Office as staff and students engage with Category B Ethics and Māori consultation processes. There were 100 applications in Category A and 112 for Category B.

In 2019, there were eight Māori students enrolled in doctoral programmes and 28 in masters programmes at Otago Polytechnic. There was a 57% increase in Māori learners at postgraduate level compared with the previous year.

| Measure | 2019 | 2019 Target | 2018 | 2017 |
|--|-----------|-------------|----------|----------|
| The number of research degrees completed | 101 | 32 | 82 | 32 |
| The amount of external research income earned meets target | \$131,456 | \$54,000 | \$22,956 | \$53,739 |

Vision Mātauraka - Māori research (staff)

| Measure | 2019 | 2018 | 2017 |
|---|------|------|------|
| No. of research-active Māori researchers | 11 | 12 | 11 |
| No. of research outputs by Māori researchers | 37 | 24 | 46 |
| Māori focused research by Māori or non- Māori researchers | 42 | 31 | 50 |

Vision Mātauraka at Otago Polytechnic is about unlocking the potential of Māori knowledge, resources and people.

Delivering skills to industry

TEC PRIORITY 1 Delivering skills to industry



SDG 4: QUALITY EDUCATION



SDG 8: DECENT WORK AND ECONOMIC GROWTH

We continued to develop our micro-credentials service, EduBits, with a view to it becoming our principal means of delivering in-house training to industry and community organisations. Throughout 2019, we developed tailored EduBits for several organisations, such as Air New Zealand and Evansdale Cheese.

Otago Polytechnic opened a new Heavy Automotive Engineering facility to cater to new automotive programmes aimed at meeting the needs of industry to help address an acknowledged skills shortage. We launched two new programmes – the New Zealand Certificate in Heavy Automotive Engineering (Level 4) and New Zealand Certificate in Commercial Road Transport (Heavy Vehicle Operator) (Level 3) – and expanded our New Zealand Certificate in Automotive Engineering (Level 3) (Pre-Trade) programme to offer increased heavy automotive engineering training.

The teaching of our New Zealand Certificate in Outdoor Education and Adventure (Multi-skilled) (Level 5) was moved to Wanaka from Cromwell, to better serve our learners and local adventure operators.

In response to interest in traditional food production and harvesting methods and mahika kai development within whānau, hapū, iwi, and communities, together with Araiteuru Kōkiri Training Centre, we launched Te Whakamahi Whenua (Level 3) to enable learners to gain knowledge and skills in this area.

Otago-Secondary Tertiary College

TEC PRIORITY 2 Getting at-risk young people into a career



SDG 4: QUALITY EDUCATION



SDG 8: DECENT WORK AND ECONOMIC GROWTH

One of our ongoing priorities is to provide opportunities for at-risk youth and second-chance learners to pathway into tertiary education and a brighter future.

The Otago Secondary-Tertiary College is an active partnership between Otago Polytechnic and all Otago secondary schools. It provides a range of learning experiences that enable senior secondary students to have a taste of learning at Otago Polytechnic and working in a trade environment.

Programmes are available at both of our Dunedin and Central campuses – and also in Balclutha, in collaboration with Big River Homes and South Otago High School. All students can gain NCEA credits, with courses designed to provide pathways to higher-level qualifications. In 2019, the College's ninth year, we offered programmes in Hospitality, Cookery, Sport, Health and Fitness, Carpentry, Automotive Engineering, and Manaaki Tauria – the latter in collaboration with Araiteuru Kōkiri Training Centre. These were funded through TEC's Trades Academy channel.

At the end of 2019, we accepted an offer from TEC to fund an additional 160 Trades Academy places for delivery in 2020. This will bring a long-awaited increase in our capacity to offer a transition experience to more students, in a wider range of industries.

| | | 2019 | 2018 | 2018 |
|------------------------------------|-----------------|----------|----------|----------|
| Number of enrolled students | Central Dunedin | 78 65 | 66 80 | 59 65 |
| Results: | Central Dunedin | 59 52 | 49 69 | 40 51 |
| Successful completion | | | | |
| Results: Did not complete | Central Dunedin | 19 13 | 17 11 | 19 14 |
| Destinations: | Central Dunedin | 7 24 | 1 29 | 7 20 |
| Further study | | | | |
| Destinations: | Central Dunedin | 20 19 | 29 19 | 23 11 |
| Employment/ Apprenticeship | | | | |
| Destinations: | Central Dunedin | 49 10 | 31 29 | 23 26 |
| Returned to school | | | | |
| Destinations: | Central Dunedin | 3 10 | 5 3 | 6 8 |
| Unknown/Other | | | | |



Acknowledging diversity

Learners can now select a third gender option on Otago Polytechnic application and enrolment forms – D for gender diverse.

Before April 2019, this wasn't an option at any New Zealand tertiary institution.

Culinary conquests

Cookery students from our Central campus won gold and silver medals at the prestigious national Nestlé Toque d'Or culinary competition.

The team created a three-course menu of Akaroa salmon pave, oven-roasted New Zealand beef sirloin and a chocolate finger crunch bar, in a three-hour live cook-off.



Highlights

- > Achieved a financial surplus of 1.6% in what again proved to be a challenging year for enrolments throughout the ITP sector
- > Our value to the Otago economy is \$444.5 million a year, as detailed in our latest Economic Impact Report
- > Supported 4987 FTE jobs nationally as a result of direct Otago Polytechnic expenditure
- > Received a 100% willingness to recommend score from 58 key stakeholders
- > Grew our EduBits service, offering more than 120 micro-credentials
- > Opened new Heavy Automotive facility on Donald Street, Dunedin
- > Developed new student accommodation at our Central campus.

Looking ahead to 2020

- > Implement the next stage of our campus redevelopment plan projects, relocating engineering trades to Donald St campus
- > Achieve budget surplus of 1%
- > Grow our EduBits service, focusing particularly on training schemes
- > Further increase international student numbers and develop international fee for service initiatives
- > Respond to all Priority One actions from 2019 Work Environment Survey
- > Introduce new programmes for all campuses, responding to industry demand and changing technologies.
- > Improve the viability and sustainability of Central campus and achieve budget
- > Rebuild numbers at our Auckland International Campus and achieve budget
- > Improve viability by ensuring that government funding from the student achievement component and from domestic fees is not more than 62% of total revenue.

Aspirations for 2021

- > Achieve an operating surplus of 3% before improvement investment
- > Teaching costs make up 55% of total costs
- > Retain NZQA Category 1 status – double high confidence.



02

Be a committed and agile organisation

Kia hiwa hei tōpūtaka manawanui

This goal means we are future-focused and highly adaptable, our operational processes are sustainable, and our organisation and management is world class. We invest in appropriate innovation and development, make a consistent annual operating surplus to fund future investment, and collaborate effectively to achieve our objectives.

Financial sustainability



SDG 12: RESPONSIBLE PRODUCTION AND CONSUMPTION

| Financial sustainability | 2019 | 2019 Target | 2018 | 2017 |
|--|------------------------|-------------|---------|--------|
| Monthly reporting of all financial metrics which contribute to the TEC risk analysis | Achieved | | | |
| Budgeted annual surplus is achieved | \$1.6M Not achieved | \$3.3M | \$4.18M | \$4.2M |

Otago Polytechnic achieved a good financial result in terms of sector performance and, while down on budget, was up on forecast.

Our net operating surplus of \$1.6 million was behind budget by \$1.7 million as a result of reduced revenues. This was predominantly due to fewer international students with tighter immigration requirements, and, to a lesser extent, domestic numbers not quite meeting expectations in some areas. Direct expenditure savings only partially mitigated this reduction. Te Pā Tauira, our student village, had a pleasing result, exceeding budget and occupancy targets.

Enrolments of domestic learners continued to increase, up 109 EFTS or 2.6% – however, this was less than budgeted. International enrolments decreased by 278 EFTS or 19%. All domestic EFTS were fully funded.

Capital expenditure at \$15.5 million was greater than the budgeted \$14.9 million, with more spending on computer software, especially projects, and plant and equipment.

For 2019, we continued to invest in initiatives such as micro-credentials and training schemes, our brewery, our learner capability framework, performance and process improvement projects, to further diversify revenue streams and ensure we are positioned strongly for the future.

Our financial position is sound despite the surplus reduction and an increase in debt to fund capital investment. We look forward to continuing to provide sufficient returns to invest in strategic initiatives and development projects, and/or reduce debt.

Objectives

- > Provide fit-for-purpose and attractive learning and teaching facilities (space, IT, equipment) for all campus locations
- > Make a consistent annual operating surplus to fund future investment
- > Continue to diversify revenue through consultancies and micro-credentials (EduBits)
- > Improve the viability and sustainability of Central campus
- > Grow Auckland International Campus as a profitable and long-term sustainable business.

Strong relationships with industry and community



SDG 17: PARTNERSHIPS FOR THE GOALS

In early 2019, we engaged Mobius Research and Strategy to identify how well Otago Polytechnic works with its stakeholders, and what – if any – opportunities exist to enhance the mutual benefits of these relationships.

The research involved face-to-face interviews with 58 stakeholders from Dunedin and Central Otago across the local government, business and education sectors. All of those approached agreed to participate.

The responses resulted in a 100% willingness to recommend score, which Mobius described as “almost unheard of – in any sector”. In addition, the overall scores for quality of engagement were 98% for key stakeholders, and 95% for the local and regional community. None of those interviewed rated Otago Polytechnic’s quality of engagement as anything less than ‘very good’.

Striving for continued excellence



SDG 12: RESPONSIBLE PRODUCTION AND CONSUMPTION



SDG 16: PEACE, JUSTICE AND STRONG INSTITUTIONS

After winning the Baldrige-affiliated Performance Excellence Study Award in 2018, we continued to forge ahead in our excellence journey throughout 2019. Our adoption of the Baldrige framework in 2011 helps to ensure alignment of all 70 self-leading teams across the organisation.

Two staff members participated in the Baldrige Study Tour in 2019: our Head of College of Community Development and Personal Wellbeing and our Capital Works and Facilities Manager. They attended the Baldrige regional conference in Tennessee, and visited four flagship Baldrige-winning organisations in the United States – Granite Rock, Alamo Colleges District, Tri County Tech and MESA Products.

Both staff leaders reported back that we share a commonality of culture with these world-class organisations, where commitment to excellence becomes business as usual.

The intelligence gathered from the 2019 Baldrige Study Tour fed directly into the Polytechnic's improvement initiatives around learner enrolment, academic induction, performance accountability and strengthening quality.

EduBits

TEC PRIORITY 1: Delivering skills to industry



SDG 4: QUALITY EDUCATION

Otago Polytechnic's EduBits service continues to lead the micro-credentialing sector. More than 120 EduBits are now available to learners, with content ranging from customer service to project management to intra-mammary interventions.

Awareness about the ways micro-credentialing can benefit learners and institutions continues to grow, and so do opportunities for EduBits.

We continued to forge relationships with local and national entities, providing credentialing solutions that enhance training outcomes at work. Our EduBits initiative went global in 2019, with agreement reached between our Global Polytechnic Alliance partners Humber College and VIA University College to launch EduBits into Canada and Denmark respectively. 2020 will see an acceleration of this work, both nationally and internationally.

Work is underway to complement our successful Te Reo Māori EduBit with other micro-credentials designed to build learner cultural competency.

We are also working closely with NZQA and TEC to provide learners with funded opportunities and a structured approach to achieve larger, 'stackable' credentials.

Global engagement

TEC PRIORITY 6: Growing international linkages



SDG 17: PARTNERSHIPS FOR THE GOALS

For Otago Polytechnic, 2019 was a year of consolidation in our activity globally. We sought more frequent engagement with established and trusted international partners to achieve high-value outcomes aligned to our strategic goals.

Study abroad and exchange

International study experiences align well with Education New Zealand's ambition to have "students gain the knowledge, skills and capabilities they need to live, work and learn globally".

We assisted 64 learners on exchange, study abroad and internship programmes, helping to prepare them for the global workforce. This represented a pleasing 23% increase on 2018. China continued to be a popular destination, but increasing numbers travelled to India and the Pacific Island nations. Funding from the Prime Minister's Scholarships to Asia and Latin America contributed significantly: to date, Otago Polytechnic has secured \$562,130 from Education New Zealand to assist 71 learners to study overseas, the highest achievement in the ITP sector.

We also supported our staff to become globally informed, expert practitioners in their fields, with 11 staff members travelling overseas to engage with partner institutions and to refresh their knowledge of international practices.

Global partnerships

Our joint engineering programme with Dalian Ocean University reached a milestone with a cohort of 16 students arriving mid-year for English language learning in preparation for starting their Engineering courses in 2020. Another cohort is scheduled to arrive in mid-2020.

Otago Polytechnic again supported the Sino-NZ Model Programme, with the vocational college reform underway in China escalating activity in this area. With others, we delivered courses on teaching and education leadership to providers including our established partner Shenzhen Polytechnic, and education managers from diverse colleges sponsored by the China Education Association for International Exchange (CEAIE). Further Sino-New Zealand programme activity involved our running the annual conference at Qingdao Technical College (QTC); contributing to a teacher training programme at QTC; and teaching on a training course at the Beijing University of Foreign Languages.

We also supported the Shanghai-Dunedin sister city relationship by receiving a delegation of government officials responsible for the professional development of civil servants, who were interested in learning about our work-based learning model.

A group of 20 Otago Polytechnic staff, including members of our senior management team, travelled to Japan on a study tour in 2019. This experience afforded insights into tertiary education in Japan and an introduction to our Japanese institutional partners.

We delivered education incorporating the UNESCO sustainable development goals (SDGs) to students from the Japanese Kosen sector. These Engineering students undertook projects involving SDGs 6 and 7: clean water and sanitation, and affordable and clean energy. We also welcomed Japanese professors on professional development leave to observe and participate in our teaching practice. Particular interest was expressed in our student-centric model for language acquisition.

In addition, we delivered a bespoke professional development course in advanced e-learning methodology to the Indonesian open university, Universitas Terbuka. This was an excellent opportunity for members of the Learning and Teaching Development team to advance their understanding of education practices and methodologies in another sector.

Global Polytechnic Alliance

It was a productive inaugural year for the Global Polytechnic Alliance (GPA) comprising Otago Polytechnic, Humber College in Canada, and VIA University College in Denmark. The GPA has made significant strides launching its strategic priorities, which include delivery of joint programming and micro-credentials.

The initial joint programme pilot project, to take place in 2020, will bring the institutions' students online for a week-long module on using systems thinking to resolve local and global sustainability issues.

Otago Polytechnic's leadership in micro-credentials led to the development of a customised training programme for professional development. In Canada, this involves working with Humber's corporate clients, such as Magna International, to launch an EduBits programme. The collaboration allows Humber to demonstrate its strength as a global organisation to industry partners, who are increasingly internationally focused.

International student numbers by EFTS

A decrease in the number of international EFTS in 2019 can largely be attributed to Immigration New Zealand's handling of visa applications from December 2018. Processing times slowed markedly, and the delay meant significant numbers of students were unable to commence study at their preferred times, ultimately resulting in fewer enrolments.

International student numbers by EFTS

| | 2019 | 2018 | 2017 |
|-------------------------------|--------------|--------------|--------------|
| Dunedin | 275 | 284 | 277 |
| Central | 27 | 35 | 40 |
| Auckland International Campus | 856 | 1,116 | 935 |
| Total | 1,158 | 1,436 | 1,252 |



Dunedin campus redevelopments

In 2019, we undertook a range of projects designed at further improving the learner experience at our Dunedin campus:

- > We opened a renovated facility on Donald Street, Kaikorai Valley for the provision of our new Heavy Automotive programmes
- > Work began on extending O Block, which houses our Dunedin School of Art. The first stage is expected to be complete by February 2020, and the second in July the same year
- > We exited our leased Cumberland Street premises, relocating Beauty, Hairdressing and Early Childhood Education to our main Dunedin campus for 2020
- > We relocated our Kowhai Centre student-run counselling centre from a classroom in G Block to St David Street House.



Heavy duty

We were delighted to launch two new Heavy Automotive programmes in 2019 – along with a new teaching facility in Dunedin designed especially for delivering these programmes.

These developments are as result of close consultation with local industry and an attempt to meet an acknowledged skills shortage.



SDG 4: QUALITY EDUCATION



Auckland International Campus

Our Auckland International Campus (AIC), in partnership with Future Skills Academy, had 856 EFTS in 2019, above the forecast of 823 EFTS. However, this was a considerable decrease from 2018 EFTS, as a result of a slowdown in visa processing by Immigration New Zealand, and other factors including changes to post-study work visa settings and the announcement of the Review of Vocational Education. We predict a further drop in student numbers in 2020.

Due to these challenges, we had to make changes to the organisational structure at Auckland International Campus, and regrettably this led to a number of redundancies.

Graduation

One of the year's highlights was our largest graduation ceremony to date, with more than 300 graduands crossing the stage at the Auckland Town Hall in November. Earlier in the year, in May, a further 225 learners graduated at a ceremony at the Pullman Hotel. We began to livestream our graduations so friends and family of our international graduates back home can watch. These have proved popular, with thousands tuning into these streams.

Graduate outcomes

Our latest Graduate Destination Reports, released in 2019, provided information about the activities of AIC graduates who completed their qualifications in 2018. They found that 97% of our Auckland graduates were in work or further study, and 91% of students were satisfied with their experience at AIC.

Student services

AIC appointed new Learning Advisor and Counsellor positions in 2019 to support learners' wellbeing and study success. They are also working with lecturers to ensure those who need assistance are being referred for support.

We converted one floor into a Learning Support Centre where students can study, attend workshops, and receive peer tutoring and other extra support, and also increased the resources on offer at our Learning Resource Centre.

Each week, we ran several Learning Support Workshops covering a range of topics including sentence structure, paragraphing, and paraphrasing. We continue to offer a series of employability workshops on topics including job searching, interviewing, and using LinkedIn, which received great learner engagement and positive feedback.

Student voice

We continued to develop our Student Voice Framework, enacting our commitment to receiving and responding to student feedback and incorporating the student voice into decision-making. The initiative includes forums, focus groups, surveys, and a Student Ambassador programme. We also introduced a paid Student Representative position in 2019.

Volunteering initiatives

AIC formed a number of partnerships with charities in 2019, allowing our students to volunteer within the community.

Staff and learners volunteered their time to help the Cancer Society with its Walking Stars event in November, a night-time walking half marathon which brings people together to raise funds to support local people living with cancer. Students also raised money for the Society by selling daffodils in the central city on Daffodil Day.

Groups of learners have helped out at the Auckland City Mission several times, tidying stock, preparing and serving food, and washing dishes.

In addition, learners have assisted on Conservation Volunteers New Zealand projects, including a cleanup at Point England Reserve, where they removed invasive weeds to help native plants survive.

Orientation

In 2019, we enhanced the Orientation experience for our new students, inviting a range of external guests including Auckland Transport, NZ AIDS Foundation, Citizens Advice Bureau, Student Card, Les Mills, 2 Degrees and Conservation Volunteers NZ. We continue to provide introductions to academic programmes, employability sessions, tours, quizzes, and kapa haka performances at Orientation.

Capable North

We launched Capable North in Auckland in 2018, which has been very successful, attracting 212 enrolments in 2019.

Events

Showcase 2019 brought students, staff and industry partners together for an evening of learning and networking. Our students presented their research to guests in fields including marketing, property, education, IT, construction, and sport. The night featured a keynote address from Ira Munn, Chief Executive of Ierospace Industries International Limited, a company currently developing a 3D printed electric vehicle kit.

We celebrated important dates in a range of cultures including Diwali, the Lunar New Year, and Matariki, and held a Ukrainian Day. Other social events included an overnight trip to Rotorua Island in the Hauraki Gulf, and a day trip to the Waitakere Ranges.

