

     **2012**  
**Tertiary Education**  
Performance Report





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## CONTENTS

Introduction .....	3
Glossary .....	4
List of Key Abbreviations .....	10
Purpose of the <i>Tertiary Education Performance Report</i> ...	11
Operating Environment .....	15
Governance of Tertiary Education Institutions .....	21
2012 Performance .....	25
Tertiary enrolments .....	25
Performance against strategic priorities .....	28
Future focus of the tertiary sector .....	35
Universities .....	36
University highlights .....	37
University performance .....	37
Future focus for universities .....	45
Institutes of technology and polytechnics .....	46
ITP highlights .....	47
ITP performance .....	47
Future focus for ITPs .....	55
Wānanga .....	56
Wānanga highlights .....	57
Wānanga performance .....	57
Future focus for wānanga .....	64
Private training establishments .....	65
PTE highlights .....	66
PTE performance .....	66
Future focus for PTEs .....	72
Industry training organisations .....	73
ITO highlights .....	74
ITO performance .....	74
Future focus for ITOs .....	80
Financial Performance of TEIs – At a Glance .....	81
Educational Performance of the Tertiary Education Sector – At a Glance .....	82
Tertiary Education Institutions’ 2012 Performance .....	84
Universities	
Auckland University of Technology .....	86
Lincoln University .....	88
Massey University .....	90
The University of Auckland .....	92
University of Canterbury .....	94



The University of Otago .....	96
The University of Waikato .....	98
Victoria University of Wellington .....	100
<b>Institutes of Technology and Polytechnics</b>	
Aoraki Polytechnic .....	102
Bay of Plenty Polytechnic .....	104
Christchurch Polytechnic Institute of Technology .....	106
Eastern Institute of Technology .....	108
Manukau Institute of Technology .....	110
Nelson Marlborough Institute of Technology .....	112
NorthTec .....	114
Open Polytechnic of New Zealand .....	116
Otago Polytechnic .....	118
Southern Institute of Technology .....	120
Tai Poutini Polytechnic .....	122
Unitec Institute of Technology .....	124
Universal College of Learning .....	126
Wairiki Institute of Technology .....	128
Waikato Institute of Technology .....	130
Wellington Institute of Technology .....	132
Western Institute of Technology at Taranaki .....	134
Whitireia Community Polytechnic .....	136
<b>Wānanga</b>	
Te Wānanga o Aotearoa .....	138
Te Wānanga o Raukawa .....	140
Te Whare Wānanga o Awanuiārangi .....	142



## INTRODUCTION

The Tertiary Education Commission (TEC) is pleased to publish the *2012 Tertiary Education Performance Report*. It has proved useful as a reference for many of our stakeholders since the first edition was published in 2010.

The primary role of the TEC is to give effect to the Government's Tertiary Education Strategy. Creating visibility by publishing comparative performance information is an important part of maintaining the accountability of the tertiary education sector.

Responsiveness, effectiveness and capability are three important dimensions of the performance of tertiary education organisations and are presented through both financial and educational lenses in this report.

The report presents a snapshot of key aspects of performance for universities, wānanga and institutes of technology and polytechnics, across the sectors and the tertiary sector as a whole. It is not intended to provide a comprehensive picture of performance.

The *2012 Tertiary Education Performance Report* builds on the previous reports and will be further enhanced in coming years as performance information is refined and becomes more readily available.

## GLOSSARY

**Academic Quality Agency for New Zealand Universities (AQA):** An independent body established and owned by Universities New Zealand (formerly the New Zealand Vice-Chancellors' Committee); reviews academic quality monitoring systems and advises on good practice and quality-assurance issues; until 31 December 2012, this was known as the New Zealand Universities Academic Audit Unit (NZUAAU)

**Centres of Research Excellence (CoREs):** Primarily, but not exclusively, inter-institutional networks of researchers working together on a commonly agreed work programme; each hosted by a university and generally comprising a number of partner organisations including other universities, Crown Research Institutes and wānanga

**Crown Research Institutes (CRIs):** Crown-owned companies that carry out scientific research for the benefit of New Zealand

**Education Act 1989:** The Act and its subsequent amendments that reformed the administration of education in New Zealand

**Educational performance indicators (EPIs):** The key measures that the Tertiary Education Commission (TEC) uses to assess the annual contribution each tertiary organisation makes towards the priorities set out in the *Tertiary Education Strategy 2010–15*

Tertiary education organisations (TEOs) funded through the Student Achievement Component (SAC) have four EPIs:

1. Successful course completion is measured by the EFTS-weighted successful course completion rate (where EFTS means 'equivalent full-time students'). This is the successfully completed enrolments in courses at a TEO each year, as a proportion of the total enrolments in courses, weighted by the EFTS value of the enrolments.
2. Student retention is measured by the student completion (or continuation) rate. This is the number of re-enrolments or qualification completions at a TEO each year compared with the number of students present at the TEO in the previous year.
3. Qualification completion is measured by the EFTS-weighted qualification completion rate. This is the number of qualifications completed at a TEO each year (weighted by the EFTS value of each qualification), as a proportion of the total enrolments in qualifications (weighted by the EFTS value of the enrolments).
4. Student progression is measured by the completion progression rate. This is a rate of re-enrolment in a higher-level qualification in the following year for students who have completed a qualification. As progression into higher study is more important from lower level programmes, TEC's published EPI figures on progression report the rate of learners who progress after completing a qualification at either New Zealand Qualifications Framework Level 1, 2, 3, or 4.

Industry training organisations (ITOs) have two EPIs related to credit and programme completion:

1. Credit completion represents the credits achieved by trainees at an ITO, as a proportion of the total number of credits trainees are expected to complete in a given period at each ITO.
2. Programme completion measures the number of programmes completed by trainees, as a proportion of the total number of credits that trainees are expected to complete in a given period at each ITO, weighted by the nominal credit value of the completed programme.



**Equivalent full-time students (EFTS):** The main unit of measure of the consumption of education (with one student enrolled in a standard programme of study full-time for the full year equating to 1.0 EFTS); also the basic unit of measure of tertiary teaching input for Student Achievement Component funding

**External evaluation and review (EER):** The New Zealand Qualifications Authority's periodic process that reviews independently the educational performance and self-assessment capabilities of institutes of technology and polytechnics, wānanga and private training establishments; focuses on the valued outcomes of tertiary education instead of a traditional audit approach that measures inputs and processes

**Financial performance:** a standard set of measures and summary information comparing performance in a consistent manner for each tertiary education institution (TEI). Information is sourced primarily from TEI annual reports and supplemented by financial monitoring templates provided to the TEC where data is not reported by a TEI or where TEIs do not have a consistent definition of a particular financial item across the sector

#### **Financial Performance Metrics**

In addition to the Summary Financial Statement information outlined below, key financial performance metrics are provided in the section Performance of the Tertiary Education Sector – At a Glance. These are consistent with the TEC financial monitoring framework ([www.tec.govt.nz/Documents/Reports and other documents/Financial-monitoring-framework.pdf](http://www.tec.govt.nz/Documents/Reports%20and%20other%20documents/Financial-monitoring-framework.pdf)). The key performance metrics are:

*Net surplus (after unusual and non-recurring items):* Net surplus/deficit after unusual and non-recurring items to total income

*Net cashflow from operations:* Cash inflow (receipts) from operations to cash outflow (payments) from operations

*Liquid funds:* Liquid resources less short-term overdrafts to cash outflow (payments) from operations

*Three-year average return on property, plant, equipment and intangibles:* The ratio of earnings before interest paid and earned, taxation, depreciation, amortisation and unusual and non-recurring items (EBITDA) to end-of-year property, plant and equipment plus intangible assets

#### **Summary Financial Statements**

*Total revenue:* Total revenue is reported revenue inclusive of gains in jointly controlled entities. Revenue is broken down into:

*Total government revenue:* Total government revenue as reflected in TEI financial monitoring templates provided to the TEC consisting of: government tuition funding plus Performance-Based Research Fund income, TEC-funded research capability and initiatives, and other government funding

*Domestic student fees:* Domestic student fees as reported in TEI annual reports and supplemented by financial monitoring templates provided to the TEC where data is not reported

*International student fees:* International student fees as reported in TEI annual reports and supplemented by financial monitoring templates provided to the TEC where data is not reported

*Other income (including research):* Other income consists of all revenue not counted in the preceding three categories



*Total expenses:* Total expenses are reported expenses inclusive of losses in jointly controlled entities, but excluding unusual and non-recurring items and income tax. Reported separately within expenses is:

*Personnel:* Personnel is employee salaries, wages and other employment benefits as reported in TEI annual reports, including the identified salaries, wages and other employment benefits component of expense items requiring separate disclosure

*Net surplus (after unusual and non-recurring items):* Net surplus/deficit for the period after income tax as reported in TEI annual reports, and excludes any other comprehensive income

Unusual and non-recurring items are revenue and expenses arising from events considered significant in themselves and that, if included, could materially distort reported results. In 2010 and 2011 this was limited to revenue and expenses from the Canterbury earthquakes

#### **Assets**

Assets are total assets as reported in TEI annual reports. Reported separately within assets is:

*Plant, property, equipment and intangibles:* Plant, property, equipment and intangibles are non-current assets including land, buildings and capital asset work in progress as reported in TEI annual reports

*Equity (net assets):* Total equity as reported in TEI annual reports, including retained earnings and revaluation reserves

*Net cashflow from operations:* Cash inflow (receipts) from operations less cash outflow (payments) from operations as reported in TEI annual reports

*Purchase of plant, property, equipment and intangibles:* Cash outflow for the purchase of plant, property and equipment plus the cash outflow for intangible assets as reported in TEI annual reports

#### **Non-financial measures**

*Full-time equivalent staff (FTE):* A unit that measures the number of employed persons based on the proportion of hours worked compared with a full-time position; makes staffing numbers comparable despite employees working differing numbers of hours per week

*Staffing FTE:* Total staff FTEs as reported in TEI annual reports, supplemented by TEI financial monitoring templates provided to the TEC where data is not reported. Data may vary from single data return (SDR) submissions received

*Total EFTS to Total Staff FTE:* Total EFTS as reported in TEI annual reports divided by staffing FTE. Data may vary from SDR submissions received

*Total EFTS to Teaching Staff (Academic and Tutorial Staff FTE):* Total EFTS as reported in TEI annual reports divided by teaching staff data as reflected in TEI financial monitoring templates provided to the TEC

**Foundation-Focused Training Opportunities (FFTO):** Programmes targeting learners at the highest risk of long-term unemployment, with explicit focus on improving literacy and numeracy skills; refocuses the Training Opportunities fund, with the TEC and Ministry of Social Development allocating funding through a split arrangement from 2011



**Funding categories:** There are various TEC-administered funds across a number of appropriations; summarised for simplicity in four categories:

*Capability:* Funds that contribute to capability across the sector or enhance the capability of a specific tertiary education organisation. For example:

- Partnerships for Excellence – The University of Auckland Starpath Project
- ITO Sector Leadership
- National Centre for Tertiary Teaching Excellence (Ako Aotearoa)
- Tertiary education institution merger support

*Research:* Funds that contribute to research:

- Performance-Based Research Fund
- Centres of Research Excellence

*Scholarships and Learners:* Tertiary scholarships paid directly to, or for the benefit of, specific students and learners. For example:

- Tertiary Teaching Awards
- Medical Intern Grants
- European Union Exchange Project
- Educator Study Grants – Adult Literacy Educators

*Teaching and Learning:* Funds that specifically contribute to the provision of education and connected funding streams. For example:

- Student Achievement Component (SAC)
- Youth Guarantee
- Industry Training Fund
- Modern Apprenticeships and Modern Apprenticeship Brokerage
- Adult and Community Education
- Trades academies
- Intensive Literacy and Numeracy and Workplace Literacy
- Foundation-Focused Training Opportunities
- Equity loading

**Industry cash contribution rate:** Industries' contribution to industry training organisations (ITOs); an indicator that employers and industry value the training that the ITO sector arranges; calculated as the proportion of total ITO income contributed by employers and industry for the purpose of achieving credits and national qualifications

**Investment Plan:** The funding agreement between each tertiary education organisation (TEO) and the TEC covering the organisation's operational and capital spending; outlines each organisation's mix of education and training, as well as performance standards and outcomes; links each organisation's education provision and performance to the desired outcomes of the Government, learners, businesses and communities; 'overdelivery' (enrolment of more than 103 percent of the agreed level of funded EFTS) prompts engagement with the TEC to reach a satisfactory reduction in delivery; 'underdelivery' (enrolment of less than 97 percent of the agreed level of funded EFTS) may require the return of unused funding

**Ministry of Education:** The Government's lead advisor on the New Zealand education system



**Modern Apprenticeships (MA):** A work-based education initiative for young people, available in 36 industries, that leads to a nationally recognised qualification

**New Zealand Qualifications Authority (NZQA):** The Crown entity charged with ensuring that New Zealand qualifications are robust and credible nationally and internationally

**New Zealand Qualifications Framework (NZQF):** The comprehensive list of all quality-assured qualifications in New Zealand, ranked from least complex (Level 1) to most complex (Level 10); established in July 2010

**New Zealand Standard Classification of Education (NZSCED):** The subject-based classification system for courses and qualifications at universities, institutes of technology and polytechnics, wānanga and private training establishments

**New Zealand Universities Academic Audit Unit (NZUAAU):** An independent body established and owned by Universities New Zealand (formerly the New Zealand Vice-Chancellors' Committee); reviews academic quality monitoring systems, and advises on good practice and quality-assurance issues; from 1 January 2013 renamed to Academic Quality Agency for New Zealand Universities (AQA)

**Partnerships for Excellence (Pfx):** A fund that enables the Crown to match private-sector investments in significant new initiatives in the public tertiary education sector in line with the Tertiary Education Strategy

**Performance-Based Research Fund (PBRF):** The TEC-administered fund to encourage and reward excellent research in the tertiary education sector; entails assessing the research performance of tertiary education organisations and then funding them accordingly; based on the three elements of quality evaluation, research degree completions and external research income

**Performance-linked funding:** The system introduced in 2010 to encourage all tertiary education organisations to reach an acceptable standard of educational performance; from 2012 it links 5 percent of providers' funding to their performance in educational performance indicators in the previous year

**Performance commitments:** The targets agreed between the TEC and an individual tertiary education organisation (TEO) that are used to measure and evaluate the TEO's performance; agreed on an individual organisation basis in Investment Plans, so commitments vary among TEOs

**Provider-based delivery:** Tertiary education that occurs on-campus rather than in the workplace

**Single Data Return (SDR):** A set of data required by the Ministry of Education and the TEC for funding, monitoring performance against Investment Plans, publishing performance information, as well as statistical reporting purposes; required of all tertiary education organisations (TEOs) that receive Student Achievement Component funding or have students with student loans or allowances

**Standard Training Measure (STM):** The main unit of measurement of the consumption of training (with one STM equalling the amount of training required to achieve 120 register credits or equivalent in an approved structured training programme); also the basic unit of measurement of input for industry training funding

**Student Achievement Component (SAC):** The Government's contribution to the direct costs of teaching, learning and other costs driven by student numbers within approved Investment Plans; the largest funding pool supporting the delivery of tertiary education



**StudyLink:** The service of the Ministry of Social Development that provides financial support to students

**Tertiary education institutions (TEIs):** Public institutions (Crown entities) that receive public funding to deliver tertiary education in accordance with their specific role as defined in the Education Act 1989, comprising New Zealand's eight universities, 18 institutes of technology and polytechnics, and three wānanga

**Tertiary education organisations (TEOs):** Bodies that provide tertiary education-related services, comprising universities, institutes of technology and polytechnics, wānanga, private training establishments, industry training organisations and other TEC-funded organisations such as schools and community providers that deliver tertiary education and training

**Tertiary Education Strategy 2010–15 (TES):** The Government's high-level set of strategic priorities and associated strategies for tertiary education, as required by legislation

**University Quality Audits:** Five-yearly whole-of-institution audits carried out by the Academic Quality Agency for New Zealand Universities (AQA); focus on the ability of institutional processes to support each university's achievement of its specified outputs and outcomes

**Youth Guarantee:** An initiative announced in Budget 2009 that focuses on improving the educational achievements of targeted 16- and 17-year-olds by enabling them to participate in a range of vocational courses free of charge

**Youth Training:** A targeted, TEC-funded programme primarily for learners under 18 years of age who have left school with few or no qualifications; aimed at the acquisition of foundation skills that enable them to move into sustainable employment and/or higher levels of tertiary education

## LIST OF KEY ABBREVIATIONS

<b>ACE</b>	Adult and Community Education
<b>AQA</b>	Academic Quality Agency for New Zealand Universities (previously NZUAAU)
<b>CAM</b>	Capital Asset Management
<b>CoRE</b>	Centre of Research Excellence
<b>CRI</b>	Crown Research Institute
<b>EER</b>	External evaluation and review
<b>EFTS</b>	Equivalent full-time student(s)
<b>EPIs</b>	Educational performance indicators
<b>ERI</b>	External research income
<b>FFTO</b>	Foundation-Focused Training Opportunities
<b>FTE</b>	Full-time equivalent (as in staff)
<b>ITF</b>	Industry Training Fund
<b>ITO</b>	Industry training organisation
<b>ITP</b>	Institute of technology and polytechnic
<b>MA</b>	Modern Apprenticeships
<b>MSD</b>	Ministry of Social Development
<b>NZQA</b>	New Zealand Qualifications Authority
<b>NZQF</b>	New Zealand Qualifications Framework
<b>NZSCED</b>	New Zealand Standard Classification for Education
<b>NZUAAU</b>	New Zealand Universities Academic Audit Unit (AQA from 1 January 2013)
<b>PBRF</b>	Performance-Based Research Fund
<b>PfX</b>	Partnerships for Excellence
<b>PTE</b>	Private training establishment
<b>REAP</b>	Rural Education Activities Programme
<b>SAC</b>	Student Achievement Component
<b>STM</b>	Standard Training Measure
<b>STP</b>	Secondary–Tertiary Programme
<b>TEC</b>	Tertiary Education Commission
<b>TEI</b>	Tertiary education institution
<b>TEO</b>	Tertiary education organisation
<b>TES</b>	Tertiary Education Strategy



## PURPOSE OF THE *TERTIARY EDUCATION PERFORMANCE REPORT*

The Tertiary Education Commission (TEC) has a statutory responsibility to report to the Minister for Tertiary Education, Skills and Employment on the performance of the tertiary sector.

The *2012 Tertiary Education Performance Report* draws together educational, financial and governance information on the tertiary sector and on individual universities, institutes of technology and polytechnics, and wānanga. This report provides a snapshot of selected indicators for each institution; see an institution's own website for a more comprehensive picture of its performance.

### The Tertiary Education Sector

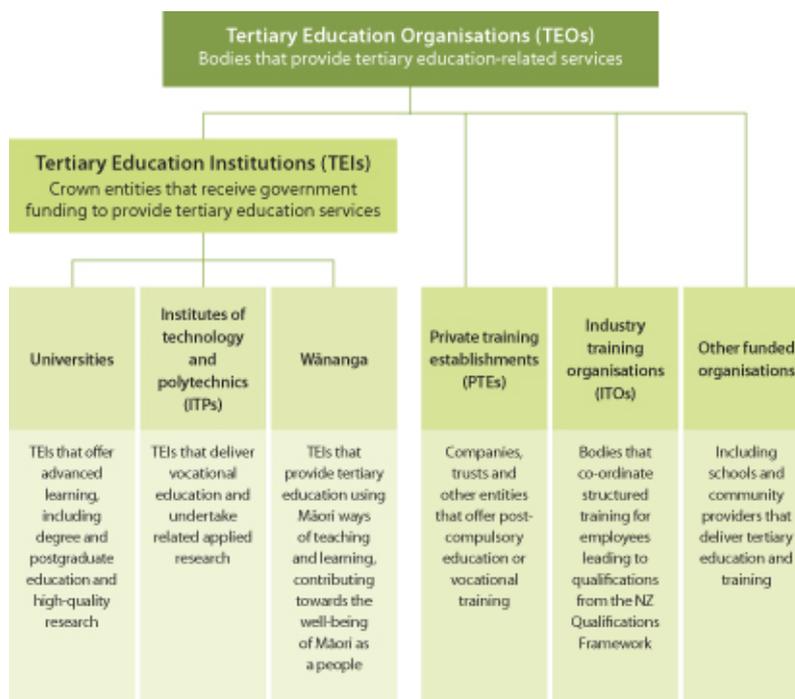
New Zealand's economic and social wellbeing relies in part on a high-quality and responsive tertiary education system. Its most important role is to help New Zealanders develop the right skills to meet the new and changing challenges of the 21st century.

Tertiary education in New Zealand includes all post-school education, from adult and community education, literacy and numeracy skills, and industry training (including Modern Apprenticeships) to certificates and diplomas, Bachelor's degrees and postgraduate qualifications. These are delivered or arranged by many types of tertiary education organisations (TEOs):

- universities
- institutes of technology and polytechnics (ITPs)
- wānanga
- industry training organisations (ITOs)
- private training establishments (PTEs)
- other funded organisations.

Of these, the universities, ITPs and wānanga are Crown entities and are known as tertiary education institutions (TEIs).

Figure 1: Tertiary education organisations





The Government has named four strategic drivers of its policy to improve New Zealand's economic performance and support sustainable growth. These drivers are:

- responsibly managing the Government's finances
- building a more productive and competitive economy
- delivering better public services within tight fiscal constraints
- supporting the rebuilding of Christchurch.

The tertiary sector addresses these strategic imperatives in several ways. It plays a key role in enhancing skills across the spectrum from foundation learning through to the most advanced training and qualifications. Effective and efficient tertiary institutions contribute to a well performing public sector. The research and skills developed in tertiary education support innovation and growth in New Zealand industry.

The Government sets out its long-term strategic direction for tertiary education in the Tertiary Education Strategy issued by the Minister of Education. The Government's vision is for a world-leading education system that equips New Zealanders with the knowledge, skills and values to be successful citizens in the 21st century. To achieve this, the Government expects the tertiary education system to:

- provide learning opportunities for New Zealanders of all backgrounds to gain world-class skills and knowledge
- raise the skills and knowledge of the current and future workforce to meet labour market demand and social needs
- produce high-quality research to build New Zealand's knowledge base and respond to the needs of the economy
- enable Māori to enjoy education success as Māori.

The Government invests around \$4 billion annually in tertiary education. To get the best return on this investment, the Government has articulated seven priorities in its *Tertiary Education Strategy 2010–15*:

- increasing the number of young people (aged under 25) achieving qualifications at Level 4 and above on the New Zealand Qualifications Framework (NZQF), particularly degrees
- increasing the number of Māori students enjoying success at higher levels
- increasing the number of Pasifika students achieving at higher levels
- increasing the number of young people moving successfully from school into tertiary education
- improving literacy, numeracy and skills outcomes from NZQF Levels 1–3 study
- improving the educational and financial performance of providers
- strengthening research outcomes.

Targets for each of these priorities are reflected in the Investment Plan commitments of tertiary education organisations.

In addition to the TEC, a range of other government agencies are concerned with tertiary education. These include the Ministry of Education, the New Zealand Qualifications Authority, Careers New Zealand, the Ministry of Social Development, Inland Revenue Te Tari Taake and the Ministry of Business, Innovation and Employment. More information can be found on the TEC website [www.tec.govt.nz](http://www.tec.govt.nz).



## Role of the Tertiary Education Commission

The TEC is a Crown entity with the principal role of giving effect to the Tertiary Education Strategy. It does this by:

- influencing performance by focusing on outcomes
- focusing on investment in areas that earn the greatest return
- using information to enable students to make better education choices, encourage innovation and ensure TEOs are publicly accountable for taxpayer funding and outcomes achieved.

The TEC's legislative functions are set out in section 159F of the Education Act 1989 and include allocating funding to TEOs and providing advice on matters affecting tertiary education to the Minister for Tertiary Education, Skills and Employment. Other major functions set out in the Education Act are to develop and implement funding mechanisms and to monitor the performance of organisations that receive funding from the TEC.

### Tertiary education funding for 2012

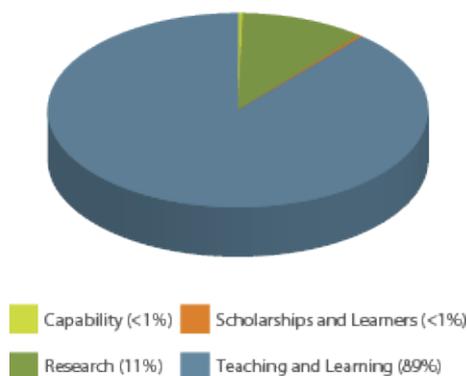
This report focuses primarily on the outputs achieved via the Student Achievement Component (SAC) fund, which is the Government's direct contribution to teaching and learning, and accounts for 70 percent of government funding for TEOs. It is also allocated to PTEs and Rural Education Activities Programmes. Allocations are based on volume of delivery measured in equivalent full-time students (EFTS), which are agreed between the TEC and providers in each institution's Investment Plan.

This report also provides information on the Industry Training Fund (ITF), which is allocated to ITOs for the arrangement of employment-based training linked to national qualifications, predominantly at NZQF Levels 1 to 4, including Modern Apprenticeships. The volume of such training is measured using Standard Training Measures (STMs).

The TEC funding is split into the following four categories:

- Capability funding – contributes to capability across the tertiary sector or is specifically aimed at enhancing the capability of a given TEO
- Research funding – contributes to research such as through the Performance-Based Research Fund (PBRF) and Centres of Research Excellence (CoREs)
- Scholarships and Learners funding – is paid directly to, or for the benefit of, specific students and learners
- Teaching and Learning funding – contributes to the provision of education and connected funding streams.

Figure 2: Tertiary Education Commission-allocated funding, 2012



In 2012, the Government spent \$2.69 billion on the services of TEOs. This \$2.69 billion allocated by the TEC funded the activities of over 700 TEOs as they arranged and delivered tertiary education and training across New Zealand.

Table 1: TEC funding for 2012

Providers	2011		2012	
	\$(000)	%	\$(000)	%
Universities	\$1,403,845	52%	\$1,422,947,565	53%
Institutes of technology and polytechnics	\$607,413	23%	\$620,895,511	23%
Wānanga	\$170,359	6%	\$169,248,053	6%
Industry training organisations	\$151,273	6%	\$136,377,285	5%
Private training establishments	\$300,363	11%	\$311,376,875	12%
Other funded organisations	\$38,119	1%	\$31,970,236	1%
<b>Grand Total</b>	<b>\$2,677,441</b>	<b>100%</b>	<b>\$2,692,816</b>	<b>100%</b>



## OPERATING ENVIRONMENT

In 2012, government funding for tertiary education was prioritised to support growth in high-performing areas that were considered likely to contribute to economic growth and benefit all New Zealanders. This was in line with previous years' practice and in accordance with government policy. It meant that funding was reprioritised away from areas of poor performance – those areas of provision that demonstrated low completion rates or poor educational outcomes. This policy was strengthened by the implementation of performance-linked funding that links 5 percent of tertiary education organisations' (TEOs') Student Achievement Component (SAC) funding to previous performance.

Tertiary education organisations continued to work innovatively and collaboratively with other providers to seek efficiency gains in 2012, reviewing programmes to ensure they responded to stakeholder needs and aligned with the Government's priorities, and exploring additional sources of revenue. The Tertiary Education Commission (TEC) carried out a full investment round in 2012. This required providers to develop investment plans for 2013–14 that explained how they intended to contribute to the *Tertiary Education Strategy 2010–15* priorities and, in particular, to address participation of priority learner groups, performance and accountability.

The Government's focus throughout 2012 was to create more places in areas of high demand, ensure that providers were able to meet their costs, and make available the resources to support the Christchurch earthquake recovery. Additional resources are needed in Christchurch to reinstate the tertiary education infrastructure and to enable providers to realign education and training options to meet the needs of the rebuild.

To progress on the *Tertiary Education Strategy 2010–15* and obtain value from its investment, the Government's initiatives in 2012 were aimed at strengthening educational and financial performance and focused on:

- targeting priority groups
- improving system performance
- supporting high-quality research that helps to drive innovation.

The following pages summarise the TEC's response to the Canterbury tertiary education institutions' (TEIs') earthquake recovery and outline initiatives that focus on those outcomes and strengthen sector capability.

### **Tertiary Education Commission's response to Canterbury TEI's earthquake recovery**

During 2012, two Canterbury TEIs, the University of Canterbury and Lincoln University, signalled to the Government the need for assistance by way of capital support to help the TEIs with the rebuild of their campuses. The Christchurch Polytechnic Institute of Technology (CPIT) advised that, while it could cover the costs of its campus remediation, it could not expand its trade training provision to meet increased workforce demand and, accordingly, would be seeking capital support.

The TEIs were directed to present their requirements using the Treasury's Better Business Case methodology so the Government could consider their requests. The TEC helped with this process and, in September 2012, the TEIs presented their Programme Business Cases.

In November 2012, Cabinet provided in-principle support for the requests from the University of Canterbury and Lincoln University for the science and engineering components of their business cases. Cabinet also provided in-principle support for

the expansion of trades provision at CPIT and directed the TEIs to move to developing individual project business cases for those initiatives identified.

Further help was provided by the TEC during the year to ensure the TEIs were adequately supported, including maintaining SAC funding levels and amending the rules for the Performance-Based Research Fund (PBRF).

### Māori performance initiatives

While progress has been made for Māori learners, disparities have remained the same relative to other learners and a step up in performance for Māori learners is essential to reduce these disparities. In 2012, the TEC Board of Commissioners agreed to set stretch plan performance commitment targets and to identify up to \$10 million of SAC funding from baselines for more places for TES priority learners to achieve parity in educational outcomes. Providers were expected to set out in their Investment Plans the strategies for achieving better outcomes for Māori learners.

To be eligible for the additional SAC funding, TEOs were expected to have a good track record of performance for Māori and Pasifika learners, including meeting or exceeding participation targets. They had to provide evidence of demand above existing allocations and were expected to commit to ongoing high performance. As a result, \$6.36 million of SAC funding was allocated for additional places for Māori and Pasifika.

TEOs are expected to report progress in achieving their 2011 Investment Plan commitments for Māori and Pasifika in their 2013–14 Plans.

### Pasifika performance initiatives

In 2012, the TEC released the *Pasifika Framework 2013–2017*, which outlines a whole-of-sector approach to improving Pasifika tertiary outcomes. The *Pasifika Framework 2013–2017* sets out four areas that will have the greatest impact for Pasifika learners: successful transitions; accelerated educational performance; improved interagency collaboration; and effective research.

The TEC has worked with the Ministry of Education and other government agencies to:

- develop and finalise the Pasifika Education Plan 2013–2017
- improve the relevance and quality of education provision for Pasifika learners
- promote Pasifika participation in high-growth and high-demand industries
- establish a Pasifika research expert advisory group for the PBRF quality evaluation.

The TEC's work also extended to engagement with tertiary providers to:

- ensure Plan guidance set clear and challenging expectations with a focus on improving the performance and success of Pasifika learners
- ensure Investment Plan commitments included stretch targets for Pasifika participation and educational performance
- engage more effectively with Pasifika learners, families and communities
- ensure young Pasifika people are provided with information to enable good decisions about appropriate services and programmes.



## Pasifika Trades Training initiative

In 2012, the Pasifika Trades Training initiative was introduced with the aim of raising the profile of trades training in the Pasifika community as well as to support the rebuild of Christchurch. The initiative offered a fees-free place in a one-year pre-trade training course at Levels 3–4. Pasifika community leadership was an important point of difference with this initiative as was the role of church ministers in providing nominations, ongoing support and pastoral care.

Institutes of technology and polytechnics (ITPs) were expected to work with industry training organisations (ITOs) to progress learners into industry training agreements. Five ITPs participated in the initiative: CPIT, Wellington Institute of Technology, Whitireia Community Polytechnic, Manukau Institute of Technology and Unitec Institute of Technology. Church ministers were used to recruit and support learners throughout their programme of study. For 2012, 258 learners participated in the initiative.

The Pasifika Trades Training initiative was successful in several ways, including:

- successfully recruiting Pasifika learners who otherwise might not have considered the trades as a career
- providing ITP academic and pastoral care support; particularly for students with high needs
- engaging Pasifika community leaders to play a key role in promoting and recruiting students.

There were 177 learners who successfully completed the pre-trade qualification. In March 2013 (nearly three months after graduation), eight learners had secured apprenticeships, four were still being confirmed, 22 learners had secured work in the trades industry and 44 were going on to further study, including nine at diploma level.

## Literacy, language and numeracy

The TEC published the Adult Literacy and Numeracy Implementation Strategy in 2012. This follows five work streams, which include further developmental work on the Assessment Tool and addressing Māori and Pasifika literacy and numeracy needs. This work aligns with the existing Pasifika Framework and forthcoming Māori and Youth and Transition frameworks. The tertiary sector is increasing the number of programmes and courses that include embedded literacy and numeracy at New Zealand Qualifications Framework (NZQF) Levels 1–3.

During 2012, the TEC consulted with the sector regarding the development of indicators to measure gain in literacy and numeracy based on Assessment Tool data. This work was due to conclude in 2013 so that performance measures could be released in 2014.

## Improving pathways

### *Secondary–tertiary partnerships*

In 2011, trades academies were introduced as part of the wider Youth Guarantee initiative providing funding for a new type of Secondary–Tertiary Programme (STP). STPs provide opportunities for senior secondary school students to achieve credits simultaneously towards secondary and tertiary qualifications. Initially, the TEC was responsible for administering funding for five tertiary-led trades academies and the School of Secondary–Tertiary Studies at Manukau Institute of Technology. In 2012, the number of TEO-based trades academies grew to 11, with 1,806 funded places allocated across eight ITPs, two private training establishments (PTEs) and one ITO.

Most trades academies are based on two-year programmes, but other models range from one full-time year to part-time programmes of one or more days a week. One programme included block courses during school-holiday breaks. While some trades academies struggled to get full enrolment at the beginning of the year, others enrolled more students than they were funded for, indicating a high level of interest from the 186 participating secondary schools. Six trades academies achieved more than the performance expectation of 80 percent enrolment, and the average attendance rate across all trades academies was 84 percent, compared with the expected performance target of 80 percent.

#### *Youth Guarantee*

Youth Guarantee, the fees-free tertiary programme, aims to increase the educational achievement of 16- and 17-year-olds not currently engaged in education, and to improve transitions between school, tertiary education and employment. The TEC has been responsible for funding Youth Guarantee fees-free tertiary education at Levels 1–3 on the NZQF in PTEs, ITPs and wānanga since 2010.

In 2012, Youth Training was merged into Youth Guarantee. This included the expansion of the programme from 34 TEOs in 2011 to 150 in 2012 and enrolling 8,901 learners across the country. Māori participation increased 13.8 percentage points, from 29 percent in 2011 to 42.8 percent in 2012. Similarly, Pasifika participation increased by 3 percentage points, from 14 percent in 2011 to 17 percent in 2012, while European participation decreased slightly, from 52 percent in 2011 to 46.9 percent in 2012. For many TEOs, 2012 was a transitional year that focused on the development of programmes and on systems alignment.

#### **Performance-linked funding**

Performance-linked funding is one of several approaches intended to improve educational outcomes for students and employers and improve value for taxpayers' money.

Performance-linked funding is targeted to encourage all TEOs to reach an acceptable standard of educational performance. From 2012, a maximum of 5 percent of a TEO's total SAC or Industry Training funding was at risk, based on an organisation's educational performance in the previous year.

The TEC has developed a performance-linked funding calculator, and organisations are provided with a copy so they can model the impact of performance-linked funding for themselves.

Funding impacts were first introduced in 2012 for the SAC fund. A total of \$2.989 million in performance-linked funding adjustments were made to the December 2012 payments of 50 TEOs.

The introduction of performance-linked funding for ITOs has been delayed until 2014, as this sector is experiencing significant change and the current fund requirements ensure funding is linked to performance.

#### **Changes to foundation learning**

Budget 2012 established a separate funding pool for entry-level tertiary education (Levels 1–2 on the NZQF). One-third of this pool was made available to all SAC providers, including PTEs, through a new competitive allocation process.