New developments at Central campus

The 2019 year was a dynamic and exciting one at our Central campus in Cromwell, which has become a core part of the Central Otago community.

As we move towards consolidating our facilities at our Bannockburn Road site, we began building a new, state-of-the-art glasshouse with a 630 square metre footprint, as well as a new potting shed, retail area and other horticultural features.

We added two new self-contained, fully equipped houses to our existing onsite accommodation block of five houses, which will accommodate an additional 10 students.

Our Brewing programmes welcomed their first intakes in 2019, with four learners graduating from the Level 4 programme at the end of the year. Our onsite commercial and teaching brewery was rebranded to Otago Brew School, and sold the first commercial brews to a selection of bars and restaurants in Central Otago, Dunedin and Christchurch.

Programme development continued throughout the year, with the launch of our first Apiculture programme, cheesemaking EduBits created in partnership with Whitestone Cheese, and new short courses including Patisserie, which has a waiting list for 2020 intakes.

International recognition

A course developed by Otago Polytechnic for the Dunedin-based OERu international network won a Commonwealth of Learning Award for Excellence in Distance Education Materials.

The award, for the course Learning in a Digital Age, was announced in Scotland at the ninth Pan-Commonwealth Forum on Open Learning, a triennial gathering of 53 member states of the Commonwealth.



Education Foundation strengthened

TEC PRIORITY 5: Strengthening research-based organisations



SDG 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE

The Otago Polytechnic Education Foundation funds development and community-involvement opportunities for staff and students, as well as sustainability initiatives including the Wildlife Hospital Dunedin.

The Foundation supported 14 learners and one staff member in 2019 to travel as far afield as Uganda and Germany, with grants totalling \$20,000.

The Foundation's finances were bolstered by two main fundraising initiatives in 2019, our Charity House, and our Legends Long Lunch – featuring guest speaker, former New Zealander of the Year, Mike King – which attracted 300 attendees.

We employed 667 FTE staff in 2018 across our three campuses. In addition, 4987 FTE jobs were supported throughout the national economy as a result of direct Otago Polytechnic expenditure, 3855 of them in Dunedin.

| Economic impact | 2018 | 2017 | 2016 |
|--|----------|----------|----------|
| Otago Polytechnic economic impact – GDP (for previous year) is reported annually | | | |
| > Otago Region \$ total expenditure | \$444.5M | \$425.1M | \$314.6M |
| > Dunedin GDP contribution (total value added) | \$179.4M | \$174.5M | \$162.4M |
| > Dunedin GDP contribution % | 3.6% | 3.5% | 3.4% |

Economic Impact Report



SDG 12: RESPONSIBLE PRODUCTION AND CONSUMPTION



SDG 16: PEACE, JUSTICE AND STRONG INSTITUTIONS

Otago Polytechnic's latest Economic Impact Report, released in 2019, revealed total flow-on expenditure of \$444.5 million in Otago in 2018 – a 5% increase on the previous year.

In Dunedin, the total value added constituted 3.6% of the city's gross domestic product.

The Report found Otago Polytechnic attracted 5130 EFTS in 2018 – an 8% increase on 2017 – and reported strong domestic demand for programmes in health and wellness, trades, community, creative industries and information technology. It also noted an increasing demand for Capable NZ programmes, which offer work-based learning and assessment of prior learning models. Approximately 54% of Otago Polytechnic students were from outside Otago in 2018 – including 32% from the North Island and 6% from overseas.



A brewer's dream

Learners on our Brewing programmes now have access to an exclusive work experience opportunity – to put their palates to the test as associate judges at one of the country's largest beer and cider awards.

The new scholarship will see up to two learners from our Central-based brewing programme given a place at the New World Beer & Cider Awards judging tables, so they can learn the ropes of beer judging from some of the country's most respected experts.

Combatting the tech shortage

Otago Polytechnic and Auckland-based education provider Mission Ready HQ have joined forces to bring short, innovative, tech career study programmes to a wider audience, in a bid to help address the growing skills shortage in the tech industry.

Branded as Tech Career Accelerators, the 14-week programmes will be designed by industry professionals to fast-track people into tech careers.



Health and safety



SDG 3: GOOD HEALTH AND WELLBEING

Throughout 2019, we continued to strengthen our safety and wellbeing culture. We continued to raise awareness among staff of the requirement to report all incidents, events and near-misses; provided health and safety training for 47 of our leaders, supporting them to make safety and wellbeing commitments that we are monitoring centrally; and developed a Hauora Plan for the institution.

We saw an increase in the number of reported events from 2018, which is reflective of the willingness of staff and students to report such matters. Often, this reporting leads to direct improvements in the working and learning environment.

The regular training of our staff and leaders in safety and wellbeing will be an ongoing focus for us.

Reported incidents in 2019

Of the 231 reported incidents in 2019, 56% resulted in minor injury or harm. The 130 harm-related incidents reflect a small increase on the 125 reported in 2018. Of these, 63 were injuries requiring medical treatment other than immediate first aid.

Reported incidents involved 130 staff, 86 students, and 13 visitors or contractors. Wrist and hand injuries continued to be the most prevalent, accounting for 44% of incidents. A total of 19% of incidents involved injuries to lower limbs, while 15% were injuries to the upper limbs or head.

Otago Polytechnic reported two notifiable events in 2019, both of which occurred at our Central campus. WorkSafe NZ is not taking any further action in relation to either of these events.

Regrettably, a 2018 WorkSafe investigation resulted in a prosecution against Otago Polytechnic in 2019, the outcome of which will be known in 2020.

| Number of harm-related incidents | 2019 | 2018 | 2017 |
|--------------------------------------|------------|------------|-----------|
| Notifiable events | 2 | 2 | 1 |
| Incident requiring medical treatment | 63 | 57 | 51 |
| Incident requiring First Aid | 54 | 55 | 35 |
| Non-injury incident | 11 | 11 | 3 |
| Total | 130 | 125 | 90 |

| Percentage of harm-related incidents | 2019 | 2018 | 2017 |
|--------------------------------------|-----------|-----------|-----------|
| Notifiable events | 1.5% | 1% | 1% |
| Incident requiring medical treatment | 48% | 46% | 57% |
| Incident requiring First Aid | 42% | 44% | 39% |
| Non-injury incident | 8.5% | 9% | 3% |
| Total | 56 | 58 | 51 |

Auditing

Otago Polytechnic continued to run an internal audit programme, and plans are underway to make this process easier for staff in 2020.

We successfully implemented all remaining recommendations and actions suggested by Crowe Horwath in its 2018 Health and Safety Audit of Otago Polytechnic.

This year we reviewed our critical risks and their controls, and also undertook an external audit of the safety of all of our machinery on the Dunedin campus. We have commenced implementation of the recommendations contained in that report.



Health, Safety and Wellbeing Strategy

Our staff continued to access to a variety of wellbeing initiatives through our Wellbeing Framework and the staff benefits we offer.

In 2019, we engaged the services of Benestar to provide counselling and coaching to our staff throughout the country via our Employee Assistance Programme. This means all staff now have 24/7 access to information and support, and can obtain counselling online, over the phone and face-to-face.

For the third year running, staff participated in our Workplace Health Activity Management (WHAM) programme.

Otago Polytechnic observed Mental Health Awareness Week again in 2019, hosting events to promote mental wellbeing to staff, students and visitors to campus. These included promoting and participating in the fundraiser Gumboot Friday, and the Education Foundation's Long Lunch event with mental health advocate and former New Zealander of the Year, Mike King.

The Good Yarn mental health training programme was again popular in 2019, with 228 people participating. For the first time, this group included learners who act as Student Ambassadors or as Residential Assistants at Te Pā Tauira, our student village. We have extended our license to deliver this training.

In 2019, we finalised our Hauora Plan, which embraces the Te Whare Tapa Whā model encompassing family health, physical health, spiritual health and mental health. Drawing on our organisational values of Accountability, Caring, Courage, and Empowerment, the Hauora Plan will deliver enhanced health, wellbeing and safety outcomes for our staff and learners, and focus on the continued review, measurement and improvement of the health of our people.



Supporting learner capability

Otago Boys' High School is among several Dunedin secondary schools piloting our learner capability tool, I am capable.

"The New Zealand curriculum document specifies that students will be confident, connected, actively-involved, lifelong learners," says Rector, Richard Hall. "For Otago Boys' High School, the chance to focus on such attributes – particularly in an assessment-driven educational system – was too good to pass up."

Charity House

In its thirteenth year, our Charity House sold for \$255,000, thanks to the hard work of students and staff and the generosity of local businesses.

As a result, the house raised \$100,000 for the Otago Polytechnic Education Foundation. The Foundation in turn passed these funds on to United Way to distribute to Otago charities.



03

Be a responsive Treaty partner in meeting the educational aspirations of mana whenua

Kia tū hei hoa Tiriti haepapa, hei whakatutuki i kā wawata ā-mātauraka o te mana whenua

This goal means we engage effectively with our iwi partners, and understand and respond to the needs of our communities. Our communities tell us they have confidence in us, we add value as a consequence of the work we do and there is mutual benefit from our interactions.



Highlights

- > Developed a new cultural competency EduBit
- > Continued to implement Te Rautaki Reo Māori, our Māori Language Strategy
- > Revised and refreshed our Māori Strategic Framework (2022)
- > Published a new edition of *Scope: Kaupapa Kāi Tahu* and an indigenization-themed *Junctures: The Journal for Thematic Dialogue*
- > Our leaders presented internationally in Canada, Japan and Hawai'i
- > Welcomed delegations from Humber College in Canada and Kaua'i Community College, Hawai'i.

Looking ahead to 2020

- > Build on the effective Treaty-based partnership we have with Kā Papatipu Rūnaka ki Araiteuru, Te Rūnanga o Ngāi Tahu in Te Waipounamu, and Te Rūnanga o Ngāti Whātua in Auckland
- > Implement the revised Māori Strategic Framework (2022) across Otago Polytechnic
- > Continue to increase the proportion of new staff who identify as Māori
- > Execute Te Rautaki Reo Māori, our Māori Language Strategy, and develop a Māori Language Policy that guides its implementation
- > Provide professional development opportunities for staff to develop a baseline level of cultural competence (i.e. in Māori tikaka, introductory Māori language, the Treaty of Waitangi and culturally inclusive pedagogies)
- > Undertake quality research that aligns with the strategic aspirations of mana whenua, other Māori entities, national and international research partners
- > Continue to increase Māori enrolments in Capable NZ through the development of more iwi partnerships.

Aspirations for 2021

- > Continue to develop and implement institutional strategies, actions and innovations that align with and contribute to the educational priorities of mana whenua, as our Treaty-based partner
- > Continue to attract, recruit, retain and develop Māori staff, ensuring 10% of our staff are Māori
- > Māori learner participation exceeds 16% of domestic EFTS
- > Māori learner success equals or exceeds the rate for non-Māori.
- > Build the capability of staff to become more culturally responsive and inclusive practitioners
- > Integrate and embed mātauraka Māori (Māori knowledge) in all programmes.



| Community collaboration | 2019 | 2018 | 2017 |
|---|----------|----------|----------|
| Annual feedback from Kāi Tahu – combined Rūnaka | | | |
| Target: Kā Papatipu Rūnaka ki Araiteuru are satisfied overall with consultation and decision-making processes, and progress towards implementing our Māori Strategic Framework (MSF) | Achieved | Achieved | Achieved |

Māori Strategic Framework (MSF)



SDG 17: PARTNERSHIPS FOR THE GOALS

In 2019, in consultation with Kā Papatipu Rūnaka ki Araiteuru, Te Runanga o Ngāi Tahu and staff focus groups, we worked to revise our Māori Strategic Framework for launch in early 2020.

It is among our primary goals to see the Māori Strategic Framework embodied in all Colleges, Schools and Service Areas throughout the Polytechnic. We continue to guide academic staff through the process of redesigning their programmes, assisting them to build more industry-specific Māori knowledge into their teaching.

One again, we awarded Staff Awards for Excellence in the implementation of the MSF. The recipients were executive assistant to the Kaitohutohu, Debbie Davie; College of Health lecturer, Sharon Bryant, and College of Health senior lecturer, Kimberly Smith. These Awards recognise staff who foster excellence in Māori participation and learning success; Kāi Tahu/Māori leadership; the development or delivery of programmes where Māori values are understood and recognised; and/or who undertake research with outcomes that benefit or meet the development aspirations of Kāi Tahu and the wider Māori community. Up to three of these Awards can be given in any year, each to the value of \$2,000 to be spent on professional development.

We implemented Te Rautaki Reo Māori, our Māori Language Strategy, which we believe is the first such strategy in the tertiary education sector. Our Kaiārahi, Shaun Tahau, was awarded the 2019 Emerging Leader Award at our Staff Awards

for his work in developing Te Rautaki Reo Māori. It provides a strategic approach to the ways in which we incorporate te reo Māori within our organisational environment, as well as within the curriculum. Our suite of kaupapa Māori EduBits, created in 2018 and expanded further in 2019, feeds into this strategy, aiming to increase the visibility, use and correct pronunciation of the language.

In addition, we published a new edition of *Scope: Kaupapa Kāi Tahu*, and an indigenisation-themed issue of *Junctures: The Journal for Thematic Dialogue*.

Increasing Māori educational opportunities



SDG 10: REDUCED INEQUALITIES



SDG 5: GENDER EQUALITY

In 2019, 257 qualifications were awarded to 234 Māori learners, and as in previous years, our Māori pre-graduation ceremonies were well-attended.

Capable NZ offers a specialist service to iwi and hapū business and community leaders wishing to gain formal qualifications in recognition of their skills and knowledge. Due to work throughout 2019, a new cohort of up to 20 Kāi Tahu learners will begin their studies in 2020.

In 2019, we launched Otago Polytechnic's first He Toki trades training programme for Māori and Pasifika carpentry learners. The programme was full for 2019 before the year began, and feedback from learners has been excellent.

It was also the first year of delivery for Te Whakamahi Whenua (Level 3), developed in response to interest in traditional food production and harvesting methods and mahika kai development within whānau, hapū, iwi, and communities.



Language leadership

Otago Polytechnic's Emerging Leader Award recipient, Shaun Tahau (Ngāti Tūwharetoa, Ngāti Tutemohuta,) undertook a year of in-depth research and investigation as he worked to develop our Māori Language Strategy – the first of its kind in the tertiary sector.

"I found other tertiary providers that had Māori language policies, but I was unable to find any other strategies," he says. "I'm hopeful Te Rautaki Reo Māori may benefit others in the sector and encourage them to adopt their own Māori language strategies."

Scholarship success

Tiffany Ngawhika (Te Arawa, Te Aupōuri) was delighted to be awarded a Mātāwaka Scholarship, open to Māori students who whakapapa outside the Kāi Tahu rōhe.

Tiffany is thriving in her Bachelor of Applied Management studies and praises the student support at Otago Polytechnic. "The staff at Te Punaka Ōwheo are amazing – they really care, and the atmosphere is warm and friendly," she says.



Kaupapa Māori programmes

The last cohort of staff undertaking courses within our Certificate in Mata ā Ao Māori completed these studies in 2019.

We continue to provide our staff with opportunities to advance their knowledge and awareness of tikaka and te reo Māori in order to apply or embed their learning in their teaching or professional practice through our suite of kaupapa Māori EduBits. In 2019, we added to the three existing micro-credentials – Te Reo Māori, Tikaka Māori and Treaty of Waitangi – with a new Cultural Competency EduBit. These four micro-credentials will replace the Certificate in Mata ā Ao Māori entirely in 2020.

The EduBits are not just for internal use, however. These are available for individuals and organisations to participate in both here and overseas. We developed training for external partners, such as the Otago Chamber of Commerce, Downer and Silver Fern Farms, for delivery in 2020.

In response to the needs of iwi and communities nationally, we created our new Cultural Competency EduBit in consultation with TEC for use by iwi across Aotearoa New Zealand. These micro-credentials are broad enough to allow iwi to incorporate their own iwi-specific knowledge, and to both teach and assess these components, ensuring they retain control of their intellectual property.

This model also has the potential to be internationalised for use by other indigenous peoples globally. With that in mind, work began on transferring our indigenous knowledge EduBits into the Canadian context, through our partnership with Humber College.



Sharing indigenous knowledge

Our Tumuaki: Whakaako, Ron Bull (Kāi Tahu, Kāti Māmoe, Waitaha), was the New Zealand delegate at the Indigenous Terra Madre Conference in Hokkaido, Japan. There, he presented a 90-minute workshop on impacts on indigenous food harvesting practices throughout the Pacific.

He was also invited to deliver a keynote address about creation stories at the Indigenous Knowledge Gathering, held at Humber College in Canada in 2019. His address considered the ways in which these stories form separate and collective knowledge systems within indigenous communities.



Facilitating connection

Otago Polytechnic Bachelor of Information Technology learner Kane Dunn (Ngā Puhi, Ngāti Kahu) plans to use his degree to help others trace their roots.

“My goal is to create a digital database that people can use to track and research their own whakapapa,” he says. “The idea was inspired by my grandad, who was passionate about his genealogy.”

“Bromance” helps drive achievement

Walter Wakefield (Ngāti Porou) left school at 10, was living on the streets of Wellington as a teen. After undergoing addiction rehabilitation, he enrolled at Otago Polytechnic to study Social Services.

There he met his classmate Reece Clarke, who is also in recovery. They developed a strong friendship that helped them remain accountable, achieve their qualifications and cross the graduation stage together.



Welcoming international visitors

A delegation from Humber College in Canada visited our Dunedin campus to learn more about our Māori Strategic Framework and our EduBits micro-credentials.

We also hosted a group from Kauai'i Community College, and continued an exchange programme for their Business students, allowing them to complete their degrees at Otago Polytechnic.

Highlights

- > Led a successful application for Otago to be named a Regional Centre of Expertise (RCE) in Sustainability
- > Supported the Wildlife Hospital Dunedin, located at our School of Veterinary Nursing
- > Challenged staff to reduce waste during Plastic-free August
- > Hosted Dunedin's very first Waste Jam, which involved 60 participants
- > Staff and students took part in the Strike 4 Climate
- > Created wetlands in Cromwell to neutralise leachates from a closed landfill
- > Female Construction learners helped build a climate-safe house for Blueskin Resilient Communities Trust.

Looking ahead to 2020

- > Host the Regional Centre of Expertise – Otago and work in partnership around education for sustainability within the RCE
- > Implement our Sustainability Strategy in line with UNESCO Sustainable Development Goals
- > Reduce waste to landfill by 10% on 2019
- > Reduce energy consumption by 10% from 2017
- > Embed Education for Sustainability in our learning redesign
- > Enhance the ecosystem and native biodiversity of the Dunedin campus
- > Run more sustainability-focused events on campus, and support learners and staff to get involved.

Aspirations for 2021

- > 100% of undergraduate programmes address Education for Sustainability
- > 80% reduction in waste to landfill (base 2017)
- > 30% reduction in energy consumption/square metre for existing buildings; 80% for new builds
- > Zero lost time injuries.



Lead the way in sustainable practice

Kia ārahi hei tauira i kā mahi whakauka

This goal means our environmental footprint is minimised and our leadership encourages others to embrace sustainable practices.

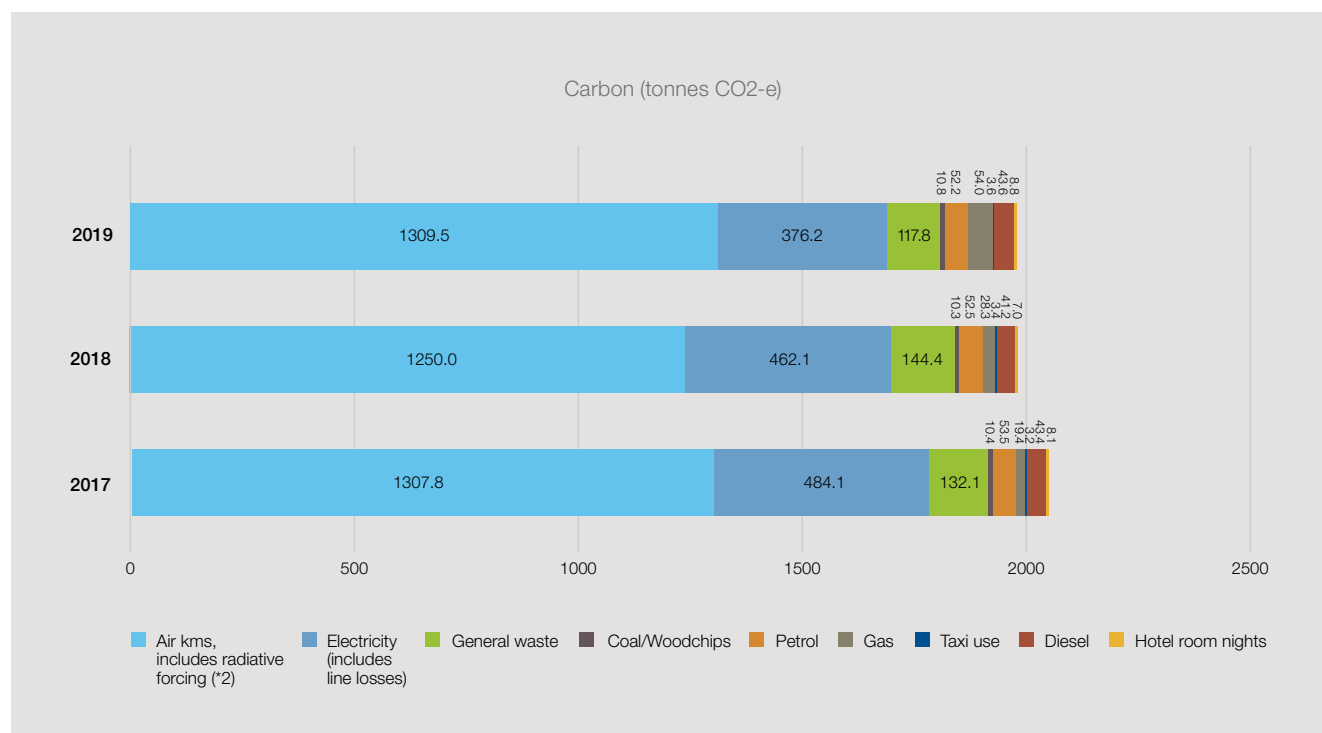
We apply the principles of sustainability to our business practices and to our relationships with the wider community.

Sustainable practice at Otago Polytechnic is a holistic concept – we seek not only to improve the environment but also the health and wellbeing of our people.

Sustainability monitoring



SDG 13: CLIMATE ACTION

SDG 7: AFFORDABLE AND
CLEAN ENERGY

Our overall carbon footprint decreased by 22 tonnes in 2019, largely thanks to reductions in waste to landfill and electricity use.

Electricity use decreased due to a warmer climate – the National Institute for Water and Atmosphere (NIWA) reported 2019 as the fourth warmest year since records began in 1909.

Staff air travel remains our most significant carbon contributor at 60% of our carbon footprint. An increase in international travel in 2019 released an extra 59.5 tonnes of CO₂ into the atmosphere. Otago Polytechnic has a continued focus on the development of key international partnerships, continues to

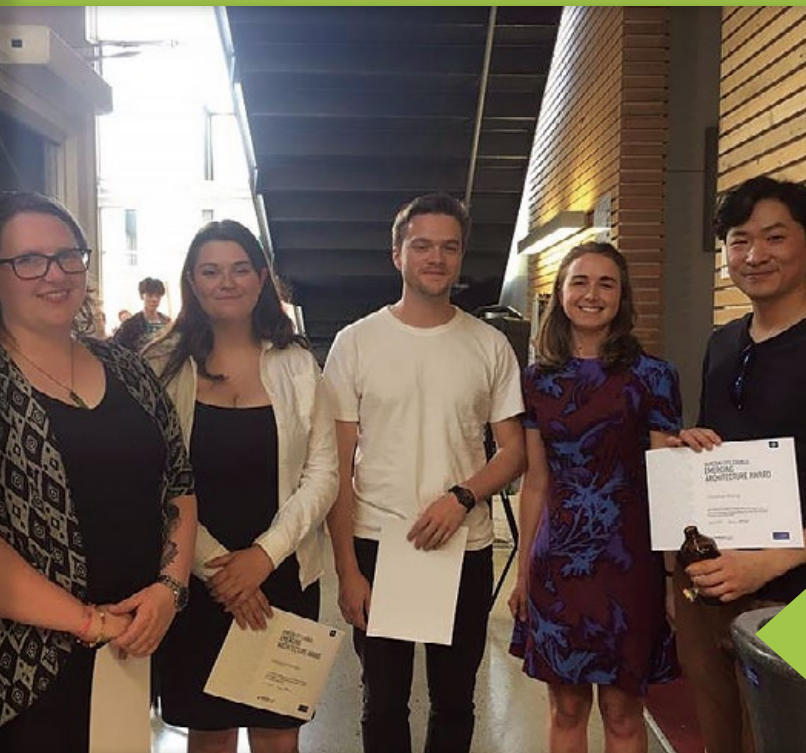
value research-active staff producing outputs of international standard, and supports staff presenting at conferences around the world. In 2020, we will focus on encouraging alternatives to staff air travel such as using Skype meetings where possible.

| Resource | 2019 | 2018 | 2017 |
|------------------------|-----------|-----------|-----------|
| Electricity (kW hours) | 3,580,356 | 3,590,191 | 3,761,554 |
| Water (m3) | 63,617 | 67,588 | 71,027 |

Combatting leachates

Otago Polytechnic is developing a series of wetlands in Cromwell to metabolise and leachates from a closed landfill, rendering them harmless.

The polytechnic collaborated with Environmental Engineer Claude Midgley and obtained Otago Regional Council consent for the development.



Recycling hubs take prize

Four Otago Polytechnic Bachelor of Architectural Studies students received Dunedin City Council Emerging Architecture Awards after designing two recycling hubs for Dunedin's tertiary quarter.

Freyja Munro, Leon Frommann, Georgia Wilkinson and Chunhui (Lance) Wang created the hubs as part of their coursework. They will be installed in 2020.

Making a difference

A group of 16 Engineering students and staff worked on a range of infrastructure projects on the remote Vanuatu island of Paama, including water disinfection, desalination, sanitation, and solar cooking.

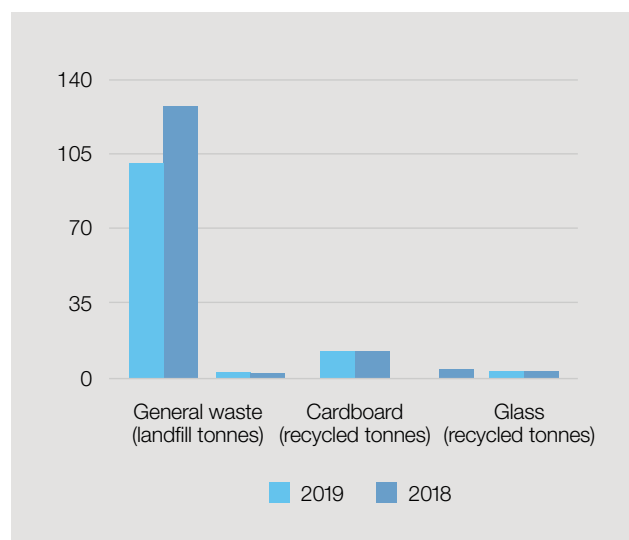
The work integrated the students' classroom-based projects and academic theory with practical, real-world experience.



Waste management

Otago Polytechnic produced 101 landfill tonnes of waste in 2019, compared with 128 landfill tonnes in 2018 – a reduction of 21%.

This can be attributed to an increase in the standardised signage and waste management stations located around our campuses, and a reduction in major building or renovation works were carried out at our Dunedin campus.

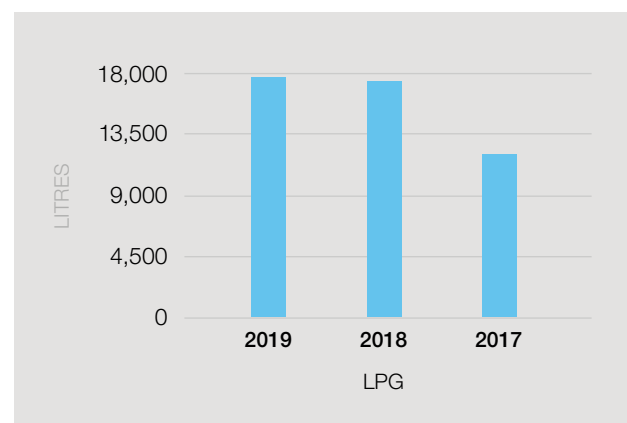
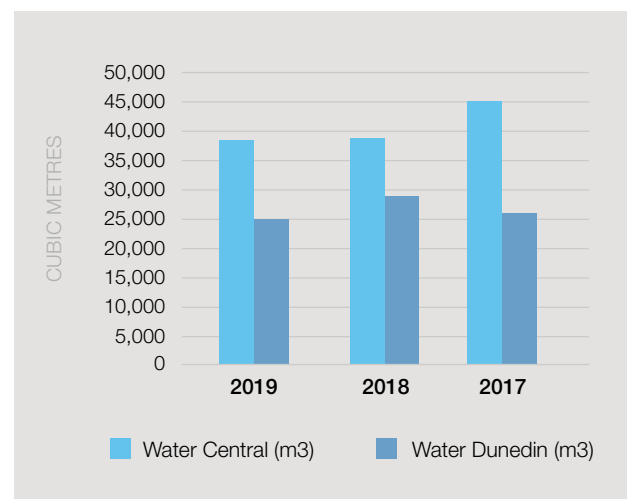


Water and gas usage



SDG 6: CLEAN WATER AND SANITATION

There was a drop in overall water consumption for Dunedin campus, and gas use increased marginally by 1.26%.



Supporting the Strike 4 Climate

Our staff and students were invited to participate in the Strike 4 Climate in September, after the event's organisers asked individuals and organisations to join with school students in making their voices heard.

"Otago Polytechnic's vision is that our people make a better world – and doing our part to fight to curb the practices that lead to climate change is a vital aspect of this vision," says Chief Executive, Phil Ker.



TEFMA benchmarking



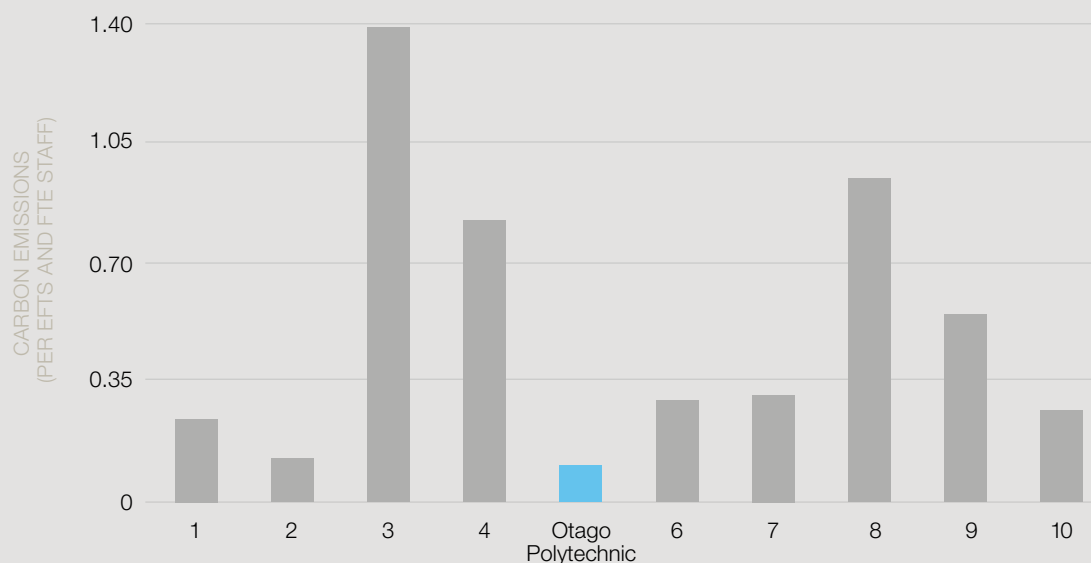
SDG 13: CLIMATE ACTION

To develop benchmarks for environmental monitoring, Otago Polytechnic again took part in the Tertiary Education Facilities Management (TEFMA) survey, enabling comparison with participating Australasian tertiary institutions. The survey measures the tonnes of carbon per EFTS and FTE staff.

The latest results position Otago Polytechnic as having the lowest footprint of the seven New Zealand institutions taking part when comparing energy use from all sources – fuel, gas and electricity.

Total carbon emissions from Otago Polytechnic were 0.11 compared to the New Zealand average of 0.44 and the Australian average of 1.3.

2019 TEFMA carbon footprint comparison of ten New Zealand tertiary institutions



Sustainable development and engagement



SDG 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE



SDG 11: SUSTAINABLE CITIES AND COMMUNITIES



SDG 17: PARTNERSHIPS FOR THE GOALS

Otago Polytechnic spearheaded the successful bid for the Otago region to be named a United Nations Regional Centre of Expertise (RCE) for Sustainability. Otago joins 166 other RCEs globally that promote education for sustainable development.

Partnering with Otago Polytechnic in the application were the Mayors of Otago, Kāi Tahu, University of Otago, Otago Regional Council, Otago Chamber of Commerce, Naylor Love, Contact Energy, Queenstown Resort College, Untouched World Foundation, Tourism Industry Aotearoa, Wanaka Tourism, and many other businesses and groups, including four secondary schools.

The Polytechnic led the charge after spending the past decade embedding the concept of sustainable practice through our curriculum and campus development.

In 2015, the UN General Assembly adopted a 2030 agenda for sustainable development. Central to this agenda are 17 Sustainable Development Goals (SDGs). For countries to achieve these goals, everyone needs to do their part. RCE-Otago will advance SDGs in the region by focusing on the following themes:

- > Building sustainability and social enterprise into the curriculum
- > Water quality, use, efficiency and availability
- > Sustainable tourism
- > Low carbon lifestyles contributing to sustainable cities and towns
- > Partnerships and collaboration.

Within those, RCE-Otago will tackle issues important to the region, such as high-quality learning experiences, water management, sustainable tourism, disaster management, energy efficiency education, waste and the circular economy, youth leadership and citizen engagement.

At Otago Polytechnic, we remain committed to further embedding the SDGs into our day-to-day activities. As an innovative and collaborative organisation, we intend to lead our

sector in doing our bit to achieve the objectives of the 2030 agenda for sustainable development.

To meet our strategic objectives, we have agreed that by 2022:

- > all undergraduate programmes in Dunedin will contain Education for Sustainability so graduates may practise sustainably in their chosen fields
- > we will continue to establish regional partnerships across business, local government, community groups, NGOs, schools and other tertiary providers to address the most important Sustainable Development Goals for the Otago region
- > we will share our practice in Education for Sustainability with the new Vocational Education entity, to ensure all New Zealand vocational training graduates may practice sustainably in their chosen fields by 2022.

Staff and student engagement

We continued to engage staff and learners in aspects of sustainable practice on campus. Programme areas receive support for education for sustainability, and staff and students have opportunities to engage in extra-curricular events to increase their personal contributions to a sustainable future.

We conducted a waste system audit in 2019, and as a result, all campuses received standardised signage and receptacles for recycling and waste.

The year also saw a focus on understanding commuter travel behaviour with a Dunedin campus-wide travel survey. In total, 62% of staff and 20% students responded to the survey giving vital insight into ways we can encourage low carbon/active travel. In 2020, we will implement the recommendations from this survey, which aim to reduce our collective carbon footprint and make it easier to walk, cycle and take local buses.

Our Sustainable Practice Advisor worked to influence positive change, developing a series of workshops and talks focusing on plastic reduction and purchasing behaviour, travel behaviour, fair trade and empowering women. One highlight was working in partnership with Trade Aid Dunedin to co-host an International Women's Day breakfast. Guests heard from six diverse women about personal challenges and reliance, positive benefits of fair trade for women and families, and the power of working in a group to make positive sustainability gains.

We also partnered with Australasian Campuses Towards Sustainability (ACTS) and the University of Otago to co-host the ACTS conference in Dunedin – the first time in 10 years it has been hosted outside of Australia. Due to the conference location, greater numbers of our staff and students were able to present and attend. We also engaged visitors in our Living Campus sustainable gardens and brokered the opportunity for delegates to give back during a planting day on Quarantine/Kamau Taurua Island.



Wildlife Hospital on screen

A television series focusing on all the great work that goes on at the Wildlife Hospital Dunedin, based at our School of Veterinary Nursing, screened on Choice TV in 2019.

NHNZ's five-part documentary series, Wildlife Rescue, followed the dedicated veterinary team, who help safeguard New Zealand's native species through rescue, rehabilitation and research.

Climate-safe construction

An all-women group of carpentry learners from Otago Polytechnic helped build a climate-safe house, as a result of a partnership with the Blueskin Resilient Communities Trust.

The 60m², one-bedroom eco-friendly home – which is solar-powered and built from heavily-insulated panels – is destined for a site in the coastal community of Waitati.



05

Attract and sustain exceptional staff who make a difference

Kia whakamanea, kia mau hoki i
kā kaimahi aweawe

This goal means we have an outstanding work environment which empowers staff to pursue and achieve excellence, and which makes Otago Polytechnic a highly satisfying place to work. We invest in the capability of staff, both personal and professional.



Highlights

- > 100% of staff reported that they really care about the success of Otago Polytechnic
- > We achieved a Net Promoter Score of 62 for staff recommending Otago Polytechnic as a place to work, compared to a NZ tertiary sector average of 20
- > Re-certified with the Rainbow Tick, recognising Otago Polytechnic as a safe place to work
- > Won the Impact Award at the inaugural Rainbow Excellence Awards
- > Became an accredited employer with Immigration NZ
- > Achieved a pay equity gap half that of the national average
- > Worked closely with unions to ensure staff were informed and supported in the wake of the Review of Vocational Education (RoVE) announcement.

Looking ahead to 2020

- > Strengthen processes for recruiting Māori and Pasifika staff
- > Further develop a culture of Health and Safety and embed our Haurua Plan
- > Respond effectively to all Priority One opportunities for improvement from the WES
- > Raise staff capability through a new Staff Capability Framework, providing a pathway for development opportunities
- > Provide a comprehensive range of capability-building opportunities for all staff to engage with relevant professional development for the RoVE era.

Aspirations for 2021

- > 90% staff satisfaction
- > 90% permanent academic staff tertiary teaching qualified and internationally recognized
- > 75% of academic staff are acknowledged as Higher Education Academy Fellows
- > Otago Polytechnic's workforce reflects our learner profile
- > 10% of new appointments will be Māori
- > All employees live Otago Polytechnic values in their daily work.



Educational and employment equity



SDG 5: GENDER EQUALITY



SDG 10: REDUCED INEQUALITIES

Otago Polytechnic strives to ensure provision of equal opportunities in both employment for staff and learning for students.