The TEC completed the first competitive allocation process in October 2012, awarding 5,401 equivalent full-time students (EFTS) and \$37 million of foundation education for both 2013 and 2014. Of the 144 applications received, 25 providers were successful – 18 PTEs, six ITPs and one wānanga.



The allocation process enabled more places for learners (1,700 additional EFTS compared with current SAC prices), thereby achieving both quality and greater value for money.

The Government intends to make the whole SAC Levels 1–2 funding pool available on a competitive basis, phased in over two or three Investment Plan periods.

## Mergers

The performance of the ITO sector continued to improve in 2012 as a result of the impact of new operational policies introduced from 2011 and the focus of ITOs on their core business. ITOs have responded to the Government's priority to simplify and strengthen the sector by seeking further merger and amalgamation opportunities with other ITOs. At the start of 2012, there were 32 recognised ITOs. During 2012, mergers reduced the number of ITOs to 20 by the year end and other mergers are planned. Further details about the mergers are provided in the separate section on ITOs.

## Capital Asset Management

The aim of Capital Asset Management (CAM) is to deliver services in the most cost-effective manner through the management of assets for present and future customers.

Cabinet Office Circular: Capital Asset Management in Departments and Crown Entities: Expectations CO (10)2 sets out expectations for asset management in departments and Crown agencies including TEIs.

As at 31 December 2012, TEIs collectively owned or managed assets with a net book value of around \$7.9 billion. This made TEIs' assets collectively the fourth-largest social-asset portfolio across government. The majority of assets were held by universities (\$5.88 billion), followed by ITPs (\$1.76 billion) and wānanga (\$0.26 billion). The value and importance of these assets to the social, cultural and economic wellbeing of New Zealand reinforces the need for TEIs to set high standards when it comes to managing their assets.

In 2012, the TEC worked closely with tertiary education sector bodies and individual TEIs to establish and implement an integrated CAM Monitoring Framework. This framework articulates how the TEC will monitor CAM plus provide advice and guidance to TEIs where appropriate.

Other achievements during 2012 included the following.

- All TEIs developed and provided information to the TEC on their long-term capital intentions to help improve monitoring and inform decision-making.
- All TEIs completed a self-assessment of their CAM capability in preparation for independent reviews of CAM during 2013.
- In February 2012, around 90 senior finance and asset management specialists attended an inaugural workshop jointly organised by the TEC and sector representatives. This workshop provided guidance on topics focused on improving the quality of CAM in TEIs.

## Performance-Based Research Fund

The PBRF is a TEC-administered fund designed to encourage and reward excellent research in the tertiary education sector. The PBRF is allocated by assessing the research performance of TEOs and then funding them accordingly. PBRF funding is based on three elements: quality evaluation, research degree completions, and external research income.



The quality evaluation is a peer-review process that determines the quality of research at the level of an individual researcher at TEOs. This measure accounts for 60 percent of the funding pool and provides the basis of funding for a period following each quality evaluation. TEOs that do not participate in the quality evaluation cannot access funding through the two other measures.

The TEC undertook a quality evaluation in 2012. This invited submission of evidence portfolios by TEOs and the assessment of these by peer-review panels and expert advisory groups. Panels made decisions at the end of 2012 and the interim results were released to the sector and other stakeholders in April 2013. TEC will present the final report later in 2013.



# GOVERNANCE OF TERTIARY EDUCATION INSTITUTIONS

## Governance framework

The tertiary education institutions (TEIs) are governed by autonomous councils whose roles and functions are set out in the Education Act 1989. The Minister for Tertiary Education, Skills and Employment (the Minister) appoints four members to each council with the remainder appointed in accordance with each council's constitution or statute.

University and wānanga councils have between 12 and 20 members. Institutes of technology and polytechnics (ITPs), which were reconstituted in 2010, generally consist of eight members. The Minister also appoints the Chair and Deputy Chair of ITP councils.

University and wānanga council members' terms of office are normally four years. Appointments to polytechnic councils are for a term of up to four years, and a shorter term of two or three years may be used by the Minister to help councils in succession planning. Members are able to remain in office until reappointed or replaced, so council members may serve beyond the end of their term of office.

Effective councils provide clear strategic leadership and set and monitor the achievement of challenging targets. They have well-informed members who have a good understanding of stakeholders and the institution's strengths and areas for improvement, and who challenge the management team about the institution's performance. Effective councils also self-review or reflect on their performance on a regular basis.

### Role of the Tertiary Education Commission in governance

The Tertiary Education Commission's (TEC's) role is to monitor and evaluate the governance capability of TEI councils. It provides advice to the Minister on governance matters, including Ministerial appointments, and information and support to enhance governance capability.

## Governance capability

### Governance in the ITP sector

The 2010 governance reform of the ITPs, which focused on increasing the skills base of councils and reduced their size, was intended to enhance the governance capability of the ITPs and strengthen their leadership. The aim was improved institutional performance.

### Evaluating governance changes

To evaluate the governance changes, the TEC initiated a three-phase research programme. An initial review was undertaken in 2011 to evaluate the implementation and transition of the reconstituted councils and any immediate short-term outcomes. That review found the governance changes had stimulated a positive shift in the effectiveness of councils; the evaluation report was published on the TEC website and can be found at [www.tec.govt.nz/Funding/Monitoring-and-reporting/Evaluation-of-changes-to-governance](http://www.tec.govt.nz/Funding/Monitoring-and-reporting/Evaluation-of-changes-to-governance)

A second phase, to assess the medium-term outcomes, is taking place in 2013 and seeks to establish whether the council structure change is contributing to improved institutional performance.

### Cross-council appointments

Changes in the legislation relating to ITPs also facilitated cross-council appointments. This means a member of a polytechnic council can also be appointed as a member of another TEI council. The intention is to promote collaboration and cooperation across the sector. In 2012, Malcolm Inglis, Deputy Chair at the Universal College of Learning, was appointed Deputy Chair at the Western Institute of Technology at Taranaki (WITT). He is the sixth cross-council appointment made by the Minister.

### Governance in the university and wānanga sectors

The Ministry of Education, as part of its policy advisory role, is engaged in providing advice to the Minister about potential changes to the governance arrangements of universities and wānanga. This includes consideration of whether university and wānanga would benefit from a reduction in council size and if legislative change is necessary.

### Tertiary Education Commission's role in supporting governance capability

All councils provide an induction for new members and take steps to ensure members are kept up to date with developments in the sector and with their institution's response to those changes.

The TEC also provides information to help council members; information on the TEC website includes identifying and managing members' conflicts of interest and the maximum fees payable to council members.

From time to time, the TEC also provides briefing sessions for council members. A session was held in Wellington in October 2012, which was hosted by Dr Russ Ballard at Massey University and chaired by Mr Graeme Nahkies, Chair of Waiariki Institute of Technology. The session was attended by over 50 council members who rated it as successful. Participants particularly valued the TEC update on investment planning and TEC's role in monitoring performance, and the session on good governance.

### Changes to council constitutions

From time to time, councils request amendments to their constitutions and these are put in place by agreement with the Minister. Changes may be needed to take account of legislation or, in the case of universities or wānanga, to amend the council's representation. The TEC provides advice to the Minister on requests for constitutional change and, in 2012, requests for changes were received from three councils.

## Council appointment activity for 2012

The TEC is responsible for helping the Minister manage council member appointment and reappointment processes. In 2012, the TEC developed a framework to help in the selection of candidates for Ministerial appointment, which provides criteria that reflect both the statutory functions of councils and the Minister's priorities. Further information on the appointments process is available on the TEC website.

There are 113 Ministerial appointees across 28 councils. The number of councils was reduced by one in January 2012, with the introduction of a combined council for the Wellington Institute of Technology (WelTec) and Whitireia Community Polytechnic.



Each year, when the terms of office of Ministerial appointees expire, the Minister considers whether to reappoint or make new appointments. In doing so, the Minister takes into account the performance of the institution, the skills and experience represented on the council and, in the case of reappointments, the length of term served.

In 2012, eight new Ministerial appointments were made to five councils and the Minister reappointed 13 council members, a total of 21 appointments. There were 10 Ministerial appointees who either resigned or did not seek reappointment, and a vacancy was created on the council of the Nelson Marlborough Institute of Technology when Ms Claudia Wysocki passed away in March 2012.

### University council appointments

During 2012, six new Ministerial appointments were made to university councils: Sir Ralph Norris and Mr Andrew Ferrier were appointed to the University of Auckland council, Dr Royden Somerville and Mr Stephen Higgs were appointed to Otago University council and Ms Victoria Heine and Mr John Selby to the council of Victoria University of Wellington.

Two Ministerial appointees were reappointed to university councils for a further term: Mr Lex Henry was reappointed to the Auckland University of Technology council and Mr Ben Vanderkolk reappointed to Massey University council after a one-year term.

### Polytechnic council appointments

During 2012, two new Ministerial appointments were made to polytechnic councils: Ms Gabrielle Hervey was appointed to Nelson Marlborough Institute of Technology and Mr Malcolm Inglis was appointed member and Deputy Chair of WITT.

Reappointments were made to the seven polytechnic councils, including five reappointments to the WelTec–Whitireia combined council. Five reappointments were as Chair or Deputy Chair.

### Appointment of Chairs and Deputy Chairs

The following people were reappointed in 2012, with the exception of Mr Malcolm Inglis, who was a new appointment:

- Mr Ross Butler, Chair, Nelson Marlborough Institute of Technology
- Dr Alan Barker, Deputy Chair, Open Polytechnic of New Zealand (resigned later in 2012)
- Ms Mary Cave-Palmer, Chair, Waikato Institute of Technology
- Mr Roger Sowry, Chair, WelTec–Whitireia combined council
- Ms Mary Bourke, Chair, Western Institute of Technology at Taranaki; and
- Mr Malcolm Inglis, Deputy Chair, Western Institute of Technology at Taranaki.

### Wānanga

During 2012, no Ministerial appointments were made to the councils of the three wānanga.

### Former Ministerial appointees

In April 2012, Mr Gordon Chesterman stepped down after a substantial contribution to the Waikato Institute of Technology council, which he had chaired for 12 years. Mr Craig McFarlane resigned as Deputy Chair at WITT and, in November 2012, Dr Alan Barker resigned as Deputy Chair at the Open Polytechnic and as Deputy Chair of the WelTec–Whitireia combined council.

Several Ministerial appointees to university councils came to the end of their terms of office: Mr Alec Hawke at the University of Auckland council, Mr Peter Schuyt at the University of Waikato council and Ms Kereyn Smith and Dr James Every-Palmer from the University of Otago council. Professor Sir Ngatata Love resigned from Massey University council.

Robin Hapi, Chair/Te Amokapua of Te Wānanga o Raukawa, resigned as a Ministerial appointee so he could take up the nomination of Ngā Purutanga Mauri. Michelle Hippolite also resigned her Ministerial appointment to that council late in 2012.

### Diversity in governance

The benefits of diversity in board and council appointments is well documented and widely accepted internationally and reflected in the Government's commitment to increase diversity in leadership roles. To assess progress against the Government's priorities for board participation, the TEC monitors the demographics of councils and, in relation to gender representativeness, reports annually to the Ministry of Women's Affairs.

The position at December 2012 was that 35 percent of all appointees to TEI councils were women. While this is a shortfall against the aim of increasing women's participation in state sector boards and committees to 45 percent by 2014, there will be further opportunities to improve the position by the deadline.

In relation to polytechnic councils, women's participation is 37 percent as shown in table 2, with 50 out 136 appointees being women.

**Table 2: Demographic breakdown of the 17 polytechnic councils, both Ministerial and non-Ministerial appointees, as at December 2012**

Ethnicity	Female	Male	Total
<b>European or other</b>	26% (36)	52% (70)	78% (106)
<b>Māori</b>	10% (13)	10% (14)	20% (27)
<b>Pasifika</b>	1% (1)	1% (2)	2% (3)
<b>Total</b>	37% (50)	63% (86)	100% (136)



## 2012 PERFORMANCE

New Zealand's tertiary education system includes over 700 tertiary education organisations (TEOs) and, in 2012, served around 620,000 individual students and trainees. In 2012, the Government provided more than \$2.69 billion in direct funding to TEOs.

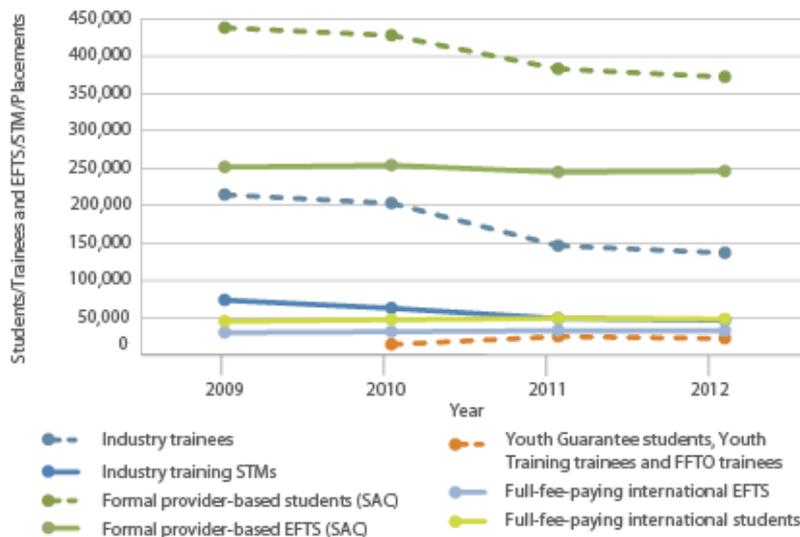
During 2012, the TEOs comprised:

- three types of tertiary education institutions (TEIs):
  - eight universities
  - 18 institutes of technology and polytechnics (ITPs)
  - three wānanga
- 32 industry training organisations (ITOs) reducing to 20 at year's end as a result of mergers
- 700 registered private training organisations (PTEs), around half of which receive funding from the Tertiary Education Commission (TEC).

### Tertiary enrolments

Measured as equivalent full-time students (EFTS), enrolments in formal, provider-based tertiary study<sup>1</sup> increased by half a percent in 2012. There was, however, a decrease of 2.8 percent in the number of students enrolled. This apparent discrepancy is explained by an increase in the proportion of students enrolling in higher-level qualifications, which have greater study loads.

Figure 3: Total student numbers, industry trainees and international students, 2009–12



#### Notes:

1. The 2011 ITO results were the first to be produced using data from the Industry Training Register (ITR). Results from 2011 and 2012 are not strictly comparable to previous years. More information on the impact of the ITR can be found on the TEC website.
2. FFTO data relates to trainees with a placement start date during the year. Individuals who enrolled in more than one programme will be counted in each programme.

The sector continued its efforts to attract international enrolments in 2012.

However, full-fee-paying foreign EFTS decreased by 0.5 percent, or 147 EFTS, and student volume decreased by 2 percent (918 students).

Overall, 414,908 students, or 277,004 EFTS, were enrolled in formal qualifications at tertiary organisations in 2012, excluding Youth Guarantee students.

*An increase in the proportion of students enrolling in higher-level qualifications*

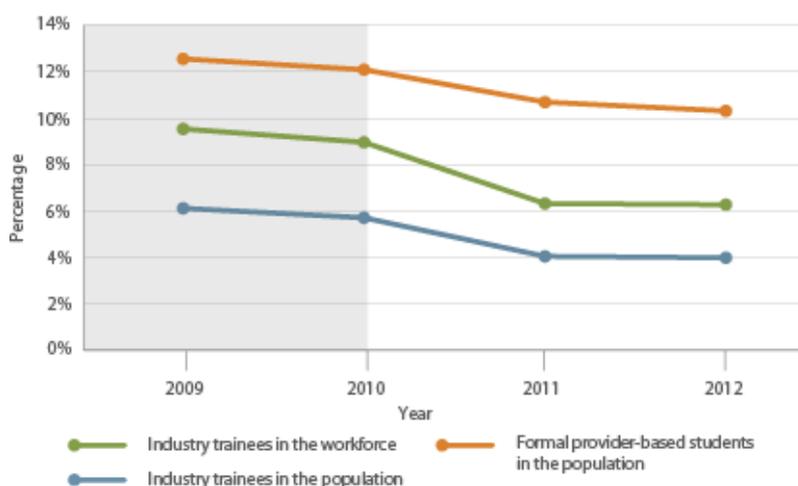
1. Formal, provider-based enrolments are students (excluding industry trainees) enrolled at a tertiary education organisation and undertaking study that contributes towards a qualification. All EFTS and student enrolments refer only to SAC funding unless otherwise stated.

Of these, 237,369 EFTS were Student Achievement Component (SAC) enrolments, 10,547 were Foundation-Focused Training Opportunities (FFTO) funded placements and 29,088 EFTS were international full-fee-paying students. In 2012, the Youth Training programme merged with the Youth Guarantee programme, and EFTS were not calculated separately. A total of 8,901 students enrolled in the Youth Guarantee programme for the year.

In 2012, 130,679 trainees (42,824 Standard Training Measures) were engaged in industry-based training, including 14,886 in Modern Apprenticeships. From 2011, industry-based training results have been produced from the Industry Training Register (ITR) – based on a new data-collection system and reporting rules – and so are not strictly comparable to previous years. More information on the impact of the ITR can be found on the Tertiary Education Commission (TEC) website.

Of those aged 15 years and over, 10.3 percent were engaged in formal provider-based education and 4.0 percent were engaged in industry training (see figure 4). For industry trainees, this accounted for 6.3 percent of the workforce. Overall, participation rates moved minimally in 2012. The most significant movement was in the proportion of formal provider-based students in the population, which decreased by 0.4 percent, reflecting the reduction in student enrolments during the year.

**Figure 4: Proportion of students and industry trainees in the population and workforce, 2009–12**



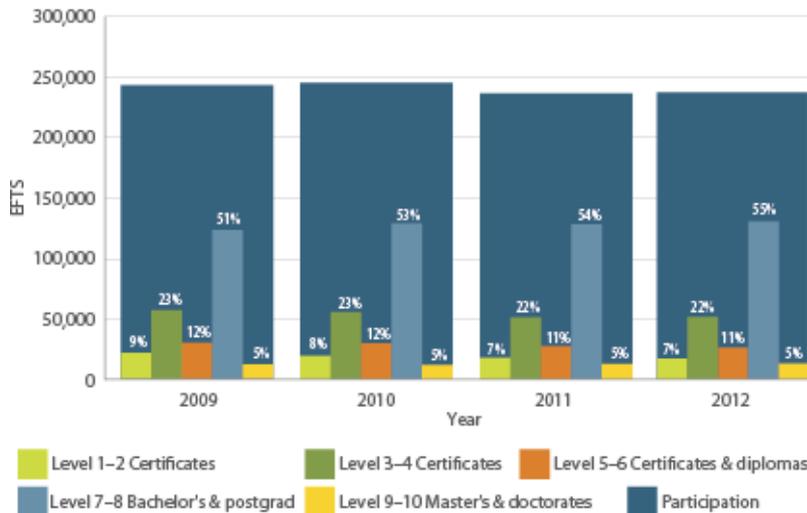
**Notes:**

1. Population and workforce-based calculations use figures retrieved from Statistics New Zealand.
2. The 2011 ITO results were the first to be produced using data from the Industry Training Register (ITR). Results from 2011 and 2012 are not strictly comparable to previous years. More information on the impact of the ITR can be found on the TEC website.

Domestic formal provider-based enrolments continued to shift towards degree-level courses and above. Since 2009, increases have occurred at New Zealand Qualifications Framework (NZQF) Levels 7–8 (up 5%) and Levels 9–10 (up 9%), coinciding with a decrease at Levels 1–2 (down 20%) (see figure 5). The increase in NZQF Levels 7–8 programmes was significant: in 2012 these courses comprised more EFTS than all other NZQF levels combined, highlighting that, in accordance with the *Tertiary Education Strategy 2010–15*, students and providers were focusing on higher-level tertiary education.

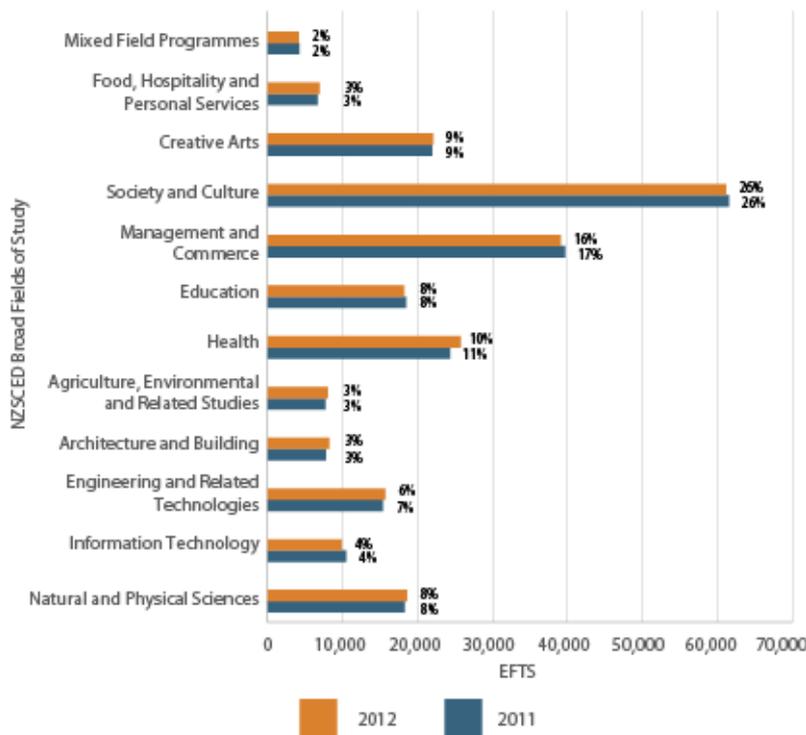


Figure 5: Participation by NZQF level, 2009–12



In 2012, the majority of enrolments were at Levels 7–8 (55%), followed by Levels 3–4 (22%) and Levels 5–6 (11%). By field of study, the largest proportion of enrolments was in Society and Culture (26%), followed by Management and Commerce (16%) and Health (11%) (see figure 6).

Figure 6: Enrolments by subject, 2011 and 2012

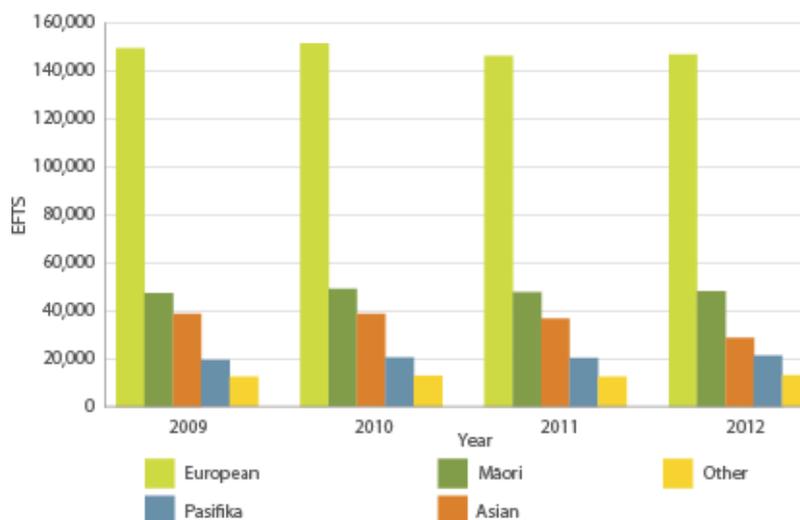


In line with previous years, 2012 enrolments consisted of 87 percent intramural (students physically present in scheduled teaching sessions) and 13 percent extramural (where students are not required to regularly attend courses on campus), including students living overseas.

**The tertiary sector continued to improve its performance against TES priorities**

The enrolment mix across the ethnicities also showed little change for most groups. Enrolment increased in 2012 across all ethnic groups except for students identifying as Asian (down 7,884 EFTS or 22%) (see figure 7).

Figure 7: Enrolments by ethnicity 2009–12



**Note:** Total may exceed total EFTS or 100 percent as some students identify with more than one ethnicity.

**Performance against strategic priorities**

In 2012, the tertiary sector continued to improve its performance against the priorities set out in the TES.

This section outlines important aspects of the sector’s performance against the seven TES priority areas. The performance sections for each sector focus on the performance of the TES priorities for the youth, Māori and Pasifika student groups.

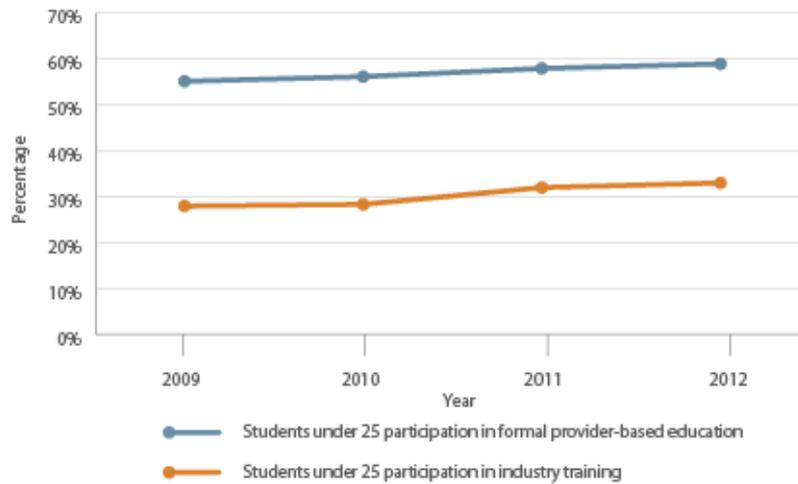
**TES Priority: Increasing the number of young people achieving qualifications at Level 4 and above, particularly degrees**

Overall, participation of young people (those under 25 years of age) and their educational performance remained strong in 2012. The volume of youth enrolments increased by 2 percent compared with 2011 and, as a percentage of all enrolments, increased by 1 percentage point to reach 59 percent of all formal provider-based enrolments and 33 percent of all industry trainees (see figure 8).

In 2012, 79 percent of total youth enrolments were in programmes at Level 5 and above and there was a slight increase in the percentage of youth enrolments at Levels 1–4 and Levels 7–8 over the 2011 year.



Figure 8: Participation by students under 25 years, 2009–12

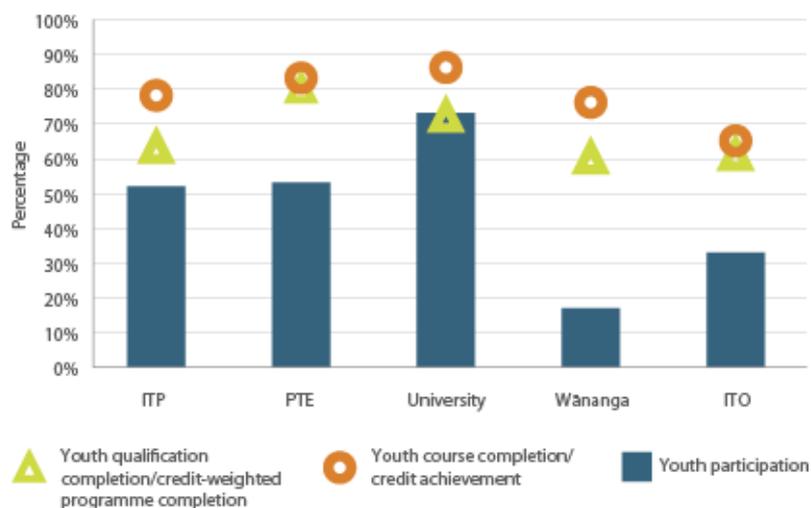


**Note:**

The 2011 ITO results were the first to be produced using data from the Industry Training Register (ITR). Results from 2011 and 2012 are not strictly comparable to previous years. More information on the impact of the ITR can be found on the TEC website.

The educational performance of youth continued to improve across all tertiary sectors in 2012. Youth educational performance remained the strongest compared with the total student cohort. Across the sectors, the average youth course completion rate was the highest at universities, and the qualification completion rate was the highest at PTEs (see figure 9). Such variances reflect the different types of enrolments characteristic to each sector, with PTE-sector enrolments being for qualifications that generally take a much shorter time to complete than university degrees.

Figure 9: Participation and achievement by students under 25 years, 2012



Youth accounted for 33 percent of all industry trainees in 2012, of which 16 percent were engaged in training at Level 4 and above. Achievement by this group was higher than the overall youth cohort in industry training, with 75 percent credit completion and 76 percent qualification completion in programmes at Level 4 and above.

## Māori enrolments in formal provider-based education increased

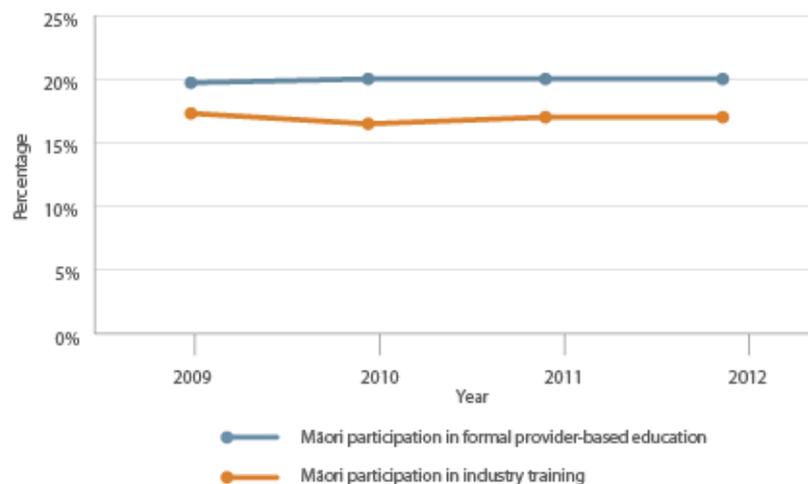
In 2012, youth engaged in targeted programmes consisted of 8,901 Youth Guarantee students and 10,094 FFTO trainees. For the Youth Guarantee students, average credit achievement was 56 and average qualification completion was 0.49. For those completing FFTO, 38 percent went on to further education and 42 percent to employment in 2012.

### **TES Priority: Increasing the number of Māori students enjoying success at higher levels**

Māori enrolments in formal provider-based education increased by 476 EFTS in 2012, while the participation rate remained at 20 percent of total sector enrolments and 17 percent of total industry trainees (see figure 10).

Māori enrolments continued to be strongest across Levels 3–4 (38%) and Levels 7–8 (34%). The continued emphasis at degree level and above was demonstrated by a 536 EFTS increase in Level 7 and above in 2012.

Figure 10: Participation by Māori students, 2009–12



**Note:**

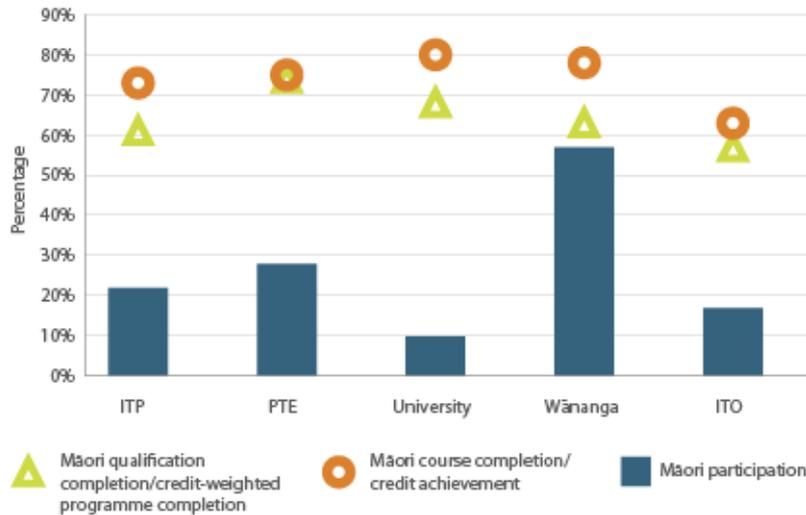
The 2011 ITO results were the first to be produced using data from the Industry Training Register (ITR). Results from 2011 and 2012 are not strictly comparable to previous years. More information on the impact of the ITR can be found on the TEC website.

Māori educational performance continued to improve across all sectors in 2012. The Māori course completion rate was the highest at universities and the qualification completion rate was the highest at PTEs.

Māori trainees engaged in industry training at Level 4 and above accounted for 5 percent of total trainees. Achievement for this group was stronger than for all other Māori trainees, with 70 percent credit completion and 66 percent qualification completion (see figure 11).



Figure 11: Participation and achievement by Māori students, 2012

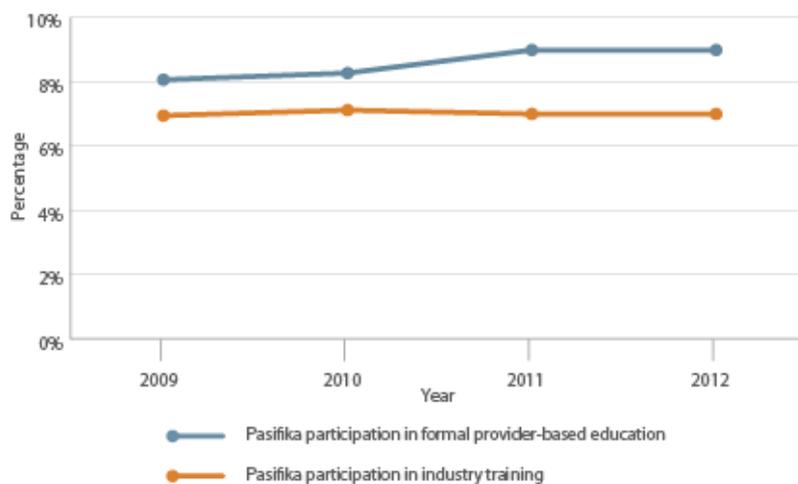


**TES Priority: Increasing the number of Pasifika students achieving at higher levels**

Pasifika enrolments increased in 2012 by 1,015 EFTS, with the share of Pasifika formal provider-based students increasing across the sector. Pasifika students accounted for 9 percent of all formal provider-based enrolments and 7 percent of total industry trainees in 2012 (see figure 12).

The distribution of Pasifika enrolments remained largely unchanged in 2012, with participation mainly across programmes at Levels 3–4 (36%) and Levels 7–8 (42%).

Figure 12: Participation by Pasifika students, 2009–12



**Note:**

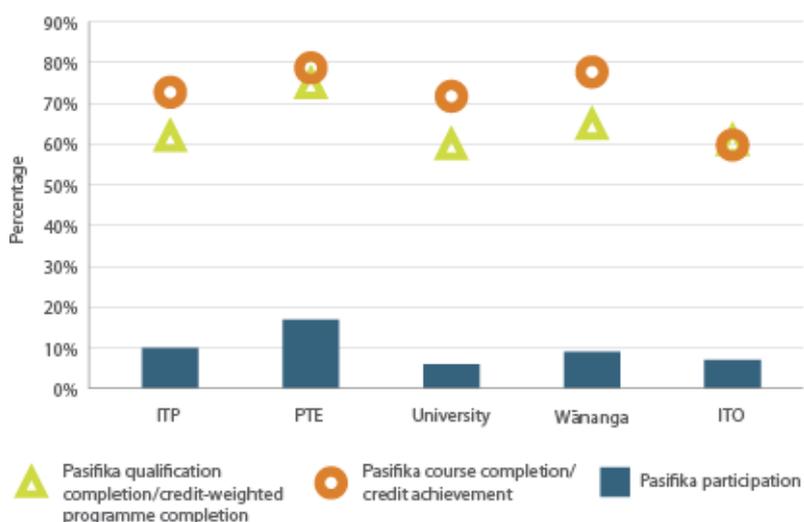
The 2011 ITO results were the first to be produced using data from the Industry Training Register (ITR). Results from 2011 and 2012 are not strictly comparable to previous years. More information on the impact of the ITR can be found on the TEC website.

In line with other student cohorts, the educational performance for Pasifika students improved in 2012 across all sectors. The strongest performance was across the PTE sector, with 79 percent course completion and 75 percent qualification completion in 2012.