This commitment is demonstrated by our practices, employment policies, staff development opportunities and monitoring of our workforce profile and outcomes. We are committed to good practice and the requirements of the Education Act. Our equity performance is evidenced in this Report.

Attracting and sustaining exceptional staff

Otago Polytechnic continued to attract and retain high-quality and engaged staff, providing outstanding employee benefits within an equitable and safe workplace.

We provide an inclusive environment for all through excellence in recruitment practices, capability development and salary review mechanisms.

Developing staff capability



SDG 4: QUALITY EDUCATION

We continued to expand the range of opportunities on our staff development calendar through 2019.

There were professional development offerings for academic staff from Ako Aotearoa and the Learning and Teaching Development Team, and all staff were able to participate in regular Good Yarn workshops on mental health, free Te Reo and Tikanga Māori EduBits, Rainbow Tick workshops and Learner Capability training.

In 2019, we began development of our All Staff Capability Framework for implementation in 2020. To support team development, we introduced training on request and created a collection of resources accessible to all staff through our intranet, Tūhono.

We formed an online introductory module about the Māori Strategic Framework as required professional development for all new staff, and this is also available to existing staff.

Throughout the year, we refined our processes that connect new academic staff with the Learning and Teaching Development Team.

Our Staff Development Day in October was well-attended with 777 registrations at facilitated sessions or online activities. The day's theme was Kaitiakitaka: how our people make a better world, and there was a focus on the Māori Strategic Framework, sustainable practice, and transition and change. Our work environment

Our work environment



SDG 3: GOOD HEALTH AND WELLBEING

The 2019 Work Environment Survey was the fifteenth annual survey of staff satisfaction and engagement at Otago Polytechnic, designed to provide insights into the perceptions of all staff working at the institution.

In total, 673 staff who were available during the survey period were invited to participate. A total of 584 responses were received, resulting in a response rate of 87%. For surveys of this nature in similar-sized organisations, this response rate is considered excellent.

Otago Polytechnic continues to enjoy very high levels of agreement to key drivers, with ratings improving in three of the four key measures, and remaining the same in the other. Pleasingly, 100% of staff said they really care about the success of Otago Polytechnic.

We asked staff about their willingness to recommend Otago Polytechnic as a place of work, resulting in a Net Promoter Score of 62, compared with a New Zealand tertiary sector average of 20. Scores above 50 are considered excellent.

Overall, the 2019 WES results were the strongest recorded in the survey's history – an especially pleasing outcome.



| Work Environment Survey | 2019 | 2018 | 2017 |
|---|------|------|------|
| Participation rates | 87% | 85% | 81% |
| Staff are satisfied at Otago Polytechnic, overall | 96% | 92% | 91% |
| Staff really care about the success of Otago Polytechnic | 100% | 99% | 100% |
| Staff are proud to tell others they are part of Otago Polytechnic | 98% | 97% | 98% |
| Staff say Otago Polytechnic is a great organisation to work in | 98% | 98% | 98% |

Diversity of staff

TEC PRIORITY 3: Boosting achievement of Māori and Pasifika

SDG 10: REDUCED INEQUALITIES

SDG 5: GENDER EQUALITY

Our commitment to inclusiveness, diversity and equity is cornerstone to Otago Polytechnic as an employer of choice, reflecting our values of caring and accountability.

For the second year running, we had a pay equity gap of 4.7%, about half the national average of 9.3%. Work will continue in this space as we work towards our target of pay equity.

| Total workforce (headcount) | 2019 | 2018 |
|---|------|------|
| Total permanent staff | 598 | 567 |
| Permanent new starters | 35 | 24 |
| Total permanent staff who ended employment (staff turnover) | 42 | 36 |



Aroha to our Muslim community

Like the country as a whole, Otago Polytechnic learners and staff reacted with grief and horror at the deplorable terrorist attack on the Christchurch Muslim community in March 2019.

Hundreds of us joined in a circle of peace outside Dunedin's Al Huda Mosque one week after the attacks in a show of solidarity and aroha for our Muslim brothers and sisters. We presented the mosque with a book of condolences and a signed banner featuring words of heartfelt sympathy and support.

Ethnicity

The proportion of Māori staff in 2019 remained consistent with previous years at 5.5%. Attracting and retaining Pasifika staff remained a challenge throughout the year. Improving both Māori and Pasifika recruitment and retention will be a focus in 2020.

| Staff Ethnicity | 2019 | 2018 | 2017 |
|--------------------------------------|-------|-------|-------|
| Asian | 2.5% | 1.9% | 2.4% |
| Māori | 5.5% | 5.3% | 5.5% |
| Middle East/Latin/ America/Africa | 0.7% | 0.4% | 0.4% |
| NZ European | 68.1% | 69.8% | 70% |
| Other European | 14.9% | 12.9% | 11.4% |
| Other | 7.7% | 9% | 9.4% |
| Pasifika | 0.7% | 0.7% | 0.9% |

Roles by gender

The gender makeup of our workforce once again remained largely unchanged in 2019.

| Role type | Female (n) | Female (%) | Male (n) | Male (%) |
|--------------------|---------------|---------------|-------------|--------------|
| Academic | 171 | 28.6% | 137 | 22.9% |
| Leadership Team | 3 | 0.5% | 3 | 0.5% |
| Professional staff | 168 | 28.1% | 64 | 10.7% |
| Formal Leaders | 10 | 1.7% | 12 | 2.0% |
| TOTAL | 375 | 62.7% | 223 | 37.3% |



Playing a role in Netball World Cup success

Playing a role in the Silver Ferns' Netball World Cup victory in July was Otago Polytechnic academic Hayden Croft – who is also the performance analyst for the Silver Ferns.

He received invaluable help from a team of Dunedin-based students back at home. "We had several postgraduate students coding and analysing opposition games throughout the World Cup – sometimes in the middle of the night."

New artwork installed at Student Village

A striking new sculpture by senior art lecturer, Scott Eady, now graces the entranceway to Te Pā Tauira, the Otago Polytechnic Student Village.

The work, Mātou Ahau, represents the learner journey that is at once individual and community-centred.



Recruitment

A total of 92 permanent and fixed-term roles were advertised during the 2019 year, and 95 people were employed. This included 35 permanent staff members.

Of the eight vacant Executive positions, five were advertised internally due to College structural changes. As in the past, the Executive positions advertised externally attracted an exceptional calibre of applicants, perhaps reflective of Otago Polytechnic's strong standing in the sector.

Overall, there were 11 applications on average for every position advertised. Professional staff application numbers decreased on previous years, which could be attributed to uncertainty around the RoVE. Two people declined Otago Polytechnic's offers of employment saying it was because of the RoVE – one for an academic position and one professional.

We advertised a Performance Improvement team role three times and an Automotive lecturer role twice, in line with national shortages in these areas.

Otago Polytechnic became an accredited employer with Immigration New Zealand in 2019, which should ensure a smooth visa application process for potential new employees from overseas.

| | Academic | Professional | Executive | Total |
|--------------------------------------|----------|--------------|-----------|-------|
| Total number of jobs advertised | 43 | 41 | 8 | 92 |
| Total applicants | 313 | 666 | 58 | 1,037 |
| Total number of people hired | 46 | 41 | 8 | 95 |
| Average number of applicants per job | 7 | 16 | 7 | 11 |

Permanent staff turnover

Once again, our staff turnover rate was well below 8%.

| Turnover Year | Voluntary (%) | Involuntary (%) | Total (%) |
|---------------|---------------|-----------------|-----------|
| 2015 | 6.6% | 1.6% | 8.2% |
| 2016 | 6.1% | 1.5% | 7.6% |
| 2017 | 6.4% | 1.5% | 7.8% |

| Turnover Year | Voluntary (%) | Involuntary (%) | Total (%) |
|---------------|---------------|-----------------|-----------|
| 2018 | 5.2% | 1.1% | 6.3% |
| 2019 | 6.2% | 1.0% | 7.2% |

Salary and promotion review

There was a 52% increase in applications for salary review and promotion in 2019, perhaps reflecting applicants' desire to position themselves ahead of April 2020, when Otago Polytechnic becomes a subsidiary of a new Institute of Skills and Technology. As in previous years, the significant majority of applicants were women.

As part of the review process, we appointed 19 new senior lecturers and 13 new principal lecturers in 2019.

In addition, four new professors were appointed, and five associate professors.

| | 2019 | 2018 | 2017 |
|--------------------|------|------|------|
| Professional staff | 24 | 13 | 13 |
| Male | 5 | 4 | 2 |
| Female | 19 | 9 | 11 |
| Academic staff | 52 | 37 | 47 |
| Male | 13 | 13 | 16 |
| Female | 39 | 24 | 31 |
| Total applications | 76 | 50 | 60 |
| Male | 18 | 17 | 18 |
| Female | 58 | 33 | 42 |

Employment issue resolution

We noticed a continuing decline in the number of employment issues in 2019, all of which were resolved in-house. This reflects our commitment to resolving any issues at an early stage.

| Year | 2019 | 2018 | 2017 |
|----------------------------|------|------|------|
| Internal formal resolution | 5 | 6 | 8 |
| External resolution | 0 | 2 | 2 |

Rainbow award

Otago Polytechnic was thrilled to win the Simpson Grierson Impact Award at the inaugural national Rainbow Excellence Awards in May.

Otago Polytechnic Chief Executive Phil Ker was a finalist for the Leadership Award, Proud@OP Facilitator Stuart Terry was a finalist for the Ambassador Award, and Otago Polytechnic was nominated for the Supreme Award.



Acknowledging achievement

A total of 25 Otago Polytechnic staff received Staff Awards recognising their outstanding contributions in 2019, and a further 12 received commendations.

Candidates for the awards are nominated by their peers and the winners are determined by an evaluation panel.

Changes benefit teaching staff

Many of our teaching staff join us from industry with extensive skillsets but must learn teaching skills by completing our Graduate Diploma of Tertiary Education (Level 7).

From 2020, the GDTE will incorporate work-based learning so staff can be assessed on the job, streamlining the learning process and adding more real-world value to staff undertaking the programme.



Statement of Service Performance 2019

Educational performance and achievement outcomes

SAC-funded students only

As these are new measures for 2019, previous year comparatives are unavailable.

EXPECTED GRADUATES LEVEL 1-3 – NUMBER

| | 2019 | 2019 Target |
|----------------------------|------|-------------|
| Non-Māori and non-Pasifika | 434 | 315 |
| Māori | 109 | 132 |
| Pasifika | 39 | 20 |

PARTICIPATION RATES AS A PERCENTAGE OF TOTAL – LEVEL 1-3 EFTS

| | 2019 | 2019 Target |
|----------------------------|-------|-------------|
| Non-Māori and non-Pasifika | 74.2% | 97.0% |
| Māori | 21.1% | 3.0% |
| Pasifika | 6.8% | 0.1% |

PARTICIPATION RATES AS A PERCENTAGE OF TOTAL – LEVEL 4-7 (NON-DEGREE) EFTS

| | 2019 | 2019 Target |
|----------------------------|-------|-------------|
| Non-Māori and non-Pasifika | 83.3% | 82.0% |
| Māori | 13.9% | 17.0% |
| Pasifika | 4.1% | 1.0% |

PARTICIPATION RATES AS A PERCENTAGE OF TOTAL – LEVEL 4-7 (DEGREE) EFTS

| | 2019 | 2019 Target |
|----------------------------|-------|-------------|
| Non-Māori and non-Pasifika | 78.9% | 86.0% |
| Māori | 16.5% | 12.0% |
| Pasifika | 6.4% | 2.0% |

PARTICIPATION RATES AS A PERCENTAGE OF TOTAL – LEVEL 8-10 EFTS

| | 2019 | 2019 Target |
|----------------------------|-------|-------------|
| Non-Māori and non-Pasifika | 85.8% | 99.0% |
| Māori | 12.9% | 1.0% |
| Pasifika | 2.5% | 0% |

FIRST-YEAR RETENTION RATES – LEVEL 4-7 (NON-DEGREE)

| | 2019 | 2019 Target |
|----------------------------|--------|-------------|
| Non-Māori and non-Pasifika | 94.0% | 60.0% |
| Māori | 85.2% | 55.0% |
| Pasifika | 100.0% | 55.0% |

FIRST-YEAR RETENTION RATES – LEVEL 7 (DEGREE)

| | 2019 | 2019 Target |
|----------------------------|-------|-------------|
| Non-Māori and non-Pasifika | 75.0% | 60.0% |
| Māori | 61.7% | 55.0% |
| Pasifika | 42.2% | 55.0% |

COURSE COMPLETION RATES – LEVELS 1-10

| | 2019 | 2019 Target |
|----------------------------|-------|-------------|
| Non-Māori and non-Pasifika | 83.0% | 85.0% |
| Māori | 72.3% | 80.0% |
| Pasifika | 69.4% | 78.0% |

PROGRESSION RATE – LEVEL 1-3

| | 2019 | 2019 Target |
|----------------------------|-------|-------------|
| Non-Māori and non-Pasifika | 48.2% | 46.0% |
| Māori | 45.3% | 35.0% |
| Pasifika | 60.0% | 35.0% |

The number of international students – EFTS

| | 2019 | 2019 Target | 2018 | 2017 |
|------------------------|-------|-------------|-------|-------|
| International students | 1,160 | 1,350 | 1,436 | 1,252 |

Research

| Measure | 2019 | 2019 Target | 2018 | 2017 |
|--|-----------|-------------|----------|----------|
| The number of research degrees completed | 101 | 32 | 82 | 32 |
| The amount of external research income earned (\$000) meets target | \$131,456 | \$54,000 | \$22,956 | \$53,739 |

Organisational financial sustainability

| Financial sustainability | 2019 | 2019 Target | 2018 | 2017 |
|--|------------------------|-------------|---------|--------|
| Monthly reporting of all financial metrics which contribute to the TEC risk analysis | Achieved | | | |
| Budgeted annual surplus is achieved | \$1.6M Not achieved | \$3.3M | \$4.18M | \$4.2M |

Additional organisational targets (internal)

| Student satisfaction rates – all learners: | 2019 | 2019 Target | 2018 | 2017 |
|--|------|-------------|------|------|
| Overall | 91% | 90% | 90% | 90% |
| With services | 92% | 90% | 92% | 93% |
| With teaching | 90% | 90% | 90% | 89% |
| With programmes | 89% | 90% | 88% | 89% |
| With learning environment | 90% | 90% | 91% | 91% |

| Graduate outcomes | 2019 | 2019 Target | 2018 | 2017 |
|---|------|-------------|------|------|
| Graduate satisfaction with programme (reported) | 94% | 90% | 93% | 94% |

| Community collaboration | 2019 | 2018 | 2017 |
|--|----------|----------|----------|
| Annual feedback from Kāi Tahu – combined Rūnaka | | | |
| Target: Kā Papatipu Rūnaka ki Araiteuru are satisfied overall with consultation and decision-making processes, and progress towards implementing our Māori Strategic Framework (MSF) | Achieved | Achieved | Achieved |

| Economic impact | 2018 | 2017 | 2016 |
|--|----------|----------|----------|
| Otago Polytechnic economic impact – GDP (for previous year) is reported annually | | | |
| > Otago Region \$ total expenditure | \$444.5M | \$425.1M | \$314.6M |
| > Dunedin GDP contribution (total value added) | \$179.4M | \$174.5M | \$162.4M |
| > Dunedin GDP contribution % | 3.6% | 3.5% | 3.4% |

Financial Statements

For the year ended 31 December 2019





Independent Auditor's Report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the readers of Otago Polytechnic and group's financial statements and statement of service performance for the year ended 31 December 2019

The Auditor-General is the auditor of Otago Polytechnic (the Polytechnic) and group. The Auditor-General has appointed me, John Mackey, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the Polytechnic on his behalf.

Opinion

We have audited:

- > the financial statements of the Polytechnic and group on pages 69 to 95, that comprise the statement of financial position as at 31 December 2019, the statement of financial performance, statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- > the statement of service performance of the Polytechnic and group on pages 62 to 63.

In our opinion:

- > the financial statements of the Polytechnic and group on pages 69 to 95, which have been prepared on a disestablishment basis:
 - > present fairly, in all material respects:
 - > the financial position as at 31 December 2019; and
 - > the financial performance and cash flows for the year then ended; and
 - > comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- > the statement of service performance on pages 62 to 63:
 - > presents fairly, in all material respects, the Polytechnic and group's service performance achievements as compared with the forecast outcomes included in the investment plan for the year ended 31 December 2019; and
 - > complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 27 March 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw your attention to other matters.

In addition, we outline the responsibilities of the Council and our responsibilities relating to the financial statements and the statement of service performance, we comment on other information, and we explain our independence.

The financial statements have been appropriately prepared on a disestablishment basis

Without modifying our opinion, we draw your attention to note 2(a) on page 76, about the financial statements being prepared on a disestablishment basis. We consider the disestablishment basis to be appropriate because the Polytechnic and group will cease as an entity and transfer its assets and liabilities to Otago Polytechnic Limited on 1 April 2020 as a result of the reform of the institutes of technology and polytechnics sector.

COVID-19

Without modifying our opinion, we draw your attention to the disclosures in note 17 on page 94 which outline the possible effects to the Polytechnic and group as a result of the COVID19 pandemic. It is difficult to determine the full effect of it on the Polytechnic and group at this time.

Other Matter - Expenditure incurred for Japanese Study Tour

Without modifying our opinion, we draw attention to the fact that during the year the Polytechnic incurred expenditure of \$63,445 on a trip to Japan for 20 staff. The primary purpose of the trip was to expose staff to a range of cultural experiences which would enhance cultural understanding at the Polytechnic. However, the travel itinerary did not provide a clear business purpose for most of the trip. We also consider that the number of participants on the study tour, and the roles of many of the participants, was not typical for a polytechnic and its primary objective to provide education services for community or social benefit.

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 Council for the financial statements and the statement of service performance

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



The Council is also responsible on behalf of the Polytechnic and group for preparing a statement of service performance that is fairly presented and that complies with generally accepted accounting practice in New Zealand.

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

In preparing the financial statements and the statement of service performance, the Council is responsible on behalf of the Polytechnic and group for assessing the Polytechnic and group's ability to continue as a going concern. If the Council concludes that the going concern basis of accounting is inappropriate, the Council is responsible for preparing financial statements on a non-going concern basis and making appropriate disclosures.

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

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

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

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

For the budget information reported in the financial statements and the statement of service performance, our procedures were limited to checking that the information agreed to the Polytechnic's investment plan.

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

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

- > We identify and assess the risks of material misstatement of the financial statements and the statement of service performance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- > We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Polytechnic and group's internal control.
- > We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.

- > We conclude on the appropriateness of the non-going concern basis of accounting by the Council.
- > We evaluate the overall presentation, structure and content of the financial statements and the statement of service performance, including the disclosures, and whether the financial statements and the statement of service performance represent the underlying transactions and events in a manner that achieves fair presentation.
- > We obtain sufficient appropriate audit evidence regarding the financial statements and the statement of service performance of the entities or business activities within the group to express an opinion on the consolidated financial statements and the consolidated statement of service performance. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Council is responsible for the other information. The other information comprises the information included on pages 2 to 61 and pages 96 and 97, but does not include the financial statements and the statement of service performance, and our auditor's report thereon.

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

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

Independence

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

Other than the audit, we have no relationship with or interests in the Polytechnic and group.



John Mackey
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

Financial Performance Summary

| | Actual 2019 | Budget 2019 | Actual 2018 |
|---|----------------|----------------|----------------|
| Net Surplus / (Deficit) (000s) | \$1,604 | \$3,293 | \$4,177 |
| Proportion of Government Grants to Total Income (%) | 43.6% | 40.2% | 41.4% |
| Total Cost per EFTS (excluding redundancies) | \$17,965 | \$17,529 | \$17,244 |
| Total Cost per EFTS (including redundancies) | \$18,021 | \$17,555 | \$17,300 |
| Average Government Grant per EFTS | \$7,937 | \$7,284 | \$7,302 |
| Debt (as a percentage of Total Assets) | 10.3% | 7.9% | 3.8% |
| Debt per EFTS | \$2,988 | \$2,145 | \$981 |
| Working Capital Ratio | 0.2 | 0.2 | 0.2 |
| Student Staff Ratio | 18.7 | 19.9 | 22.3 |
| Total Assets (000s) | \$155,685 | \$154,228 | \$144,592 |
| EFTS | 5,371 | 5,687 | 5,554 |
| Academic FTE | 286.9 | 286.3 | 248.8 |
| Total FTE | 568.0 | 588.4 | 503.7 |

Financial Statements

Statement of Financial Performance for the year ended 31 December 2019

| | | POLYTECHNIC | | | GROUP | | |
|---------------------------------------|-------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | Actual 2019 \$000 | Budget 2019 \$000 | Actual 2018 \$000 | Actual 2019 \$000 | Budget 2019 \$000 | Actual 2018 \$000 |
| Revenue | Notes | | | | | | |
| Government Grants | 4 (a) | 42,631 | 41,427 | 40,550 | 42,631 | 41,427 | 40,550 |
| Student Tuition Fees | 4 (b) | 41,164 | 47,015 | 44,614 | 41,164 | 47,015 | 44,614 |
| Other Revenue | 4 (c) | 13,559 | 14,309 | 12,293 | 13,916 | 14,614 | 12,808 |
| Interest Received | 4 (d) | 30 | 76 | 78 | 31 | 76 | 80 |
| Total Revenue | | 97,384 | 102,827 | 97,535 | 97,742 | 103,132 | 98,052 |
| Expenditure | | | | | | | |
| Employment Expenses | 4 (e) | 49,057 | 48,680 | 46,508 | 49,339 | 48,924 | 46,747 |
| Consumable Expenses | 4 (f) | 25,060 | 29,929 | 28,306 | 25,067 | 29,947 | 28,312 |
| Operating Expenses | 4 (f) | 9,333 | 8,006 | 8,729 | 9,431 | 8,040 | 8,961 |
| Occupancy Expenses | 4 (f) | 5,038 | 5,145 | 4,876 | 5,038 | 5,145 | 4,876 |
| Interest Expense | 4 (d) | 163 | 239 | 198 | 163 | 239 | 198 |
| Depreciation & Amortisation Expense | 8 & 9 | 7,742 | 7,509 | 6,924 | 7,742 | 7,509 | 6,924 |
| Loss on Disposal/Impairment of assets | | 13 | 35 | 59 | 13 | 35 | 59 |
| Total Expenditure | | 96,406 | 99,543 | 95,600 | 96,793 | 99,839 | 96,077 |
| Surplus from Operations | | 978 | 3,284 | 1,935 | 949 | 3,293 | 1,975 |
| Realised Gain from Dunedin City | | | | | | | |
| Tertiary Accommodation Trust | | 0 | 0 | 4,705 | 0 | 0 | 0 |
| Share of Associate's surplus/deficit | 7 | 655 | 0 | 2,202 | 655 | 0 | 2,202 |
| Net Surplus | | 1,633 | 3,284 | 8,842 | 1,604 | 3,293 | 4,177 |
| Surplus % | | 1.7% | 3.2% | 9.1% | 1.6% | 3.2% | 4.3% |

Explanations of non-GAAP underlying surplus are detailed in note 3.
Explanations of significant variances against budget are detailed in note 22.

Financial Statements

Statement of Other Comprehensive Revenue and Expense for the year ended 31 December 2019

| | Notes | POLYTECHNIC | | | GROUP | | |
|--|-------|-------------------------|-------------------------|-------------------------|-------------------------|--------------------------|-------------------------|
| | | Actual 2019 \$000 | Budget 2019 \$000 | Actual 2018 \$000 | Actual 2019 \$000 | Budget 2,019 \$000 | Actual 2018 \$000 |
| Net Surplus/(Deficit) for the year | | 1,633 | 3,284 | 8,842 | 1,604 | 3,293 | 4,177 |
| Other Comprehensive Revenue and Expense | | | | | | | |
| Distribution to Beneficiaries | | 0 | 0 | 0 | 0 | 0 | 78 |
| Increase/(Decrease) in Asset Revaluation Reserves | | 343 | 0 | 0 | 343 | 0 | (189) |
| Total Other Comprehensive Revenue and Expense | | 343 | 0 | 0 | 343 | 0 | (111) |
| Total Comprehensive Revenue and Expense | | 1,976 | 3,284 | 8,842 | 1,947 | 3,293 | 4,066 |

Statement of Changes in Equity for the year ended 31 December 2019

| | Notes | POLYTECHNIC | | | GROUP | | |
|--|-------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | Actual 2019 \$000 | Budget 2019 \$000 | Actual 2018 \$000 | Actual 2019 \$000 | Budget 2019 \$000 | Actual 2018 \$000 |
| Public Equity at the start of the year | | 115,895 | 114,085 | 107,053 | 116,096 | 114,075 | 112,030 |
| Total Comprehensive Revenue and Expense | | 1,976 | 3,284 | 8,842 | 1,947 | 3,293 | 4,066 |
| Public Equity at the end of the year | | 117,871 | 117,369 | 115,895 | 118,043 | 117,368 | 116,096 |

Financial Statements

Statement of Financial Position as at 31 December 2019

| | | POLYTECHNIC | | | GROUP | | |
|--------------------------------------|-------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | Notes | Actual 2019 \$000 | Budget 2019 \$000 | Actual 2018 \$000 | Actual 2019 \$000 | Budget 2019 \$000 | Actual 2018 \$000 |
| ASSETS | | | | | | | |
| Current Assets | | | | | | | |
| Cash and Cash Equivalents | 5 | 1,282 | 416 | 444 | 1,282 | 430 | 480 |
| Trade and Other Receivables | 6 | 5,577 | 5,918 | 4,424 | 5,693 | 5,937 | 4,549 |
| Prepayments | | 1,280 | 551 | 607 | 1,282 | 550 | 609 |
| Inventories | | 439 | 200 | 197 | 439 | 200 | 197 |
| Total Current Assets | | 8,578 | 7,085 | 5,672 | 8,696 | 7,117 | 5,835 |
| Non Current Assets | | | | | | | |
| Investments in Associates | 7 | 3,466 | 4,311 | 3,355 | 3,532 | 4,311 | 3,412 |
| Property, Plant and Equipment | 8 | 135,782 | 135,797 | 128,152 | 135,782 | 135,797 | 128,152 |
| Intangible Assets | 9 | 7,677 | 7,002 | 7,193 | 7,677 | 7,002 | 7,193 |
| Total Non Current Assets | | 146,925 | 147,110 | 138,700 | 146,991 | 147,110 | 138,757 |
| Total Assets | | 155,503 | 154,195 | 144,372 | 155,687 | 154,227 | 144,592 |
| LIABILITIES | | | | | | | |
| Current Liabilities | | | | | | | |
| Trade and Other Payables | 10 | 18,859 | 19,023 | 19,848 | 18,872 | 19,056 | 19,867 |
| Employee Entitlements | 11 | 2,471 | 5,373 | 2,971 | 2,470 | 5,373 | 2,971 |
| Loans and Borrowings | 12 | 16,050 | 12,200 | 5,447 | 16,050 | 12,200 | 5,447 |
| Total Current Liabilities | | 37,380 | 36,596 | 28,266 | 37,392 | 36,629 | 28,285 |
| Non Current Liabilities | | | | | | | |
| Employee Entitlements | 11 | 252 | 230 | 211 | 252 | 230 | 211 |
| Loans and Borrowings | 12 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Non Current Liabilities | | 252 | 230 | 211 | 252 | 230 | 211 |
| Total Liabilities | | 37,632 | 36,826 | 28,477 | 37,644 | 36,859 | 28,496 |
| NET ASSETS | | 117,871 | 117,369 | 115,895 | 118,043 | 117,368 | 116,096 |
| EQUITY | | | | | | | |
| Retained Earnings | 13 | 82,633 | 79,346 | 80,705 | 82,804 | 79,346 | 80,906 |
| Asset Revaluation Reserves | 13 | 35,060 | 37,495 | 34,717 | 35,060 | 37,495 | 34,717 |
| Other Reserves | 13 | 178 | 528 | 473 | 179 | 527 | 473 |
| Total Equity | | 117,871 | 117,369 | 115,895 | 118,043 | 117,368 | 116,096 |

Financial Statements

Statement of Cash Flows

for the year ended 31 December 2019

| | | POLYTECHNIC | | | GROUP | | |
|--|----------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | Actual 2019 \$000 | Budget 2019 \$000 | Actual 2018 \$000 | Actual 2019 \$000 | Budget 2019 \$000 | Actual 2018 \$000 |
| Notes | | | | | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Cash was provided from: | | | | | | | |
| | | 40,559 | 41,825 | 40,888 | 40,559 | 41,825 | 40,888 |
| | | 41,985 | 51,909 | 46,673 | 41,985 | 51,909 | 46,673 |
| | | 8,671 | 9,013 | 8,038 | 8,958 | 9,286 | 8,323 |
| | | 25 | 76 | 78 | 25 | 76 | 78 |
| | | 91,240 | 102,823 | 95,677 | 91,527 | 103,096 | 95,962 |
| Cash was applied to: | | | | | | | |
| | | 51,027 | 49,333 | 46,921 | 51,325 | 49,577 | 47,138 |
| | | 25,545 | 29,213 | 28,418 | 25,556 | 29,231 | 28,424 |
| | | 7,153 | 7,500 | 6,977 | 7,171 | 7,534 | 6,994 |
| | | 4,994 | 5,109 | 4,526 | 4,994 | 5,109 | 4,526 |
| | | 168 | 238 | 213 | 168 | 238 | 213 |
| | | 467 | 903 | (170) | 463 | 903 | (162) |
| | | 89,354 | 92,296 | 86,885 | 89,677 | 92,592 | 87,133 |
| Net Cash Flow from Operating Activities | 5 | 1,886 | 10,527 | 8,792 | 1,850 | 10,504 | 8,829 |

Financial Statements

Statement of Cash Flows (continued) for the year ended 31 December 2019

| Notes | POLYTECHNIC | | | GROUP | | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | Actual 2019 \$000 | Budget 2019 \$000 | Actual 2018 \$000 | Actual 2019 \$000 | Budget 2019 \$000 | Actual 2018 \$000 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Cash was provided from: | | | | | | |
| Proceeds from Sale of Property, Plant & Equipment | 24 | 0 | 11 | 24 | 0 | 11 |
| Proceeds from Sale of Dunedin City Tertiary Accommodation Trust | 0 | 0 | 8,436 | 0 | 0 | 8,436 |
| Distribution from Associate | 522 | 0 | 1,845 | 522 | 0 | 1,845 |
| | 546 | 0 | 10,292 | 546 | 0 | 10,292 |
| Cash was applied to: | | | | | | |
| Purchase of Property, Plant & Equipment | 11,407 | 12,821 | 14,201 | 11,407 | 12,820 | 14,202 |
| Purchase of Intangible Assets | 781 | 604 | 852 | 781 | 604 | 852 |
| Contribution to TANZ & Wildlife Hospital | 9 | 0 | 114 | 9 | 0 | 114 |
| | 12,197 | 13,425 | 15,167 | 12,197 | 13,424 | 15,168 |
| Net Cash Flow from Investing Activities | (11,651) | (13,425) | (4,875) | (11,651) | (13,424) | (4,876) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | |
| Cash was provided from: | | | | | | |
| Loan Finance Received | 35,200 | 12,200 | 18,397 | 35,200 | 12,200 | 18,397 |
| | 35,200 | 12,200 | 18,397 | 35,200 | 12,200 | 18,397 |
| Cash was applied to: | | | | | | |
| Loan Finance Repaid | 24,597 | 9,150 | 22,242 | 24,597 | 9,150 | 22,242 |
| | 24,597 | 9,150 | 22,242 | 24,597 | 9,150 | 22,242 |
| Net Cash Flow from Financing Activities | 10,603 | 3,050 | (3,845) | 10,603 | 3,050 | (3,845) |
| Cash Increase/(Decrease) | 838 | 152 | 72 | 802 | 130 | 108 |
| Opening Cash Balance | 444 | 264 | 372 | 480 | 300 | 372 |
| Closing Balance | 1,282 | 416 | 444 | 1,282 | 430 | 480 |
| Represented by: | | | | | | |
| Bank deposits and current account | 1,282 | 416 | 444 | 1,282 | 430 | 480 |
| | 1,282 | 416 | 444 | 1,282 | 430 | 480 |

Notes to the Financial Statements

For the year ended 31 December 2019



Notes to the Financial Statements

for the year ended 31 December 2019

1. REPORTING ENTITY

Otago Polytechnic is a Crown Entity and was established in 1966 as a Polytechnic under the Education Act 1955. It provides full-time and part-time tertiary education in New Zealand.

The Polytechnic and group consists of Otago Polytechnic and its subsidiaries, Open Education Resource Foundation Limited (100% owned) and Otago Polytechnic Education Foundation Trust (100% interest). The 50% share of its associate OPAIC Ltd Partnership is equity accounted. The 16.67% share of its associate TANZ eCampus Limited is equity accounted. The Otago Polytechnic Education Foundation Trust was resettled into the OP Education

Foundation Trust on 31 December 2017.

The primary objective of the Polytechnic and group is to provide education services for community or social benefit, rather than making a financial return. Accordingly the Polytechnic has designated itself and the group as public benefit entities for financial reporting purposes.

The financial statements of the Polytechnic and group for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of council on 27 March 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and the requirements of the Crown Entities Act 2004 and the Education Act 1989 which include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). The measurement base applied is historical cost adjusted for revaluations of assets.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional and presentation currency of the Polytechnic and its subsidiaries is New Zealand dollars (\$).

The Minister of Education announced the Government's decisions on the Reform of Vocational Education proposals on 1 August 2019, and has since enacted the Education (Vocational Education and Training and Reform) Amendment Act 2020 (the Act) on 24 February 2020 to give effect to those reforms.

In essence, the Act reforms the delivery of vocational education in New Zealand by creating a new Crown entity, the New Zealand Institute of Skills and Technology (NZIST) and converting all existing institutes of technology and polytechnics (ITPs) into crown entity companies, which will take over the operational activities of existing ITPs.

The Act disestablishes the Otago Polytechnic and transfers its assets and liabilities to a new company, Otago Polytechnic Limited on 1 April 2020. As a result, the Otago Polytechnic has prepared its financial statements on a disestablishment basis. However, because vocational education will continue to be provided through the Otago Polytechnic Limited, no change needs to be made to the measurement or classification of assets and liabilities. Decisions about the future of these assets and liabilities will be the responsibility of the new entity.

(b) Statement of compliance

The financial statements have been prepared in accordance and comply with, Tier 1 PBE accounting standards.

(c) Basis of consolidation

The purchase method is used to prepare the group financial statements, which involves adding together like items of assets, liabilities, equity, revenue, expenditure and cash flows on a line-by-line basis. All significant intra-group balances and transactions are eliminated on consolidation.

The Institute and group has adopted the new group standards, PBE IPSAS 34 to 38, in preparing these financial statements. In adopting these new standards, the Institute and group has updated its accounting policies for its investments in subsidiaries, associates, and joint ventures. Disclosures have also been updated for the new disclosure requirements of PBE IPSAS 38.

The Institute consolidates in the group financial statements those entities it controls. Control exists where the Institute is exposed, or has rights, to variable benefits (either financial or non-financial) and has the ability to affect the nature and amount of those benefits from its power over the entity. Power can exist over an entity if, by virtue of its purpose and design, the relevant activities and the way in which the relevant activities of the entity can be directed has been predetermined by the institute

Subsidiaries

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

Associate

An associate is an entity over which the Institute has significant influence and that is neither a subsidiary nor an interest in a joint venture. Investments in associates are accounted for in the group financial statements using the equity method of accounting.

Equity method of accounting in group financial statements

Investments in associates are accounted for in the group financial statements using the equity method of accounting.

Investments in associates are measured at cost in the Institute's parent financial statements.

Under the equity method of accounting, the investment is

initially recognised at cost and the carrying amount is increased or decreased to recognise the group's share of the change in net assets of the entity after the date of acquisition. The group's share of the surplus or deficit is recognised in the group surplus or deficit. Distributions received from the investee reduce the carrying amount of the investment in the group financial statements.

If the share of deficits of the entity equals or exceeds the interest in the entity, the group discontinues recognising its share of further deficits. After the group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the entity. If the entity subsequently reports surpluses, the group will resume recognising its share of those surpluses only after its share of the surpluses equals its share of the deficits not recognised.

(d) Changes in accounting policy

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

PBE IFRS 9 Financial Instruments replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement and is effective for financial years beginning on or after 1 January 2021, with earlier adoption permitted. The main changes under the standard relevant to the Polytechnic are:

- > New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- > A new impairment model for financial assets based on expected losses, which might result in the earlier recognition of impairment losses.
- > The Financial Statements of the Government will early adopt PBE IFRS 9 for the 30 June 2019 financial year. The Polytechnic has early adopted PBE IFRS 9 for the 31 December 2019 financial year to be consistent with the Crown's accounting policies for financial instruments.

PBE IPSAS 21 Impairment of Revalued Assets was issued April 2017 and is effective for the reporting period starting January 2019.

PBE IPSAS 34 – 38 replace the existing standards for interests in other entities (PBE IPSAS 6 – 8). The new standards are effective for annual periods beginning on or after 1 January 2019. The Polytechnic has applied these new standards in preparing the 31 December 2019 financial statements.

PBE FRS 48 Service Performance Reporting replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for annual periods beginning on or after 1 January 2021. The Polytechnic is required to prepare its performance information in accordance with generally accepted accounting practice (GAAP) from 31 December 2019 year-ends. The Polytechnic is considering whether it will early adopt PBE FRS 48 for the 31 December 2020 year end rather than apply the existing performance information requirements of PBE IPSAS 1. The Polytechnic has not yet determined how application of PBE FRS 48 will affect its statement of service performance.

Standards issued and not yet effective and not early adopted.

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

PBE IPSAS 41 Financial Instruments replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement and PBE IFRS 9 Financial Instruments and is effective for financial years

beginning on or after 1 January 2022, with earlier adoption permitted. The main changes compared to PBE IPSAS 29 that are relevant to the Institute are:

- > New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- > A new impairment model for financial assets based on expected losses, which might result in the earlier recognition of impairment losses.

The Institute intends to adopt PBE IPSAS 41 for the 31 December 2022 financial year. The Institute has not yet assessed in detail the impact of the new standard.

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The Institute does not intend to early adopt the amendment.

(e) Revenue

Revenue is measured at fair value. Specific accounting policies for significant revenue items follow:

Government grants

SAC funding is the Polytechnic's main source of operational funding from the Tertiary Education Commission (TEC). The Polytechnic 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.

The Polytechnic considers the TEC's Performance Based Research Funding to be non-exchange in nature. PBRF funding is specifically identified by the TEC as being for a funding period as required by section 159YA of the Education Act 1989. The Polytechnic recognises its confirmed allocation of PBRF funding at the commencement of the specified funding period, which is the same as the Polytechnic's financial year. PBRF revenue is measured based on the Polytechnic's funding entitlement adjusted for any expected adjustments as part of the final wash-up process. Indicative funding for future periods is not recognised until confirmed for that future period.

Fees-Free

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

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.

Notes to the Financial Statements

for the year ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 when received and recognised as revenue when the conditions of the grant are satisfied.