**The educational performance of Pasifika students increased**

Pasifika trainees engaged in industry training at Level 4 and above accounted for 2 percent of total enrolments, but demonstrated strong achievement, with 70 percent credit completion and 76 percent qualification completion across programmes at Level 4 and above (see figure 13).

Figure 13: Participation and achievement by Pasifika students, 2012



**TES Priority: Increasing the number of young people moving successfully from school into tertiary education**

Further initiatives in 2012 contributed to improving youth transitions into tertiary education.

Merging Youth Training into Youth Guarantee increased the focus on qualification achievements for young people. While the aim of Youth Training was to transition students into work or further study, Youth Guarantee is a fees-free programme aimed at increasing the educational achievement and qualifications of those 16- and 17-year-olds not previously engaged in education.

Additionally, an increase in the number of TEO-based trades academies from five in 2011 to 11 in 2012, reflected the continuing efforts to engage young New Zealanders in education and equip them with the skills to successfully enter the workforce. This increase extended the opportunities for young people to undertake trades-related learning and access tertiary qualifications not available in the schooling sector. Trades academies target secondary school students, with the aim that students achieve National Certificate of Educational Achievement Level 2 and credits toward, or the completion of, a Level 1 or Level 2 tertiary (trades-related) qualification.

**TES Priority: Improving literacy, numeracy and skills outcomes from Levels 1–3 study**

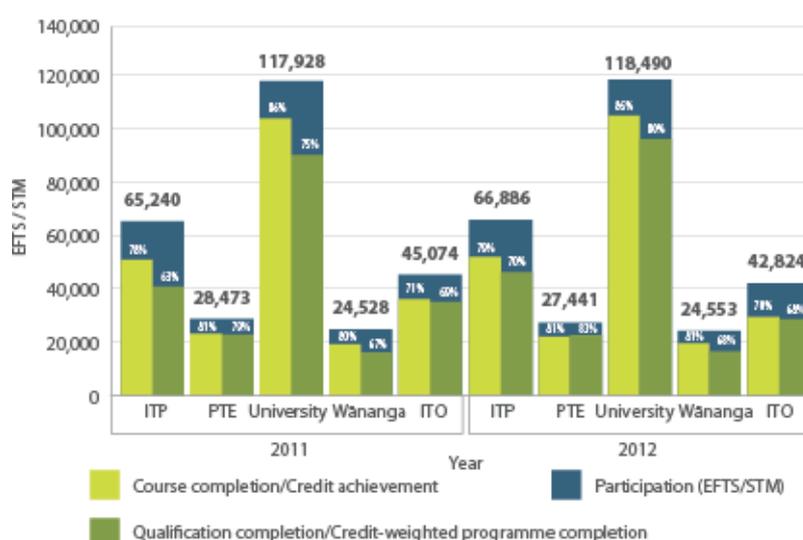
Providers continued to increase the number of qualifications with an embedded literacy and numeracy component in 2012, and the National Centre of Literacy and Numeracy for Adults/Tukua Kia Rere continued to work with the TEC to support TEOs in improving the literacy and numeracy outcomes of learners. This included provision of the Literacy and Numeracy for Adults Assessment Tool to gauge the reading, writing and numeracy skills of adults enrolled in Levels 1–3 qualifications. Implemented in 2011, the tool has enabled the sector to better respond to the needs of these learners and has contributed to an increase in educational achievement.



### TES Priority: Improving the educational and financial performance of providers<sup>2</sup>

The 2012 year saw a continued focus by providers on lifting educational performance for all learners. This was evident in improved educational performance across the overall sector as well as for most sub-sectors (see figure 14). Stronger course completion, student retention and progression rates all contributed towards higher qualification completion over the 2012 year.

Figure 14: Participation and achievement, 2011 and 2012



#### Note:

The 2011 ITO results were the first to be produced using data from the Industry Training Register (ITR). Results from 2011 and 2012 are not strictly comparable to previous years. More information on the impact of the ITR can be found on the TEC website.

Total revenue of the TEIs was \$4.58 billion in 2012, an increase of \$112.2 million (2.3%) since 2011 and an increase of \$664.1 million (16.8%) since 2008. Total net assets were \$7.91 billion at the end of 2012, an increase of \$68.3 million since 2011 and of \$694.6 million since 2008 (9.6%). An overall increase in government revenue and in domestic and international student fees contributed to the increase.

TEIs recorded a net surplus after unusual and non-recurring items of \$99.0 million (or 2.2%) for the financial year ended 31 December 2012 (see table 3). This is a decrease from the 2011 aggregate surplus of \$196.3 million (4.4%).

Table 3: Financial performance for all TEIs

Key financial performance metrics	2010	2011	2012	TEC minimum guidelines
Net surplus (after unusual and non-recurring items)	5.0%	4.4%	2.2%	3.0%
Net cash-flow from operations	117.0%	115.7%	115.0%	111.0%
Liquid funds	27.9%	28.7%	23.0%	8.0%
3-year average return on property, plant, equipment and intangibles	6.7%	7.1%	6.8%	4.5%

The 2012 result takes into account total unusual items across the sector of \$65.4 million, of which \$58.2 million was attributed to the Canterbury-based TEIs' write down of assets affected by the Canterbury earthquake events. Another factor was merger activity in the sector, which included the merger in January 2012 of

2. Financial information presented is based on the summary template returns of audited financial results provided to the TEC. The figures are presented at a consolidated group level and reflect submissions received up to July 2013. For a more detailed breakdown of TEI financial performance, please refer to the TEC's website [www.tec.govt.nz/Tertiary-Sector/Performance-information/TEI-financial-performance/2012-financial-performance-information](http://www.tec.govt.nz/Tertiary-Sector/Performance-information/TEI-financial-performance/2012-financial-performance-information)

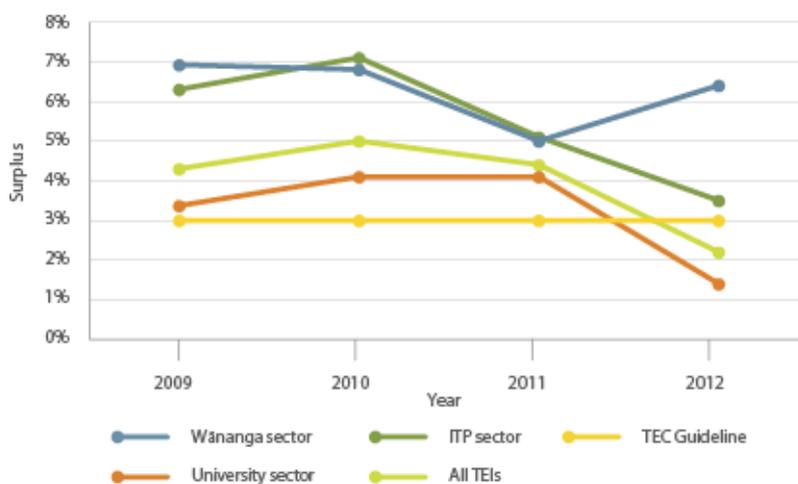
## Under the Performance-Based Research Fund, research and degree completions increased

3. PBRF funding allocation has two annual processes. First, indicative funding for TEOs is approved before the beginning of the funded year. Second, in the year following the funded year, a wash-up is made to confirm the final funding TEOs will receive.

Telford Rural Polytechnic with Lincoln University and the merger of Tairāwhiti Polytechnic with the Eastern Institute of Technology.

The 2012 sector-wide surplus before unusual and non-recurring items was \$164.4 million (or 3.6%), which is broadly comparable to same figure for 2011 (\$175.9 million or 3.9%) and above the TEC's recommended target of 3 percent total income (see figure 15).

Figure 15: TEI surplus (after unusual and non-recurring items)



### TES Priority: Strengthening research outcomes

The number of post-graduate enrolments across the tertiary sector fell nominally in 2012 and remained steady as a percentage of all formal provider-based enrolments.

Under the Performance-Based Research Fund (PBRF), research and degree completions increased from 3,543 in 2011 to 3,825 in 2012, and external research income decreased slightly from \$410.5 million in 2011 to \$410.2 million in 2012.

The university sector's research degree completions rose from 3,452 (97%) of the national total in 2011 to 3,678 out of a total 3,825 (96%) in 2012. The sector generated \$406.9 million in external research income in 2012, more than 99 percent of the total but a slight decrease compared with 2011. Universities received 97 percent of indicative PBRF funding in 2012.<sup>3</sup>

ITPs accounted for 122 research degree completions in 2012 and generated \$2.4 million in external research income. Wānanga accounted for 17 research degree completions in 2012 and generated over \$780,000 in external research income. ITPs received 2 percent of indicative PBRF funding in 2012 and wānanga received 0.2 percent of indicative PBRF funding in 2012.

The Government's investment in Centres of Research Excellence (CoREs) continued to strengthen research outcomes in 2012, with CoREs continuing to conduct collaborative strategically focused research that contributes to national capability development and knowledge transfer.

The Ministry of Education commenced its review of CoREs policy in March 2012, which aimed to identify policy improvements that would further strengthen the performance of CoREs. This review will lead to government decisions in 2013 about future CoRE policy settings that, in turn, will inform the next CoRE selection round commencing in late 2013.



## Future focus of the tertiary sector

Improving outcomes in line with government priorities and the TES will remain integral to the future focus of the tertiary sector. This includes contributing to the economy through skills development and knowledge transfer, and maintaining an emphasis on lifting the achievement of the Government's priority groups (youth, Māori and Pasifika students) to achieve parity of outcomes for all students.

The continuing challenges in the operating environment will maintain the pressure for efficiency and collaboration across the sector and the need for governance and management that readily responds to changes in learners' and employers' needs, population shifts, and changes in demand and performance.

***In 2012, universities received \$1.4 billion – 53 percent of total government funding for tertiary education organisations***

## Universities

Universities are a vital part of modern society. They are important for teaching, research and the advancement of society as a whole. Universities engage with a range of stakeholders to promote learning and to disseminate and apply knowledge. With a focus on research excellence, universities play an important role in the economic transformation and development of New Zealand.

Universities are repositories of knowledge and expertise. They focus on advanced learning with the principal aim of developing intellectual independence and strengthening research outcomes. New Zealand universities’ teaching and research foster international connectedness and provide global learning opportunities for local and overseas students.

Eight universities across New Zealand deliver an extensive range of degree and post-graduate programmes, and some sub-degree programmes.

The Tertiary Education Strategy (TES) defines the core roles and expectations for universities as:

Core roles	Government expectations
<ul style="list-style-type: none"> <li>Undertake research that adds to the store of knowledge</li> <li>Provide a wide range of research-led degree and post-graduate education that is of an international standard</li> <li>Act as sources of critical thinking and intellectual talent</li> </ul>	<ul style="list-style-type: none"> <li>Enable a wide range of students to successfully complete degree and post-graduate qualifications</li> <li>Undertake internationally recognised original research</li> <li>Create and share new knowledge that contributes to New Zealand’s economic and social development and environmental management</li> </ul>

Universities contribute to TES priorities by:

- increasing the number of young people (aged under 25) achieving qualifications at Level 4 and above of the New Zealand Qualifications Framework (NZQF), particularly degrees
- increasing the number of Māori students enjoying success at higher levels
- increasing the number of Pasifika students achieving at higher levels
- increasing the number of young people moving successfully from school into tertiary education
- strengthening research outcomes.

Universities’ Investment Plans aim to fulfil these roles and expectations with special emphasis on lifting course and qualification completions and other achievement rates, especially among the priority groups of Māori, Pasifika and those aged under 25 years.



## University highlights

In 2012, university sector highlights included:

- increased overall student achievement, with increases in the sector's qualification completion, student retention and student progression rates
- increased Māori and Pasifika enrolment numbers
- improved Māori and Pasifika achievement, with increases in successful course and qualification completion rates
- increased post-graduate research degree completions, with more Master's and PhDs completed
- increased enrolments at post-graduate level.

## University performance

Universities received the highest proportion of the Government's total spending on tertiary education organisations: \$1.4 billion or 53 percent in 2012. Overall, the university sector continued to strengthen its performance in 2012. Improved overall successful course completion and qualification completion rates translated to improvements across youth, Māori and Pasifika student groups. Research performance, as measured by the allocation of the Performance-Based Research Fund (PBRF), again exceeded other sectors, with 97 percent going to universities.

## Operating environment

In 2012, universities generally delivered well against agreed 2012 Investment Plan commitments. Key factors affecting their operating environment included:

- the continuing impact of the Canterbury earthquakes on infrastructure and enrolments at the University of Canterbury and Lincoln University, as well as at the University of Otago
- participating in the PBRF quality evaluation in 2012, including the audit process
- an overall decline in enrolments, driven by increased management of enrolments within agreed levels of delivery at some universities, reduced enrolments at the University of Canterbury and Lincoln University due to the Canterbury earthquakes, and lower demand across the sector compared with the 2008–10 Investment Plan period.

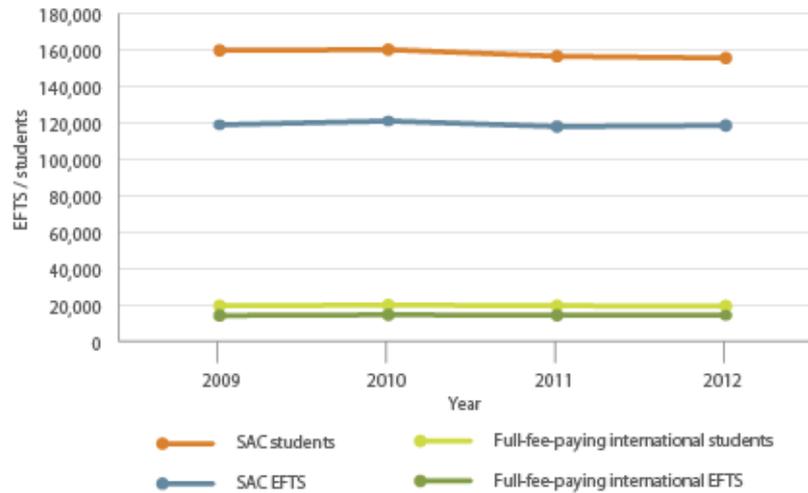
## Participation

In 2012, universities provided tertiary education to 155,530 students or 118,490 EFTS. There were 14,322 full-fee-paying international EFTS (19,387 students) enrolled across the university sector,<sup>4</sup> and 2,482 international PhD EFTS (3,027 international students) enrolled under the domestic fees policy (see figure 16).

4. This is the number of international EFTS that were required to pay full fees and excludes PhD students or post-graduate students on scholarships who are not required to pay fees.

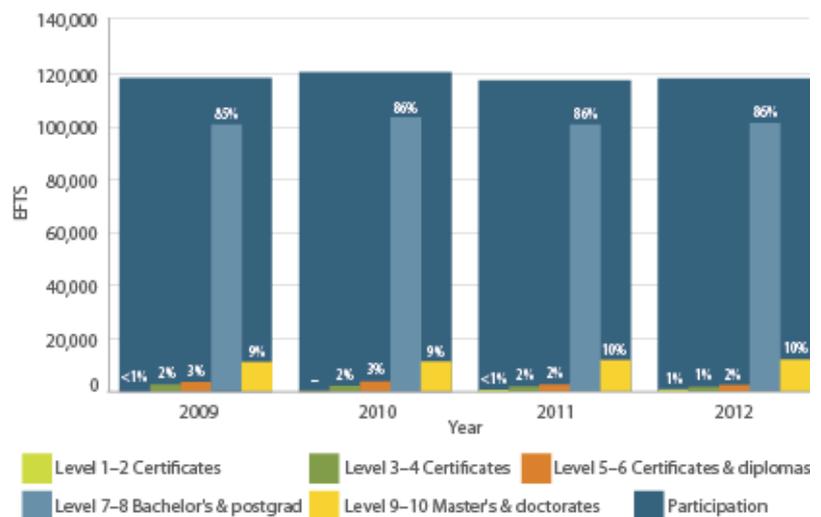
***In line with TES priorities, higher-level enrolments continued to increase across the university sector in 2012***

Figure 16: University enrolments, 2009–12



Compared with 2011, there was an increase of 561 EFTS and a drop of 992 students in 2012. These enrolment changes are mainly attributable to a larger proportion of enrolments enrolling at higher levels of study (Levels 7–8 up 736 EFTS, Levels 9–10 up 125 EFTS) (see figure 17). Enrolments at Levels 1–2 also increased in 2012 by 293 EFTS, as a result of the merger between Lincoln University and Telford Rural Polytechnic, which delivers programmes at Levels 1–2 that have not traditionally been provided by universities. Over the same period, there were decreases in the volume of enrolments across Levels 3–4 (95 EFTS, down 6%) and Levels 5–6 (237 EFTS, down 10%). The enrolment movements are in line with TES priorities and reflect the university sector’s continued emphasis on increasing participation at higher levels, especially post-graduate study. As in the previous year, the university sector continued to contribute 80 percent of the programmes at degree-level and above across all tertiary sectors in 2012.

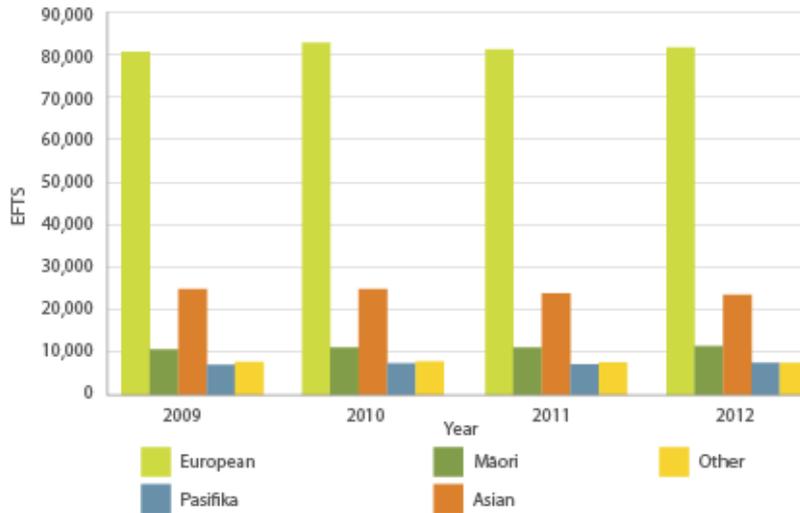
Figure 17: University enrolments by NZQF level, 2009–12



Māori enrolments increased by 361 EFTS compared with 2011 but remained as a 10 percent share of total enrolments across the university sector. Pasifika students remained at 6 percent of the university population, while the volume of Pasifika enrolments increased by 305 EFTS (see figure 18).



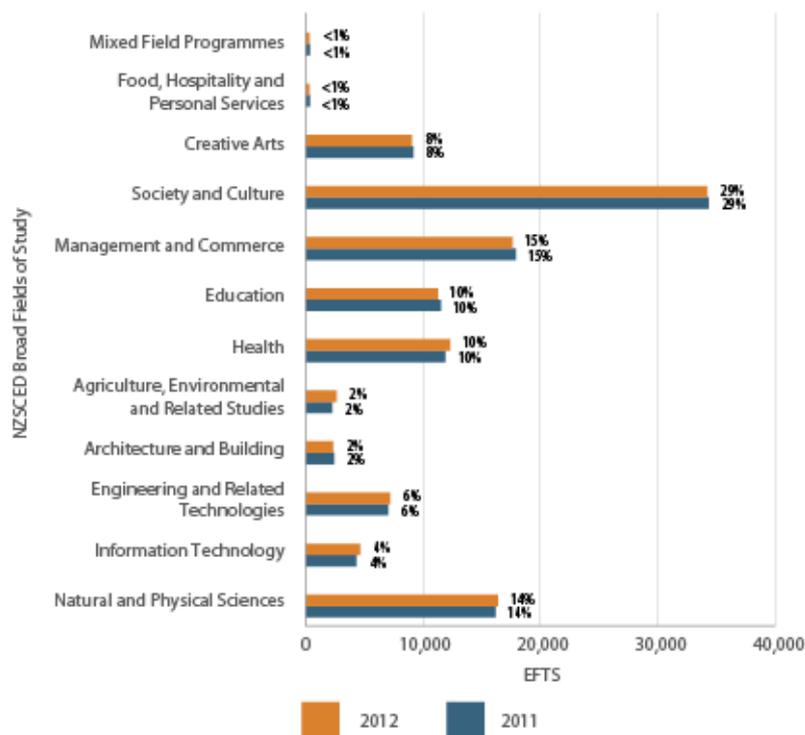
Figure 18: University enrolments by ethnicity, 2009–12



**Note:**  
Total may exceed total EFTS or 100 percent as some students identify with more than one ethnicity.

The distribution of enrolments across the subject areas remained steady in 2012. Society and Culture (29%), Management and Commerce (15%) and Natural and Physical Sciences (14%) were the fields of study with the largest proportions of enrolments (see figure 19). The largest increases in fields of study were in Health (up by 399 EFTS) and Agriculture, Environmental and Related Studies (up by 355 EFTS), the latter primarily attributable to the 2011 merger of Telford Rural Polytechnic with Lincoln University.

Figure 19: University enrolments by subject, 2011 and 2012



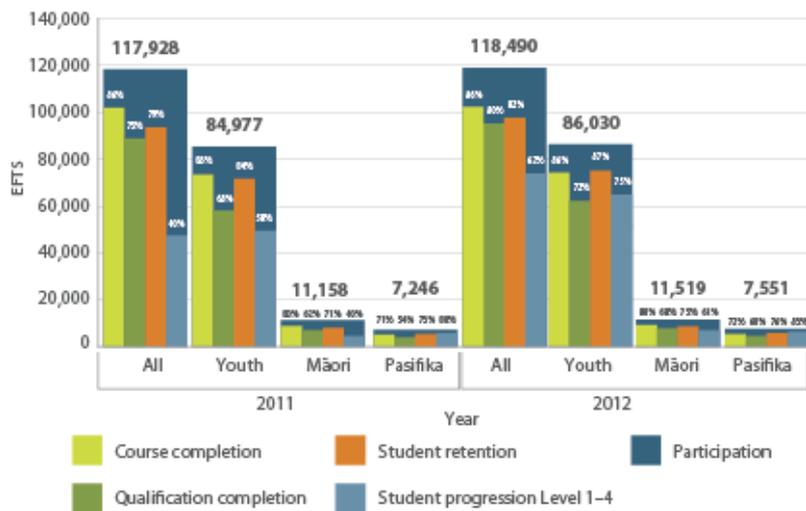
**In 2012, average course and qualification completion rates increased across the university sector**

**Performance against TES priorities**

Average educational performance by the universities improved in terms of qualification completion (up from 75% in 2011 to 80% in 2012), student retention (up from 79% in 2011 to 82% in 2012) and student progression within Levels 1–4 (up from 40% in 2011 to 62% in 2012). Course completion remained at the same level (86%) as in the previous year, which was the highest rate of any sector.

Achievement by all students and the TES priority groups (Māori, Pasifika and students under the age of 25) strengthened across the university sector in 2012. In general, course completion rates remained at similar levels to the previous year but student retention and qualification completion rates increased across each group (see figure 20).

Figure 20: University participation and achievement, 2011 and 2012



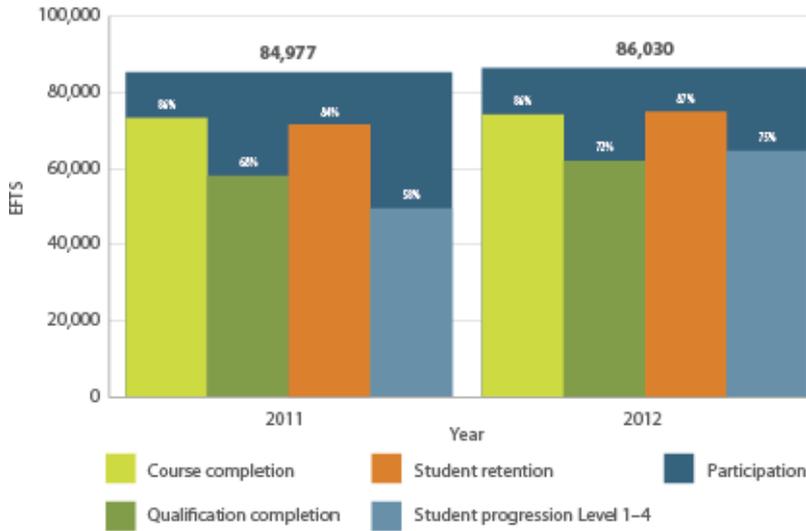
**TES Priority: Increasing the number of young people (aged under 25) achieving qualifications at Level 4 and above, particularly degrees**

In 2012, universities continued to attract the largest share of students under 25 years of age, with this group accounting for 73 percent of all university enrolments. Almost all youth enrolments were at degree level and above (96%) with relative proportions mainly unchanged over the past two years (see figure 21).

Overall, the number of youth enrolments increased in 2012 (by 1,053 EFTS or 1%), reflecting the overall trend to higher level enrolment trend for youth. Enrolment across degree and post-graduate level study increased in 2012 (Level 7 and above up by 1,281 EFTS or 2%), while the number of enrolments decreased at Levels 3–4 (down by 66 EFTS) and Levels 5–6 (down by 91 EFTS). However, a small increase occurred in participation at Levels 1–2 for the university sector due to provision at Lincoln University at this level following the university’s merger with Telford Rural Polytechnic.



Figure 21: University participation and achievement by students under 25 years, 2011 and 2012

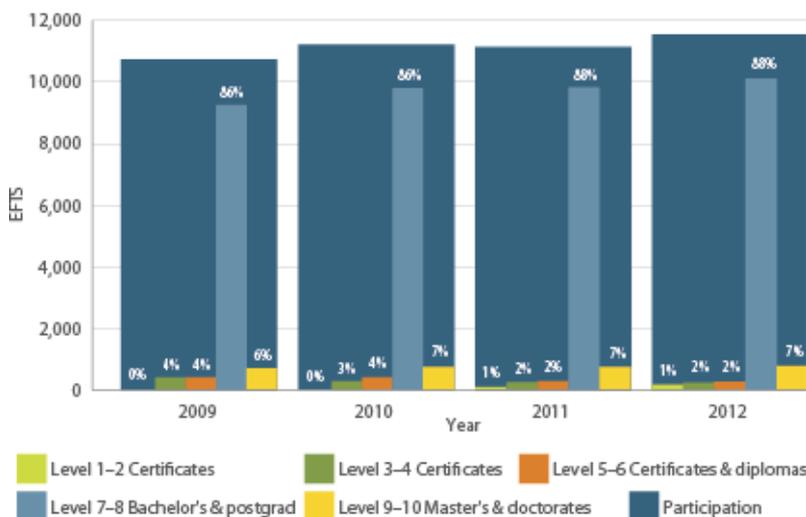


Youth achievement continued to improve in 2012, with increases in qualification completion (up from 68% in 2011 to 72% in 2012), student retention (up from 84% in 2011 to 87% in 2012) and student progression Levels 1–4 (up from 58% in 2011 to 75% in 2012). Course completion (86%) remained at the same level as in the previous year. Youth achievement at Level 4 and above across the university sector improved across each of the educational performance indicators.

**TES Priority: Increasing the number of Māori students enjoying success at higher levels**

In 2012, Māori enrolments increased by 361 EFTS but remained proportionally at the same level of university enrolments (10%) as in the previous year. The distribution of Māori enrolments demonstrated a shift toward higher level qualifications with more enrolments at Level 7 and above and fewer at Levels 3–6 (see figure 22). The exception to this was an increase in the number of enrolments at Levels 1–2 due to the increases at Lincoln University outlined above.

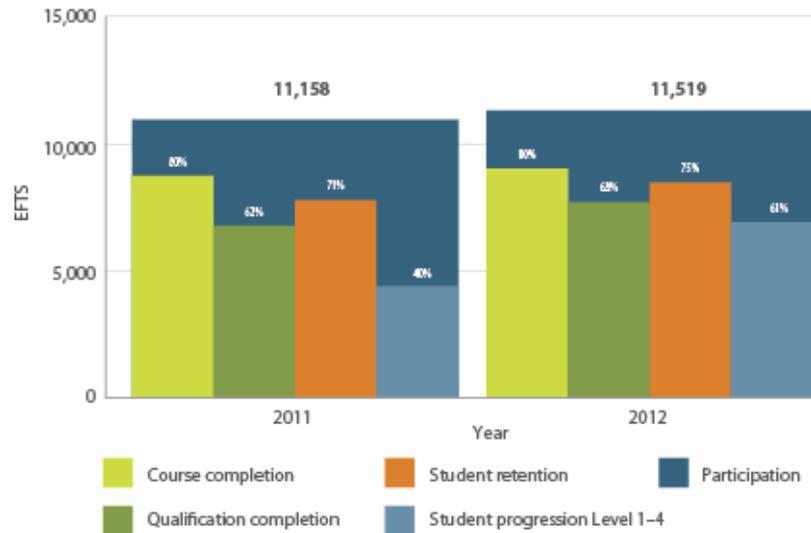
Figure 22: University enrolments by NZQF level by Māori students, 2009–12



## Māori participation and achievement increased across the university sector

Educational achievement by Māori students continued to strengthen in 2012. Increases occurred in qualification completion rates (up from 62% in 2011 to 68% in 2012), student retention (up from 71% in 2011 to 75% in 2012) and student progression (up from 40% in 2011 to 61% in 2012), while course completion remained at the same level (80%) as in the previous year (see figure 23).

Figure 23: University participation and achievement by Māori students, 2011 and 2012



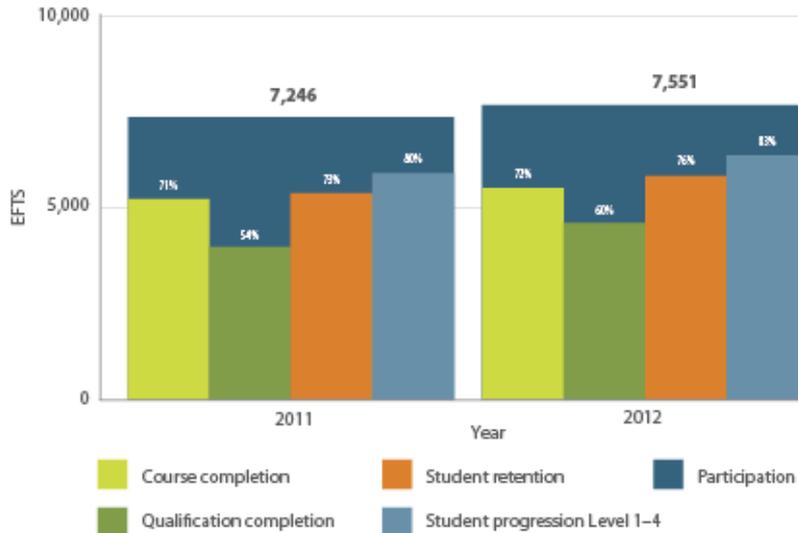
### TES Priority: Increasing the number of Pasifika students achieving at higher levels

Pasifika student enrolments increased in 2012 (by 305 EFTS) while the proportion of students remained stable at 6 percent of total enrolments, the same as in the previous five years. The distribution of Pasifika students across the levels of study remained similar to 2011, with the majority of the increase evident at Levels 7–8, which accounted for 87 percent of all Pasifika enrolments.

Average Pasifika educational achievement improved from 2011 but remained below the overall student achievement rate. This was reflected in course completion and qualification completion rates (see figure 24), which saw the largest improvement in 2012 compared with other student groups. Successful course completion increased from 71 percent in 2011 to 72 percent in 2012, and qualification completion increased from 54 percent in 2011 to 60 percent in 2012. Pasifika student progression rose from 80 percent in 2011 to 83 percent in 2012 and student retention increased from 73 percent in 2011 to 76 percent in 2012.



Figure 24: University participation and achievement by Pasifika students, 2011 and 2012



#### TES Priority: Strengthening research outcomes

Funding for the PBRF is allocated according to three elements: quality evaluation, research degree completions and external research income. Universities received 97 percent of the indicative PBRF funding in 2012.

The university sector's research degree completions rose from 3,452 (97%) of the national total in 2011 to 3,678 out of a total 3,825 (96%) in 2012. The sector generated \$406.9 million in external research income in 2012, more than 99 percent of the total, but a slight decrease from 2011.

#### Financial performance

In 2012, the university sector achieved a modest increase in total income primarily driven by the increase in student tuition fees income (domestic and international) and total government funding. However, the university sector net surplus (after unusual items) decreased by \$84.1 million since 2011. This was primarily due to significant unusual expense items incurred by the University of Canterbury and Lincoln University of \$60.5 million. As a result, the university sector did not achieve the Tertiary Education Commission (TEC) recommended three percent surplus guideline in 2012.

Total operating expenses increased by \$93.7 million (3.0%), reflecting both increased personnel and other operating costs. Across the sector, net assets increased by \$17.5 million (0.3%) in 2012; this relatively modest increase was largely due to ongoing impacts of the Canterbury earthquakes. The university sector still maintained a net assets base of over \$5.8 billion. University balance sheets remained strong but with declining liquidity (see table 4).

**The university sector produced 3,678 research degree completions and generated \$406.9 million in external research income**

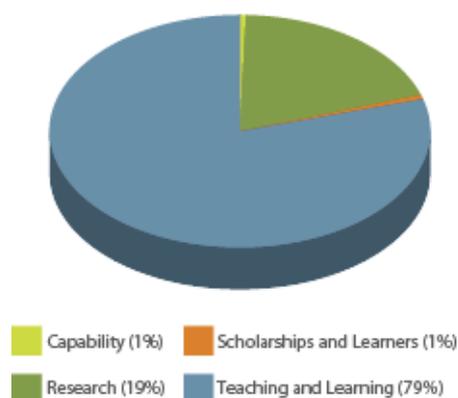
Table 4: Overview of university financial performance\*

Key performance metrics	2010	2011	2012	TEC minimum guidelines
Net surplus (after unusual and non-recurring items)	4.1%	4.1%	1.4%	3.0%
Net cashflow from operations	116.6%	115.9%	115.7%	111.0%
Liquid funds	22.4%	23.5%	18.2%	8.0%
3-Year average return on property, plant, equipment and intangibles	6.1%	6.5%	6.6%	4.5%
Summary financial statements (NZ\$000)	2010	2011	2012	% of 2012 category
<b>Revenue:</b>				
Total government revenue	\$1,344,780	\$1,403,568	\$1,425,287	43%
Domestic student fees	\$559,708	\$565,257	\$591,567	18%
International student fees	\$277,951	\$287,723	\$306,700	9%
Other income (including research)	\$948,117	\$969,873	\$967,601	29%
Total revenue	\$3,130,556	\$3,226,421	\$3,291,155	100%
<b>Assets:</b>				
Property, plant, equipment and intangibles	\$6,112,711	\$6,220,126	\$6,269,650	88%
Other assets	\$888,379	\$836,251	\$888,747	12%
Total assets	\$7,001,090	\$7,056,377	\$7,158,397	100%
<b>Equity (net assets)</b>	\$5,886,263	\$5,871,739	\$5,888,795	

\* This summary is based on data submitted to the TEC by individual universities as part of the TEC's financial monitoring framework.

Universities received around half of total government funding for tertiary education organisations in 2012 (\$1.4 billion or 53%). Of the Government funding allocated by the TEC, 79 percent (\$1.1 billion) was for Teaching and Learning and 19 percent (\$276.2 million) was for Research (see figure 25).

Figure 25: Total university government funding by type, 2012





### Future focus for universities

In 2013, universities expected to focus on the following key areas to support TES priorities:

- continuing to strengthen post-graduate provision
- strategically managing enrolments and provision and building on existing areas of strength to achieve a more clearly differentiated sector
- meeting challenging 'stretch' commitments in Investment Plans to progress towards improved participation and parity of achievement for Māori and Pasifika students by 2015
- strengthening research and economic outcomes through filling skill gaps in the economy, for example, by delivering additional priority engineering places
- encouraging knowledge exchange and research commercialisation to help ensure research achieves wider economic and social outcomes.

***In 2012, ITPs received \$620.9 million – 23 percent of total government funding for tertiary education organisations***

## Institutes of technology and polytechnics

Institutes of technology and polytechnics (ITPs) are key providers of vocational education in New Zealand. The Government expects ITPs to enable students (including students with low literacy, language and numeracy skills) to complete relevant qualifications that meet industry needs and/or lead to higher levels of learning.