Other Revenue

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

Student accommodation revenue

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

Interest

Interest revenue is recognised using the effective interest method.

(f) Borrowing costs

Borrowing costs are recognised as an expense in the year in which they are incurred, except that borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset shall be capitalised as part of the cost of that asset until substantially all activities necessary to prepare the qualifying asset for its intended use are complete.

An asset that takes a substantial period of time to get ready for its intended use is considered as a qualifying asset.

(g) Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except for trade receivables and payables, which are stated 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 an operating cashflow in the statement of cashflows. Commitments and contingencies are disclosed exclusive of GST.

(h) Foreign currency transactions

Foreign currency transactions are translated into New Zealand dollars (the functional currency) using the spot exchange rate prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

(i) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and short-term deposits or highly liquid assets with an original maturity of three months or less.

While cash and cash equivalents at 31 December 2019 are subject to the expected credit loss requirements of PBE IFRS 9, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

(j) Trade and other receivables

Short-term receivables are recorded at the amount due, less an allowance for credit losses. Otago Polytechnic applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. PBE IPSAS 30.40F(c)

In measuring expected credit losses, short-term receivables have been assessed on student and corporate debt as they possess different 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. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

(k) Non-current assets held for sale

Non-current assets held for sale are held at the lower of the lower of carrying amount and fair value less costs to sell.

(l) Other financial assets

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

Term deposits and loans to subsidiaries

Term deposits and loans to subsidiaries are initially measured at the amount invested. Where applicable, interest is subsequently accrued and added to the investment and loan balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

Unlisted shares

Equity investments are designated at fair value through other comprehensive revenue and expense.

After initial recognition, the shares are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to the surplus or deficit.

For the prior year, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment. If impairment evidence exists, the cumulative loss recognised in other comprehensive revenue and expense is transferred from equity to the surplus or deficit.

(m) Property, plant and equipment

Property, plant and equipment consists of land, buildings, plant and equipment, motor vehicles, computer hardware, art works and library collections.

The measurement bases used for determining the gross carrying amount for each class of assets is as follows:

- > Land and buildings are measured at fair value less subsequent accumulated depreciation and impairment losses.
- > Other Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses.

Additions

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

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition. Work in progress is recognised at cost less impairment and is not depreciated.

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 disposed, the amounts included in the asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent costs

Costs 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 group and the cost of the item can be measured reliably.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

| Class of assets | Useful lives | Rate |
|---------------------|--------------|-------------|
| Buildings | 2-80 years | 1.25% - 50% |
| Plant and equipment | 2-30 years | 3.33% - 50% |
| Motor vehicles | 5 years | 20% |
| Computer hardware | 4-10 years | 10% - 25% |
| Library collection | 10 years | 10% |

Revaluations

Land and Buildings are revalued with sufficient regularity to ensure that the carrying amount does not differ materially from fair value and at least every three years on the basis described below. All other asset classes are carried at depreciated historical cost. Additions between revaluations are recorded at cost.

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. Revaluations of property, plant, and equipment are accounted for on a class-of-asset basis.

The fair values of Land and Buildings are derived from market based evidence or depreciated replacement cost as determined by an independent valuer. For example where buildings have been designed specifically for educational purposes they are valued at depreciated replacement cost which is considered to reflect fair value for such assets.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue but is recognised in the surplus or deficit. Any subsequent increase on revaluation that off-sets 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.

(n) Intangible assets

Computer Software

Computer software is separately acquired and capitalised at its cost as at the date of acquisition. After initial recognition, separately acquired computer software is carried at cost less accumulated amortisation and impairment losses.

Course development costs

Course Development costs relate to development of educational programmes and courses and are capitalised when it is probable that future economic benefits arising from use of the intangible asset will flow to the group.

Following the initial recognition of the course development expenditure, the asset is carried at cost less accumulated amortisation and impairment losses.

Amortisation

A summary of the amortisation policies applied to the group's intangible assets is as follow:

| | Course Development Costs | Computer Software |
|--------------------------------|--|----------------------|
| Useful lives | 3-5 years | 5-10 years |
| Amortisation method used | Straight-line method from the commencement of the course | Straight-line method |
| Internally generated/ acquired | Internally generated | Separately acquired |

The amortisation period and amortisation method for each class of intangible asset having a finite life is reviewed at each financial year-end. If the expected useful life or expected pattern of consumption is different from the previous assessment, changes are made accordingly.

The carrying value of each class of intangible asset is reviewed for indicators of impairment annually. Intangible assets are tested for impairment where an indicator of impairment exists.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the surplus or deficit when the asset is derecognised.

Notes to the Financial Statements

for the year ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Impairment of non-financial assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. 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 the statement of financial performance.

For assets not carried at a revalued amount, the total impairment loss is recognised in the statement of financial performance.

(p) Employee entitlements

Short-term employee entitlements

Employee entitlements that are due to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued to balance date, annual leave earned but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent it will be used by staff to cover those future absences.

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.

Long-term employee entitlements

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave, have been calculated on the following basis:

- > likely future entitlements based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and

- > the present value of the estimated future cash flows. A discount rate of 1.65% (2018: 2.38%) and a salary inflation factor of 1.01% (2018: 1.02%) were used. The discount rate is based on government bonds with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the current CPI rate.

(q) Superannuation schemes

Defined contribution schemes

Employer contributions to Kiwisaver and other defined contribution schemes are accounted for as defined contribution schemes and are recognised as an expense in the surplus or deficit as incurred.

Defined benefit schemes

The Polytechnic and group belong to two Defined Benefit Plan Contributors Schemes (the schemes). The schemes are multi-employer defined benefit schemes.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the schemes the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme. Further information on these schemes are disclosed in Note 16.

(r) Loans and borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the Institute or group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Gains and losses are recognised in the statement of financial performance when the liabilities are derecognised.

(s) Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the statement of financial performance on a straight-line basis over the lease term.

(t) Budget figures

The budget figures are those approved by the Polytechnic Council and have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Otago Polytechnic for the preparation of the financial statements.

(u) Critical accounting estimates and assumptions

In preparing these financial statements the Polytechnic and group has made estimates and assumptions concerning the future.

These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements 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 only estimate and assumptions that have a significant risk of causing material adjustment to the carrying value of assets and liabilities is estimating the fair value of land and building - refer to note 8.

(v) Critical judgements in applying accounting policies

The Polytechnic and group has exercised the following critical judgements in applying accounting policies for the year ended 31 December 2019:

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 Polytechnic and group accounts for the funding as a capital contribution directly in equity. Information about capital contributions recognised in equity is disclosed in note 14.

(w) Taxation

The Polytechnic and group is exempt from the payment of income tax as it is classified by the Inland Revenue Department as a charitable organisation. Accordingly, no charge for income tax applies or has been provided for.

3. NON-GAAP UNDERLYING NET SURPLUS (DEFICIT)

Underlying net surplus is a non-GAAP financial performance measure that represents net surplus stated in compliance with NZ PBE accounting standards excluding the net movement in PBE non-exchange revenue. It is presented to enable to readers to make an assessment and comparison of the Polytechnic's underlying performance across different accounting periods.

PBE non-exchange revenue

The revenue for domestic students is classified as non-exchange. Due to this being accounted for under PBE IPSAS 23, all domestic student fee and government funding revenue must be recognised in full as soon as the withdrawal with refund period has passed. This means that if a student enrolls towards the end of a financial year, all of the revenue for the student has to be accrued into the year of enrolment while the delivery costs will be split over that year and the following year. Due to the nature of the flexible start dates for some students, for example those studying at CapableNZ, the number of students studying over the financial year end can (and does) change from year to year. These changes result in the variances in revenue

recognition as set out below. The Polytechnic considers these variances to be timing in nature and not reflective of the underlying financial performance for the year.

Realisation of investment in the Dunedin City Tertiary Accommodation Trust (City College)

During the 2018 year the investment in the Dunedin City Tertiary Accommodation Trust was realised. The investment in the Trust was recorded as an asset held for sale in the 2017 financial statements. In the parent accounts this asset was recorded at cost and in the group accounts the asset was recorded at fair value, being equal to the expected distribution due to be received. The different accounting policies between parent and group resulted in a large gain on sale being recognised in the parent financial statements in 2018. The Polytechnic considers this adjustment to be not reflective of the actual underlying financial performance. The adjusted position is reflected in comparatives below.

| | POLYTECHNIC | | | GROUP | | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | 2019 Actual \$'000 | 2019 Budget \$'000 | 2018 Actual \$'000 | 2019 Actual \$'000 | 2019 Budget \$'000 | 2018 Actual \$'000 |
| Net Surplus | 1,633 | 3,284 | 8,842 | 1,604 | 3,293 | 4,177 |
| Adjustments | | | | | | |
| less PBE non-exchange revenue adjustment | (351) | 0 | (271) | (351) | 0 | (271) |
| less (gain)/loss from investment in Dunedin City Tertiary Accommodation Trust | 0 | 0 | (4,705) | 0 | 0 | 0 |
| Underlying Net Surplus | 1,282 | 3,284 | 3,866 | 1,253 | 3,293 | 3,906 |
| Underlying surplus % | 1.3% | 3.2% | 2.4% | 1.3% | 3.2% | 2.6% |

Notes to the Financial Statements

for the year ended 31 December 2019

4. REVENUES AND EXPENSES

| | POLYTECHNIC | | GROUP | |
|--|----------------|----------------|----------------|----------------|
| | 2019 \$'000 | 2018 \$'000 | 2019 \$'000 | 2018 \$'000 |
| (a) Government Grants | | | | |
| Student Achievement Component | 39,094 | 36,814 | 39,094 | 36,814 |
| Equity Funding | 236 | 230 | 236 | 230 |
| Early Childhood Education | 592 | 552 | 592 | 552 |
| Performance Based Research Fund | 1,203 | 1,172 | 1,203 | 1,172 |
| Modern Apprentices | 0 | 0 | 0 | 0 |
| Trades Academy | 579 | 393 | 579 | 393 |
| Youth Guarantee | 594 | 942 | 594 | 942 |
| Other Government Grants | 333 | 447 | 333 | 447 |
| | 42,631 | 40,550 | 42,631 | 40,550 |
| (b) Student Tuition Revenue | | | | |
| Student Fees Domestic | 15,828 | 16,328 | 15,828 | 16,328 |
| Student Fees Free Domestic | 6,527 | 5,445 | 6,527 | 5,445 |
| Student Fees International | 20,410 | 24,528 | 20,410 | 24,528 |
| Fee Subsidies & Discounts | (1,790) | (1,821) | (1,790) | (1,821) |
| Other Student Fee Revenue | 189 | 134 | 189 | 134 |
| | 41,164 | 44,614 | 41,164 | 44,614 |
| (c) Other revenue | | | | |
| Revenue from other operating activities | 13,501 | 12,265 | 13,858 | 12,780 |
| Grants and Donations | 58 | 28 | 58 | 28 |
| | 13,559 | 12,293 | 13,916 | 12,808 |
| Grants and Donations were received from the following community organisations | | | | |
| Campus Living Villages (Student Village Art Project) | 10 | 0 | 10 | 0 |
| Community Trust of Otago (Refugee youth resettlement and Quality management) | 16 | 25 | 16 | 25 |
| Inner Court Trust (Dyslexia support and tinted lenses) | 3 | 3 | 3 | 3 |
| Logic Group Southern Limited (Student Village Art Project) | 10 | 0 | 10 | 0 |
| Moore Markhams Otago Ltd (Refugee youth resettlement) | 4 | 0 | 4 | 0 |
| Naylor Love (Student Village Art Project) | 15 | 0 | 15 | 0 |
| | 58 | 28 | 58 | 28 |
| (d) Finance revenue/costs | | | | |
| Interest earned on bank deposits | 30 | 78 | 31 | 80 |
| Total finance revenue | 30 | 78 | 31 | 80 |
| Interest paid on bank loan facilities | 163 | 198 | 163 | 198 |
| Total finance costs | 163 | 198 | 163 | 198 |
| (e) Employment expenses | | | | |
| Wages and salaries | 44,877 | 42,947 | 45,102 | 43,170 |
| Employer contributions to defined contribution schemes | 1,321 | 1,237 | 1,329 | 1,245 |
| Other employment expenses | 2,859 | 2,324 | 2,908 | 2,332 |
| | 49,057 | 46,508 | 49,339 | 46,747 |

4. REVENUES AND EXPENSES (continued)

| | POLYTECHNIC | | GROUP | |
|--|----------------|----------------|----------------|----------------|
| | 2019 \$'000 | 2018 \$'000 | 2019 \$'000 | 2018 \$'000 |
| Employer contributions to defined contribution schemes include contributions to KiwiSaver, the Government Superannuation Fund and National Provident Fund DBP Contributors Scheme. | | | | |
| (f) Consumable, Operating and Occupancy expenses | | | | |
| Audit fees – annual audit | 106 | 101 | 110 | 105 |
| Trade and other receivables impairment | 294 | 285 | 312 | 299 |
| Donations | 43 | 46 | 143 | 156 |
| Operating lease payments | 1,839 | 1,941 | 1,839 | 1,941 |
| Administrative and other expenses | 37,149 | 39,538 | 37,132 | 39,648 |
| | 39,431 | 41,911 | 39,536 | 42,149 |

5. CASH AND CASH EQUIVALENTS

| | POLYTECHNIC | | GROUP | |
|--|----------------|----------------|----------------|----------------|
| | 2019 \$'000 | 2018 \$'000 | 2019 \$'000 | 2018 \$'000 |
| Cash at bank and in hand | 1,281 | 443 | 1,281 | 479 |
| Short term deposits | 1 | 1 | 1 | 1 |
| | 1,282 | 444 | 1,282 | 480 |
| Reconciliation from the net surplus to the net cash flows from operations | | | | |
| Net surplus for the year | 1,633 | 8,842 | 1,604 | 4,177 |
| <i>Adjustments for:</i> | | | | |
| Depreciation and Amortisation | 7,742 | 6,924 | 7,742 | 6,924 |
| Net (gain)/loss on disposal of property, plant and equipment | (22) | 47 | (22) | 47 |
| (Increase) / decrease in financial assets | 11 | 36 | 1 | 8 |
| Share of Associates (Surplus) | (655) | (2,202) | (655) | (2,202) |
| Realised (Gain)/loss from Dunedin City Tertiary Accommodation Trust | 0 | (4,705) | 0 | 0 |
| <i>Changes in working capital items</i> | | | | |
| (Increase)/decrease in trade and other receivables | (1,153) | 326 | (1,144) | 326 |
| (Increase)/decrease in prepayments | (673) | (66) | (671) | (68) |
| (Increase)/decrease in inventories | (242) | 147 | (242) | 147 |
| Increase/(decrease) in trade and other payables | (4,296) | (66) | (4,303) | (39) |
| Increase/(decrease) in employee entitlements | (459) | (491) | (460) | (491) |
| Net cash from operating activities | 1,886 | 8,792 | 1,850 | 8,829 |

Notes to the Financial Statements

for the year ended 31 December 2019

6. BREAKDOWN OF RECEIVABLES AND FUTHER INFORMATION

| | POLYTECHNIC | | GROUP | |
|--|----------------|----------------|----------------|----------------|
| | 2019 \$'000 | 2018 \$'000 | 2019 \$'000 | 2018 \$'000 |
| Student fees receivables | 1,850 | 2,364 | 1,850 | 2,364 |
| Less: Allowance for credit losses | 174 | 245 | 174 | 251 |
| Net student fee receivables | 1,676 | 2,119 | 1,676 | 2,113 |
| Other receivables | | | | |
| Commercial receivables | 1,097 | 692 | 1,218 | 823 |
| Less: Allowance for credit losses | 129 | – | 134 | – |
| Net commercial receivables | 968 | 692 | 1,084 | 823 |
| PBE Non Exchange Revenue Adjustment | 1,897 | 1,613 | 1,897 | 1,613 |
| Government Funding Additional EFTS | 1,036 | – | 1,036 | – |
| Total receivables | 5,577 | 4,424 | 5,693 | 4,549 |
| Total receivables comprise: | | | | |
| Receivables from exchange transactions | 3,680 | 2,811 | 3,681 | 2,811 |
| Receivables from non-exchange transactions | 1,897 | 1,613 | 2,012 | 1,738 |

The allowance for credit losses at 31 December 2019 and 1 January 2019 was determined as follows:

| | Current | Less than 6 months | 6 months to 1 year | 1-2 years | More than 2 years | Total |
|--|------------|-----------------------|-----------------------|-----------|----------------------|------------|
| <i>Student Fee receivables:</i> | | | | | | |
| 31 December 2019 | | | | | | |
| Expected credit loss rate | 0.07% | 2.06% | 29.14% | 5.64% | 61.91% | |
| Gross carrying amount (\$'000) | 520 | 523 | 438 | 342 | 27 | 1,850 |
| Lifetime expected credit loss (\$'000) | 0 | 11 | 127 | 19 | 17 | 174 |
| <i>Commercial receivables:</i> | | | | | | |
| 31 December 2019 | | | | | | |
| Expected credit loss rate | 11.06% | 0.16% | 6.75% | 78.23% | 42.92% | |
| Gross carrying amount (\$'000) | 1,153 | 46 | 11 | 8 | 0 | 1,218 |
| Lifetime expected credit loss (\$'000) | 127 | 0 | 1 | 6 | 0 | 134 |
| Total lifetime expected credit loss | 127 | 11 | 128 | 25 | 17 | 308 |
| <i>Student Fee receivables:</i> | | | | | | |
| 1 January 2019 | | | | | | |
| Expected credit loss rate | 0.07% | 2.06% | 29.14% | 5.64% | 61.91% | |
| Gross carrying amount (\$'000) | 1,196 | 596 | 456 | 70 | 46 | 2,364 |
| Lifetime expected credit loss (\$'000) | 1 | 12 | 133 | 4 | 28 | 178 |



| | Current | Less than 6 months | 6 months to 1 year | 1-2 years | More than 2 years | Total |
|--|----------|-----------------------|-----------------------|-----------|----------------------|------------|
| <i>Commercial receivables:</i> | | | | | | |
| 1 January 2019 | | | | | | |
| Expected credit loss rate | 0.00% | 0.16% | 6.75% | 78.23% | 42.92% | |
| Gross carrying amount (\$'000) | 752 | 15 | 36 | 14 | 6 | 823 |
| Lifetime expected credit loss (\$'000) | – | 0 | 2 | 11 | 3 | 16 |
| Total lifetime expected credit loss | 1 | 12 | 135 | 15 | 31 | 194 |

The expected credit loss rates for receivables at 31 December 2019 and 1 January 2019 are based on the payment profile of revenue on credit over the previous year at the measurement date and the corresponding historical credit losses experienced for that period.

The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might effect the recoverability of receivables. Given the short period of credit risk exposure, the impact of macroeconomic factors is not considered significant.

There have been no changes during the reporting in the estimation techniques or significant assumptions used in measuring the loss allowance.

The movement in the allowance for credit losses is as follows:

| | 2019 \$'000 | 2018 \$'000 |
|--|----------------|----------------|
| Allowance for credit losses as at 1 January 2019 calculated under PBE IPSAS 29 | 251 | 225 |
| PBE IFRS 9 expected credit loss adjustment - through opening accumulated surplus/deficit | 57 | N/A |
| Opening allowance for credit losses as at 1 January 2019 | 194 | 225 |
| Revision in loss allowance made during the year | 280 | 251 |
| Receivables written off during the year | (165) | (225) |
| Balance at 31 December 2019 | 309 | 251 |

7. INVESTMENTS

| | POLYTECHNIC | | GROUP | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 2019 \$'000 | 2018 \$'000 | 2019 \$'000 | 2018 \$'000 |
| Open Education Resource Foundation | 25 | 39 | 0 | 0 |
| TANZ eCampus Limited | 1,186 | 1,194 | 1,186 | 1,194 |
| OPAIC Limited Partnership | 2,246 | 2,125 | 2,246 | 2,125 |
| Other | 9 | (3) | 100 | 93 |
| | 3,466 | 3,355 | 3,532 | 3,412 |

Investment in TANZ eCampus Limited

TANZ eCampus Limited is jointly owned by six New Zealand Polytechnics one of which is Otago Polytechnic. TANZ eCampus was set up to develop and run an on-line e-learning platform. TANZ offers a variety of programmes that are delivered 100% on-line. Otago Polytechnic has equity accounted for TANZ eCampus Limited and the investment is shown at the cost price of the shares plus a 1/7 share of the surplus to date.

| | POLYTECHNIC | | GROUP | |
|--|----------------|----------------|----------------|----------------|
| | 2019 \$'000 | 2018 \$'000 | 2019 \$'000 | 2018 \$'000 |
| Movements in the carrying amount of the investment in associate: | | | | |
| Balance at 1 January | 1,194 | 757 | 1,194 | 757 |
| Investment | 0 | 373 | 0 | 373 |
| Share of total comprehensive revenue and expense | (8) | 64 | (8) | 64 |
| Balance at 31 December | 1,186 | 1,194 | 1,186 | 1,194 |

Notes to the Financial Statements

for the year ended 31 December 2019

7. INVESTMENTS (continued)

| | POLYTECHNIC | | GROUP | |
|---|----------------|----------------|----------------|----------------|
| | 2019 \$'000 | 2018 \$'000 | 2019 \$'000 | 2018 \$'000 |
| Summarised financial information of associate presented on a gross basis: | | | | |
| Assets | 7,929 | 9,833 | 7,929 | 9,833 |
| Liabilities | 807 | 2,668 | 807 | 2,668 |
| Revenues | 6,422 | 5,502 | 6,422 | 5,502 |
| Surplus/(Deficit) | (50) | 382 | (50) | 382 |
| Polytechnic's interest | 16.67% | 16.67% | 16.67% | 16.67% |
| <i>Investment in OPAIC Limited Partnership</i> | | | | |
| OPAIC Ltd Partnership is a collaborative venture between Otago Polytechnic and Future Skills Academy Ltd. OPAIC delivers tertiary education from an Auckland Campus to international students. Otago Polytechnic has equity accounted for OPAIC Ltd Partnership and the investment is shown as the share of surplus to date (the initial cost being nil). | | | | |
| Movements in the carrying amount of the investment in associate: | | | | |
| Balance at 1 January | 2,125 | 1,386 | 2,125 | 1,386 |
| Distribution received by the Polytechnic | (522) | (1,400) | (522) | (1,400) |
| Share of total comprehensive revenue and expense | 643 | 2,139 | 643 | 2,139 |
| Balance at 31 December | 2,246 | 2,125 | 2,246 | 2,125 |
| Summarised financial information of associate presented on a gross basis: | | | | |
| Assets | 12,424 | 5,877 | 12,424 | 5,877 |
| Liabilities | 9,114 | 2,726 | 9,114 | 2,726 |
| Revenues | 16,011 | 19,581 | 16,011 | 19,581 |
| Surplus | 1,116 | 4,277 | 1,116 | 4,277 |
| Polytechnic's interest | 50.00% | 50.00% | 50.00% | 50.00% |

OPAIC Limited Partnership have adopted accounting policy NZ IFRS 16 Leases for year ended 31 December 2019. The summarised surplus of \$1,116k above is the surplus once this standard has been implemented. The share of surplus recognised by Otago

Polytechnic of \$643k has been adjusted to show accounting for leases under Otago Polytechnic's accounting policies.

There are no impairment provisions for other financial assets.

8. PROPERTY, PLANT AND EQUIPMENT

| | POLYTECHNIC AND GROUP | | | | | | | |
|---|-----------------------|---------------------|----------------------------------|-----------------------------|--------------------------------|---------------------------------|--------------------|-----------------|
| | Land \$'000 | Buildings \$'000 | Plant and Equipment \$'000 | Motor Vehicles \$'000 | Computer Hardware \$'000 | Library Collection \$'000 | Artworks \$'000 | Total \$'000 |
| At 1 January 2019 | | | | | | | | |
| Cost or fair value | 26,135 | 93,107 | 17,695 | 1,283 | 7,589 | 7,069 | 295 | 153,173 |
| Accumulated depreciation and impairment | 0 | (3,170) | (10,469) | (996) | (4,357) | (6,029) | 0 | (25,021) |
| Net carrying amount | 26,135 | 89,937 | 7,226 | 287 | 3,232 | 1,040 | 295 | 128,152 |

8. PROPERTY, PLANT AND EQUIPMENT (continued)

POLYTECHNIC AND GROUP

| | Land \$'000 | Buildings \$'000 | Plant and Equipment \$'000 | Motor Vehicles \$'000 | Computer Hardware \$'000 | Library Collection \$'000 | Artworks \$'000 | Total \$'000 |
|---|----------------|---------------------|----------------------------------|-----------------------------|--------------------------------|---------------------------------|--------------------|-----------------|
| Year ended 31 December 2019 | | | | | | | | |
| Balance at 1 January | 26,135 | 89,937 | 7,226 | 287 | 3,232 | 1,040 | 295 | 128,152 |
| Additions | 66 | 9,446 | 1,505 | 233 | 1,214 | 239 | 97 | 12,800 |
| Revaluations | 0 | 0 | 0 | 0 | 0 | 0 | 343 | 343 |
| Disposals (net) | 0 | 0 | (47) | 0 | (1) | 0 | 0 | (48) |
| Depreciation expense | 0 | (2,858) | (1,267) | (124) | (1,016) | (200) | 0 | (5,465) |
| Balance at 31 December | 26,201 | 96,525 | 7,417 | 396 | 3,429 | 1,079 | 735 | 135,782 |
| At 31 December 2019 | | | | | | | | |
| Cost or fair value | 26,201 | 102,553 | 18,399 | 1,455 | 8,802 | 7,309 | 735 | 165,454 |
| Accumulated depreciation and impairment | 0 | (6,028) | (10,982) | (1,059) | (5,373) | (6,230) | 0 | (29,672) |
| Net carrying amount | 26,201 | 96,525 | 7,417 | 396 | 3,429 | 1,079 | 735 | 135,782 |
| At 1 January 2018 | | | | | | | | |
| Cost or fair value | 26,135 | 83,480 | 15,962 | 1,221 | 6,116 | 6,929 | 169 | 140,012 |
| Accumulated depreciation and impairment | 0 | (551) | (9,467) | (924) | (3,416) | (5,818) | 0 | (20,176) |
| Net carrying amount | 26,135 | 82,929 | 6,495 | 297 | 2,700 | 1,111 | 169 | 119,836 |
| Year ended 31 December 2018 | | | | | | | | |
| Balance at 1 January | 26,135 | 82,929 | 6,495 | 297 | 2,700 | 1,111 | 169 | 119,836 |
| Additions | 0 | 9,627 | 1,894 | 110 | 1,480 | 140 | 126 | 13,377 |
| Revaluations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals (net) | 0 | 0 | (27) | 0 | (2) | 0 | 0 | (29) |
| Depreciation charge for the year | 0 | (2,619) | (1,136) | (120) | (946) | (211) | 0 | (5,032) |
| Balance at 31 December | 26,135 | 89,937 | 7,226 | 287 | 3,232 | 1,040 | 295 | 128,152 |
| At 31 December 2018 | | | | | | | | |
| Cost or fair value | 26,135 | 93,107 | 17,695 | 1,283 | 7,589 | 7,069 | 295 | 153,173 |
| Accumulated depreciation and impairment | 0 | (3,170) | (10,469) | (996) | (4,357) | (6,029) | 0 | (25,021) |
| Net carrying amount | 26,135 | 89,937 | 7,226 | 287 | 3,232 | 1,040 | 295 | 128,152 |

Valuation

Land and Buildings

The most recent valuations of land and buildings was performed by independent registered valuers, J Dunckley FNZIV and Praveen Menon MPINZ of Crighton Anderson Property & Infrastructure Ltd. The valuation is effective as at 31 December 2017. A desktop exercise has been performed by Praveen Menon MPINZ, registered valuer, of Crighton Anderson Property & Infrastructure Ltd as at 31 December 2019 to determine if there was a material movement in values in those 24 months.

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 Polytechnic and group's ability to sell land would normally not impair the value of the land because the Polytechnic

and group has operational use of the land and the full benefits of outright ownership.

Buildings

Specialised buildings (eg campuses) are valued at fair value using 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, these include:

- > The replacement asset is based on modern equivalent assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- > The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.

Notes to the Financial Statements

for the year ended 31 December 2019

8. PROPERTY, PLANT AND EQUIPMENT (continued)

- > The remaining useful life of assets is estimated.
- > Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Restrictions on title

Under the Education Act 1989, the Polytechnic and group is required to obtain consent from the Ministry of Education to dispose or sell property where the value of the property exceeds an amount determined by the Minister.

Art

The most recent valuation of Art was performed by Ben Plumbly Director art, of Art and Object, with a valuation date of 25 November 2019.

Art is valued at fair market value using reference to observable prices in both the primary retail market and secondary auction market. If there is no active market, fair market value is determined by other market-based evidence adjudged by Art and Object as active and knowledgeable participants in the market.

Work in progress

Buildings in the course of construction total \$1,291m (2018 \$6,766m) while Plant, Equipment, and Computers total \$581k (2018 \$580k).

Legal ownership of land and buildings

Legal title to land and buildings, previously in the name of the Crown, was transferred to Otago Polytechnic on 8 September 2016.

9. INTANGIBLE ASSETS

| | POLYTECHNIC AND GROUP | | |
|------------------------------------|--|--------------------------------|-----------------|
| | Course Development costs \$'000 | Computer Software \$'000 | Total \$'000 |
| At 1 January 2019 | | | |
| Cost (gross carrying amount) | 8,645 | 9,808 | 18,453 |
| Accumulated amortisation | (4,985) | (6,275) | (11,260) |
| Net carrying amount | 3,660 | 3,533 | 7,193 |
| Year ended 31 December 2019 | | | |
| Balance at 1 January | 3,660 | 3,533 | 7,193 |
| Additions | 1,429 | 1,312 | 2,741 |
| Impairments (net) | (2) | 22 | 20 |
| Amortisation expense | (1,407) | (870) | (2,277) |
| Balance at 31 December | 3,680 | 3,997 | 7,677 |
| At 31 December 2019 | | | |
| Cost (gross carrying amount) | 9,543 | 8,378 | 17,921 |
| Accumulated amortisation | (5,863) | (4,381) | (10,244) |
| Net carrying amount | 3,3680 | 3,997 | 7,677 |
| At 1 January 2018 | | | |
| Cost (gross carrying amount) | 7,225 | 10,225 | 17,450 |
| Accumulated amortisation | (3,923) | (6,630) | (10,553) |
| Net carrying amount | 3,302 | 3,595 | 6,897 |
| Year ended 31 December 2018 | | | |
| Balance at 1 January | 3,302 | 3,595 | 6,897 |
| Additions | 1,492 | 713 | 2,205 |
| Impairments (net) | (17) | 0 | (17) |
| Amortisation expense | (1,117) | (775) | (1,892) |
| Balance at 31 December | 3,660 | 3,533 | 7,193 |



| | POLYTECHNIC AND GROUP | | |
|------------------------------|------------------------------------|-----------------------------|-----------------|
| | Course Development costs \$'000 | Computer Software \$'000 | Total \$'000 |
| At 31 December 2018 | | | |
| Cost (gross carrying amount) | 8,645 | 9,808 | 18,453 |
| Accumulated amortisation | (4,985) | (6,275) | (11,260) |
| Net carrying amount | 3,660 | 3,533 | 7,193 |

| | Carrying Value \$'000 | Remaining amortisation period % |
|--|--------------------------|------------------------------------|
| Details of material individual intangible assets are: | | |
| Learner Journey software | 809,442 | 14.29 |
| Student Hub software | 1,177,355 | 10.00 |

Work in progress

Course Development projects not yet completed total \$1,433k (2018 \$1,495k) while Software projects total \$161k (2017 \$450k).

10. TRADE AND OTHER PAYABLES

| | POLYTECHNIC | | GROUP | |
|-------------------|----------------|----------------|----------------|----------------|
| | 2019 \$'000 | 2018 \$'000 | 2019 \$'000 | 2018 \$'000 |
| Trade payables | 8,284 | 6,011 | 8,291 | 6,030 |
| Income in advance | 10,575 | 13,837 | 10,581 | 13,837 |
| | 18,859 | 19,848 | 18,872 | 19,867 |

Trade payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates their fair value. Income in advance relates to

international student fees for programmes that continue into the following financial year, and domestic student fees received for which the withdrawal date had not passed at balance date.

11. EMPLOYEE ENTITLEMENTS

| | POLYTECHNIC | | GROUP | |
|--------------------------------|----------------|----------------|----------------|----------------|
| | 2019 \$'000 | 2018 \$'000 | 2019 \$'000 | 2018 \$'000 |
| <i>Employee Entitlements</i> | | | | |
| Annual and discretionary leave | 1,862 | 1,861 | 1,862 | 1,861 |
| Long service leave | 258 | 221 | 258 | 221 |
| Retirement leave | 150 | 140 | 150 | 140 |
| Sick Leave | 137 | 125 | 137 | 125 |
| Other Entitlements | 316 | 835 | 315 | 835 |
| | 2,723 | 3,182 | 2,722 | 3,182 |
| Current portion | 2,471 | 2,971 | 2,470 | 2,971 |
| Non-current portion | 252 | 211 | 252 | 211 |
| | 2,723 | 3,182 | 2,722 | 3,182 |

Notes to the Financial Statements

for the year ended 31 December 2019

12. LOANS AND BORROWINGS

The Westpac Bank loan facility is secured with a negative pledge and operates as a multi-option credit line facility. The balance drawn down on the multi option credit facility was \$16,050k as at 31 December 2019 (\$5,447k as at 31 December 2018). The interest rate was 2.58% per annum (2018 3.23%). Otago Polytechnic has

breached three of the Tertiary Education Commission (TEC) loan covenant ratios, Operating Cash Inflows divided by Operating Cash Outflows, Net Surplus Ratio and Liquidity Ratio. TEC have been advised of these breaches.

13. EQUITY

| | POLYTECHNIC | | GROUP | |
|--|----------------|----------------|----------------|----------------|
| | 2019 \$'000 | 2018 \$'000 | 2019 \$'000 | 2018 \$'000 |
| <i>Retained Earnings</i> | | | | |
| At 1 January | 80,705 | 71,822 | 80,906 | 73,830 |
| Resettlement of Trust | 0 | 0 | 0 | 78 |
| Net Surplus | 1,633 | 8,842 | 1,604 | 4,177 |
| Transfer from Revaluation Reserve | 0 | 0 | 0 | 2,778 |
| Net change in Trust and Special Funds | 294 | 41 | 294 | 43 |
| At 31 December | 82,632 | 80,705 | 82,804 | 80,906 |
| <i>Asset Revaluation Reserve</i> | | | | |
| At 1 January | 34,717 | 34,717 | 34,717 | 37,686 |
| Revaluation gains/(losses) | 343 | 0 | 343 | (2,969) |
| Change in reserve on disposal/transfer | 0 | 0 | 0 | 0 |
| At 31 December | 35,060 | 34,717 | 35,060 | 34,717 |
| <i>Trust Funds</i> | | | | |
| At 1 January | 387 | 430 | 387 | 430 |
| Receipts to funds | 209 | 91 | 209 | 91 |
| Payments from funds | (417) | (132) | (417) | (132) |
| At 31 December | 179 | 389 | 179 | 389 |
| <i>Special Funds</i> | | | | |
| At 1 January | 84 | 84 | 84 | 84 |
| Receipts to funds | 0 | 0 | 0 | 0 |
| Payments from funds | (84) | 0 | (84) | 0 |
| At 31 December | 0 | 84 | 0 | 84 |
| Total Equity | 117,871 | 115,895 | 118,043 | 116,096 |

Trust funds comprise scholarship and other funds held on behalf of students and staff. Special funds comprise student-related equity and support funds. The use of some of these funds is restricted.

14. FINANCIAL INSTRUMENT RISKS

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

Market risk

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Polytechnic has transactional currency exposures arising from overseas purchases that include capital equipment, software licences, library books and other expenditures in currencies other than the Polytechnic's functional currency.

The Polytechnic's exposure to foreign currency risk is minimal.

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate, or the cash flows from a financial instrument will fluctuate, due to changes in market interest rates.

The Polytechnic's exposure to market risk for changes in interest rates relates primarily to the Polytechnic's long-term debt

obligations, refer to note 12 for interest rates and loan balances of any Otago Polytechnic borrowings.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the Polytechnic, causing the Polytechnic to incur a loss.

The Polytechnic has no significant concentrations of credit risk other than the Tertiary Education Commission, as it has a large number of credit customers, mainly students. The Polytechnic invests funds only with registered banks and its investment policy limits the amount of exposure to any one institution. There is no collateral held as security against these financial instruments.

Liquidity risk

Liquidity risk is the risk that the Polytechnic will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through committed credit facilities. The Polytechnic aims to maintain flexibility in funding by keeping committed credit lines available.

The Polytechnic has a maximum amount that can be drawn down against its multi-option credit line facility of \$20m. There are no restrictions on the use of this facility with the exception of TEC approval being required if used for long-term borrowing requirements.

Maturity analysis of financial assets and liabilities

| | Carrying amount | Current | 1-3 months | 3-12 months | More than 12 months |
|---|-----------------|---------|------------|-------------|---------------------|
| <i>Polytechnic 2019</i> | | | | | |
| Cash and cash equivalents | 1,282 | 1,282 | 0 | 0 | 0 |
| Trade and other receivables | 5,577 | 4,364 | 558 | 321 | 334 |
| Total Loans and Receivables | 6,859 | 5,646 | 558 | 321 | 334 |
| Other financial assets - fair value through other comprehensive revenue and expense | 34 | 34 | 0 | 0 | 0 |
| Total financial assets | 6,893 | 5,680 | 558 | 321 | 334 |
| Trade payables | 8,284 | 8,284 | 0 | 0 | 0 |
| Loans and borrowings (current) | 16,050 | 16,050 | 0 | 0 | 0 |
| Loans and borrowings (non-current) | 0 | 0 | 0 | 0 | 0 |
| Total financial liabilities | 24,334 | 24,334 | 0 | 0 | 0 |
| <i>Group 2019</i> | | | | | |
| Cash and cash equivalents | 1,282 | 1,282 | 0 | 0 | 0 |
| Trade and other receivables | 5,693 | 4,480 | 558 | 321 | 334 |
| Total Loans and Receivables | 6,975 | 5,762 | 558 | 321 | 334 |
| Other financial assets - fair value through other comprehensive revenue and expense | 100 | 100 | 0 | 0 | 0 |
| Total financial assets | 7,075 | 5,862 | 558 | 321 | 334 |
| Trade payables | 8,291 | 8,291 | 0 | 0 | 0 |
| Loans and borrowings (current) | 16,050 | 16,050 | 0 | 0 | 0 |
| Loans and borrowings (non-current) | 0 | 0 | 0 | 0 | 0 |
| Total financial liabilities at amortised cost | 24,341 | 24,341 | 0 | 0 | 0 |

Notes to the Financial Statements

for the year ended 31 December 2018

14. FINANCIAL INSTRUMENT RISKS (continued)

| | Carrying amount | Current | 1-3 months | 3-12 months | More than 12 months |
|---|-----------------|---------|------------|-------------|---------------------|
| <i>Polytechnic 2018</i> | | | | | |
| Cash and cash equivalents | 444 | 444 | 0 | 0 | 0 |
| Trade and other receivables | 4,424 | 3,293 | 723 | 408 | 0 |
| Total Loans and Receivables | 4,868 | 3,737 | 723 | 408 | 0 |
| Other financial assets - fair value through other comprehensive revenue and expense | 36 | 36 | 0 | 0 | 0 |
| Total financial assets | 4,904 | 3,773 | 723 | 408 | 0 |
| Trade payables | 6,011 | 6,011 | 0 | 0 | 0 |
| Loans and borrowings (current) | 5,447 | 0 | 5,447 | 0 | 0 |
| Loans and borrowings (non-current) | 0 | 0 | 0 | 0 | 0 |
| Total financial liabilities | 11,458 | 6,011 | 5,447 | 0 | 0 |
| <i>Group 2018</i> | | | | | |
| Cash and cash equivalents | 480 | 480 | 0 | 0 | 0 |
| Trade and other receivables | 4,549 | 3,381 | 746 | 422 | 0 |
| Total Loans and Receivables | 5,029 | 3,861 | 746 | 422 | 0 |
| Other financial assets - fair value through other comprehensive revenue and expense | 93 | 93 | 0 | 0 | 0 |
| Total financial assets | 5,122 | 3,954 | 746 | 422 | 0 |
| Trade payables | 6,030 | 6,030 | 0 | 0 | 0 |
| Loans and borrowings (current) | 5,447 | 0 | 5,447 | 0 | 0 |
| Loans and borrowings (non-current) | 0 | 0 | 0 | 0 | 0 |
| Total financial liabilities | 11,477 | 6,030 | 5,447 | 0 | 0 |

15. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

The Polytechnic has entered into commercial leases on certain items of property, plant and equipment where it is not in the best interest of the Polytechnic to purchase these assets.