In 2012, the Government funded 18 ITPs across New Zealand to deliver technical, vocational and professional education, and to undertake research, particularly applied and technological research.

The Tertiary Education Strategy (TES) defines the core roles and expectations of ITPs as:

Core roles	Government expectations
<ul style="list-style-type: none"> <li>• Deliver vocational education that provides skills for employment</li> <li>• Undertake applied research that supports vocational learning and technology transfer</li> <li>• Assist progression to higher levels of learning or work through foundation education</li> </ul>	<ul style="list-style-type: none"> <li>• Enable a wide range of students to complete industry-relevant certificate, diploma and applied degree qualifications</li> <li>• Enable local access to appropriate tertiary education</li> <li>• Support students with low literacy, language and numeracy skills to improve these skills and progress to higher levels of learning</li> <li>• Work with industry to ensure that vocational learning meets industry needs</li> </ul>

In addition to these core roles and expectations, ITPs advance TES priorities according to the needs of their catchment areas. For smaller ITPs, this often involves helping learners to move on to higher levels of learning at other institutions. Others deliver higher levels of learning and undertake applied vocational research.

The Government expects ITPs to respond to the needs of their local catchments first and foremost, with particular focus on the priority groups identified in the TES (Māori, Pasifika and those aged under 25 years). ITPs contribute to TES priorities through:

- increasing the number of young people (aged under 25) achieving qualifications at Level 4 and above on the New Zealand Qualifications Framework (NZQF), especially degrees
- increasing the number of Māori students enjoying success at higher levels
- increasing the number of Pasifika students achieving at higher levels
- increasing the number of young people moving successfully from school into tertiary education
- improving literacy, language, and numeracy and skills outcomes from study at NZQF Levels 1–3.



## ITP highlights

In 2012, ITP sector highlights included:

- delivery of priority trades and engineering provision
- improved educational performance, both overall and among the priority groups specified in the TES (Māori, Pasifika and those under the age of 25 years)
- increased provision in areas of demand such as engineering, architecture and building and health-related qualifications
- better efforts to match supply and demand, including through enhanced industry links and a focus on employment outcomes.

## ITP performance

The ITP sector received \$620.9 million of Tertiary Education Commission (TEC) funding in 2012 (23% of the total). The sector performed strongly in the following measures:

- improved delivery to TES priority groups (Māori, Pasifika and under-25-year-olds)
- an increased performance against all of the educational performance indicators (EPIs)
- an increased number of students who moved into higher levels of study
- evidence of increased responsiveness to the TES priority groups.

## Operating environment

The ITP sector faced several challenges in 2012, including:

- developing Investment Plans that align with the TES priorities and with TEC expectations and achieving the objectives set out in Investment Plans
- maintaining continuous improvements in vocational education and training delivery within the context of a capped funding environment
- responding to the competitive process for provision at Level 1 and Level 2 and to the results of that process
- for some ITPs, facing the challenge of the ongoing impact of the Canterbury earthquakes.

## Participation

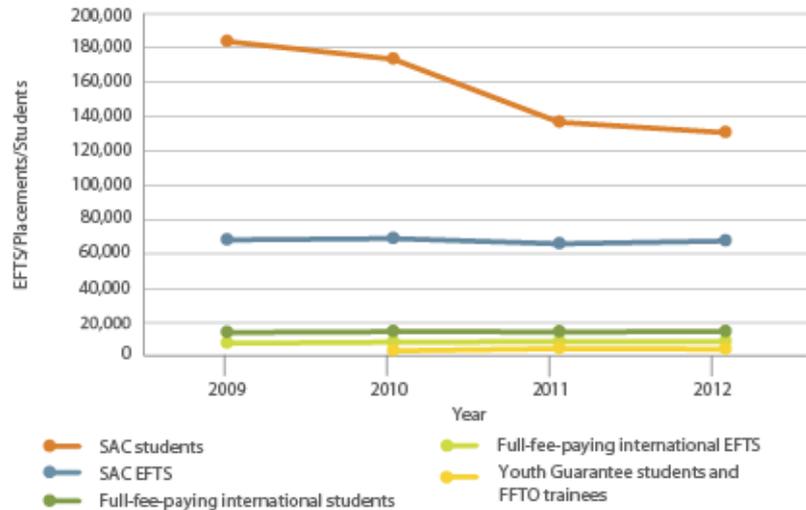
ITPs provided tertiary education to 130,585 students in 2012, comprising 66,886 equivalent full-time students (EFTS) eligible for funding through the Student Achievement Component (SAC) (see figure 26).<sup>5</sup> The ITP sector delivered 3 percent more overall EFTS compared with 2011. Over the same period, the ITP sector also had 1,990 students enrolled in Youth Guarantee programmes,<sup>6</sup> 597 Foundation-Focused Training Opportunities (FFTO) placements and 7,869 full-fee-paying foreign international EFTS (13,578 students). International enrolments increased by 1 percent compared with 2011 and comprised 11 percent of all EFTS delivered by ITPs.

*In 2012, the trend for increasing enrolments in higher levels of study continued across the ITP sector*

5. SAC-eligible EFTS refers to the total number of EFTS delivered, which may differ from the number of TEC-funded EFTS; reasons include funding caps that mean EFTS delivered above cap are not funded.

6. More information on the participation and performance of Youth Guarantee-funded places can be found on the TEC website.

Figure 26: ITP enrolments, 2009–12



**Note:**

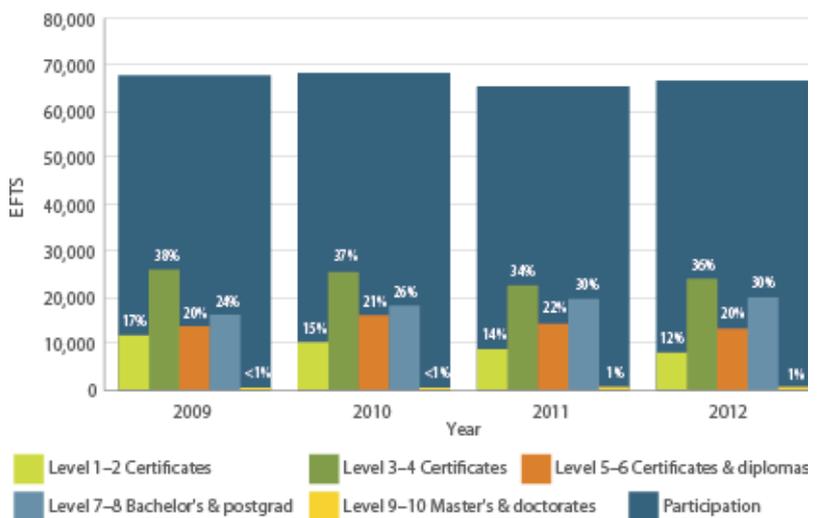
Foundation-Focused Training Opportunities data relates to trainees with a placement start date during the year. Individuals who enrolled in more than one programme will be counted in each programme. As of 2012, Youth Training was combined with Youth Guarantee.

Unless otherwise stated, the following section describes SAC-eligible EFTS only.

The ITP sector delivered the largest share (36%) of its SAC-eligible EFTS at Levels 3–4, followed by Levels 7–8 (30%) and Levels 5–6 (20%) (see figure 27). In 2012, the trend for increasing enrolments in higher levels of study continued across the ITP sector, with consistent increases over previous years. Participation at Levels 7–8 increased by 4 percent and Levels 9–10 by 5 percent.

The volume of provision at Levels 1–2 has continued to reduce over the past six years, with a steep drop in provision of 672 EFTS (–8%) in 2012. Some of this reduction may reflect the impact of a competitive tendering process for provision at these levels.

Figure 27: ITP enrolments by NZQF level, 2009–12

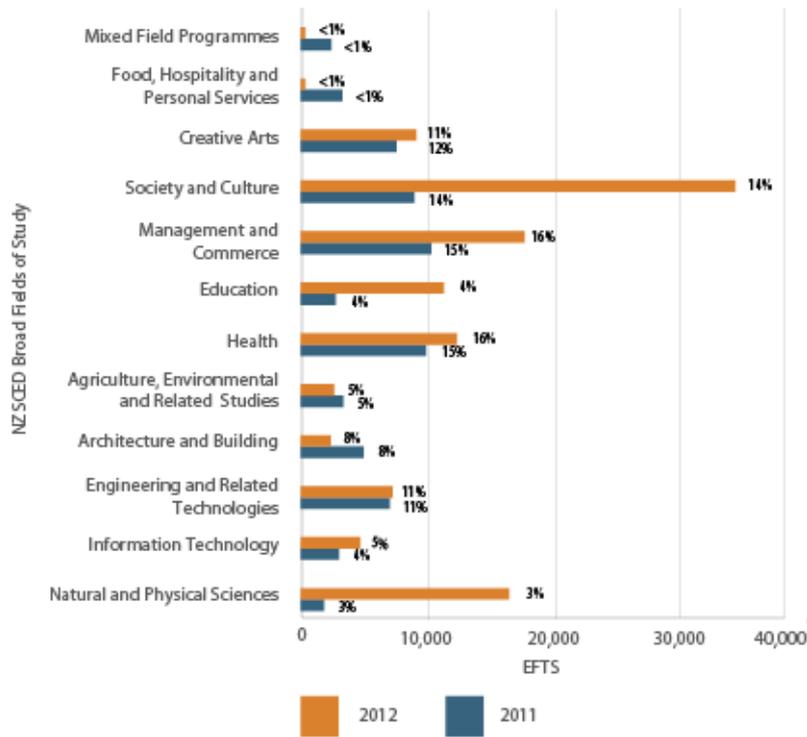


Overall, the distribution of students by field of study changed little compared with 2011 (see figure 28). Across 2012, enrolments in Health (16%) took over from Management and Commerce (15%) as the largest field of study in the ITP sector.



Across all enrolments, the largest decrease was in Management and Commerce, which fell by 4 percent (360 EFTS) in 2012, while Health increased by 7 percent (710 EFTS).

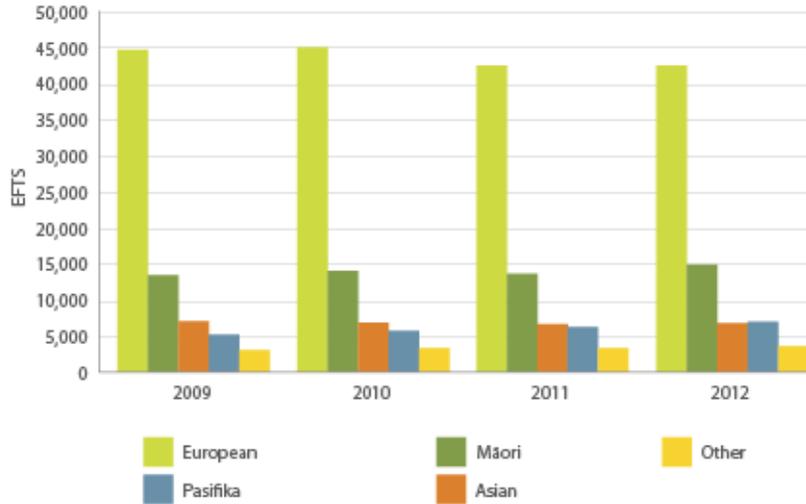
Figure 28: ITP enrolments by subject, 2011 and 2012



In 2012, enrolment volumes increased in the ITP sector for each of the ethnic groups except European students (see figure 29). Māori enrolments accounted for 22 percent (up from 21% in 2011), Pasifika enrolments increased but remained at 8 percent of total ITP enrolments. For the first time since 2009, enrolments of Asian students increased (up by 121 EFTS) but remained at 10 percent of total enrolments. European enrolments dropped fractionally on 2011 numbers (35 EFTS) and continued to account for 64 percent of total participation across ITPs.<sup>7</sup>

7. Total may exceed total EFTS or 100 percent as some students identify with more than one ethnicity.

Figure 29: ITP enrolments by ethnicity, 2009–12



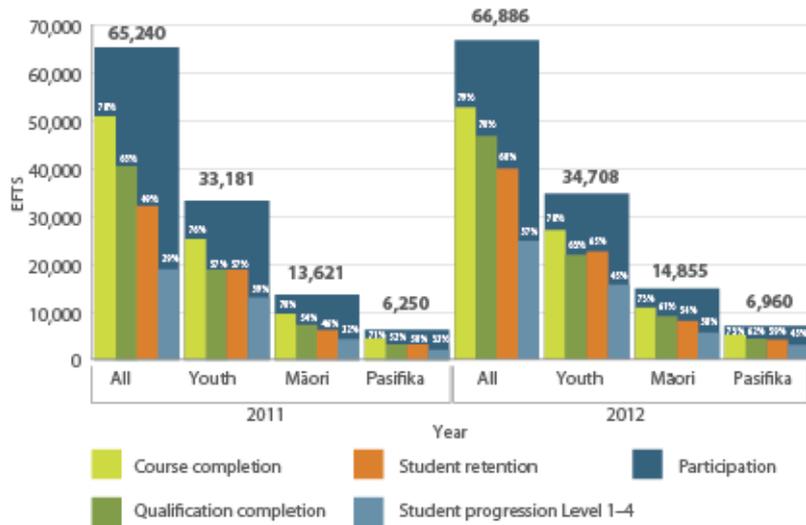
**Note:**

Total may exceed total EFTS or 100 percent as some students identify with more than one ethnicity.

**Performance against TES priorities**

Overall, the ITP sector continued to improve its performance against all of the EPIs in 2012 (see figure 30). The following section highlights important aspects of performance among the TES priority groups of youth, Māori and Pasifika learners, as well as research and financial performance.

Figure 30: ITP participation and achievement, 2011 and 2012



**TES Priority: Increasing the number of young people achieving qualifications at Level 4 and above, particularly degrees**

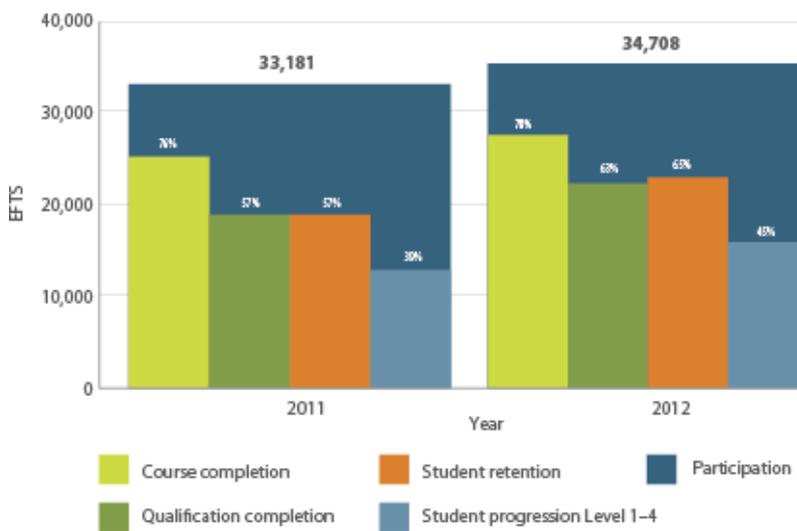
In 2012, participation of under-25-year-olds continued to increase (see figure 31). This group grew to 52 percent of all enrolments across the ITP sector, up from 51 percent in 2011, which equated to an increase of 1,527 EFTS. As in the previous year, youth enrolments continued to grow in higher-level study, with an increase of 570 EFTS across Levels 7–10 in 2012.



Youth achievement at ITPs improved across all EPIs in 2012. Course completion increased (up from 76% in 2011 to 78% in 2012) as did qualification completion (up from 57% in 2011 to 63% in 2012), student retention (up from 57% in 2011 to 65% in 2012) and student progression for Levels 1–4 (up from 39% in 2011 to 45% in 2012).

In general, youth achievement improved, compared with the previous year, across each level of study for almost all of the EPIs; this was especially the case for higher-level study.

Figure 31: ITP participation and achievement by students under 25 years, 2011 and 2012



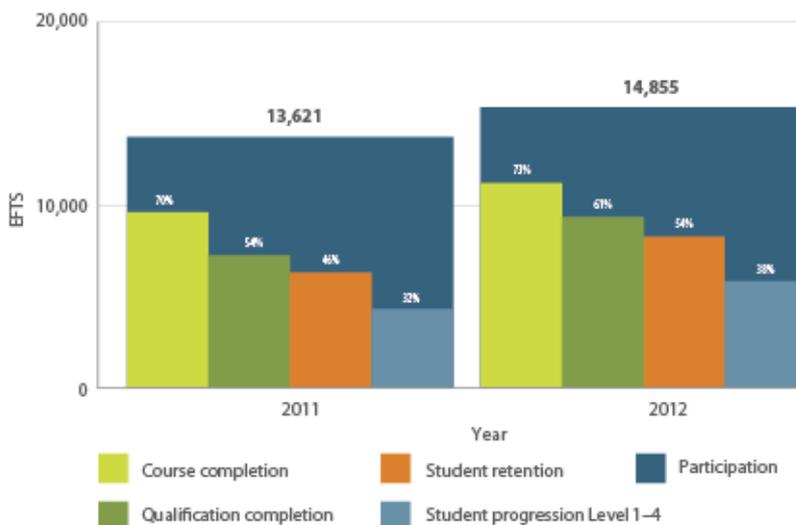
In 2012, youth participation was also evident in targeted programmes, with 1,990 students enrolled in the Youth Guarantee scheme. The educational performance of Youth Guarantee students showed that an average of 73 credits was achieved and 0.60 qualifications were completed in 2012. There were also 597 FFTO placements, of which 33 percent progressed to further education and 31 percent progressed to employment.

**TES Priority: Increasing the number of Māori students enjoying success at higher levels**

Māori enrolments increased by 8 percent in 2012 and accounted for 22 percent of total ITP enrolments. Māori enrolments increased across each level of study but predominantly at Levels 3–4 (up by 985 EFTS). Educational achievement by Māori students improved across each of the four EPIs across each level of study compared with 2011 (see figure 32). Overall, course completion increased (up from 70% in 2011 to 73% in 2012) as did qualification completion (up from 54% in 2011 to 61% in 2012), student retention (up from 46% in 2011 to 54% in 2012) and student progression for Levels 1–4 (up from 32% in 2011 to 38% in 2012). Despite these positive increases, Māori achievement in 2012 remained below the averages of all ITP students, including the student groups of Pasifika and youth.

**Performance against the educational performance indicators improved amongst students aged under 25 years, Māori and Pasifika at ITPs**

Figure 32: ITP participation and achievement by Māori students, 2011 and 2012

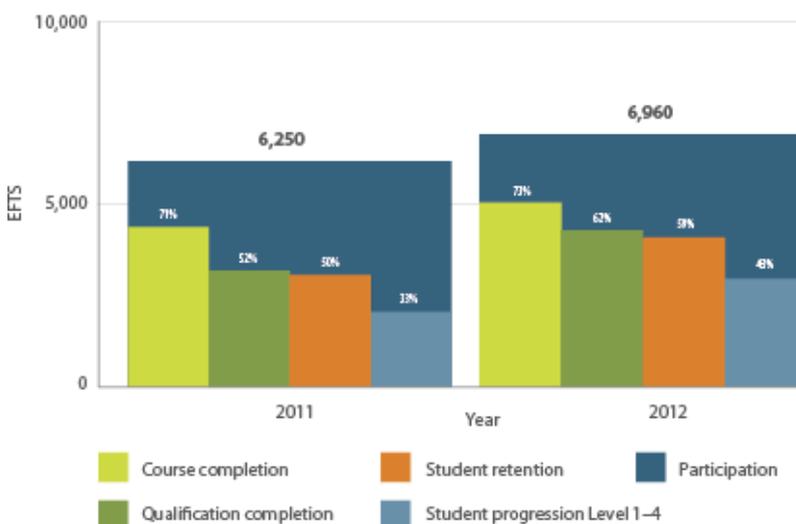


**TES Priority: Increasing the number of Pasifika students achieving at higher levels**

A 7 percent increase in Pasifika enrolments at ITPs (710 EFTS) meant that, in 2012, Pasifika enrolments accounted for 10 percent of total ITP enrolments. The majority of Pasifika students studied at Levels 3-4 (42% or 2,937 EFTS), followed by Levels 7-8 (26% or 1,801 EFTS). Pasifika enrolments in degree-level and higher programmes increased 15 percent (279 EFTS) from 2011.

Educational performance by Pasifika students improved, compared with 2011, across each of the four EPIs (see figure 33). The largest increases were for qualification completion (up from 52% in 2011 to 62% in 2012) and student progression (up from 33% in 2011 to 43% in 2012), while course completion also increased (up from 71% in 2011 to 73% in 2012) as did student retention (up from 50% in 2011 to 59% in 2012).

Figure 33: ITP participation and achievement by Pasifika students, 2011 and 2012



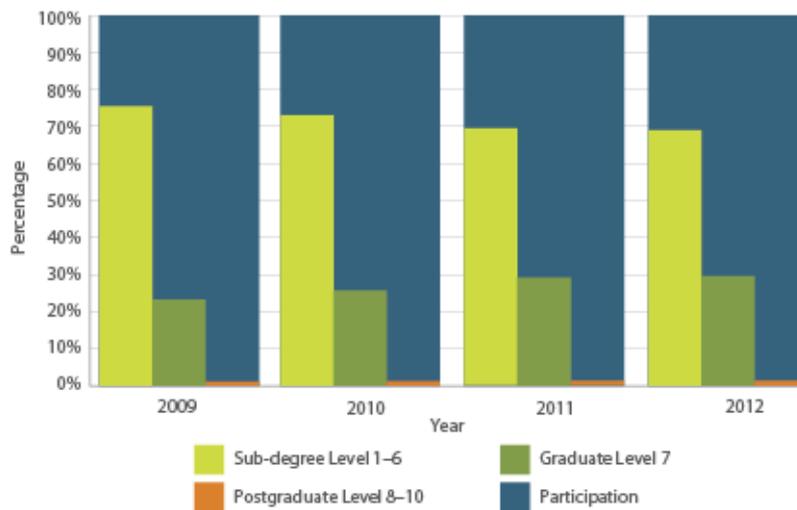


### TES Priority: Strengthening research outcomes

ITPs undertake research that supports vocational learning, and work with business and industry to transfer technology to the economy.

Across the ITP sector, the share and volume of post-graduate enrolments has steadily increased over recent years (see figure 34). In 2012, post-graduate enrolments accounted for 1 percent (898 EFTS) of all ITP enrolments.

Figure 34: ITP enrolments by qualification grouping, 2009–12



Funding for the Performance-Based Research Fund (PBRF) is allocated according to three elements: quality evaluation, research degree completion and external research income. ITPs received 2 percent of the indicative PBRF funding in 2012, while accounting for 122 research degree completions and generating \$2.4 million in external research income.

### Financial performance

Financial performance across the ITP sector met the TEC's recommended 3 percent surplus target (after unusual and non-recurring items). In 2012, the sector achieved an overall net surplus of 3.5 percent, down on 5.1 percent in 2011. Total operating revenue increased in 2012, with total government funding up \$19.6 million due to an increase in targeted student-based educational funding. Total operating expenditure increased by \$43.7 million, more than offsetting the increase in revenue resulting in a decrease in profitability across the sector. ITP balance sheets remained strong but with a decline in liquidity levels (see table 5).

*The volume of post-graduate enrolments increased at ITPs*

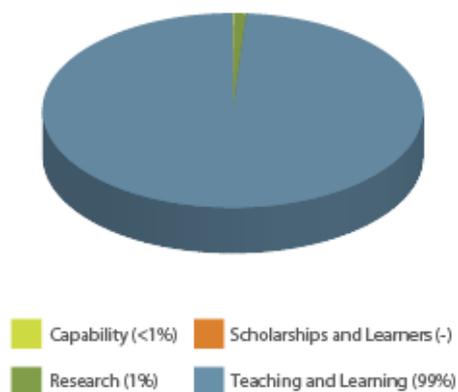
Table 5: Overview of ITP sector financial performance\*

Key performance metrics	2010	2011	2012	TEC minimum guidelines
Net surplus (after unusual and non-recurring items)	7.1%	5.1%	3.5%	3.0%
Net cashflow from operations	117.5%	115.2%	113.2%	111.0%
Liquid funds	34.0%	35.0%	27.0%	8.0%
3-Year average return on property, plant, equipment and intangibles	8.4%	8.9%	7.2%	4.5%
Summary financial statements (NZ\$000)	2010	2011	2012	% of 2012 category
<b>Revenue:</b>				
Total government revenue	\$679,186	\$631,373	\$650,982	60%
Domestic student fees	\$233,132	\$241,544	\$247,928	23%
International student fees	\$83,538	\$90,872	\$96,494	9%
Other income (including research)	\$94,782	\$89,983	\$93,377	9%
<b>Total revenue</b>	<b>\$1,090,638</b>	<b>\$1,053,772</b>	<b>\$1,088,781</b>	<b>100%</b>
<b>Assets:</b>				
Property, plant, equipment and intangibles	\$1,532,137	\$1,574,577	\$1,664,872	82%
Other assets	\$393,433	\$424,892	\$356,274	18%
<b>Total assets</b>	<b>\$1,925,570</b>	<b>\$1,999,469</b>	<b>\$2,021,146</b>	<b>100%</b>
<b>Equity (net assets)</b>	<b>\$1,674,101</b>	<b>\$1,719,808</b>	<b>\$1,760,891</b>	

\* This summary is based on data submitted to the TEC by individual ITPs as part of the TEC's financial monitoring framework.

Almost all TEC-allocated funding for ITPs in 2012 went towards Teaching and Learning (\$613.7 million or 99% of the total). The rest was spread across Research (\$6.2 million) and Capability (\$1.0 million) (see figure 35).

Figure 35: Total ITP government funding by type, 2012





### Future focus for ITPs

ITPs will continue to focus on four key areas in 2013 and beyond to support the TES priorities:

- further enhancing delivery to the TES priority groups: youth (including NEETs), Māori and Pasifika
- enhancing links with industry and achieving better employment outcomes for learners
- increasing collaboration to improve provision to learners and achieve better value for money
- enhanced performance in international education.

***In 2012, wānanga received \$169 million or 6 percent of total government funding for tertiary education organisations***

## Wānanga

Wānanga deliver education through multiple sites, often using community resources to support teaching and learning. While the wānanga sector is smaller than the institute of technology and polytechnic and university sectors, it contributes to the tertiary sector via its distinctive approach to teaching and learning, the areas in which it works and the groups with whom it works. Wānanga attract many first-time tertiary learners, both Māori and non-Māori, at foundation-level study. They support many of these learners on to higher levels of study.

The wānanga sector delivers education from over 600 sites throughout New Zealand, including around 150 marae-based sites. While each wānanga is unique, they are expected to contribute to the tertiary education sector and to support the priorities in the Tertiary Education Strategy (TES). Wānanga also play an important role in re-engaging learners in education.

The TES defines the core roles and expectations for wānanga as:

Core roles	Government expectations
<ul style="list-style-type: none"> <li>Provide quality education in accordance with kaupapa Māori philosophies, principles and approaches</li> <li>Undertake teaching and research that advance and disseminate knowledge, develop intellectual independence, and assist the application of knowledge regarding āhuatanga Māori and tikanga Māori</li> <li>Contribute to the survival and well-being of Māori as a people</li> </ul>	<ul style="list-style-type: none"> <li>Create and share new Māori knowledge that contributes to whānau, hapū and iwi prosperity, and to New Zealand's economic, social, cultural and environmental development</li> <li>Make an increasing contribution to sector-wide leadership, through advancing mātauranga Māori at all qualification levels and across all fields of study</li> <li>Enable students to complete a range of sub-degree, degree and post-graduate qualifications, with clear study paths to higher levels of learning through a Māori paradigm</li> </ul>

Wānanga advance the Government's TES priorities by:

- increasing the number of young people (aged under 25) achieving qualifications at Level 4 and above of the New Zealand Qualifications Framework (NZQF), particularly degrees
- increasing the number of Māori students enjoying success at higher levels
- increasing the number of Pasifika students achieving at higher levels
- increasing the number of young people moving successfully from school into tertiary education
- improving literacy, language, and numeracy and skills outcomes from study at NZQF Levels 1–3.



## Wānanga highlights

In 2012, highlights across the wānanga sector included:

- improved overall educational performance for all students, including TES priority groups
- continued development of collaborative arrangements with other TEOs and industry enabling pathways to support student progression
- further developed linkages with secondary schooling to help transitions to tertiary education
- completion of major capital projects to enhance and grow wānanga delivery.

## Wānanga performance

In 2012, the wānanga sector received \$169.2 million in government funding (6% of all government funding for tertiary education organisations) and continued to make a significant contribution to tertiary education, particularly for Māori and Pasifika learners. The wānanga sector improved its performance on all of the educational performance indicators, compared with 2011. The wānanga sector's financial performance generally improved in 2012.

## Operating environment

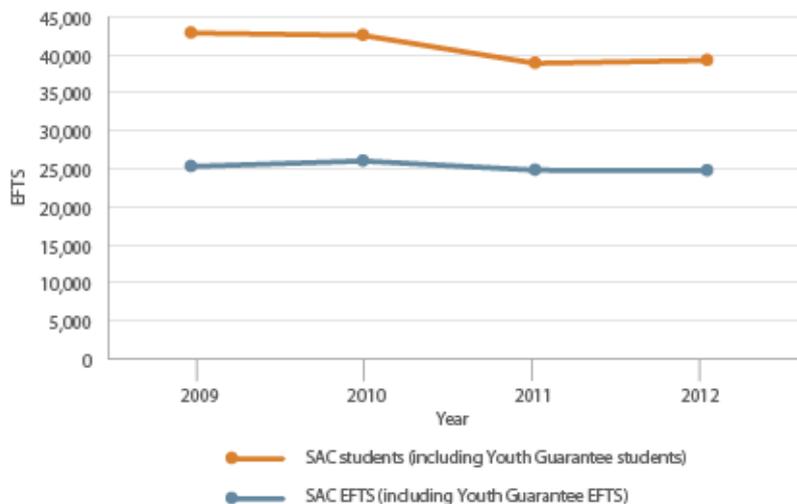
Key challenges for wānanga during 2012 included:

- continuing to respond to the TES, including improving outcomes for priority learner groups
- continuing to increase participation by Māori in tertiary education, particularly at higher levels of learning (Level 4 and above).

## Participation

In 2012, wānanga delivered 10 percent of provision across the tertiary sector, which equates to 24,553 equivalent full-time students (EFTS) or 38,914 students (see figure 36). Wānanga also enrolled 145 Youth Guarantee students in 2012.<sup>8</sup>

Figure 36: Wānanga enrolments, 2009–12



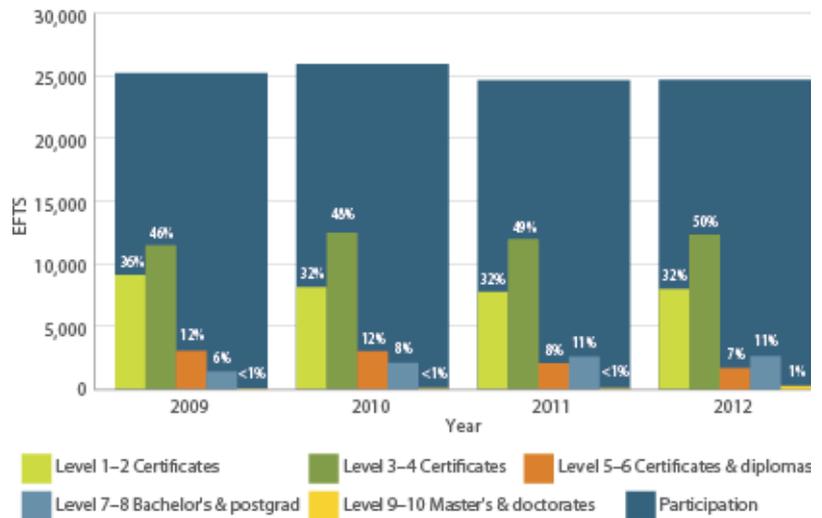
The mix of delivery across the levels of study remained the same in 2012. The majority of wānanga delivery was at Levels 3–4 (50%) and Levels 1–2 (32%) (see figure 37). In 2012, wānanga increased their delivery across all levels except

*The wānanga sector improved its performance on all of the educational performance indicators*

8. Te Wānanga o Aotearoa was the only wānanga offering Youth Guarantee places in 2012.

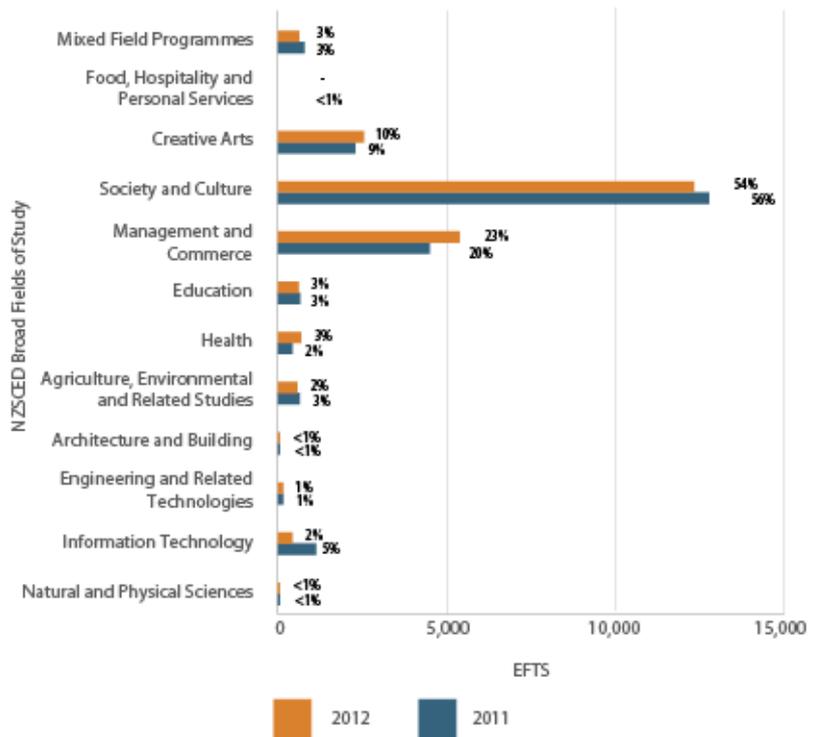
Levels 5–6 (down by 404 EFTS). Enrolments across Levels 1–4 increased by 338 EFTS while Level 7 and above increased by 92 EFTS.

Figure 37: Wānanga enrolments by NZQF level, 2009–12



In 2012, the largest proportion of EFTS in the wānanga sector was in Society and Culture (54%), followed by Management and Commerce (23%) and Creative Arts (10%). Society and Culture dropped slightly (down by 2% or 473 EFTS) on the previous year while Management and Commerce increased (up by 3% or 950 EFTS) (see figure 38).

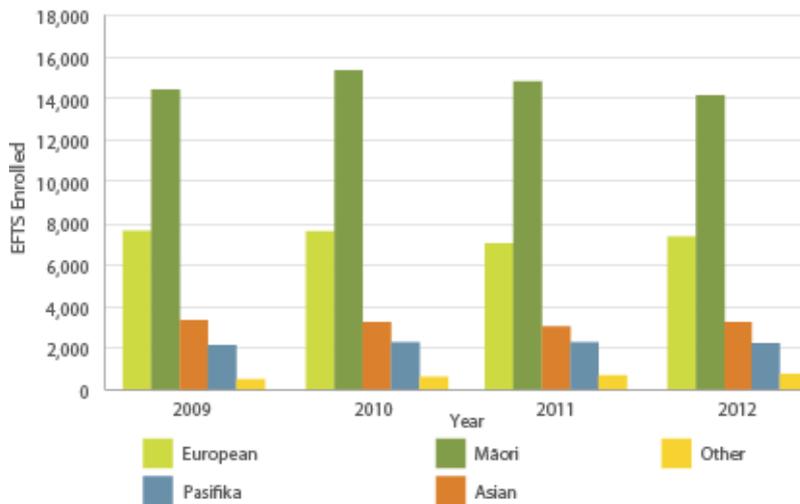
Figure 38: Wānanga enrolments by subject, 2011 and 2012





The number of Māori EFTS enrolled at wānanga decreased in 2012 by 4 percentage points (651 EFTS), while there was an increase in the number of European (up by 313 EFTS) and Asian (up by 210 EFTS) students compared with 2011. Pasifika student enrolments remained at 9 percent of the total but dropped slightly in terms of the number of enrolments (down by 57 EFTS) (see figure 39).

Figure 39: Wānanga enrolments by ethnicity, 2009–12

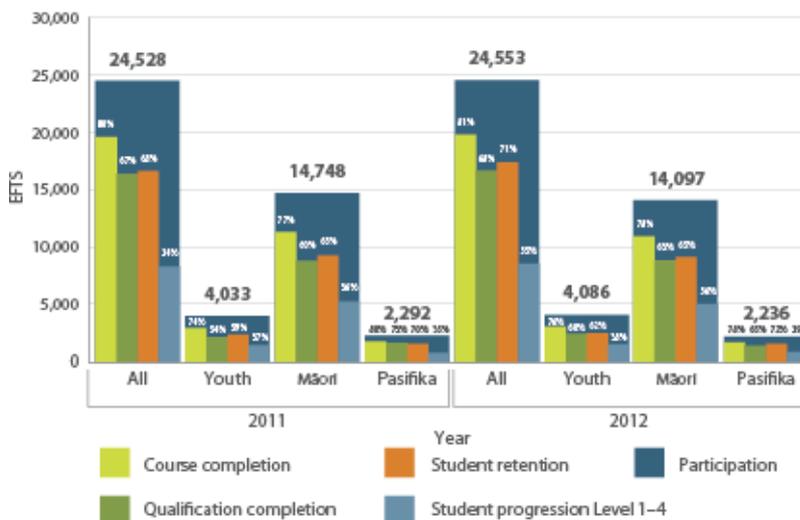


**Note:**  
Total may exceed total EFTS or 100 percent as some students identify with more than one ethnicity.

**Performance against TES priorities**

Overall, achievement improved across the wānanga in 2012 for all students including the TES priority groups (Māori, Pasifika and students under 25 years of age) (see figure 40).

Figure 40: Wānanga participation and achievement, 2011 and 2012



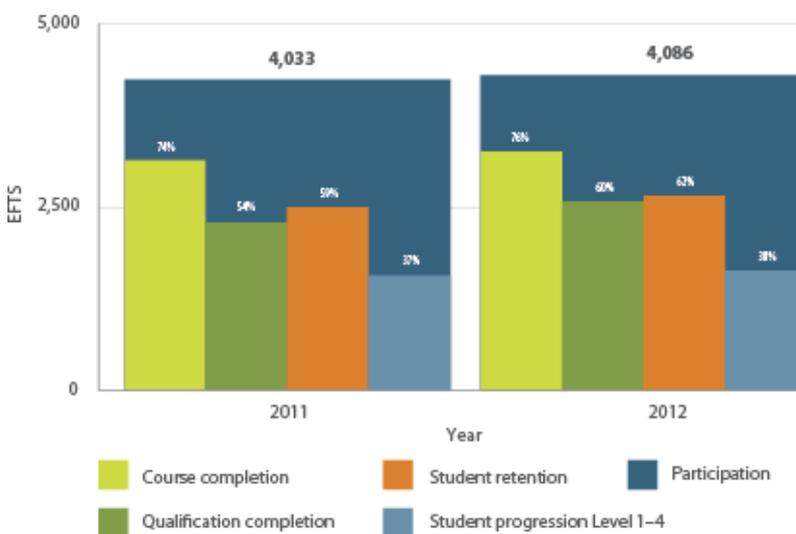
*In 2012, Māori students accounted for 57 percent of all wānanga enrolments*

**TES Priority: Increasing the number of young people achieving qualifications at Level 4 and above, particularly degrees**

Students under the age of 25 accounted for 17 percent of all 2012 wānanga enrolments, an increase of 1 percentage point compared with 2011. Course completion improved among this group (up from 74% in 2011 to 76% in 2012) as did qualification completion (up from 54% in 2011 to 60% in 2012), student retention (up from 59% in 2011 to 62% in 2012) and student progression (up from 37% to 38%) (see figure 41). In 2012, the wānanga sector enrolled 145 students in Youth Guarantee programmes, which target young people with low educational attainment.

Youth Guarantee students in the wānanga sector achieved 71 percent in course completion and 64 percent in qualification completion in 2012. While this course completion rate is slightly below the wider wānanga youth cohort over the same period, the qualification completion rate is 10 percentage points higher.

**Figure 41: Wānanga participation and achievement by students under 25 years, 2011 and 2012**



Youth participation at Level 4 and above increased in 2012 (up by 208 EFTS) to account for 57 percent of total youth enrolments across the wānanga sector.

Youth enrolments in 2012 continued to shift away from Levels 5–6 diplomas and graduate certificates (a decrease of 138 EFTS) reflecting the trend across the wānanga sector. Youth achievement continued to increase with course completion up from 72 percent in 2011 to 75 percent in 2012, qualification completion up from 57 percent in 2011 to 61 percent in 2012, student retention up from 59 percent in 2011 to 61 percent in 2012 and student progression up from 34 percent in 2011 to 38 percent in 2012.

**TES Priority: Increasing the number of Māori students enjoying success at higher levels**

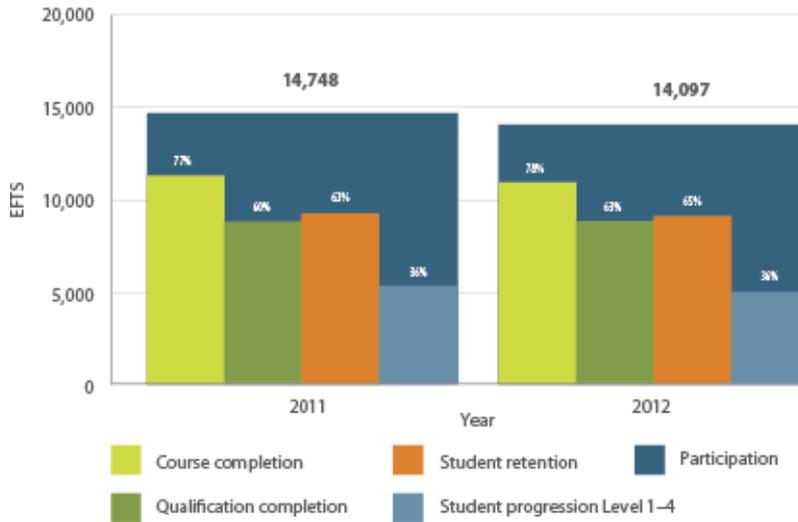
The number of Māori enrolments decreased by 651 EFTS or 3 percentage points compared with 2011 (see figure 42). Nearly half of all Māori enrolments were at Levels 3–4 (47%). There was a decrease in participation at Levels 5–6 (down by 449 EFTS) but an increase in participation at Levels 7–8 and Levels 9–10.

Achievement continued to improve for Māori, with course completion up from 77 percent in 2011 to 78 percent in 2012, qualification completion up from 60 percent in 2011 to 63 percent in 2012 and student retention up from 63 percent



in 2011 to 65 percent in 2012. Student progression was the only measure that did not demonstrate an improvement but remained steady at the 2011 level.

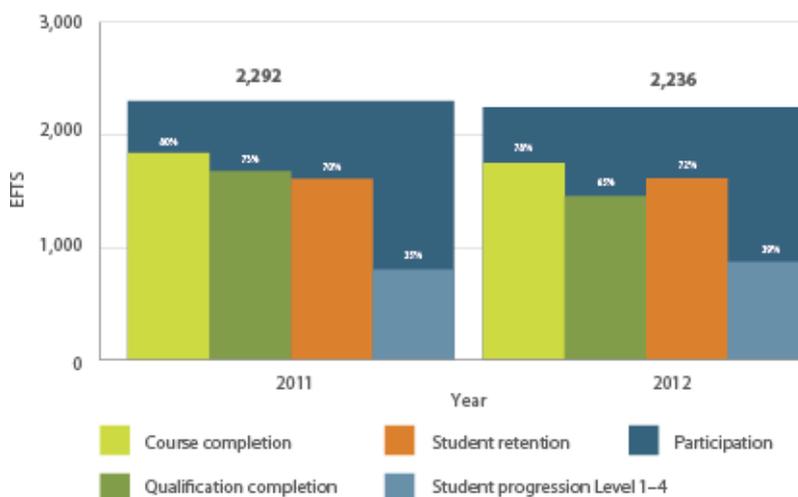
**Figure 42: Wānanga participation and achievement by Māori students, 2011 and 2012**



**TES Priority: Increasing the number of Pasifika students achieving at higher levels**

Across the wānanga sector, Pasifika participation remained at similar levels to previous years, accounting for 9 percent of total enrolments (see figure 43). In 2012, Pasifika enrolments reduced by 3 percent (57 EFTS). The distribution of Pasifika students across the levels of study also remained similar to 2011 with slight decreases across Levels 3–6. In terms of achievement, there was some slippage in course completion (down from 80% in 2011 to 78% in 2012) and qualification completion (down from 73% in 2011 to 65% in 2012). Pasifika student retention improved in 2012 (up from 70% in 2011 to 72% in 2012) as did student progression (up from 35% in 2011 to 39% 2012).

**Figure 43: Wānanga participation and achievement by Pasifika students, 2011 and 2012**



## *The wānanga sector continued to achieve strong net surpluses*

### **TES Priority: Strengthening research outcomes**

Wānanga undertake research that advances and disseminates knowledge, develops intellectual independence and helps the application of āhuatanga Māori and tikanga Māori.

The volume of post-graduate enrolments across the wānanga sector remained steady in 2012, accounting for 1 percent of all wānanga enrolments. Funding for the Performance-Based Research Fund (PBRF) is allocated according to three elements: quality evaluation, research degree completions and external research income. Wānanga received 0.2 percent of the indicative PBRF funding in 2012, while accounting for 17 research degree completions and generating over \$780,000 in external research income.

### **Financial performance**

In 2012, the sector achieved an overall net surplus of 6.4 percent up from 5.0 percent in 2011 (see table 6). Total operating revenue was down \$2.3 million (1.1%) due to a decrease in student tuition fees and a small decrease in government funding. In 2011, the wānanga sector, led by Te Wānanga o Aotearoa, entered the international market, achieving international fees revenue of \$0.4 million in 2011. This increased 62.1 percent to \$0.7 million in 2012.

The additional income from international fees, together with expenditure reductions, enabled the wānanga sector to increase the net surplus (before unusual items) from \$10.7 million to \$12.6 million between 2011 and 2012. It was the only sector to do so. The net surplus (after unusual items) is the same as there was no financial impact from unusual items in 2012 and, at 6.4 percent, it is the strongest across the sectors.

Net assets have increased by \$109.8 million between 2008 and 2012, an increase of 74.8 percent. An increase of \$10.3 million, or 3.9 percent, occurred between 2011 and 2012, taking the wānanga sector to a net asset base of \$256.5 million. Wānanga balance sheets remained strong in 2012, with liquidity increasing over 2011.



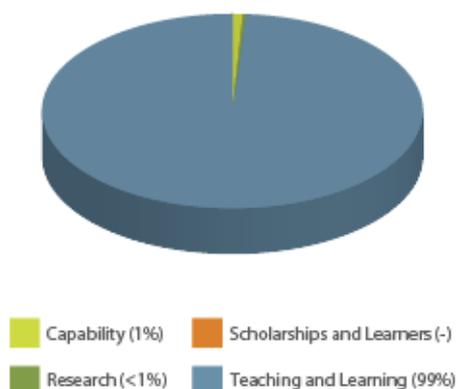
Table 6: Overview of wānanga sector financial performance\*

Key performance metrics	2010	2011	2012	TEC minimum Guidelines
Net surplus (after unusual and non-recurring items)	6.80%	5.00%	6.36%	3.00%
Net cashflow from operations	112.50%	115.20%	112.98%	111.00%
Liquid funds	78.90%	80.50%	84.29%	8.00%
3-Year average return on property, plant, equipment and intangibles	18.30%	15.80%	12.55%	4.50%
Summary financial statements (NZ\$000)	2010	2011	2012	% of 2012 Category
<b>Revenue:</b>				
Total government revenue	\$174,952	\$169,881	\$169,366	85%
Domestic student fees	\$13,610	\$13,633	\$7,705	4%
International student fees	–	\$420	\$681	Less than 1%
Other income (including research)	\$14,755	\$16,915	\$20,837	10%
Total revenue	\$203,317	\$200,849	\$198,589	100%
<b>Assets:</b>				
Property, plant, equipment and intangibles	\$109,764	\$126,696	\$143,873	43%
Other assets	\$168,868	\$165,107	\$155,509	57%
Total assets	\$278,632	\$291,803	\$299,382	100%
<b>Equity (net assets)</b>	\$237,033	\$246,796	\$256,495	

\* This summary is based on data submitted to the TEC by each wānanga as part of the TEC's financial monitoring framework.

In 2012, the Tertiary Education Commission allocated \$169.2 million in government funding to wānanga. The majority went to Teaching and Learning (\$167.3 million) and the remainder to Capability (\$1.5 million) and Research (\$494,574) (see figure 44).

Figure 44: Total wānanga government funding by type, 2012





### Future focus for wānanga

Wānanga will be required to focus on the following key areas in 2013 and beyond to support TES priorities:

- continuing to raise achievement rates for all students including TES priority groups
- continuing to provide pathways to enable students to progress from foundation through to higher levels of learning
- aligning educational delivery with regional and national economic needs including Māori economic development.



## Private training establishments

The private training establishment (PTE) sector plays an important role in responding to industry need for graduates with specific skills. It offers education that is not provided by other tertiary sectors, mostly in specific vocational niches at certificate and diploma level.

PTEs are operated by a range of companies, trusts and other entities, and offer post-school education or vocational training.

They are diverse in their scale of operation, location, ethnic makeup, culture and areas of educational expertise. Because of this, they respond to the varying needs of learners, industries, employers, Māori and Pasifika people, and other communities and stakeholders.

From 2011, the PTE sector has included tertiary education organisations (TEOs) formerly known as 'other tertiary education providers', which had received funding under section 321 of the Education Act 1989.

In 2012, 351 PTEs across New Zealand received over \$311.4 million of government funding. The Tertiary Education Commission (TEC) allocated funding to the sector mainly through the Student Achievement Component (SAC), Youth Guarantee, and Foundation-Focused Training Opportunities (FFTO) funds.

Youth Guarantee programmes aim to improve the educational achievement of targeted 16- and 17-year-olds by enabling them to participate in a variety of vocational courses free of charge. These programmes focus on enabling young people under the age of 18 (as well as people of all ages with low or no qualifications and who are at risk of long-term unemployment) to engage in further education and training.

The Tertiary Education Strategy (TES) defines the core roles and expectations of PTEs as:

Core roles	Government expectations
<ul style="list-style-type: none"> <li>• Offer flexible and responsive education programmes</li> <li>• Focus on specific areas of study</li> </ul>	<ul style="list-style-type: none"> <li>• Enable students to complete high-quality qualifications that lead to employment or higher-level education</li> <li>• Deliver tailored learning opportunities, such as marae and iwi-based provision and Pasifika learning environments</li> <li>• Provide specialised qualifications and training</li> </ul>

PTEs contribute to the Government's TES priorities by:

- increasing the number of young people (aged under 25) achieving qualifications at Level 4 and above in the New Zealand Qualifications Framework (NZQF), particularly degrees
- increasing the number of Māori students enjoying success at higher levels
- increasing the number of Pasifika students achieving at higher levels
- increasing the number of young people moving successfully from school into tertiary education
- improving literacy, language and numeracy and skills outcomes from NZQF Levels 1–3 study.

***In 2012, PTEs received \$311.4 million – 12 percent of total government funding for tertiary education organisations***

## *PTEs improved their results on the educational performance indicators for youth, Māori and Pasifika students*

### PTE highlights

- the merger of Youth Guarantee and Youth Training into a new Youth Guarantee scheme; in 2012, 153 PTEs transitioned to the new scheme. The focus of the Youth Training scheme was employment outcomes for young people; the new Youth Guarantee scheme has the goal of enabling 16- and 17-year-olds to gain NZQF qualifications and provides a pathway to further education and employment
- continued improvement in PTE results against the educational performance indicators (EPIs) for youth, Māori and Pasifika students.

### PTE performance

PTEs received \$311.4 million (12% of all government funding for TEOs) in 2012, with almost all going towards Teaching and Learning. The PTE sector continued to improve against the EPIs.

### Operating environment

Key factors that affected the operating environment of the PTE sector in 2012 included:

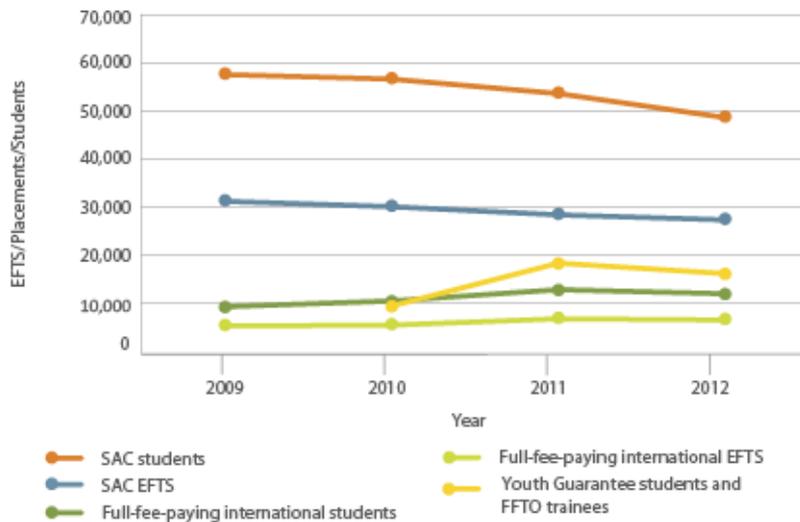
- competing for SAC funding for Level 1 and 2 qualifications for the first time; 18 PTEs were successful, through this competitive process, in gaining \$12 million in SAC funding for Level 1 and 2 provision in 2013
- the need to respond to new Investment Plans that focused on meeting the requirements of the TES, including for educational performance and priority groups.

### Participation

In 2012, the PTE sector provided a variety of tertiary education, from foundation education at Levels 1–2 to degree and post-graduate study at Levels 7–10. PTEs enrolled 48,411 students, which equates to 27,411 SAC-eligible equivalent full-time students (EFTS). In addition to SAC-eligible enrolments, there were 6,716 Youth Guarantee students, 9,430 FFTO students and 6,890 full fee-paying foreign EFTS enrolled across the PTE sector in 2012 (see figure 45).



Figure 45: PTE enrolments, 2009–12



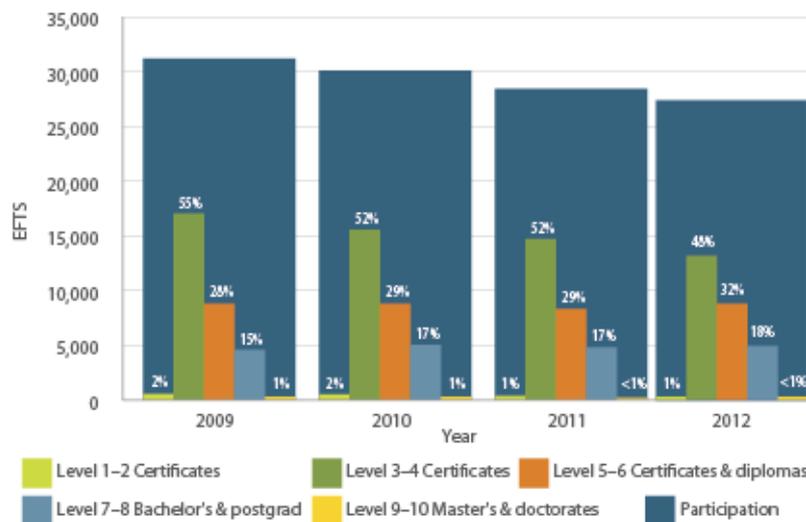
**Note:**

Youth Training and Foundation-Focused Training Opportunities data relate to trainees with a placement start date during the year. Individuals who enrolled in more than one programme will be counted in each programme.

Unless otherwise stated, the following section describes participation and performance of SAC-eligible EFTS only.

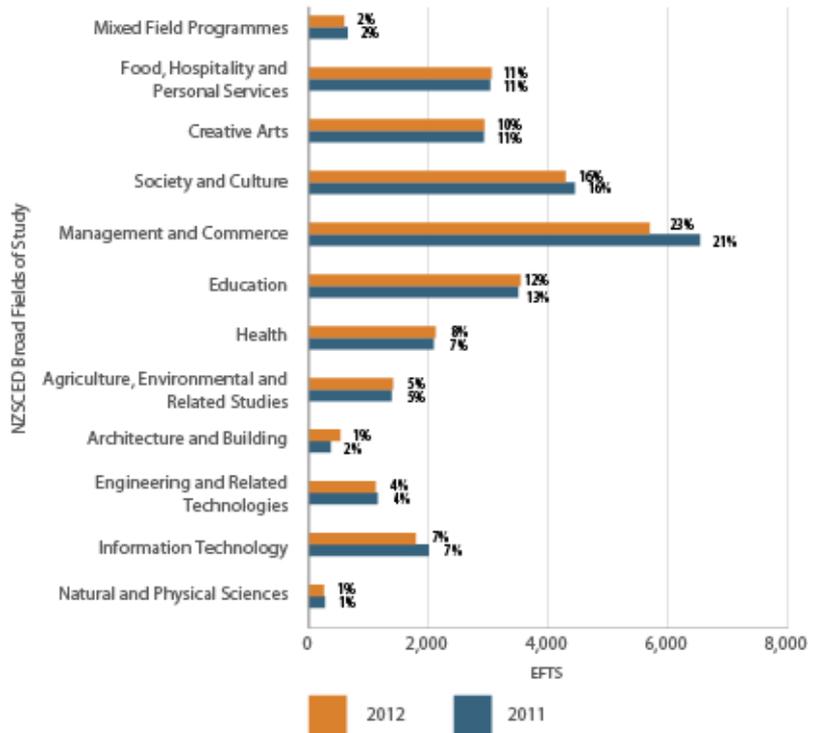
The largest proportion of education delivered across the PTE sector in 2012 was at Levels 3–4 (48%), followed by Levels 5–6 (32%) and Levels 7–8 (18%). Enrolments at Levels 3–4 continued to decrease, with an overall decrease of 4 percentage points, compared with 2011, while Levels 5–6 increased (up by 3% on 2011) (see figure 46).

Figure 46: PTE enrolment by NZQF level, 2009–12



The majority of delivery in the PTE sector was in Management and Commerce (21%), Society and Culture (16%), Education (13%) and Food, Hospitality and Personal Services (11%) (see figure 47). Management and Commerce and Information Technology both reduced by 15 percent and 12 percent respectively on the previous year, while Architecture and Building increased by 30 percent (156 EFTS). Most PTE enrolments were intramural (82%), with extramural delivery accounting for the remaining 18 percent.

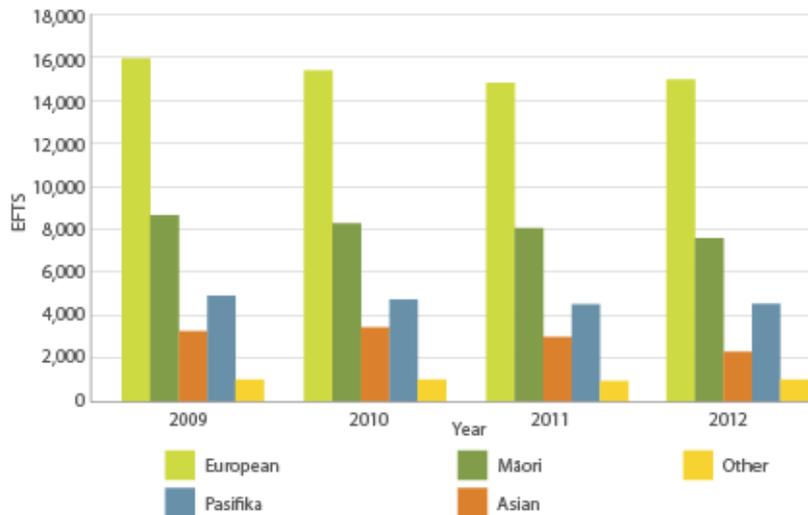
Figure 47: PTE enrolment by subject, 2011 and 2012



Under Youth Guarantee and FFTO programmes, the PTE sector delivered foundation education at Levels 1–3, mainly in the Auckland, Waikato, Wellington/ Kapiti and Canterbury regions.

PTEs attracted a relatively high proportion of Māori and Pasifika students, highlighting the sector’s responsiveness to the Government’s emphasis on these TES-priority groups (see figure 48).

Figure 48: PTE enrolment by ethnicity, 2009–12



**Note:** Total may exceed total EFTS or 100 percent as some students identify with more than one ethnicity.

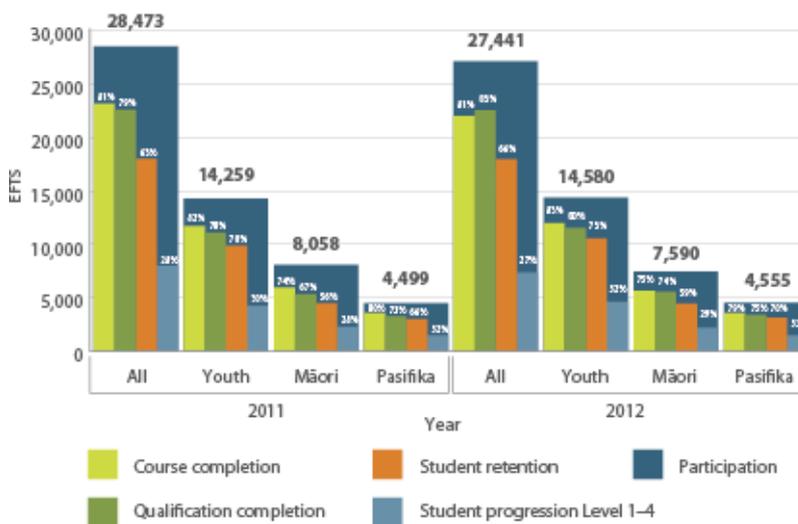


### Performance against TES priorities

The following section briefly highlights key aspects of the sector's performance against the TES. Unless otherwise stated, all enrolment and achievement measures refer to SAC-eligible EFTS only.

While participation across the PTE sector declined in 2012, the proportion of participation for TES priority groups (Māori, Pasifika and under-25-year-olds) generally increased (see figure 49). Overall, in terms of educational achievement, the PTE sector improved its performance in 2012. Course completion, qualification completion and student retention each improved, while student progression dropped by 1 percentage point compared with the previous year.

Figure 49: PTE participation and achievement, 2011–12

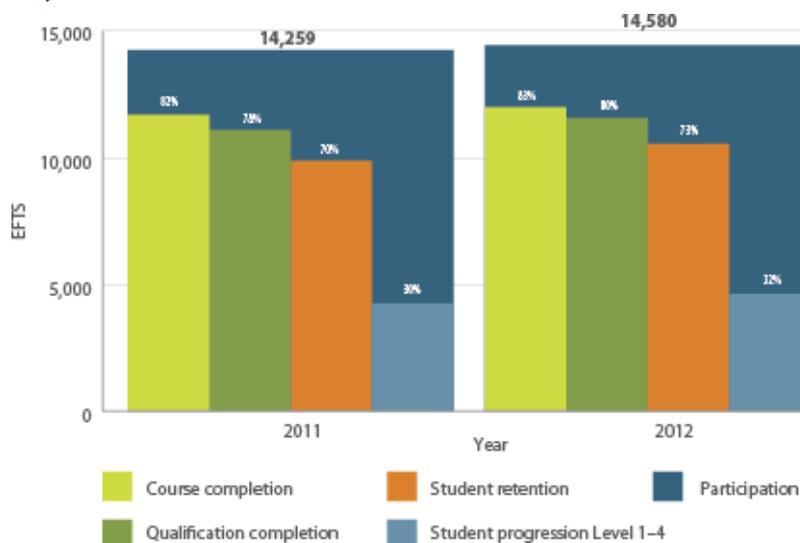


#### **TES Priority: Increasing the number of young people achieving qualifications at Level 4 and above, particularly degrees**

Participation by under-25-year-olds increased by 3 percentage points compared with 2011 and made up 53 percent of total enrolments (see figure 50). Delivery for youth was primarily across Levels 3–6 (86%) and Levels 7–8 (13%).

Youth educational performance remained strong in 2012, with improvements seen across all four EPIs.

Figure 50: PTE participation and achievement by students under 25 years, 2011 and 2012



Youth participation in higher level programmes showed a slight increase from 2011, largely due to the increased enrolments across Level 5 and above (up from 6,273 EFTS in 2011 to 6,837 EFTS in 2012). The educational performance of this group continued to strengthen in 2012, with successful course completion at Levels 5–6 sitting at 83 percent and Levels 7–8 at 87 percent.

In 2012, the PTE sector also had 6,716 Youth Guarantee trainees. Over the year, Youth Guarantee trainees achieved an average of 49 credits and 0.45 qualifications. Across the PTE sector, there were also 9,806 FFTO placements, of which 23 percent progressed to further education and 41 percent to employment.

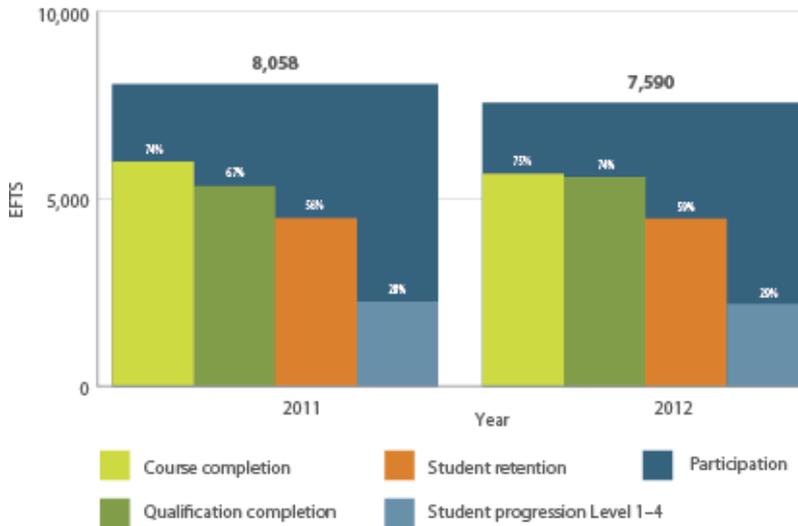
**TES Priority: Increasing the number of Māori students enjoying success at higher levels**

In 2012, Māori continued to make up 28 percent of total PTE enrolments. However, the volume of Māori enrolments dropped by 465 EFTS. The decrease in enrolments was mainly seen across Levels 1–4, while increased enrolments were observed across all other levels.

Educational performance for Māori improved across all EPIs, with qualification completion being the most notable, up from 67 percent in 2011 to 74 percent in 2012 (see figure 51).



Figure 51: PTE participation and achievement by Māori students, 2011 and 2012

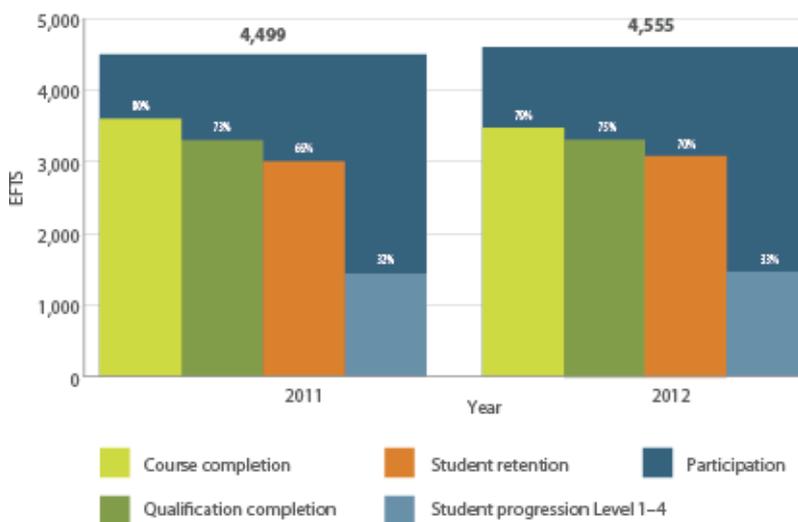


**TES Priority: Increasing the number of Pasifika students achieving at higher levels**

Pasifika enrolments showed a slight increase in 2012 to account for 17 percent of total PTE enrolments. Pasifika enrolments shifted away from Levels 3-4 (down 104 EFTS) and towards Level 5 and above (up 167 EFTS).

The educational performance for Pasifika largely improved in 2012, with the exception of successful course completion, which dropped by less than 1 percentage point to 79 percent (see figure 52).

Figure 52: PTE participation and achievement by Pasifika students, 2011 and 2012



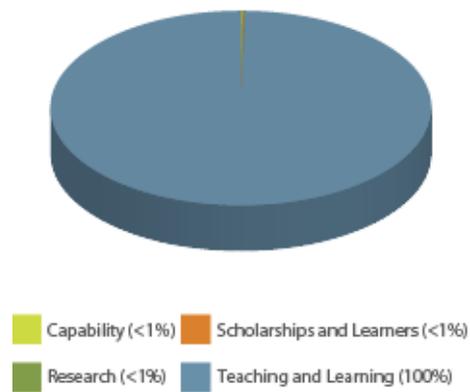
*Youth, Māori and Pasifika students' educational performance improved in 2012 across the PTE sector*

### Financial performance

While the TEC engages with PTEs, it does not systematically collect PTEs' financial information. The New Zealand Qualifications Authority is the Government agency responsible for monitoring the financial viability of individual PTEs.

In 2012, the PTE sector received \$311.4 million in government funding from the TEC, with almost all the funds allocated for Teaching and Learning (\$310.4 million) (see figure 53).

Figure 53: Total PTE government funding by type, 2012



### Future focus for PTEs

The PTE sector will continue to play an important role in:

- improving learner achievement to produce graduates who contribute to New Zealand's economic and social development
- raising the educational achievement and skill levels of young, Māori and Pasifika learners
- supporting learner transitions to higher-level tertiary study or employment.



## Industry training organisations

Industry training organisations (ITOs) co-ordinate structured on- and off-the-job training for employees, enabling them to gain New Zealand Qualifications Framework (NZQF) qualifications while earning money. ITOs are owned by industries, are recognised by the Government and receive funding from both.

In 2012, the Tertiary Education Commission (TEC) funded 32 ITOs through the Industry Training Fund and Modern Apprenticeship scheme. As a result of mergers throughout the year, there were 20 funded ITOs at the close of 2012.

ITOs are formally recognised under the Industry Training Act 1992 and Education Act 1989, which provide for ITOs to be partially funded by the Crown via the TEC and Investment Plans. ITOs differ from other tertiary education organisations in that they do not deliver industry training themselves. Instead, they:

- set skill standards for their particular industry or industries, which are registered by the New Zealand Qualifications Authority (NZQA)
- arrange for industry training to be delivered and for skill standards to be met, including arrangements for monitoring and assessing trainees
- provide industry leadership on skills and training needs.

The Tertiary Education Strategy (TES) defines the core roles and expectations of ITOs as:

Core roles	Government expectations
<ul style="list-style-type: none"> <li>• Provide leadership in industry training needs</li> <li>• Design national qualifications and run moderation systems to ensure fair, valid and consistent assessment against national standards</li> <li>• Arrange for the delivery of industry training that enables trainees to attain these standards</li> <li>• Provide leadership to their industries on skill and training matters, identify current and future skill needs, and work with employers and employees to meet those needs</li> </ul>	<ul style="list-style-type: none"> <li>• Work with industry to ensure that vocational learning meets industry needs</li> <li>• Enable working New Zealanders to complete nationally recognised qualifications</li> <li>• Create clear pathways towards advanced trade qualifications at Level 4 and above</li> <li>• Build and maintain strong support from the industries they serve</li> </ul>

ITOs contribute to advancing the Government's TES priorities by:

- increasing the number of young people (aged under 25) achieving qualifications at NZQF Level 4 and above, particularly degrees
- increasing the number of Māori students enjoying success at higher levels
- increasing the number of Pasifika students achieving at higher levels
- increasing the number of young people moving successfully from school into tertiary education
- improving literacy, language and numeracy and skills outcomes from Levels 1–3 study.