These leases have an average life of 5 years with renewal terms included in the contracts. Renewals are at the option of the specific entity that holds the lease. There are no restrictions placed upon the lessee by entering into these leases.

| | POLYTECHNIC | | GROUP | |
|---|----------------|----------------|----------------|----------------|
| | 2019 \$'000 | 2018 \$'000 | 2019 \$'000 | 2018 \$'000 |
| Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows: | | | | |
| Within one year | 960 | 1,196 | 960 | 1,196 |
| After one year but not more than five years | 2,778 | 3,125 | 2,778 | 3,125 |
| More than five years | 4,703 | 4,772 | 4,703 | 4,772 |
| | 8,441 | 9,093 | 8,441 | 9,093 |

15. COMMITMENTS AND CONTINGENCIES (continued)

Capital commitments

At 31 December 2019 the Polytechnic had total commitments of \$5.06m for the major building works at the Forth St and Central campuses; O Block Extension, G Block Upgrade, Foundation Prefabs and Central Otago Accommodation. (2018: \$6.85m, New Engineering Construction and Living Sciences Building, O Block Extension and Cromwell Trades Facility at Bannockburn).

Legal claim

Otago Polytechnic has one unresolved contingent matter in the pre sentencing stage as at balance date, the financial effect as it can be reliably estimated is a maximum exposure of \$300k. This relates to a Worksafe notifiable event involving a learner.

Otago Polytechnic has no significant contingent assets as at balance date.

Unquantifiable contingencies

The Polytechnic and group is a participating employer in two Defined Benefit Plan Contributors Schemes (the schemes), which are multi-employer defined benefit schemes. If the other participating employers ceased to participate in the scheme the Polytechnic and group could be responsible for any deficit of the schemes. Similarly, if a number of employers ceased to participate in the schemes the Polytechnic and group could be responsible for an increased share of the deficit.

Otago Polytechnic is joint and several guarantor for property leases relating to the Polytechnic's Auckland Campus. There is no certainty that any liability under the leases would arise, in addition the Polytechnic is unable to quantify any potential contribution. (2018: nil)

16. RELATED PARTY DISCLOSURE

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

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.

Inter-group transactions

The Otago Polytechnic Education Foundation Trust paid \$19,923 (2018: \$14,322) to Otago Polytechnic for hospitality catering. Otago Polytechnic provides accounting, secretarial and trustee services to the Otago Polytechnic Education Foundation Trust at no cost. Monies owed by Otago Polytechnic to the Otago Polytechnic Education Foundation Trust are held in a current account balance at 31 December 2019 \$71,797 (2018: \$95,716).

Otago Polytechnic provides accounting, secretarial and director services to the Open Education Resource Foundation Limited for no charge in lieu of payment of membership fees of \$6,961 (US\$4,000) annually. Monies owed between the parties are held in a current account, being -\$24,647 (2018: -\$38,961).

OPAIC Ltd Partnership paid \$1,013,477 (2018: \$1,085,017) to Otago Polytechnic as reimbursement for expenses paid by Otago Polytechnic on behalf of the Partnership. These expenses were oncharged at original cost without any margin. OPAIC Ltd Partnership paid Otago Polytechnic \$157,000 for an operating lease on assets owned by Otago Polytechnic but used by OPAIC Ltd Partnership. Otago Polytechnic paid \$15,181,832 (2018: \$19,258,356) to OPAIC Ltd Partnership for Contracted Education Services delivered to students who are enrolled in Otago Polytechnic programmes delivered by the Limited Partnership. The fees are paid on a service delivered basis. Until payment is transferred to the Limited Partnership, Otago Polytechnic pays interest on the balance of fees paid in advance of services delivered.

POLYTECHNIC AND GROUP

Key management personnel compensation

Salaries and other short-term employee benefits
Post employment benefits

| | 2019 | 2018 |
|---|--------------|--------------|
| | \$'000 | \$'000 |
| Salaries and other short-term employee benefits | 1,390 | 1,352 |
| Post employment benefits | 48 | 70 |
| | 1,438 | 1,422 |

Key management personnel included 6 members of the Executive Leadership Team and the Director of Open Education Resource Foundation Ltd, totalling 7 FTE (2018: 7 FTE).

There are close family members of key management personnel employed by the Polytechnic. The terms and conditions of those arrangements are no more favourable than the Polytechnic would have adopted if there were no relationship to key management personnel.

Notes to the Financial Statements

for the year ended 31 December 2018

17. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent Events Disclosure - COVID-19

A pneumonia of unknown cause was detected in Wuhan, China and was first reported to the World Health Organisation on 31 December 2019. The outbreak was declared a public health emergency of international concern on 30 January 2020. The new disease was named COVID-19 on 11 February 2020.

To limit the spread of COVID-19, at the start of February 2020 the New Zealand government brought in travel restrictions for all foreign travellers who had travelled from or transited through mainland China. The restriction was extended to Iran from the start of March 2020. On Thursday 19 March the government closed the New Zealand borders to everyone except New Zealand citizens and residents. On Saturday 21 March 2020 the Government announced four COVID-19 levels of alert, and that New Zealand was at level two. At noon on Monday 23 March the government raised the alert level to three and advised that New Zealand would move to a level four alert effective from 11.59pm Wednesday 25 March 2020 for a minimum of four weeks. A level four alert involves complete lockdown with only essential services remaining open. On Wednesday 25 March the Government declared a state of national emergency.

Under the level 4 alert, all educational facilities are required to close. The New Zealand school holidays due to commence on Friday the 10th of April have been brought forward and commenced on Thursday 26 March 2020. Otago Polytechnic closed all delivery sites and brought forward the mid-semester break to align with the new timing of the school holidays. All professional services moved to a work from home model from 25 March and all teaching will move to on-line delivery after the mid-semester break until the end of the level four alert period.

The financial impact of the pandemic is not known at this point however Otago Polytechnic expects the following key areas to be affected.

International Students - the travel restrictions have meant that some international students have not been able to come to New Zealand to start their programmes on the normal start date. Otago Polytechnic has identified 40 students who have been unable to enter New

Zealand in time for the usual start date of their programmes. The Polytechnic is working with all affected students to defer start dates or offer on-line provision as appropriate.

Share of surplus from OPAIC - as OPAIC Limited Partnership is a wholly international campus, there will be a reduction in the share of surplus that Otago Polytechnic receives from OPAIC for the 2020 year. The extent of the decrease will depend on how quickly the borders are reopened and students are able to return. As OPAIC has several student intakes each year they are able to provide flexibility in start dates if needed.

Domestic Students and Compulsory Student services fees - Otago Polytechnic anticipates a potential loss of both current and prospective domestic students during 2020 due to the disruption to their studies as students return home whilst in level four lockdown. It is unknown at this point what the final position in terms of domestic student numbers and fees will be for the 2020 year.

Student Accommodation Revenue - Te Pa Tauria will remain open during the level 4 alert period, however the majority of the students have chosen to return home to their families during this time. This may mean that Otago Polytechnic will need to consider issuing refunds for the time that these students are not staying at Te Pa Tauria.

The financial impact of COVID-19 on the above areas may result in Otago Polytechnic being in breach of the borrowing covenants that it has agreed with TEC.

Otago Polytechnic is currently working on a plan to mitigate the financial impact. This includes managing and reducing operating costs where possible, maintaining cashflow by issuing credits rather than cash refunds, working closely with the bank and negotiating with landlords. In addition, the government has guaranteed funding for 2020 in line with the investment plan, with no recovery of funds required should domestic student numbers fall short of the plan.

At this time it is difficult to determine the full effect of the COVID-19 pandemic, and there could be other matters that affect Otago Polytechnic.

18. COUNCILLOR FEES

The following fees were earned by members of the Council during the year:

Jamie Adamson
Paul Allison
Neil Barns
Gillian Bremner
Peter Coolbear
Darren Evans
Kathy Grant
Mike Horne
Bill Moran
Megan Potiki

POLYTECHNIC AND GROUP

| | 2019 | 2018 |
|--|----------------|----------------|
| | \$ | \$ |
| | 16,120 | 0 |
| | 14,120 | 14,120 |
| | 14,120 | 14,120 |
| | 0 | 5,350 |
| | 14,120 | 14,120 |
| | 0 | 14,120 |
| | 35,952 | 35,952 |
| | 4,280 | 17,120 |
| | 21,402 | 14,267 |
| | 17,120 | 17,120 |
| | 137,234 | 146,289 |

19. CHILDCARE CENTRE

| | POLYTECHNIC AND GROUP | | |
|------------------------------|-------------------------|-------------------------|-------------------------|
| | Actual 2019 \$000 | Budget 2019 \$000 | Actual 2018 \$000 |
| Revenue | | | |
| Ministry grants | 591 | 580 | 552 |
| Guardians and Student income | 363 | 330 | 312 |
| Total Revenue | 954 | 910 | 864 |
| Expenditure | | | |
| Employment costs | 777 | 733 | 707 |
| Other Operating costs | 113 | 110 | 105 |
| Total Expenditure | 890 | 843 | 812 |
| Surplus/(Deficit) | 64 | 67 | 52 |

The Childcare Centre is part of the provision of student and staff services. No capital charge has been applied by the Polytechnic to the Centre. The Statement of Financial Performance for the Childcare

Centre has been extracted from the Statement of Financial Performance for Otago Polytechnic.

Statistics

Under two year olds
Two years old and over
Fees Free fully funded 3 years and over

| | 2019 hours | 2018 hours |
|---|---------------|---------------|
| Under two year olds | 17,626 | 19,578 |
| Two years old and over | 23,212 | 16,466 |
| Fees Free fully funded 3 years and over | 26,355 | 25,126 |

Benefits seen in 2018 from the renovations and increased licence numbers (60) have continued with higher numbers of over two

children enrolled for the full year 2019, compared to 2018 where the licence increased mid year.

20. CAPITAL MANAGEMENT

The Polytechnic's capital is its equity which is comprised of retained earnings and reserves. Equity is represented by net assets.

The Polytechnic manages its revenues, expenses, assets, liabilities and general financial dealings prudently. The Polytechnic's equity is largely managed as a by-product of managing revenue, expenses,

assets, liabilities and general financial dealings.

The objective of managing the Polytechnic's equity is to ensure that the Polytechnic effectively achieves its goals and objectives contained within its Investment Plan, whilst remaining a going concern.

21. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Group statement of financial performance

Government Grants

Government grants were \$1,268k higher than budgeted. This was due to additional funding approved for SAC level 3+ as 102.7% of EFTS were achieved. Partially offsetting this is lower EFTS and funding for Youth Guarantee largely due to the impact of Fees Free.

Student tuition fees

Student tuition fees were a net \$5,841k lower than budgeted, with the majority being due to lower than budgeted international EFTS at the OPAIC Auckland Campus.

Employment expenses

Employment expenses were \$376k higher than budgeted. Academic staffing costs were higher due to the need to increase staffing in programmes with higher SAC level 3+ EFTS than budget. This was offset by professional staff vacant roles filled later than expected.

Consumable Expenses

Consumable expenses are \$4,644k lower than budgeted. The majority being due to lower than budgeted contracted education costs as a result of lower than budgeted international EFTS at the OPAIC Auckland Campus, additionally budgeted increases in software licences and clinical training costs did not occur.

Operating expenses

Operating expenses are a net \$807k higher than budgeted, this was due to higher than budgeted Capable North EFTS resulting in higher commissions (\$382k), increased Professional Consultancy including Maori Strategic Framework and Edubits (\$154k) and an increased provision for doubtful debts of \$312k.

Cash and cash equivalents

Cash and Cash Equivalents are \$853k higher than budgeted. This is due to various timing factors including the receipt of fees from international students.

Trade and other receivables

Trade and other receivables are \$1,361k lower than budget. This is mainly due to reduced OPAIC EFTS along with a dedicated staff member managing debt.

Employee Entitlements

Employee Entitlements were \$2,903k higher than budget, due to the timing of pay periods at the end of the year.

Group Statement of Cash Flows

Net cash flows

Net cashflow from operating activities was unfavourable to budget due to reduced student fee revenue, this was partially offset by net cashflow from investing activities with a lower capital project spend than expected.

Compulsory student service fees

| | 2019 | | | | | 2018 | | | | |
|---|--|-----------------|----------------------------|-----------------------------|---------------------------------|--|-----------------|----------------------------|-----------------------------|---------------------------------|
| | Compulsory Student Services Fees \$'000 | Other \$'000 | Total Revenue \$'000 | Total Expenses \$'000 | Surplus/ (Deficit) \$'000 | Compulsory Student Services Fees \$'000 | Other \$'000 | Total Revenue \$'000 | Total Expenses \$'000 | Surplus/ (Deficit) \$'000 |
| Advocacy and Legal Advice | 124 | 0 | 124 | 222 | -98 | 76 | 0 | 76 | 127 | -51 |
| Careers Information Advice and Guidance | 39 | 0 | 39 | 69 | -30 | 44 | 0 | 44 | 76 | -32 |
| Counselling and Pastoral Care | 661 | 263 | 924 | 939 | -15 | 639 | 227 | 866 | 871 | -5 |
| Employment Information | 28 | 0 | 28 | 54 | -26 | 31 | 0 | 31 | 57 | -26 |
| Financial Support and Advice | 35 | 0 | 35 | 35 | 0 | 32 | 0 | 32 | 33 | -1 |
| Health Services | 383 | 136 | 519 | 649 | -130 | 377 | 113 | 490 | 572 | -82 |
| Media | 80 | 0 | 80 | 78 | 2 | 82 | 0 | 82 | 80 | 2 |
| Childcare Services | 0 | 900 | 900 | 834 | 66 | 0 | 814 | 814 | 765 | 49 |
| Clubs and Societies | 13 | 0 | 13 | 13 | 0 | 9 | 0 | 9 | 9 | 0 |
| Sports, Recreational and Cultural Activities | 419 | 0 | 419 | 485 | -66 | 415 | 0 | 415 | 434 | -19 |
| Total | 1,782 | 1,299 | 3,081 | 3,378 | -297 | 1,705 | 1,154 | 2,859 | 3,024 | -165 |

Compulsory Student Services Levy

Otago Polytechnic has consulted with its learners on the Compulsory Student Services Levy (CSSF). In 2019, this included advising the Otago Polytechnic Student Council of the current level of the CSSF and requesting their feedback on whether that level should remain unchanged. We provided information on the past two years' CSSF revenue and expenses, presented to and directly engaged with students on the type of services to be delivered, and sought student feedback on these services and how the CSSF would be spent.

The GST-inclusive fees charged by Otago Polytechnic per Equivalent Full Time Student in 2019 were:

- > \$656 for Dunedin students
- > \$576 for Central students
- > \$266 for distance students.

These fees have remained unchanged since 2012.

Otago Polytechnic accounts separately for all revenue and expenditure related to the provision of each of the student services listed here.

Advocacy and legal advice

Advocacy support is provided to students needing help to resolve problems. Advocacy is undertaken by an impartial person on behalf

of students – this may include advocacy relating to legal matters, or accommodation and tenancy issues. All issues are resolved or escalated to a higher level to be heard and resolved.

Career information, advice and guidance

Support is provided to students to assist their transition into employment. Support includes employability workshops, CV development, interview practice, employability expos, one-on-one career advice and liaison with Career Guides (second- and third-year Bachelor of Social Services students with a Career focus for their degree).

Counselling services

Four counsellors (2.64 FTE) are available for one-on-one appointments to provide students with counselling and pastoral care. Workshops are also held to support students to cope with anxiety and prepare for exams. A Chaplain is also available to provide pastoral care and counselling.

Employment information

This service is developing within the Polytechnic. Strong links to industry and the workplace have been well fostered with an ongoing focus of development. Industry representatives are brought onto the campus to provide a workplace perspective as part of an interview panel for practice interviews and to provide industry focus through information evenings and fairs.



Financial support and advice

Budgeting advice is confidential and freely available for students. Hardship situations are assessed, and help may be provided with financial assistance and food parcels.

Health services

Otago Polytechnic has a Student Health Centre, with doctors and nurses available for students to access as needed. They provide a variety of services to support students to stay well, receive timely advice and gain medical assistance.

Media

Otago Polytechnic sponsors the online student e-news and supports online communities for students across the Polytechnic.

Communications channels are also enabled through the Student Council and the Otago Polytechnic Students Association Advisory Board.

Information is provided to the representatives of both these committees to enable student discussion and input and they are also able to bring issues to these forums.

Childcare services

Childcare facilities are available to parents while studying through Polykids. This facility provides childcare from birth through to five years old.

Clubs and societies

Otago Polytechnic students can also access Otago University Students' Association Clubs and Societies. The OUSA Recreation Centre provides amenities including meeting rooms, exercise space and equipment for hire. It organises tournaments, and is the base of student sports, religious and cultural clubs.

Sports and recreation facilities

Unipol provides a wide range of services at the nearby University Plaza. These services are available to all students, on presentation of their Student ID.

Statement of the cost of outputs

The Education (Tertiary Education and Other Matters) Amendment Act 2018 requires that Otago Polytechnic performance reporting complies with generally accepted accounting practice in New Zealand (GAAP). GAAP requires Otago Polytechnic describe and disclose its output types.

The Otago Polytechnic's activities contribute to one broad class of outputs: Teaching & Learning

| | GROUP | | |
|---------------------|--------------------------|--------------------------|--------------------------|
| | Actual 2019 \$'000 | Budget 2019 \$'000 | Actual 2018 \$'000 |
| Outputs | | | |
| Learning & Teaching | 96,793 | 99,839 | 96,077 |
| | 96,793 | 99,839 | 96,077 |



New Zealand **0800 762 786**
International **+64 3 477 3014**
Email **info@op.ac.nz**
Visit us at **www.op.ac.nz**