***In 2012, ITOs received \$136.4 million in government funding – 5 percent of its total spending on tertiary education organisations***

### ITO highlights

- a review of industry training was completed at the end of 2012; the purpose was to identify options for improving the value of the Government's investment in industry training. Cabinet decision-making and operational design in response to the findings were planned for 2013, with implementation from 2014
- a mergers programme, designed to result in fewer and more capable ITOs, continued to reduce the number of ITOs from 32 at the beginning of 2012 to 20 by year end; the mergers were:
  - Apparel and Textile ITO (ATITO) into the Plastics and Materials Processing ITO (PaMPITO)
  - NZ Sports Turf ITO into the New Zealand Horticulture ITO
  - New Zealand Horticulture ITO into the Agriculture ITO to form the Primary ITO
  - New Zealand Seafood Industry Council into the New Zealand ITO
  - Learning State into The Skills Organisation (formerly the Electrotechnology Industry Training Organisation)
  - Opportunity – The Training Organisation (OTTO) into The Skills Organisation
  - Plumbing, Gasfitting, Drainlaying and Roofing ITO (PGDRITO) into The Skills Organisation
  - Aviation, Tourism and Travel Training Organisation (ATTTTO), the Hospitality Standards Institute (HSI) and the Retail Institute merged to form a new ITO, Service Skills Institute (ServiceIQ)
  - Building Service Contractors ITO (BSCITO) into the Community Support Services ITO (Careerforce)
  - Retail Meat ITO (RMITO) into the New Zealand Engineering, Food and Manufacturing ITO (Competenz)
  - NZ Extractive Industries Training Organisation (EXITO) into NZ Motor ITO (MITO)
- embedding literacy and numeracy in an increased proportion of Levels 1–3 programmes, with the intention of this becoming 'business as usual' by 2013.

### ITO performance

In 2012, the Government invested \$136.4 million across the ITO sector to arrange training and apprenticeships across New Zealand. The number of industry trainees continued to decline in 2012. There was also a slight drop in credit achievement and programme completion, compared with the 2011 year.

### Operating environment

The 2012 year was focused on consolidating and optimising the policy changes introduced in 2011 to improve the link between funding and performance, and maintaining the Government focus on strengthening and simplifying the sector with a series of mergers to create fewer and stronger ITOs.

The main challenges and factors influencing ITOs included:

- consolidation of new operational policies implemented from 2011
- optimisation of the Industry Training Register, the new information management system implemented in 2011
- continued government focus on a strengthened and simplified sector with fewer, stronger ITOs
- participation in the Ministry of Education-led review of industry training

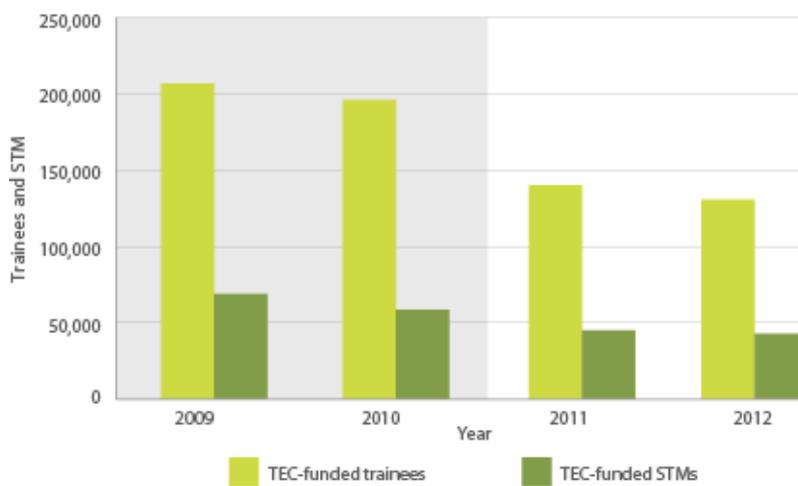


- the requirement for literacy and numeracy to be included in all Levels 1–2 training from 2013
- the further decline in trainee numbers, due to a lower uptake of training linked to lower employment rates and new funding rules.

### Participation

The number of trainees participating in industry training in 2012 was 130,679 (42,074 standard training measures (STMs)), which was down against 2011 (see figure 54). The decrease in numbers was partially attributable to a lower uptake of training in line with lower employment rates.

Figure 54: ITO enrolments by trainees and STM, 2009–12

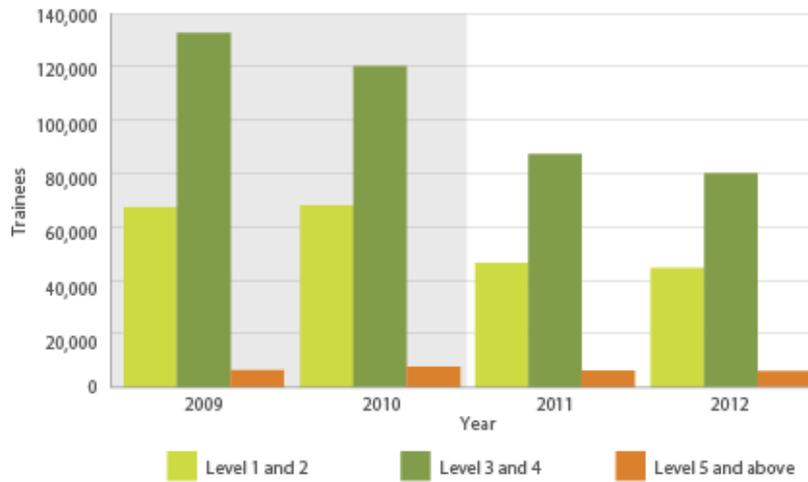


#### Notes:

1. All figures include Industry Training Fund and Modern Apprenticeship funded places.
2. The 2011 industry training organisation results were the first to be produced using data from the Industry Training Register (ITR). Results from 2011 and 2012 are not strictly comparable to previous years, and, as such, all data before 2011 in the graphs has been greyed. More information on the impact of the ITR can be found on the Tertiary Education Commission website.

In 2012, the majority of ITO training was at Levels 3–4 (61%). While there was a decrease in trainees across all levels, the distribution of training by level remained similar to previous years (see figure 55).

Figure 55: ITO trainees by NZQF level, 2009–12

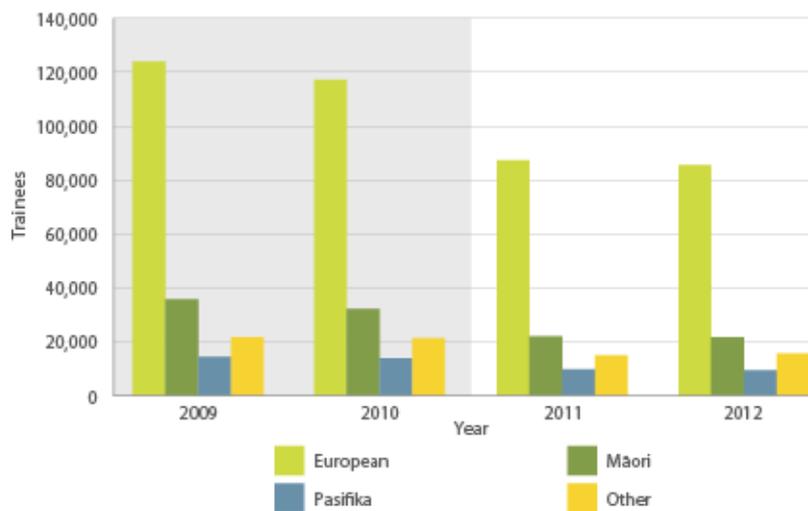


**Notes:**

1. All figures include Industry Training Fund and Modern Apprenticeship funded places.
2. The 2011 industry training organisation results were the first to be produced using data from the Industry Training Register (ITR). Results from 2011 and 2012 are not strictly comparable to previous years, and, as such, all data before 2011 in the graphs has been greyed. More information on the impact of the ITR can be found on the Tertiary Education Commission website.

Participation by ethnicity fell slightly for Europeans but remained relatively steady for all other groups (see figure 56). Although the numbers of Māori and Pasifika trainees dropped slightly, in 2012 they continued to account for 17 percent and 7 percent of total ITO enrolments respectively.

Figure 56: ITO trainees by ethnicity, 2009–12



**Notes:**

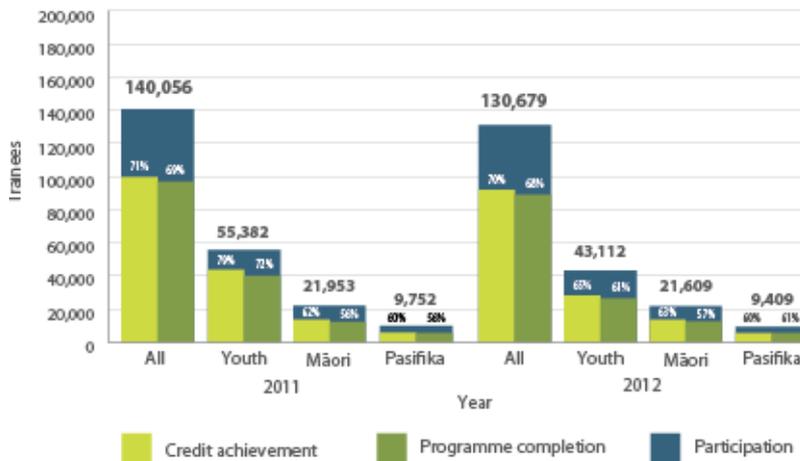
1. All figures include Industry Training Fund and Modern Apprenticeship funded places.
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3. From 2011, trainees can identify with up to three ethnicities and may be reported more than once across ethnicities.



### Performance against TES priorities

The ITO sector has committed to improving trainees' credit achievement and programme completion and, while youth achievement declined in 2012, Māori and Pasifika trainee achievement improved over the same period (see figure 57).

Figure 57: ITO participation and achievement, 2011 and 2012



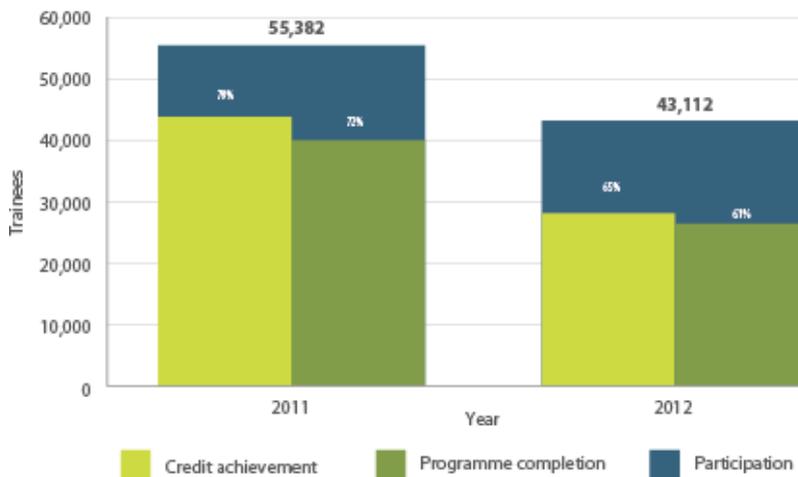
**Note:**

- All figures include Industry Training Fund and Modern Apprenticeship funded places.

### TES Priority: Increasing the number of young people (aged under 25) achieving qualifications at Level 4 and above, particularly degrees

Trainees under 25 years of age accounted for 33 percent of total ITO enrolments in 2012. Youth achieved 65 percent for credit achievement and 61 percent for programme completion in 2012. While youth participation in industry training marginally increased as a proportion of all trainees in 2012, youth achievement in industry training dropped over the same period (see figure 58).

Figure 58: Participation and achievement by ITO trainees under 25 years, 2011 and 2012



**Note:**

- All figures include Industry Training Fund and Modern Apprenticeship funded places.

## In 2012, educational performance by industry trainees improved for Māori and Pasifika trainees

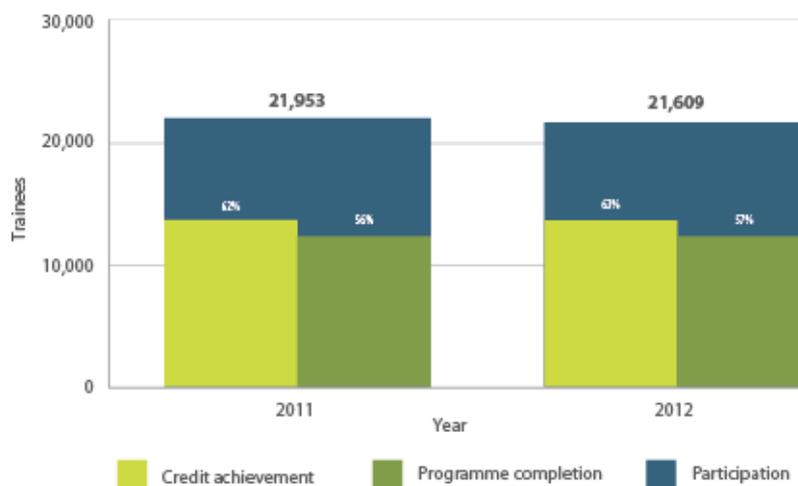
In 2012, youth participation at Level 4 and above accounted for 16 percent of total youth in industry training (20,348 trainees). Achievement across this group was higher than for the overall youth cohort in industry training, with youth achievement at Level 4 and above at 75 percent for credit achievement and 76 percent for programme completion.

### **TES Priority: Increasing the number of Māori students enjoying success at higher levels**

Māori continued to make up 17 percent of the ITO sector's trainees in 2012. Māori educational performance improved compared with 2011: credit achievement increased from 62 percent in 2011 to 63 percent in 2012, and programme completion increased from 56 percent in 2011 to 57 percent in 2012 (see figure 59).

A small proportion of Māori trainees participated at Level 4 and above in industry training (5%; 6,822 trainees) in 2012 and this group demonstrated higher educational achievement than the overall Māori trainee cohort. Māori trainees achieved 70 percent credit achievement and 66 percent programme completion for Level 4 and above programmes.

**Figure 59: Participation and achievement by Māori ITO trainees, 2011 and 2012**



**Note:**

1. All figures include Industry Training Fund and Modern Apprenticeship funded places.

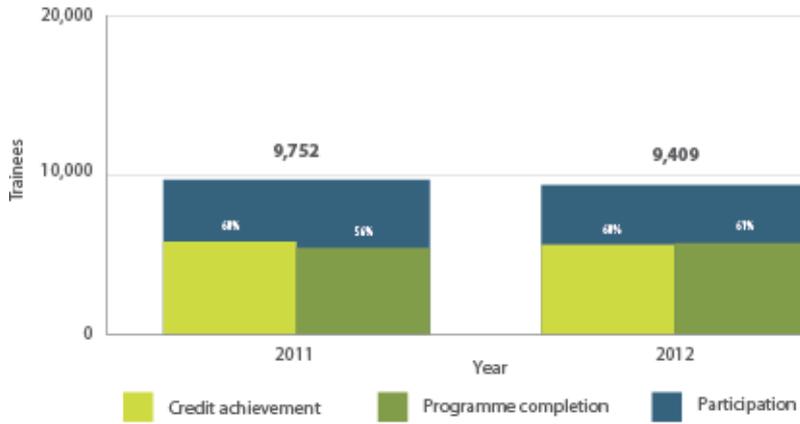
### **TES Priority: Increasing the number of Pasifika students achieving at higher levels**

Pasifika accounted for 7 percent of all industry trainees in 2012. Pasifika trainees' educational performance improved in 2012, with 61 percent programme completion and an unchanged credit achievement rate of 60 percent (see figure 60).

A small proportion of Pasifika trainees engaged in Level 4 and above programmes in 2012. This group demonstrated strong educational performance, with 70 percent credit achievement and 76 percent programme completion across Level 4 and above programmes.



Figure 60: Participation and achievement by Pasifika ITO trainees, 2011 and 2012



**Note:**

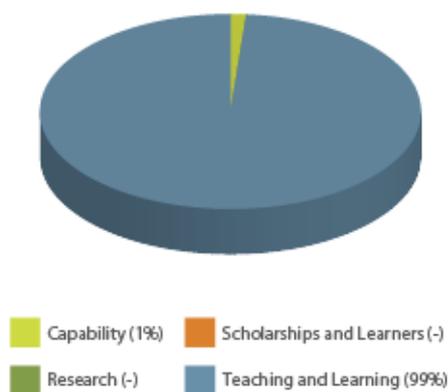
1. All figures include Industry Training Fund and Modern Apprenticeship funded places.

**Financial performance**

The industry cash contribution rate is a measure of the extent to which employers and industry value the training that ITOs arrange. In 2012, industry support rose to \$87.4 million or 41.3 percent of total ITO funding, an increase of about 2 percentage points compared with 2011. This was above the 30 percent target rate.

The TEC allocated \$136.4 million in government funding to ITOs in 2012. The majority went to Teaching and Learning (\$134.6 million) and the remainder to Capability (\$1.8 million) (see figure 61).

Figure 61: Total ITO government funding by type, 2012



**Industry contributed \$87.4 million – 41.3 percent of total ITO funding – towards training arranged by ITOs in 2012**



### Future focus for ITOs

The focus in 2013 is on preparing for the implementation, from 2014, of the results from the review of industry training. This includes ensuring apprenticeship programmes are aligned with the New Zealand Apprenticeship, which redefines the content of an apprenticeship programme and removes the age restriction of the current Modern Apprenticeships scheme. An 'apprenticeship reboot subsidy' to encourage uptake of apprenticeships came into effect in March 2013 and is payable to the first 10,000 apprentices to sign up and their employers. The sector will also be considering the potential impact on ITO business of an 'employer direct access pilot'.

Further ITO mergers will continue to strengthen and consolidate the sector to provide a strong platform for increased industry and cross-tertiary collaborations.

# FINANCIAL PERFORMANCE OF TEIs – AT A GLANCE



## 2010

Net surplus (after unusual and non-recurring items)  
Net cashflow from operations  
Liquid funds  
3-year average return on assets\*

## 2011

Net surplus (after unusual and non-recurring items)  
Net cashflow from operations  
Liquid funds  
3-year average return on assets\*

## 2012

Net surplus (after unusual and non-recurring items)  
Net cashflow from operations  
Liquid funds  
3-year average return on assets\*

TEC Minimum Guidelines	3.0%	111.0%	8.0%	4.5%	3.0%	111.0%	8.0%	4.5%	3.0%	111.0%	8.0%	4.5%
<b>Universities</b>	<b>4.1%</b>	<b>116.6%</b>	<b>22.4%</b>	<b>6.7%</b>	<b>4.0%</b>	<b>116.7%</b>	<b>26.0%</b>	<b>6.5%</b>	<b>1.4%</b>	<b>115.7%</b>	<b>18.2%</b>	<b>6.6%</b>
University of Auckland	3.1%	115.0%	22%	7.9%	3.5%	116.9%	29.1%	7.7%	3.1%	115.0%	5.6%	7.8%
University of Otago	5.9%	121.0%	39.1%	5.7%	4.6%	117.9%	44.6%	5.4%	5.2%	116.0%	49.2%	6.0%
Massey University	2.4%	113.2%	20.2%	5.3%	1.7%	117.1%	26.9%	5.0%	2.2%	114.3%	19.9%	5.3%
Victoria University of Wellington	5.6%	117.2%	9.7%	7.5%	4.3%	119.6%	17.6%	7.0%	5.4%	117.5%	5.4%	7.8%
Auckland University of Technology	7.2%	125.4%	2.1%	12.0%	3.3%	122.0%	1.6%	9.1%	7.1%	121.4%	3.7%	8.2%
University of Canterbury	4.1%	112.7%	34.5%	5.1%	9.9%	112.2%	24.3%	5.9%	(22.7%)	116.6%	28.2%	4.5%
University of Waikato	4.2%	116.6%	12.7%	7.3%	3.9%	113.6%	10.8%	7.3%	2.6%	115.3%	10.9%	7.3%
Lincoln University	(4.0%)	106.3%	21.0%	1.6%	0.5%	104.1%	22.8%	3.3%	(3.0%)	105.3%	14.1%	2.1%
<b>Institutes of Technology and Polytechnics</b>	<b>7.1%</b>	<b>117.5%</b>	<b>34%</b>	<b>9.7%</b>	<b>5.1%</b>	<b>115.2%</b>	<b>35.3%</b>	<b>7.8%</b>	<b>3.5%</b>	<b>113.2%</b>	<b>27.0%</b>	<b>7.2%</b>
Unitec	6.4%	117.1%	1.5%	8.8%	3.3%	111.5%	2.9%	7.4%	2.6%	113.9%	2.0%	7.5%
MIT	3.0%	114.7%	51.4%	5.5%	3.1%	111.8%	45.9%	5.4%	5.3%	114.5%	7.0%	6.2%
Open Polytechnic	7.9%	121.1%	53.1%	21.7%	6.4%	118.3%	64.8%	19.2%	7.0%	122.0%	77.8%	23.2%
CPIT	11.7%	121.2%	49.3%	9.1%	6.7%	115.9%	52.0%	5.7%	4.9%	116.6%	60.4%	5.0%
Wintec	3.3%	121.9%	17.1%	7.0%	3.9%	114.5%	9.4%	7.0%	4.1%	115.2%	1.7%	7.4%
EIT	8.2%	124.4%	38.2%	8.4%	10.9%	122.1%	39.1%	10.5%	2.0%	113.2%	33.8%	5.6%
SIT	13.1%	124.0%	71.2%	13.7%	6.5%	116.0%	79.5%	9.0%	6.9%	120.5%	74.3%	8.0%
Otago Polytechnic	4.0%	117.2%	0.3%	9.4%	6.0%	117.3%	3.6%	9.4%	6.1%	117.3%	7.3%	9.3%
UCOL	8.3%	124.1%	29.3%	7.1%	4.2%	117.4%	33.8%	6.1%	0.1%	111.4%	9.3%	6.4%
WelTec	5.7%	122.0%	33.5%	12.9%	5.3%	112.8%	35.5%	10.2%	(0.6%)	111.3%	24.6%	8.5%
Wairiki Institute of Technology	16.0%	133.5%	49.6%	22.6%	10.4%	128.5%	56.7%	13.6%	2.6%	105.6%	33.4%	7.4%
Whitireia Community Polytechnic	6.1%	117.5%	38.3%	10.9%	4.4%	109.9%	26.7%	8.2%	0.0%	107.6%	5.3%	6.5%
NorthTec	4.5%	115.2%	24.1%	10.6%	3.0%	112.2%	28.4%	7.8%	3.5%	110.1%	29.0%	8.4%
Bay of Plenty Polytechnic	11.3%	120.5%	12.6%	10.4%	5.4%	118.6%	16.2%	7.7%	4.2%	118.3%	7.8%	7.3%
NMIT	9.3%	115.0%	42.4%	9.7%	8.9%	128.2%	66.8%	9.8%	4.5%	95.8%	52.7%	5.6%
Tai Poutini Polytechnic	2.3%	111.3%	11.1%	13.5%	(0.2%)	106.6%	19.3%	10.0%	2.2%	108.0%	23.6%	13.6%
Aoraki Polytechnic	7.1%	119.2%	119.4%	6.1%	(6.7%)	100.3%	111.4%	(4.7%)	0.1%	117.5%	139.5%	0.9%
WITT	11.2%	122.7%	32.1%	19.1%	5.5%	112.7%	31.6%	11.4%	5.5%	112.8%	34.1%	10.8%
<b>Wānanga</b>	<b>6.8%</b>	<b>112.5%</b>	<b>78.9%</b>	<b>17.1%</b>	<b>5.0%</b>	<b>114.7%</b>	<b>81.6%</b>	<b>11.4%</b>	<b>6.4%</b>	<b>111.0%</b>	<b>8.0%</b>	<b>4.5%</b>
Te Wānanga o Aotearoa	4.1%	108.4%	25.1%	13.4%	4.8%	112.8%	35.0%	13.6%	5.2%	110.2%	41.2%	13.6%
Te Whare Wānanga o Awanuiārangī	11.9%	118.6%	126.0%	26.0%	7.1%	125.0%	95.7%	13.0%	13.3%	132.5%	72.7%	14.0%
Te Wānanga o Raukawa	18.5%	137.7%	453.0%	31.0%	3.4%	115.0%	397.9%	(0.7%)	4.7%	108.8%	511.5%	4.5%

\*Assets refers to property, plant, equipment and intangibles.

# EDUCATIONAL PERFORMANCE OF THE TERTIARY EDUCATION SECTOR – AT A GLANCE



	EFTS/STMs	% share to each sector's total	Students < 25yrs	Māori	Pasifika	All	Students < 25yrs	Māori	Pasifika	All	Students < 25yrs	Māori	Pasifika
<b>Universities</b>	<b>118,490</b>	<b>100%</b>	<b>73%</b>	<b>10%</b>	<b>6%</b>	<b>86%</b>	<b>86%</b>	<b>80%</b>	<b>72%</b>	<b>80%</b>	<b>72%</b>	<b>68%</b>	<b>60%</b>
University of Auckland	29,090	25%	78%	8%	9%	89%	89%	85%	77%	84%	74%	72%	65%
University of Otago	17,402	15%	81%	8%	3%	89%	90%	85%	76%	88%	81%	75%	66%
Massey University	16,878	14%	55%	11%	4%	80%	81%	70%	56%	72%	63%	57%	51%
Victoria University of Wellington	15,459	13%	79%	10%	5%	86%	86%	80%	71%	77%	70%	66%	57%
Auckland University of Technology	15,622	13%	70%	9%	15%	84%	83%	81%	71%	74%	65%	65%	54%
University of Canterbury	12,181	10%	75%	7%	2%	87%	87%	81%	69%	85%	77%	81%	75%
University of Waikato	8,776	7%	67%	22%	6%	86%	86%	81%	71%	82%	72%	68%	70%
Lincoln University	3,082	3%	63%	11%	1%	80%	84%	74%	71%	66%	64%	55%	52%
<b>Institutes of Technology and Polytechnics</b>	<b>66,886</b>	<b>100%</b>	<b>52%</b>	<b>22%</b>	<b>10%</b>	<b>79%</b>	<b>78%</b>	<b>73%</b>	<b>73%</b>	<b>70%</b>	<b>63%</b>	<b>61%</b>	<b>62%</b>
Unitec	8,483	13%	57%	11%	17%	79%	76%	73%	68%	64%	55%	54%	49%
MIT	6,402	10%	51%	16%	34%	80%	77%	74%	75%	67%	59%	61%	61%
Open Polytechnic	5,565	8%	23%	14%	11%	80%	78%	69%	74%	78%	63%	71%	81%
CPIT	5,045	8%	60%	10%	4%	83%	83%	76%	79%	75%	67%	69%	76%
Wintec	5,008	7%	62%	23%	6%	79%	77%	70%	68%	69%	59%	56%	57%
EIT	3,649	5%	51%	44%	4%	79%	77%	72%	72%	69%	59%	57%	59%
SIT	3,581	5%	44%	14%	3%	72%	73%	67%	56%	64%	67%	60%	39%
Otago Polytechnic	3,445	5%	64%	11%	3%	83%	83%	76%	73%	78%	69%	65%	62%
UCOL	3,151	5%	64%	26%	5%	73%	71%	65%	64%	65%	59%	51%	60%
WelTec	3,039	5%	63%	18%	11%	82%	80%	77%	76%	71%	63%	63%	63%
Wairiki Institute of Technology	2,937	4%	53%	57%	7%	77%	74%	72%	73%	68%	61%	59%	67%
Whitireia Community Polytechnic	2,891	4%	49%	20%	20%	83%	80%	76%	77%	78%	66%	70%	74%
NorthTec	2,814	4%	38%	54%	3%	79%	76%	76%	68%	64%	56%	57%	52%
Bay of Plenty Polytechnic	2,802	4%	60%	32%	3%	83%	82%	78%	76%	72%	72%	69%	66%
NMIT	2,445	4%	49%	15%	5%	77%	78%	74%	75%	69%	63%	60%	70%
Tai Poutini Polytechnic	2,023	3%	43%	27%	12%	81%	83%	78%	80%	67%	72%	64%	67%
Aoraki Polytechnic	1,821	3%	54%	15%	5%	78%	77%	73%	72%	77%	75%	71%	64%
WITT	1,786	3%	48%	44%	4%	79%	75%	79%	70%	72%	66%	72%	53%
<b>Wānanga</b>	<b>24,553</b>	<b>100%</b>	<b>17%</b>	<b>57%</b>	<b>9%</b>	<b>81%</b>	<b>76%</b>	<b>78%</b>	<b>78%</b>	<b>68%</b>	<b>60%</b>	<b>63%</b>	<b>65%</b>
Te Wānanga o Aotearoa	20,313	83%	14%	50%	10%	81%	75%	77%	78%	70%	61%	65%	66%
Te Whare Wānanga o Awanuiārangi	2,906	12%	28%	93%	4%	88%	86%	88%	76%	64%	52%	63%	54%
Te Wānanga o Raukawa	1,334	5%	26%	97%	1%	61%	64%	61%	67%	54%	66%	55%	58%
<b>Private Training Establishments</b>	<b>27,441</b>		<b>53%</b>	<b>28%</b>	<b>17%</b>	<b>81%</b>	<b>83%</b>	<b>75%</b>	<b>79%</b>	<b>83%</b>	<b>80%</b>	<b>74%</b>	<b>75%</b>
<b>Industry Training Organisations</b>	<b>42,824</b>		<b>33%</b>	<b>17%</b>	<b>7%</b>	<b>70%</b>	<b>65%</b>	<b>57%</b>	<b>61%</b>	<b>68%</b>	<b>61%</b>	<b>57%</b>	<b>61%</b>

## Universities

TEC Funding (paid to this sector in 2012 excl GST): \$1,422,947,565 (53%)

ENROLMENTS (SAC ELIGIBLE)

STUDENTS: 155,530 EFTS: 118,490

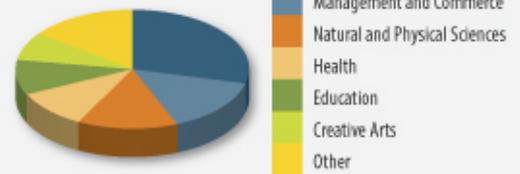
### TEC FUNDING CATEGORIES



### DELIVERY BY LEVEL



### DELIVERY BY SUBJECT



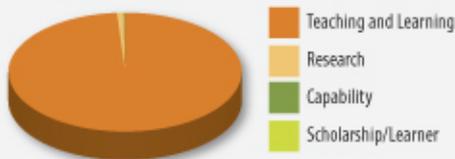
## Institutes of Technology and Polytechnics

TEC Funding (paid to this sector in 2012 excl GST): \$620,895,511 (23%)

ENROLMENTS (SAC ELIGIBLE)

STUDENTS: 130,585 EFTS: 66,886

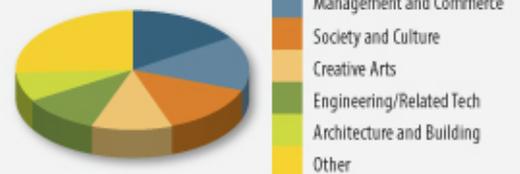
### TEC FUNDING CATEGORIES



### DELIVERY BY LEVEL



### DELIVERY BY SUBJECT



## Wānanga

TEC Funding (paid to this sector in 2012 excl GST): \$169,248,053 (6%)

ENROLMENTS (SAC ELIGIBLE)

STUDENTS: 38,914 EFTS: 24,553

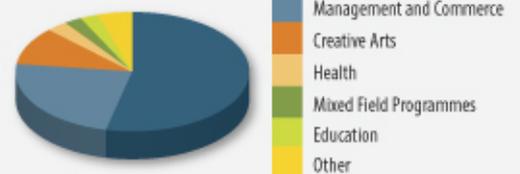
### TEC FUNDING CATEGORIES



### DELIVERY BY LEVEL



### DELIVERY BY SUBJECT



## Private Training Establishments

TEC Funding (paid to this sector in 2012 excl GST): \$311,376,875 (12%)

ENROLMENTS (SAC ELIGIBLE)

STUDENTS: 48,441 EFTS: 27,441

### TEC FUNDING CATEGORIES



### DELIVERY BY LEVEL



### DELIVERY BY SUBJECT



## Industry Training Organisations

TEC Funding (paid to this sector in 2012 excl GST): \$136,377,285 (5%)

ENROLMENTS

TRAINEES: 130,679 STMs: 42,824

### TEC FUNDING CATEGORIES



### DELIVERY BY LEVEL



# TERTIARY EDUCATION INSTITUTIONS' 2012 PERFORMANCE

**Council Chancellor/Chair  
Vice-Chancellor/Chief Executive**

**Campus Locations**



**NZQA EER/NZUAAU Academic Audit**

Information sourced from NZQA on ITP and Wānanga External Evaluation Reviews and from NZUAAU on University Cycle 4 – Whole of Institution Academic Audit.

Each of the two-page profiles that follows provides a high-level overview of the 2012 performance of the named tertiary education institution (TEI).

Unless otherwise stated, all enrolment and achievement information covers **only** participation funded by Student Achievement Component (SAC) funding. SAC is the largest source of government funding to tertiary education organisations for the delivery of teaching and learning. SAC-funded education typically does not account for all of a given institution's tertiary education delivery, as it may also earn revenue from non-government funded domestic and international students.

In some instances, numbers contained in this report have been rounded and may differ from those published on the TEC website.

For the sake of brevity, many terms and titles in these two-page profiles are abbreviated without explanation. All of these are in the List of Abbreviations and many are also defined in the Glossary (both at the front of this volume).

## Responsiveness

This section of each TEI's two-page profile shows how the institution is delivering tertiary education in response to the needs of its stakeholders and the *Tertiary Education Strategy 2010–15 (TES)*.

The content of this section comes from the institution's Annual Report and its Single Data Return submission, as well as information gathered through TEC's engagement with the TEI. Except where stated, all references to equivalent full-time students (EFTS), enrolments and students relate to SAC-funded places only.

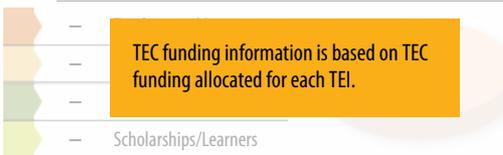
## Effectiveness

This section of the profiles assesses the effectiveness of the education delivered by each TEI as measured by the TEC and the institution's respective quality-assurance body. Effectiveness is assessed using four education performance indicators (EPIs), which are not intended on their own to give a comprehensive picture of an organisation's overall performance.

Quality-assurance results for universities are assessed by the Academic Quality Agency for New Zealand Universities (AQA), which changed its name in January 2013 from the New Zealand Universities Academic Audit Unit (NZUAAU). The New Zealand Qualifications Authority (NZQA) audits the quality of the education provided at other tertiary organisations:

- AQA (formerly NZUAAU) supports universities in achieving excellence in research and teaching through regular institutional audit and by promoting quality-enhancement practices across the sector. The cycle of audits focuses on the whole of the institution, and this report includes the results of the Cycle 4 academic audits, which were undertaken between 2008 and 2012. Visit the AQA website [www.aqa.ac.nz](http://www.aqa.ac.nz) for more information.
- NZQA is responsible for ensuring that other (ie. non-university) tertiary education organisations (TEOs) continue to comply with statutory policies and criteria after initial course approval, accreditation and/or registration is granted. NZQA's periodic external evaluation and review provides an independent view of the educational performance and self-assessment capability of each TEO. Visit the NZQA website [www.nzqa.govt.nz](http://www.nzqa.govt.nz) for more information.

### Funding by TEC



### SAC Delivery by Level



### SAC Delivery by Subject





## Capability

This section covers the institution’s organisational capability as monitored by the TEC, and in particular its financial performance. Any significant change to the governing body of each TEI is also discussed in this section. Research funded under the Performance-Based Research Fund (PBRF), which was included in this section in previous years, will be reported on in Part Two of this year’s report.

All information presented comes from data submitted by the TEI. The financial performance data includes non-government funded activity and is based on the summary of audited financial results provided by each TEI in a standard template, as well as the audited financials in the institution’s 2012 Annual Report.

## TES Priorities

Participation		
2012 Performance	AUT	University sector
Students under 25	–	–
Māori	–	–
Pasifika	–	–

Course Completion		
2012 Performance	AUT	University sector
All	–	–
Students under 25	–	–
Māori	–	–
Pasifika	–	–

Qualification Completion		
2012 Performance	AUT	University sector
All	–	–
Students under 25	–	–
Māori	–	–
Pasifika	–	–

Participation, course and qualification completions for TES priority groups use data as collected by the TEC submitted by individual TEI’s for SAC-funded EFTS only.

Overview of Educational Performance – Formal SAC Funded EFTS only				
Enrolments	% of University sector	2010	2011	2012
EFTS	–	–	–	–
Students	–	–	–	–
Educational Performance Indicators	University sector	2010	2011	2012
Successful Course Completion	–	–	–	–
Qualification Completion	–	–	–	–
Student Retention	–	–	–	–
Student Progression L1-4	–	–	–	–

EPIs are as published on the TEC website. Rates are for formal SAC-funded EFTS only.

Overview of Financial Performance*			
Summary Financial Statements (\$000)	2010	2011	2012
<b>Revenue</b>			
Total government revenue	–	–	–
Domestic student fees	–	–	–
International student fees	–	–	–
Other income (including research)	–	–	–
Total revenue	–	–	–
<b>Expenses</b>			
Personnel	–	–	–
Total expenses	–	–	–
Net surplus (after unusual and non-recurring items)	–	–	–
<b>Assets</b>			
Property plant equipment and intangibles	–	–	–
Total Assets	–	–	–
<b>Equity (net assets)</b>	–	–	–
<b>Cashflow</b>			
Net cashflow from operations	–	–	–
Purchase of plant property equipment and intangibles	–	–	–
<b>Other</b>			
Staffing FTE	–	–	–
Total EFTS to Total Staff FTE ratio	–	–	–
Total EFTS to Teaching Staff FTE ratio (academic & tutorial)	–	–	–

All information presented comes from data submitted by the TEI. The financial performance data includes non-government funded activity and is based on the summary of audited financial results provided by each TEI in a standard template, as well as the audited financials in the institution’s 2012 Annual Report.

# AUCKLAND UNIVERSITY OF TECHNOLOGY

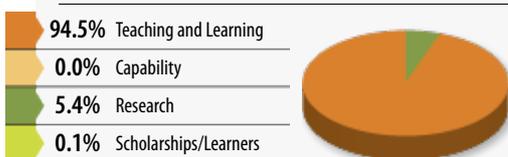
**Chancellor:** John Maasland  
**Vice-Chancellor:** Derek McCormack

- Main Campus**  
Auckland City
- Other Campus Locations**  
Manukau, North Shore (Auckland)

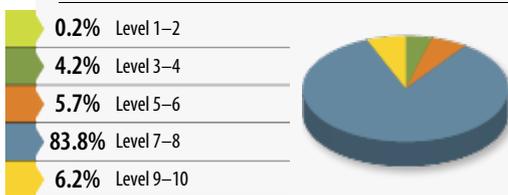
## AQA Academic Audit

Whole institution audit timeline: 2015  
 Audit Report: September 2011

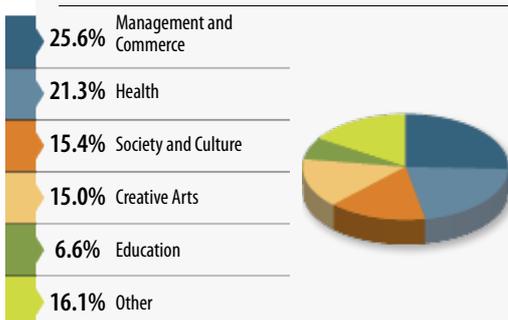
### Funding by TEC



### Delivery by Level



### Delivery by Subject



**In 2012, the Auckland University of Technology (AUT) improved its overall educational performance, compared with the previous year, and maintained a healthy financial position.**

## Responsiveness

In the 2012 Annual Report, Chancellor John Maasland focused on the university's engagement with stakeholders and industry groups, both in Auckland and the wider Pacific region. In April 2012, AUT signed a Memorandum of Understanding with the Cook Islands Government to promote collaborative development and educational opportunities for government officials and students in the South Pacific region. In 2012, AUT became a founding member of both the Auckland Tertiary Education Network (ATEN) and the RAISE Pasifika initiative. AUT Millennium Campus' profile and partnerships continued to gain recognition, with High Performance Sport New Zealand (HPSNZ) and other national sporting organisations providing post-graduate scholarships.

Both the Chancellor and Vice-Chancellor Derek McCormack highlighted AUT's entry, for the first time, in the world's top 500 universities in the Quacquarelli Symonds World University Rankings. AUT achieved all of its performance indicators for engagement with communities including 70 externally funded research and consultancy projects with industry, developed a new holistic peer mentoring programme for Māori students and a new Pasifika Action Plan, and launched a new International Centre for Language Revitalisation. The most significant campus development was the completion of the Sir Paul Reeves Building, which has brought new world-class facilities for collaborative research, teaching and learning to AUT's city campus.

In 2012, AUT's domestic enrolments increased by 4 percent, compared with 2011. The majority of AUT's delivery was focused at Levels 7–8 (84%), which also received most of the increase in enrolments. The largest fields of study were Management and Commerce (26%), Health (21%) and Society and Culture (15%).

Participation for under-25-year-old and Māori students was just below the university sector average, while Pasifika participation was significantly above average, at 15 percent. In 2012, AUT had 2953 full fee-paying international EFTS (4149 students). AUT met its target for international EFTS, with 15 percent of total EFTS coming from this student group.

## Effectiveness

AUT achieved increases across all of the four educational performance indicators, compared with the previous year, with an 11 percentage point increase in qualification completion. AUT was on a par with the sector for student progression and has narrowed the gap for course completion but remains slightly below for qualification completion.

Performance of the TES priority groups (Māori, Pasifika and under-25-year-olds) continued to increase steadily, and each improved on their 2011 performance. However, performance was generally slightly below the university sector average, with only Māori course completion above average.



## Capability

John Maasland was elected Chancellor in March 2012, following the passing of Sir Paul Reeves in 2011. During 2012, the council reappointed Vice-Chancellor Derek McCormack for a further five-year term; the growth and development of AUT during the Vice-Chancellor's term was one of the factors that council members took into account.

In 2012, AUT reported a net surplus of \$22.2 million (7.1%), which was up on the 2011 result of \$10.1 million (3.3%). Total revenue increased by \$12.4 million (4.1%) from 2011, due largely to additional revenue that included an increase in domestic and international student tuition fees.

The substantial campus redevelopment programme contributed to an increase in total debt, which remained within AUT's borrowing consent at \$99.6 million at year end.



## TES Priorities

Participation		
2012 Performance	AUT	University sector
Students under 25	70%	73%
Māori	9%	10%
Pasifika	15%	6%

Course Completion		
2012 Performance	AUT	University sector
All	84%	86%
Students under 25	83%	86%
Māori	81%	80%
Pasifika	71%	72%

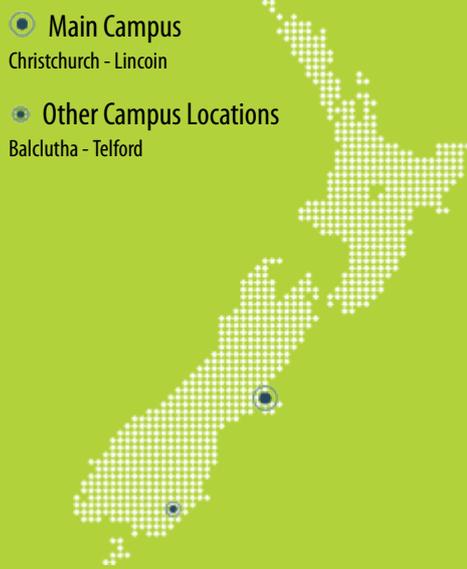
Qualification Completion		
2012 Performance	AUT	University sector
All	74%	80%
Students under 25	65%	72%
Māori	65%	68%
Pasifika	54%	60%

Overview of Educational Performance – Formal SAC Funded EFTS only				
Enrolments	% of University sector	2010	2011	2012
EFTS	13%	15489	15057	15624
Students	13%	21,413	20,621	21,010
Educational Performance Indicators	University sector	2010	2011	2012
Successful Course Completion	86%	81%	83%	84%
Qualification Completion	80%	63%	66%	74%
Student Retention	82%	80%	79%	82%
Student Progression L1-4	62%	64%	80%	85%

Overview of Financial Performance*			
Summary Financial Statements (\$000)	2010	2011	2012
<b>Revenue</b>			
Total government revenue	\$138,709	\$141,620	\$142,002
Domestic student fees	\$67,758	\$69,387	\$70,337
International student fees	\$45,091	\$47,050	\$53,600
Other income (including research)	\$38,542	\$43,134	\$47,687
Total revenue	\$290,100	\$301,191	\$313,626
<b>Expenses</b>			
Personnel	\$168,268	\$183,794	\$192,059
Total expenses	\$269,288	\$291,841	\$299,598
Net surplus (after unusual and non-recurring items)	\$20,812	\$10,087	\$22,150
<b>Assets</b>			
Property, plant, equipment and intangibles	\$467,967	\$498,418	\$558,303
Total assets	\$519,410	\$530,844	\$604,155
<b>Equity (net assets)</b>	\$358,050	\$368,144	\$402,140
<b>Cashflow</b>			
Net cashflow from operations	\$58,849	\$55,424	\$55,740
Purchase of property, plant, equipment and intangibles	\$27,044	\$57,574	\$69,088
<b>Other</b>			
Staffing FTE	1,961	2,063	2,106
Total EFTS to total staff FTE ratio	10 : 1	9 : 1	9 : 1
Total EFTS to teaching staff FTE ratio (academic and tutorial)	18 : 1	17 : 1	18 : 1

# LINCOLN UNIVERSITY

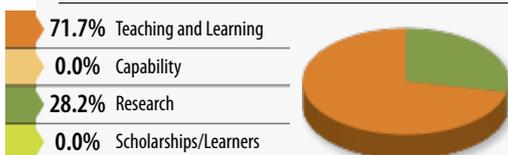
**Chancellor:** Tom C. Lambie  
**Vice-Chancellor:** Emeritus Professor Roger Field to April 2012; currently Dr Andrew West



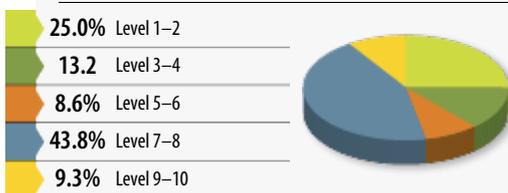
## AQA Academic Audit

Whole institution audit timeline: 2016  
 Audit Report: October 2012

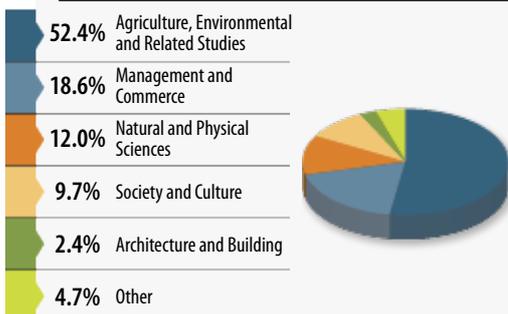
### Funding by TEC



### Delivery by Level



### Delivery by Subject



**In 2012, Lincoln University's educational performance showed signs of improvement following a dip in 2011 after the merger with Telford Rural Polytechnic (Telford) in 2011. Lincoln was below the TEC financial guidelines on some measures in 2012.**

## Responsiveness

In the 2012 Annual Report, Chancellor Tom Lambie, noted that a major focus for council and senior management had been addressing the impacts of the Canterbury earthquakes – on the physical infrastructure, student enrolment and the university's financial position. A Master Plan had been developed and, in late 2012, the brief was completed for an innovative Campus Development Plan to provide a clear direction for both short-term rebuilding and long-term campus development.

The Vice-Chancellor, Dr Andrew West, highlighted the need to reinforce Lincoln's position as a specialist, research-led, land-based educational institution. The Master Plan had informed the concept of a Lincoln Hub that involved collaboration and cooperation with Crown Research Institutes, DairyNZ and the broader Lincoln township. Despite the impact of the earthquakes, the strength of the university's core activities remained undiminished and this was reaffirmed in 2012 by independent judgements of the quality of the university's teaching and of its research.

In 2012, Lincoln's enrolments increased by 10 percent (285 EFTS). This increase was primarily at Levels 1–2 and was largely due to the merger with Telford. The majority of Lincoln's delivery was at Levels 7–8 (44%), Levels 1–2 (25%) and Levels 3–4 (13%). Lincoln's main fields of study were Agriculture, Environmental and Related Studies (52%), Management and Commerce (19%), and Natural and Physical Sciences (12%).

Māori participation increased on the previous year by 2 percentage points and was above the university sector average. Pasifika and under-25-year-old participation remained at 2011 levels and was below the university sector average. In 2012, Lincoln had 517 full fee-paying international EFTS (704 students).

## Effectiveness

Lincoln achieved increases across three of the four educational performance indicators (EPIs) in 2012. These increases demonstrate a recovery from the 2011 drop in performance against the EPIs that followed the merger with Telford and the resulting additional Telford Level 1–4 provision. Course completion was the only indicator not to improve, flowing from the Levels 1–4 inclusion. Performance in all EPI measures for Levels 7–10 remained above the university sector average.

Performance of the TES priority groups (Māori, Pasifika and under-25-year-olds) improved on several indicators in 2012 but was below the university sector average for each measure. While Pasifika course completion increased substantially (up from 49% in 2011 to 71% in 2012), it represented a relatively small cohort of 44 EFTS in 2012. Course completion also increased for Māori (up from 48% in 2011 to 55% in 2012), and under-25-year-olds increased on both course and qualification completion.



## Capability

A key task for the council at the start of 2012 was recruitment of a new Vice-Chancellor to replace Emeritus Professor Roger Field on his retirement. The appointment attracted high-calibre applicants and, after a rigorous selection process, the council appointed Dr Andrew West.

Total revenue increased by \$1.8 million (1.6%) from 2011 to 2012. It included an increase in government funding of \$3.8 million that was partially offset by a \$2.2 million decrease in other income.

Total expenditure increased by \$4.7 million (4.2%) in the period, and Lincoln reported a net deficit of \$3.4 million (3.0%) in 2012. This was a reversal of the \$0.5 million (0.5%) achieved in 2011.



## TES Priorities

Participation		
2012 Performance	Lincoln University	University sector
Students under 25	63%	73%
Māori	11%	10%
Pasifika	1%	6%

Course Completion		
2012 Performance	Lincoln University	University sector
All	80%	86%
Students under 25	84%	86%
Māori	74%	80%
Pasifika	71%	72%

Qualification Completion		
2012 Performance	Lincoln University	University sector
All	66%	80%
Students under 25	64%	72%
Māori	55%	68%
Pasifika	52%	60%

Overview of Educational Performance – Formal SAC Funded EFTS only				
Enrolments	% of University sector	2010	2011	2012
EFTS	3%	1,956	2,797	3,082
Students	4%	2,514	5,404	6,680
Educational Performance Indicators	University sector	2010	2011	2012
Successful Course Completion	86%	84%	82%	80%
Qualification Completion	80%	68%	65%	66%
Student Retention	82%	84%	55%	62%
Student Progression L1-4	62%	100%	20%	31%

Overview of Financial Performance*			
Summary Financial Statements (\$000)	2010	2011	2012
<b>Revenue</b>			
Total government revenue	\$32,490	\$41,101	\$44,867
Domestic student fees	\$7,861	\$8,459	\$8,924
International student fees	\$10,910	\$10,616	\$10,416
Other income (including research)	\$45,230	\$51,023	\$48,819
Total revenue	\$96,491	\$111,199	\$113,026
<b>Expenses</b>			
Personnel	\$55,226	\$58,973	\$59,972
Total expenses	\$100,369	\$112,138	\$116,800
Net surplus (after unusual and non-recurring items)	-\$3,878	\$509	-\$3,401
<b>Assets</b>			
Property, plant, equipment and intangibles	\$185,183	\$187,272	\$194,546
Total assets	\$236,416	\$251,505	\$250,012
<b>Equity (net assets)</b>	\$201,775	\$216,079	\$211,145
<b>Cashflow</b>			
Net cashflow from operations	\$5,684	\$4,375	\$5,762
Purchase of property, plant, equipment and intangibles	\$7,058	\$7,958	\$15,806
<b>Other</b>			
Staffing FTE	652	681	666
Total EFTS to total staff FTE ratio	4 : 1	5 : 1	6 : 1
Total EFTS to teaching staff FTE ratio (academic and tutorial)	11 : 1	14 : 1	15 : 1

# MASSEY UNIVERSITY

**Chancellor:** Dr Russell Ballard  
**Vice-Chancellor:** Hon Steve Maharey

- Main Campus**  
Palmerston North
- Other Campus Locations**  
North Shore, Auckland, Wellington



## AQA Academic Audit

Whole institution audit timeline: November 2013  
 Audit Report: December 2008

## Funding by TEC

- 76.0%** Teaching and Learning
- 2.4%** Capability
- 21.4%** Research
- 0.2%** Scholarships/Learners



## Delivery by Level

- 0.0%** Level 1–2
- 0.1%** Level 3–4
- 4.7%** Level 5–6
- 84.3%** Level 7–8
- 10.9%** Level 9–10



## Delivery by Subject

- 21.7%** Management and Commerce
- 20.2%** Society and Culture
- 16.0%** Creative Arts
- 10.7%** Health
- 9.8%** Natural and Physical Sciences
- 21.5%** Other



**Massey University's educational performance improved on the previous year but remained below the university sector average, reflecting the challenge of a diverse student population and the significant proportion of extra-mural and part-time students. Massey remained in a sound financial position in 2012 and had improved on 2011 results.**

## Responsiveness

In the Annual Report, Chancellor Dr Russell Ballard described the significance of Massey's distance education programme and how it serves the needs of New Zealanders from a variety of backgrounds who would not otherwise have access to university education. The relevance and quality of Massey's distance education programme is attested by the number of students it attracts, with half of Massey's students enrolled in distance mode. Amongst the key benefits of distance education is that it provides a major channel for access to tertiary education for Māori and Pasifika. It also provides a more rapid return on education investment than traditional pathways for those part-time learners already in employment seeking to advance their careers.

The Vice-Chancellor, Hon Steve Maharey, outlined how the university had been positioning itself for the future. New academic developments included a new College of Health; a specialised Institute of Education, concentrating on research-led graduate and post-graduate teacher education programmes; and an Infectious Disease Research Centre. New campus facilities included the College of Creative Arts building on the Wellington campus and a Student Amenities Centre on the Albany campus. The university also announced a \$75 million upgrade to its veterinary school, completed plans to establish New Zealand's first Master of Journalism degree in 2013 and started a new four-year Māori immersion teaching degree 'Te Aho Tātarangi', the only course of its kind in New Zealand.

In 2012, Massey's SAC-funded enrolments remained at similar levels to the previous year, with an increase of 80 EFTS. Massey's delivery was primarily focused at Levels 7–8 (84%) and Levels 9–10 (11%). The main fields of study were Management and Commerce (22%), Society and Culture (20%) and Creative Arts (16%).

Māori participation was slightly above the university sector average at 11 percent, while Pasifika participation was below average at 4 percent. Massey was well below the university average for participation of under-25-year-olds, reflecting Massey's high proportion of extramural and part-time enrolments, which tend to comprise students over 25 years. In 2012, Massey had 2189 full fee-paying international EFTS (3034 students), an increase of 9.5% in EFTS compared with 2011.

## Effectiveness

Massey's comparatively high volume of extramural enrolments (around 50% of students) continued to negatively impact its performance against the educational performance indicators (EPIs). In 2012, Massey was below the university sector average for each of the four EPIs. However, the university made gains on the previous year, with a substantial increase in qualification completion (up from 49% in 2011 to 72% in 2012) and student retention (up from 67% in 2011 to 72% in 2012).

Educational performance of the TES priority groups (Māori, Pasifika and under-25-year-olds) was below the university sector average for each group. However, steep increases occurred in qualification completion for Māori (up from 42% in 2011 to 57% in 2012), Pasifika (up from 23% in 2011 to 51% in 2012) and under-25-year-olds (up from 45% in 2011 to 63% in 2012).



## Capability

In December 2012, Chris Kelly was elected Pro Chancellor and replaced Dr Alison Paterson, who remained a member of the council. Also in December, Michael Ahie was appointed by the Minister for Tertiary Education, Employment and Skills to replace Professor Sir Ngatata Love who had resigned.

Total revenue increased by \$11.3 million (2.6%) from 2011 to 2012. Additional government revenue and student tuition fees were partially offset by a decrease in other income.

Massey reported a net surplus of \$9.6 million (2.2%), which was up on the 2011 result of \$7.6 million (1.7%).

Massey recognised asset impairment losses of \$11.3 million in 2012, mainly arising from a seismic evaluation of its buildings. These impairment losses resulted in a net decrease in the university's net assets of \$1.7 million to \$941.7 million.



## TES Priorities

Participation		
2012 Performance	Massey University	University sector
Students under 25	55%	73%
Māori	11%	10%
Pasifika	4%	6%

Course Completion		
2012 Performance	Massey University	University sector
All	80%	86%
Students under 25	81%	86%
Māori	70%	80%
Pasifika	56%	72%

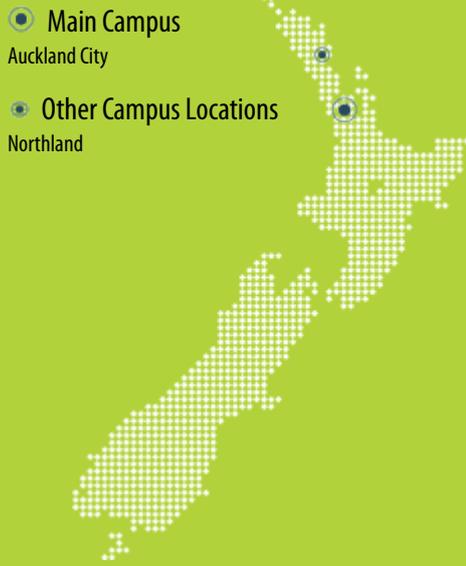
Qualification Completion		
2012 Performance	Massey University	University sector
All	72%	80%
Students under 25	63%	72%
Māori	57%	68%
Pasifika	51%	60%

Overview of Educational Performance – Formal SAC Funded EFTS only				
Enrolments	% of University sector	2010	2011	2012
EFTS	14%	17,694	16,798	16,878
Students	19%	31,786	30,334	29,548
Educational Performance Indicators	University sector	2010	2011	2012
Successful Course Completion	86%	78%	80%	80%
Qualification Completion	80%	48%	49%	72%
Student Retention	82%	67%	67%	72%
Student Progression L1-4	62%	21%	26%	22%

Overview of Financial Performance*			
Summary Financial Statements (\$000)	2010	2011	2012
<b>Revenue</b>			
Total government revenue	\$180,827	\$182,089	\$181,904
Domestic student fees	\$88,349	\$91,878	\$98,798
International student fees	\$33,440	\$37,419	\$42,220
Other income (including research)	\$122,803	\$123,363	\$123,125
Total revenue	\$425,419	\$434,749	\$446,047
<b>Expenses</b>			
Personnel	\$244,086	\$249,612	\$256,686
Total expenses	\$415,255	\$427,161	\$436,453
Net surplus (after unusual and non-recurring items)	\$10,164	\$7,588	\$9,594
<b>Assets</b>			
Property, plant, equipment and intangibles	\$933,937	\$947,889	\$949,782
Total assets	\$1,075,456	\$1,098,158	\$1,091,206
<b>Equity (net assets)</b>	\$933,165	\$943,407	\$941,689
<b>Cashflow</b>			
Net cashflow from operations	\$50,626	\$64,120	\$55,803
Purchase of property, plant, equipment and intangibles	\$35,598	\$55,744	\$55,412
<b>Other</b>			
Staffing FTE	3,047	2,982	2,972
Total EFTS to total staff FTE ratio	7 : 1	6 : 1	7 : 1
Total EFTS to teaching staff FTE ratio (academic and tutorial)	17 : 1	16 : 1	17 : 1

# THE UNIVERSITY OF AUCKLAND

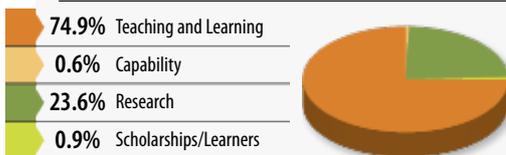
**Chancellor:** Roger France for 2012; Dr Ian Parton for 2013  
**Vice-Chancellor:** Professor Stuart McCutcheon



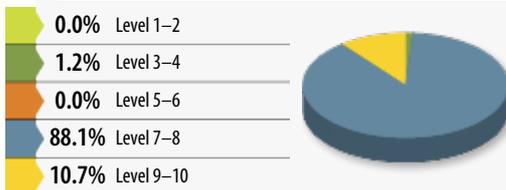
## AQA Academic Audit

Whole institution audit timeline: 2014  
 Audit Report: August 2009

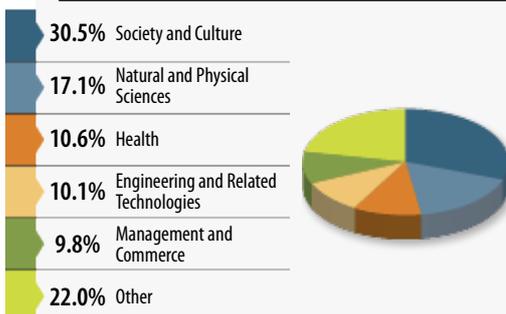
### Funding by TEC



### Delivery by Level



### Delivery by Subject



**The University of Auckland continued its strong educational performance. Auckland remained in a healthy financial position in 2012 and was well placed to advance the TES priorities in 2013.**

## Responsiveness

In the Annual Report, Chancellor Dr Ian Parton described the progress against the 2005–12 Strategic Plan. Most of the objectives had been met: the university had successfully raised the entry qualifications of students while maintaining student numbers; increased masters’ thesis completion by half, nearly doubled doctoral completions, increased total revenue (including revenue from research), and competed several major building projects. In early 2012, the council approved the draft Strategic Plan 2013–20 for consultation. One aim of the plan was to gain high international rankings, and the focus of the plan was on people – and the need to attract and retain high performing staff together with students of high academic potential who would go on to be successful and influential.

Both the Chancellor and Vice-Chancellor Professor Stuart McCutcheon highlighted the council’s decision to enter into a conditional purchase agreement for the former Lion’s Breweries site in Newmarket. This development would create an integrated university across City, Grafton and Newmarket campuses and make a significant contribution to the implementation of the new Strategic Plan. The Vice-Chancellor also reported on the composition of the student body, the increasing numbers of post-graduate and international students, and the high percentage of Māori and Pasifika degree graduates who were Auckland alumni. 2012 saw the completion of new student accommodation, and \$202 million raised, mainly for the support of undergraduate and post-graduate scholarships, by the ‘Leading the Way’ campaign.

In 2012, Auckland’s domestic enrolments increased by 1 percent. Auckland’s delivery was focused primarily at Levels 7–8 (88%) and Levels 9–10 (11%). The main fields of study were Society and Culture (30%), Natural and Physical Sciences (17%) and Health (11%).

Participation for both under-25-year-olds and Pasifika students was above the university sector average, and for under 25-year-olds increased by 1 percentage point compared with 2011. Māori participation remained below the university sector average but also increased by 1 percentage point. Auckland had 3124 full fee-paying international EFTS (4063 students) in 2012.

## Effectiveness

Auckland achieved above the university sector average across each of the four educational performance indicators in 2012, and course completion and student retention increased by 1 percentage point compared with the previous year. Qualification completion slipped slightly to 84% but remained above the university sector average of 80%.

For the TES priority groups (Māori, Pasifika and under-25-year-olds) performance was above the university sector average in 2012. Performance indicators for course completion and qualification completion improved in 2012 for each of the three TES priority groups, with one exception, which was Māori qualification completion.



## Capability

Two new Ministerial appointments to the council were made in 2012, Andrew Ferrier and Sir Ralph Norris. The university's total revenue decreased by \$1.6 million (0.2%) from 2011 to 2012, with increased income from tuition fees offset by decreases in dividends from an investee company and donations. Auckland reported a net surplus of \$29.1 million (3.1%) in 2012, which was down on the 2011 result of \$32.3 million (3.5%). Consolidation of the university's commercial research subsidiary, Auckland UniServices Limited, had a material impact, with the subsidiary generating in 2012 revenues of \$93.5 million (10.0% of total revenue) and expenses of \$93.1 million (10.3% of expenditure).

Crown titled assets form nearly 70% of the land and buildings managed by the university and Auckland has applied for their transfer into its own title.



## TES Priorities

Participation		
2012 Performance	Auckland	University sector
Students under 25	78%	73%
Māori	8%	10%
Pasifika	9%	6%

Course Completion		
2012 Performance	Auckland	University sector
All	89%	86%
Students under 25	89%	86%
Māori	85%	80%
Pasifika	77%	72%

Qualification Completion		
2012 Performance	Auckland	University sector
All	84%	80%
Students under 25	74%	72%
Māori	72%	68%
Pasifika	65%	60%

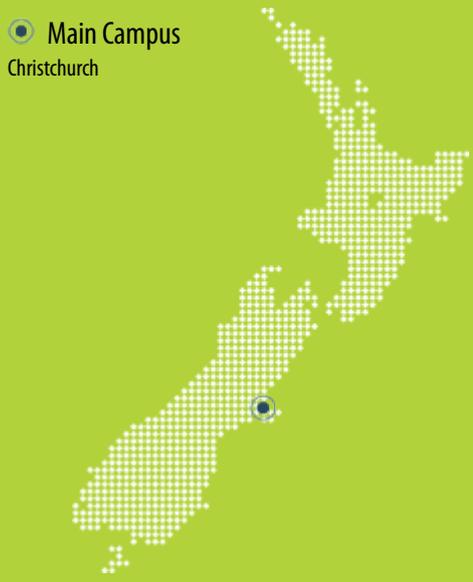
Overview of Educational Performance – Formal SAC Funded EFTS only				
Enrolments	% of University sector	2010	2011	2012
EFTS	25%	29,296	28,865	29,090
Students	23%	37,957	36,254	36,236
Educational Performance Indicators	University sector	2010	2011	2012
Successful Course Completion	86%	87%	88%	89%
Qualification Completion	80%	72%	88%	84%
Student Retention	82%	88%	87%	88%
Student Progression L1-4	62%	92%	90%	85%

Overview of Financial Performance*			
Summary Financial Statements (\$'000)	2010	2011	2012
<b>Revenue</b>			
Total government revenue	\$351,077	\$369,525	\$369,905
Domestic student fees	\$132,365	\$136,016	\$143,411
International student fees	\$68,552	\$70,564	\$80,101
Other income (including research)	\$336,515	\$356,883	\$337,991
Total revenue	\$888,509	\$932,988	\$931,408
<b>Expenses</b>			
Personnel	\$516,107	\$545,004	\$557,297
Total expenses	\$861,225	\$900,722	\$902,046
Net surplus (after unusual and non-recurring items)	\$27,284	\$32,266	\$29,094
<b>Assets</b>			
Property, plant, equipment and intangibles	\$1,456,475	\$1,581,329	\$1,613,677
Total assets	\$1,616,078	\$1,678,509	\$1,750,888
<b>Equity (net assets)</b>	\$1,338,353	\$1,372,010	\$1,404,905
<b>Cashflow</b>			
Net cashflow from operations	\$112,630	\$130,038	\$120,831
Purchase of property, plant, equipment and intangibles	\$167,590	\$220,957	\$134,486
<b>Other</b>			
Staffing FTE	4,725	4,784	5,019
Total EFTS to total staff FTE ratio	7 : 1	7 : 1	7 : 1
Total EFTS to teaching staff FTE ratio (academic and tutorial)	16 : 1	16 : 1	17 : 1

# UNIVERSITY OF CANTERBURY

**Chancellor:** Dr John Wood  
**Vice-Chancellor:** Dr Rod Carr

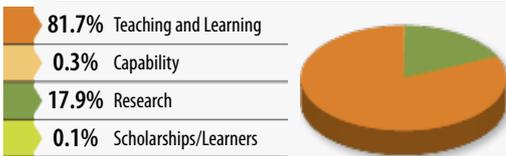
**Main Campus**  
 Christchurch



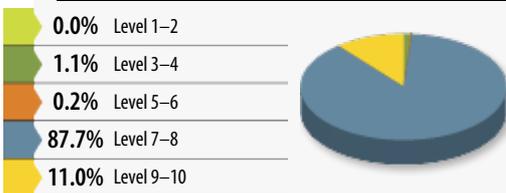
## AQA Academic Audit

Whole institution audit timeline: 2014  
 Audit Report: August 2010

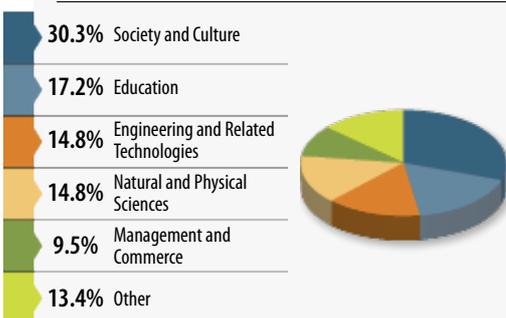
## Funding by TEC



## Delivery by Level



## Delivery by Subject



**In 2012, the University of Canterbury's educational performance was above the university sector average and had generally improved on the previous year's performance.**

## Responsiveness

In the Annual Report, Chancellor Dr John Wood described 2012 as the year in which tangible progress was made in the journey to recovery. In November, Cabinet gave in-principle support for a long-term post-earthquakes recovery programme. This programme was developed following wide consultation with the Government, industry, Ngāi Tahu and other regional education providers. It focuses on initiatives necessary to attract students back to the university including improving the learning experience and promoting opportunities for non-traditional learning. Cabinet also indicated it was willing in-principle to provide capital to modernise the university's science and engineering facilities.

Both the Chancellor and Vice-Chancellor highlighted major infrastructure developments in their reviews. These included the UCSA Events Centre, the Undercroft (student commons) and the Shilling Club. Remediation projects continued across the campus with the completion of the Engineering and Physical Sciences Library, Wheki Building and Student Services Centre and major progress on the main university library. Five further projects will be completed by the end of the 2013/14 summer. The number of graduates at the end of 2012 was the largest in the university's history, which the Chancellor considered was a tribute to the calibre of the 'earthquake cohort'.

Canterbury extended its proposed engagement with stakeholders in 2012, including Ngāi Tahu and, in the context of the central city revitalisation and new health precinct, the Canterbury Earthquake Recovery Authority, Canterbury District Health Board and University of Otago. The university also entered into an agreement with Navitas that will result in the first joint venture between a major international education provider and a New Zealand university. Canterbury maintained its ranking among the top 3 percent of the world's universities and its Quacquarelli Symonds five-star rating.

In 2012, Canterbury's enrolments fell by 3 percent (342 EFTS). The majority of provision was at Levels 7–8 (88%) and Levels 9–10 (11%). Canterbury's main fields of study were Society and Culture (30%), Education (17%), Engineering and Related Technologies (15%), and Natural and Physical Sciences (15%).

Participation of Māori (7%) and Pasifika (2%) students, which had been relatively unchanged over the past three years, remained below the university sector average. Participation of under-25-year-olds (75%) was above the university sector average and remained at the same level as the previous year. Canterbury had 832 full fee-paying international EFTS (1029 students) in 2012.

## Effectiveness

Despite challenging times, Canterbury improved its educational performance and achieved above the university sector average across all four educational performance indicators. Canterbury also improved its qualification completion (up from 76% in 2011 to 85% in 2012) and student retention (up from 81% in 2011 to 87% in 2012).

Performance for the TES priority groups (Māori, Pasifika and under 25-year-olds) was above the university sector average for all but Pasifika course completion. Qualification completion for Māori and Pasifika increased sharply, up by 13 and 16 percentage points respectively.



## Capability

The university faced a complex financial situation as a result of the 2010 and 2011 earthquakes. In 2012, the university's total revenue was \$293.2 million, an increase of \$2.5 million. Total operating expenditure increased by \$36.4 million, which included a one-off adjustment of \$20 million for a change to the methodology around depreciating library assets.

There was a decrease in the operating result, before the impact of the earthquakes was taken into account, from a \$7.3 million surplus in 2011 to a deficit of \$26.6 million in 2012. After the impact of the earthquakes was taken into account, the 2012 result was a deficit of \$66.6 million (22.7%) compared with a \$28.8 million surplus in 2011.



## TES Priorities

Participation		
2012 Performance	Canterbury	University sector
Students under 25	75%	73%
Māori	7%	10%
Pasifika	2%	6%

Course Completion		
2012 Performance	Canterbury	University sector
All	87%	86%
Students under 25	87%	86%
Māori	81%	80%
Pasifika	69%	72%

Qualification Completion		
2012 Performance	Canterbury	University sector
All	85%	80%
Students under 25	77%	72%
Māori	81%	68%
Pasifika	75%	60%

<sup>1</sup> In 2012, the university restated its equity as at 1 January 2012 by \$17.8 million write-down for a prior period error in relation to the accounting treatment of subscriptions to electronic journals. The consequential impact of this adjustment on the reported results for 2010 has not been included here. The 2010 results are those disclosed in the annual report for that year.

Overview of Educational Performance – Formal SAC Funded EFTS only				
Enrolments	% of University sector	2010	2011	2012
EFTS	10%	14,107	12,523	12,181
Students	9%	16,907	15,028	14,520
Educational Performance Indicators	University sector	2010	2011	2012
Successful Course Completion	86%	85%	88%	87%
Qualification Completion	80%	66%	76%	85%
Student Retention	82%	84%	81%	87%
Student Progression L1-4	62%	75%	88%	86%

Overview of Financial Performance*			
Summary Financial Statements (\$000)	2010	2011	2012
<b>Revenue</b>			
Total government revenue	\$142,716	\$147,975	\$151,521
Domestic student fees	\$63,444	\$58,809	\$59,580
International student fees	\$24,322	\$19,403	\$18,568
Other income (including research)	\$69,015	\$64,529	\$63,573
Total revenue	\$299,497	\$290,716	\$293,242
<b>Expenses</b>			
Personnel	\$178,921	\$172,119	\$175,351
Total expenses	\$287,374	\$283,371	\$319,801
Net surplus (after unusual and non-recurring items)	\$12,393	\$28,841	-\$66,600
<b>Assets</b>			
Property, plant, equipment and intangibles	\$751,231	\$634,494	\$586,618
Total assets	\$870,608	\$744,806	\$688,355
<b>Equity (net assets)<sup>1</sup></b>	\$719,476	\$584,711	\$522,100
<b>Cashflow</b>			
Net cashflow from operations	\$33,569	\$33,296	\$44,264
Purchase of property, plant, equipment and intangibles	\$37,612	\$89,892	\$71,362
<b>Other</b>			
Staffing FTE	2,074	2,023	1,954
Total EFTS to total staff FTE ratio	8 : 1	7 : 1	7 : 1
Total EFTS to teaching staff FTE ratio (academic and tutorial)	20 : 1	18 : 1	19 : 1

# THE UNIVERSITY OF OTAGO

**Chancellor:** John Ward  
**Vice-Chancellor:** Professor Harlene Hayne

## Main Campus

Dunedin

## Other Campus Locations

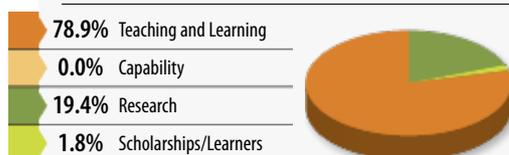
Christchurch, Wellington,  
 Invercargill, Auckland

## AQA Academic Audit

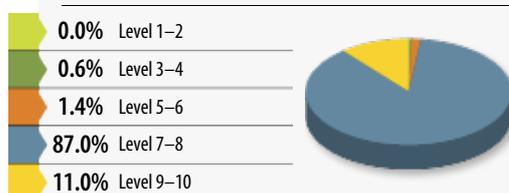
Whole institution audit timeline: 2016

Audit Report: March 2012

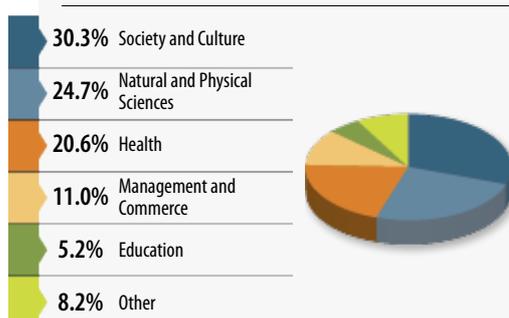
## Funding by TEC



## Delivery by Level



## Delivery by Subject



**In 2012, the University of Otago's educational performance was well above the university sector average and had improved on the previous year. Otago remained in a healthy financial position in 2012.**

## Responsiveness

In the Annual Report, Chancellor John Ward highlighted Otago's Economic Impact Report, which showed the university had a total economic impact estimated at more than \$1.6 billion in 2011, with approximately \$779.3 million contributed to the Dunedin economy.

The Vice-Chancellor, Professor Harlene Hayne, highlighted a number of achievements. Otago researchers secured the largest share of the Marsden Fund for the eighth consecutive year and a further \$27 million in the Ministry of Business, Innovation and Employment's 2012 Science Investment and Health Research Council rounds. Otago was one of only two New Zealand universities to feature in the 2012 Quacquarelli Symonds World University Rankings' top 200. More than 80 percent of students came from outside Dunedin and many had a 24-hours-a-day, seven-days-a-week university experience. In that context, the Vice-Chancellor saw Otago's role as enhancing good scholarship and also good citizenship, providing a broad education that will stand graduates in good stead for the rest of their lives.

The Strategic Direction to 2012 document is at the end of its life, and considerable thought was being put into the planning of the new Strategic Direction to 2020. Its aim will be to build on well-established strengths in research and teaching but with a bolder and wider view. It will look to: generate knowledge that can be applied to real-world problems; further develop innovative transition pathways to university study for Māori and Pasifika students; educate students to be good citizens of the world; and increase the University's focus on sustainability.

In 2012, Otago's enrolments reduced by 1 percent (251 EFTS). Otago's provision was primarily focused at Levels 7–8 (87%) and Levels 9–10 (11%). The main fields of study were Society and Culture (30%), Natural and Physical Sciences (25%) and Health (20%).

Participation for Māori and Pasifika in 2012 remained below the university sector average, with Māori at 8 percent and Pasifika at 3 percent of the domestic student roll. Participation for under 25-year-olds (81%) was well above the university sector average (73%). In each case, participation at Otago has remained fairly steady over the past five years. In 2012, Otago had 1601 full fee-paying international EFTS (1899 students).

## Effectiveness

Otago was the top-performing university across all four of the educational performance indicators, and had improved on the previous year's performance for qualification completion and student retention.

Otago improved its performance for the TES priority groups (Māori, Pasifika and under-25-year-olds), with course and qualification completion well above the university sector average. Pasifika course completion increased notably (up from 72% in 2011 to 76% in 2012) as did Māori qualification completion (up from 66% in 2011 to 75% in 2012).

## Capability

In 2012, two new Ministerial appointments to the council were made, with Stephen Higgs and Dr Royden Somerville appointed for a four-year term.



The university group's total revenue increased by \$29.3 million (5.0%); \$18.0 million was from increased investment income driven primarily by revaluations of investments by the university's Foundation Trust. Total expenditure increased by \$24.7 million (4.4%) driven by higher costs that included a movement in actuarial leave liability, increased salary costs and additional support for scholarships. In 2012, Otago reported a net surplus of \$32.1 million (5.2%), which was up on the 2011 result of \$27.4 million (4.6%).

The university's subsidiaries (which are included in the above financial summary) include the University of Otago Foundation Trust, The Hocken Collections, University of Otago Foundation Studies Limited, Otago Innovation Limited, University of Otago Holdings Limited, Unipol Recreation Limited and New Zealand Genomics Limited. The total equity for the group is \$1.446 billion which is 89.6% of the total assets of \$1.614 billion.



## TES Priorities

Participation		
2012 Performance	Otago	University sector
Students under 25	81%	73%
Māori	8%	10%
Pasifika	3%	6%

Course Completion		
2012 Performance	Otago	University sector
All	89%	86%
Students under 25	90%	86%
Māori	85%	80%
Pasifika	76%	72%

Qualification Completion		
2012 Performance	Otago	University sector
All	88%	80%
Students under 25	81%	72%
Māori	75%	68%
Pasifika	66%	60%

Overview of Educational Performance – Formal SAC Funded EFTS only				
Enrolments	% of University sector	2010	2011	2012
EFTS	15%	18,042	17,653	17,402
Students	12%	19,748	19,354	19,108
Educational Performance Indicators	University sector	2010	2011	2012
Successful Course Completion	86%	87%	89%	89%
Qualification Completion	80%	74%	81%	88%
Student Retention	82%	88%	88%	90%
Student Progression L1-4	62%	-	-	92%

Overview of Financial Performance*			
Summary Financial Statements (\$000)	2010	2011	2012
<b>Revenue</b>			
Total government revenue	\$259,458	\$265,249	\$268,371
Domestic student fees	\$90,360	\$91,035	\$94,226
International student fees	\$42,169	\$46,000	\$45,377
Other income (including research)	\$194,396	\$190,110	\$213,754
Total revenue	\$586,383	\$592,394	\$621,728
<b>Expenses</b>			
Personnel	\$341,610	\$344,692	\$360,793
Total expenses	\$551,908	\$564,954	\$589,658
Net surplus (after unusual and non-recurring items)	\$34,475	\$27,440	\$32,070
<b>Assets</b>			
Property, plant, equipment and intangibles	\$1,301,619	\$1,312,678	\$1,321,602
Total assets	\$1,555,583	\$1,581,101	\$1,613,644
<b>Equity (net assets)</b>	\$1,391,781	\$1,411,376	\$1,445,831
<b>Cashflow</b>			
Net cashflow from operations	\$102,957	\$91,858	\$83,225
Purchase of property, plant, equipment and intangibles	\$71,312	\$70,511	\$67,916
<b>Other</b>			
Staffing FTE	3,751	3,749	3,755
Total EFTS to total staff FTE ratio	5 : 1	5 : 1	5 : 1
Total EFTS to teaching staff FTE ratio (academic and tutorial)	16 : 1	16 : 1	16 : 1

# THE UNIVERSITY OF WAIKATO

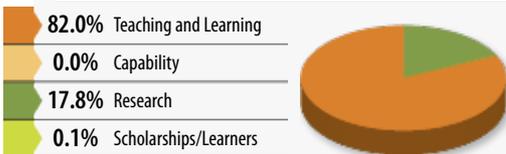
**Chancellor:** Rt. Hon Jim Bolger  
**Vice-Chancellor:** Professor Roy Crawford

- Main Campus  
Hamilton
- Other Campus Locations  
Tauranga

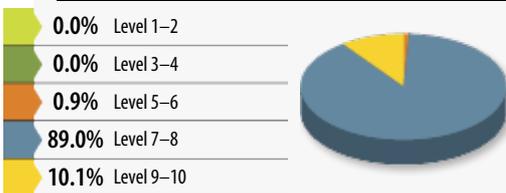
## AQA Academic Audit

Whole institution audit timeline: 2015  
 Audit Report: November 2010

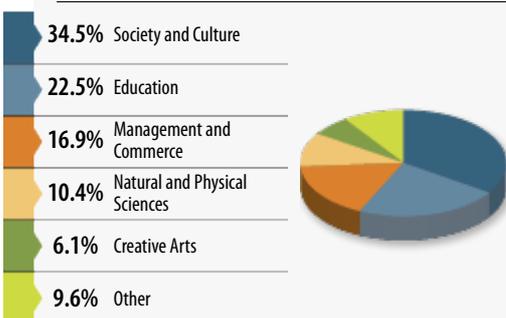
## Funding by TEC



## Delivery by Level



## Delivery by Subject



**The University of Waikato's educational performance improved overall compared with 2011 results. Waikato's financial performance remained strong in 2012 exceeding most TEC guidelines.**

## Responsiveness

In the Annual Report, Chancellor Rt Hon Jim Bolger and Vice-Chancellor Professor Roy Crawford both highlighted the improvement in Waikato's position in international rankings and the progress being made in the development of a university-led campus in Tauranga in partnership with Bay of Plenty Polytechnic and Te Whare Wānanga o Awanuiārangī. The Chancellor set the development in the context of the university's commitment to the Bay of Plenty and its partnership with business, civic and community groups in developing new opportunities. This includes an agreement in principle by the Tauranga City Council for the use of Crown-owned land and an agreement with Scion to enable collaboration in research and teaching. In 2012, the council also approved a multi-million-dollar Law and Management building in Hillcrest Road that will contribute to a 'corridor' of iconic buildings on the campus.

The Vice-Chancellor considered that developments in 2012 reflected the university's importance to the region and nation, and its standing internationally. The university strengthened its connections globally through engagements with Columbia University and Queen's University in Belfast and visits to Taiwan and India. The Vice-Chancellor also highlighted the quality of the university's research and its success in gaining contestable funds from the Marsden Fund and the Ministry of Business, Innovation and Employment. An economic impact study found that the university and its students generated \$770 million in the Waikato economy over one year, and spending by the university generated \$836 million in the New Zealand economy.

Waikato's enrolments increased by 1 percent (116 EFTS) in 2012. Delivery was primarily focused at Levels 7–8 (89%) and Levels 9–10 (10%). Waikato's main fields of study were Society and Culture (34%), Education (22%) and Management and Commerce (17%).

TES priority group participation (Māori, Pasifika and under-25-year-olds) improved in 2012. Māori participation (22%) remained strong and was well above the university sector average (10%), while Pasifika participation was on par with the sector average. In 2012, Waikato had 1460 full fee-paying international EFTS (2499 students).

## Effectiveness

Waikato's educational performance indicators were above or on par with the university sector average, with improvements in qualification completion and student retention on the previous year.

Performance of the TES priority groups was generally on par with the university sector average, with Pasifika course completion being only slightly below. Course completion by Māori was above the university sector average at 81 percent. Qualification completion for Pasifika at 70 percent was also above the university sector average.



## Capability

Ian Fitzgerald was appointed to the university council in December 2012 by the Minister for Tertiary Education, Skills and Employment to replace Peter Schuyt whose term of office had come to an end. Timoti te Heuheu died in 2012 and Kingi Turner, Chair of Te Ropu Manukura, has been appointed to the council in his place.

Total revenue decreased by \$1.3 million (0.6%) from 2011 to 2012. Although there was an increase of \$1.6 million in the overall revenue from student tuition fees, this was offset by a decrease in other income. Total expenditure increased by \$1.5 million (0.7%) in the same period, with a decrease of \$2.1 million in personnel costs offset by increases in other costs.

Waikato reported a net surplus of \$5.8 million (2.6%), which was down on the 2011 result of \$8.8 million (3.9%).



## TES Priorities

Participation		
2012 Performance	Waikato	University sector
Students under 25	67%	73%
Māori	22%	10%
Pasifika	6%	6%

Course Completion		
2012 Performance	Waikato	University sector
All	86%	86%
Students under 25	86%	86%
Māori	81%	80%
Pasifika	71%	72%

Qualification Completion		
2012 Performance	Waikato	University sector
All	82%	80%
Students under 25	72%	72%
Māori	68%	68%
Pasifika	70%	60%

Overview of Educational Performance – Formal SAC Funded EFTS only				
Enrolments	% of University sector	2010	2011	2012
EFTS	7%	8,546	8,660	8,776
Students	7%	10,837	10,924	11,117
Educational Performance Indicators	University sector	2010	2011	2012
Successful Course Completion	86%	87%	87%	86%
Qualification Completion	80%	71%	78%	82%
Student Retention	82%	82%	84%	86%
Student Progression L1-4	62%	87%	85%	0%

Overview of Financial Performance*			
Summary Financial Statements (\$000)	2010	2011	2012
<b>Revenue</b>			
Total government revenue	\$93,641	\$97,642	\$98,005
Domestic student fees	\$38,618	\$40,590	\$42,714
International student fees	\$26,419	\$26,663	\$26,100
Other income (including research)	\$53,057	\$59,362	\$56,096
Total revenue	\$211,735	\$224,257	\$222,915
<b>Expenses</b>			
Personnel	\$123,349	\$128,656	\$126,518
Total expenses	\$202,881	\$215,518	\$217,048
Net surplus (after unusual and non-recurring items)	\$8,854	\$8,805	\$5,831
<b>Assets</b>			
Property, plant, equipment and intangibles	\$358,742	\$357,947	\$364,349
Total assets	\$404,441	\$404,929	\$414,857
<b>Equity (net assets)</b>	\$338,927	\$337,109	\$342,947
<b>Cashflow</b>			
Net cashflow from operations	\$30,903	\$26,646	\$29,035
Purchase of property, plant, equipment and intangibles	\$27,029	\$29,085	\$29,068
<b>Other</b>			
Staffing FTE	1,537	1,543	1,513
Total EFTS to total staff FTE ratio	7 : 1	7 : 1	7 : 1
Total EFTS to teaching staff FTE ratio (academic and tutorial)	17 : 1	18 : 1	18 : 1

# VICTORIA UNIVERSITY OF WELLINGTON

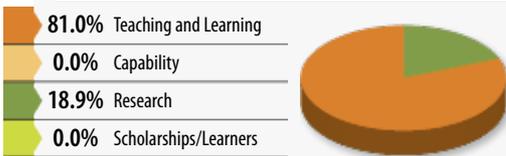
**Chancellor:** Ian McKinnon  
**Vice-Chancellor:** Professor Pat Walsh

● Main Campus  
 Wellington

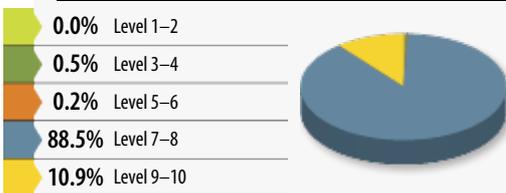
## AQA Academic Audit

Whole institution audit timeline: 2014  
 Audit Report: November 2009

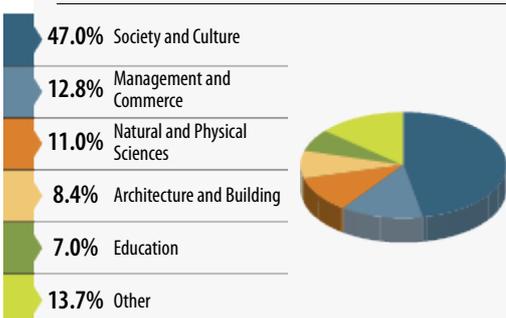
## Funding by TEC



## Delivery by Level



## Delivery by Subject



**In 2012, Victoria University of Wellington’s educational performance was consistent with previous years and generally comparable with the university sector averages. Victoria remained in a sound financial position.**

## Responsiveness

In his introduction to the 2012 Annual Report, Chancellor Ian McKinnon noted that Victoria continued to offer a high standard of teaching and learning, well supported by its research. He explained that, during 2012, Victoria continued its development of facilities and investment to support its strategic goals. Significant progress was made on the \$67 million Campus Hub project, which refurbishes the Library, provides a health and counselling centre and makes significant improvements to informal learning areas and social spaces. New initiatives included the establishment of the New Zealand India Research Institute, which involves collaboration with five other New Zealand universities, and signing Memoranda of Understanding with universities in Indonesia and Thailand.

Vice-Chancellor Professor Pat Walsh highlighted research achievements, noting Victoria’s continued commitment to developing the next generation of researchers. In 2012, Victoria had 836 PhD and 539 Master’s by Thesis students, and Victoria researchers gained grants to the combined value of \$12 million from the Marsden Fund and the Ministry of Business, Innovation and Employment’s High Value Manufacturing and Services Research Fund. New programmes to support innovation were launched, including the Master of Advanced Technology Enterprise and the Master in Computer Graphics, and Victoria achieved full accreditation from the Institution of Professional Engineers New Zealand for its Bachelor of Engineering. Victoria’s Faculty of Law was ranked 23rd in the world in the 2012 Quacquarelli Symonds World University Rankings by Subject, and the new Institute for Governance and Policy Studies in the School of Government was established, following a \$3 million philanthropic donation.

Enrolments at Victoria fell by 1 percent in 2012 (119 EFTS). Delivery was primarily focused at Levels 7–8 (88%) and Levels 9–10 (11%). Nearly half of Victoria’s provision was in Society and Culture (47%), with the two next largest groupings being Management and Commerce (13%) and Natural and Physical Sciences (11%).

Participation was above, or on a par with, the university sector averages for Māori and under-25-year-olds. Pasifika participation was slightly below the university sector average. Participation levels have been steady for the past three years. In 2012, Victoria had 2054 full fee-paying international EFTS (2699 students).

## Effectiveness

Victoria achieved above, or was on a par with, the university sector average on two of the educational performance indicators (course completion and student progression). Victoria also improved its course completion by 1 percentage point on the previous year.

Performance of the TES priority groups against the university sector average was on par for Māori, slightly below for Pasifika and above for under-25-year-olds. Performance among the priority groups improved for course and qualification completion. In particular, Pasifika qualification completion increased 8 percentage points.



## Capability

Two Ministerial appointments were made to the council in 2012: Victoria Heine and John Selby were appointed to replace Patricia McKelvey and James Ogden. Dr Jock Phillips stepped down in 2012 after three terms of service. Total revenue increased by \$12.4 million (3.7%) mainly as a result of increased revenue from student fees and other revenue, driven primarily by higher donations. Victoria reported a net surplus of \$18.8 million (5.4%), which was up on the 2011 result of \$14.5 million (4.3%) (mainly due to a significant one-off donation).

In 2012, Victoria reported a decrease in the revaluation reserve of \$19.7 million relating to land, buildings and infrastructure, which resulted in an overall decrease in equity. At year end, the university had \$45 million of commercial borrowings. During 2012, the transfer to Victoria's title progressed of the Crown titled land and buildings managed by the university.



## TES Priorities

Participation		
2012 Performance	Victoria	University sector
Students under 25	79%	73%
Māori	10%	10%
Pasifika	5%	6%

Course Completion		
2012 Performance	Victoria	University sector
All	86%	86%
Students under 25	86%	86%
Māori	80%	80%
Pasifika	71%	72%

Qualification Completion		
2012 Performance	Victoria	University sector
All	77%	80%
Students under 25	70%	72%
Māori	66%	68%
Pasifika	57%	60%

Overview of Educational Performance – Formal SAC Funded EFTS only				
Enrolments	% of University sector	2010	2011	2012
EFTS	13%	15,827	15,578	15,459
Students	12%	20,802	20,404	19,029
Educational Performance Indicators	University sector	2010	2011	2012
Successful Course Completion	86%	83%	85%	86%
Qualification Completion	80%	70%	77%	77%
Student Retention	82%	79%	81%	81%
Student Progression L1-4	62%	86%	88%	83%

Overview of Financial Performance*			
Summary Financial Statements (\$'000)	2010	2011	2012
<b>Revenue</b>			
Total government revenue	\$145,862	\$153,718	\$156,311
Domestic student fees	\$70,953	\$69,083	\$72,986
International student fees	\$27,048	\$30,008	\$30,318
Other income (including research)	\$88,559	\$83,989	\$89,548
Total revenue	\$332,422	\$336,798	\$349,163
<b>Expenses</b>			
Personnel	\$178,680	\$185,878	\$184,733
Total expenses	\$313,893	\$322,357	\$330,393
Net surplus (after unusual and non-recurring items)	\$18,529	\$14,514	\$18,780
<b>Assets</b>			
Property, plant, equipment and intangibles	\$657,557	\$680,153	\$680,772
Total assets	\$723,098	\$746,580	\$745,279
<b>Equity (net assets)</b>	\$604,736	\$618,958	\$618,038
<b>Cashflow</b>			
Net cashflow from operations	\$48,941	\$55,038	\$51,975
Purchase of property, plant, equipment and intangibles	\$54,761	\$56,497	\$56,243
<b>Other</b>			
Staffing FTE	1,956	1,974	1,824
Total EFTS to total staff FTE ratio	9 : 1	9 : 1	9 : 1
Total EFTS to teaching staff FTE ratio (academic and tutorial)	19 : 1	19 : 1	23 : 1

# AORAKI POLYTECHNIC

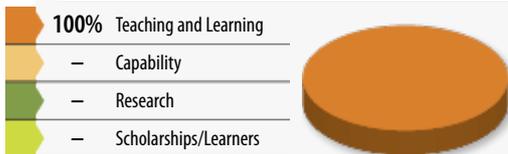
**Chair:** Kevin Cosgrove  
**Chief Executive:** Alex Cabrera (Acting)

- Main Campus**  
Timaru
- Other Campus Locations**  
Ashburton, Oamaru, Christchurch, Dunedin

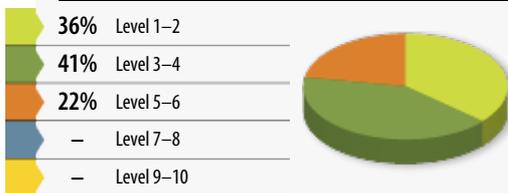
## NZQA EER

**Educational Performance:** Confident  
**Self-assessment:** Confident

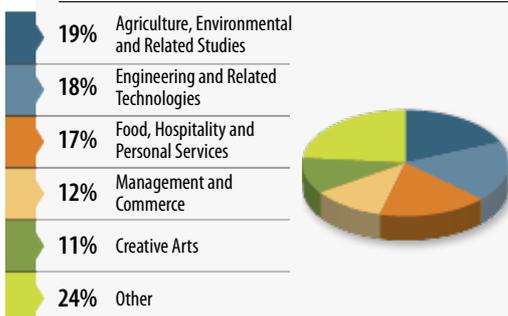
### Funding by TEC



### Delivery by Level



### Delivery by Subject



**Aoraki Polytechnic's educational performance was generally above or on par with the ITP sector average. Aoraki improved its financial performance compared with 2011 but remained below the TEC guidelines on some measures.**

## Responsiveness

In Aoraki's 2012 Annual Report, Chair Kevin Cosgrove, highlighted the institution's close working relationships with its stakeholders: employers, iwi, community leaders and schools. Aoraki had met many of the stakeholders' expectations by strengthening relationships with industry leaders and schools, and by providing tutors who focussed on the best outcomes for the students. Looking ahead, the key drivers were: building strategic partnerships with regional industry, developing new programmes and increasing enrolments, strengthening financial performance, keeping up with technology, and building relationships and pathways to higher learning with tertiary partners.

The former Chief Executive, Kay Nelson, described 2012 as a challenging year for Aoraki and the sector. Fewer students took up tertiary study in 2012 but, at Aoraki, there had been growth in service industries programmes, with unprecedented demand for hairdressing, beauty, hospitality and photography across five campuses. Aoraki continued to make progress in reshaping its programme portfolio to better meet the needs of its stakeholders and successfully tendered for over \$500,000 of Level 1 and 2 competitive provision.

Aoraki's total EFTS volume reduced by 173 EFTS, compared with the previous year, mainly at Levels 3-4, but increased fractionally at Levels 5-6. The largest proportion of Aoraki's delivery was at Levels 3-4 (41%), with the remainder at Levels 1-2 (37%) and Levels 5-6 (22%). The main fields of study were Agriculture, Environmental and Related Studies (19%), Engineering and Related Technologies (18%), and Food, Hospitality and Personal Services (17%).

Participation increased for the TES priority groups of Māori and under-25-year-olds compared with 2011, and was at 15 percent and 54 percent respectively. While Māori participation increased 2 percentage points, compared with the previous year, it remained below the ITP sector average, as did Pasifika participation, which stayed at 5 percent. In 2012, Aoraki had 34 full fee-paying international EFTS (110 students).

Aoraki achieved many of the key performance indicators outlined in its Statement of Service Performance.

## Effectiveness

For qualification completion and student retention, Aoraki was above the ITP sector average in 2012. Student retention, which increased 19 percentage points compared with 2011, was also above the sector average, while student progression increased modestly but remained below the sector average. For course completion, Aoraki was just below the sector average. This continued a decline from the previous year, which may reflect the shift away from the provision of short courses.

Performance by the TES priority groups (Māori, Pasifika and under-25-year-olds) was generally on a par with or close to the ITP sector average for course completion and was above average for each group for qualification completion.



## Capability

Kay Nelson resigned as Chief Executive at the end of 2012 and Alex Cabrera, Deputy Chief Executive, took on the role in an acting capacity while the council considered options for the future.

Total revenue fell by \$1.0 million (4.0%) in 2012 from 2011, with a decrease in government funding of \$0.8 million. Total expenditure fell \$2.7 million (10.1%) in the same period and Aoraki reported a net surplus of \$26,000 (0.1%). This was a reversal of the \$1.7 million deficit (6.7%) reported in 2011.

Aoraki received \$1.1 million in government funding in 2012 that was in addition to revenue received from educational delivery and that additional amount was recorded as a liability at year end.



**AORAKI**  
**POLYTECHNIC**  
supporting your success

## TES Priorities

Participation		
2012 Performance	Aoraki Polytechnic	ITP sector
Students under 25	54%	52%
Māori	15%	22%
Pasifika	5%	10%

Course Completion		
2012 Performance	Aoraki Polytechnic	ITP sector
All	78%	79%
Students under 25	77%	78%
Māori	73%	73%
Pasifika	72%	73%

Qualification Completion		
2012 Performance	Aoraki Polytechnic	ITP sector
All	77%	70%
Students under 25	75%	63%
Māori	71%	61%
Pasifika	64%	62%

Of the tertiary-aged population in the Aoraki region, 3% were identified as Māori, 2% as Pasifika, and 19% as under the age of 25 years. (Based on Statistics NZ 2011 population projections.)

Overview of Educational Performance – Formal SAC Funded EFTS only					
Enrolments	% of ITP sector	2010	2011	2012	
EFTS	3%	2,233	1,994	1,821	
Students	3%	13,061	4,798	4,248	
Educational Performance Indicators		ITP sector	2010	2011	2012
Successful Course Completion	79%	84%	80%	78%	
Qualification Completion	70%	57%	68%	77%	
Student Retention	60%	54%	48%	67%	
Student Progression L1-4	37%	17%	17%	21%	

Overview of Financial Performance*			
Summary Financial Statements (\$000)	2010	2011	2012
<b>Revenue</b>			
Total government revenue	\$21,553	\$17,344	\$16,575
Domestic student fees	\$2,531	\$3,402	\$3,234
International student fees	\$378	\$347	\$417
Other income (including research)	\$3,675	\$3,547	\$3,438
Total revenue	\$28,137	\$24,640	\$23,664
<b>Expenses</b>			
Personnel	\$10,390	\$12,865	\$12,343
Total expenses	\$26,150	\$26,300	\$23,638
Net surplus (after unusual and non-recurring items)	\$1,987	-\$1,660	\$26
<b>Assets</b>			
Property, plant, equipment and intangibles	\$33,695	\$27,374	\$26,268
Total assets	\$64,560	\$56,383	\$57,509
<b>Equity (net assets)</b>	\$62,001	\$53,505	\$53,387
<b>Cashflow</b>			
Net cashflow from operations	\$4,739	\$64	\$3,711
Purchase of property, plant, equipment and intangibles	\$1,884	\$2,391	\$1,118
<b>Other</b>			
Staffing FTE	185	192	175
Total EFTS to total staff FTE ratio	13 : 1	11 : 1	12 : 1
Total EFTS to teaching staff FTE ratio (academic and tutorial)	20 : 1	19 : 1	22 : 1

# BAY OF PLENTY POLYTECHNIC

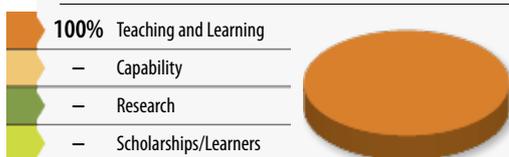
**Chair:** Ian Turner  
**Chief Executive:** Dr Alan Hampton

- Main Campus**  
Tauranga (Windermere)
- Other Campus Locations**  
Tauranga City (Bongard Centre)

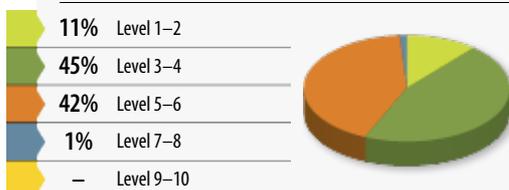
## NZQA EER

**Educational Performance:** Highly Confident  
**Self-assessment:** Confident

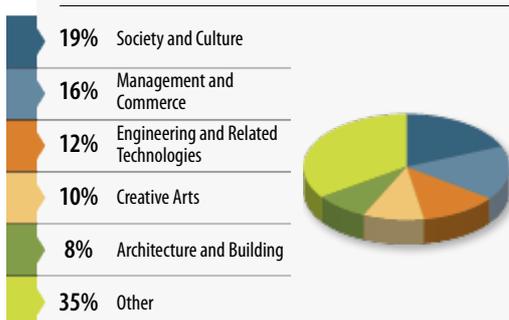
### Funding by TEC



### Delivery by Level



### Delivery by Subject



**Bay of Plenty Polytechnic (BoPP) was again strong in 2012, remaining above the ITP sector averages and improving on the previous year's results. BoPP remained in a healthy financial position generally above the TEC guidelines.**

## Responsiveness

In the 2012 Annual Report, Chair Ian Turner highlighted BoPP's educational success, financial performance and future plans. During the year, BoPP explored collaborative opportunities and identified the potential of the Bay of Plenty Tertiary Education Partnership to provide the platform for a region-wide tertiary education offering. It was seen as the best option to strengthen BoPP's response to the needs of employers, students and communities that had a lower exposure to tertiary opportunities.

At the beginning of 2012, BoPP embarked on a number of key changes associated with supporting students, which are described by the Chief Executive, Dr Alan Hampton, in his review of the year. A key outcome was the integrated Student Learning Commons, Ako Awe. Accompanying the physical changes was the decision to provide learning facilitation and support in the classrooms, and workshops as a partnership between staff and students.

BoPP's delivery in 2012 increased by 1 percent (15 EFTS), compared with 2011. Almost all of BoPP's programmes were delivered across Levels 3-4 (45%) and Levels 5-6 (42%) with only minor variations compared with the previous years across these levels. While only a small proportion of total delivery, the number of EFTS delivered at Levels 7-8 increased significantly compared with 2011.

BoPP's main fields of study were Society and Culture (19%), Management and Commerce (16%) and Engineering and Related Technologies (12%). BoPP students continued to be predominately under 25 years of age (60%) well above the ITP sector average of 52 percent but down slightly on 2011. Māori participation (32%) increased compared with 2011 and remained well above the ITP sector average. Pasifika participation remained stable at 3 percent, which was below the ITP sector average but reflected the regional demography. In 2012, BoPP had 67 full fee-paying international EFTS (102 students).

BoPP achieved most of the key performance indicators outlined in its Statement of Service Performance.

## Effectiveness

BoPP demonstrated its effectiveness by achieving increases across all four educational performance indicators, compared with 2011. There were significant increases in performance for student progression (up from 24% in 2011 to 38% in 2012) and student retention (up from 58% in 2011 to 73% in 2012), while course completion and qualification completion both increased by 3 percent on 2011. The performance of the TES priority groups (Māori, Pasifika and under-25-year-old students) improved compared with 2011, and was above the ITP sector average.

## Capability

In the 2012 Annual Report, the Chief Executive referred to the strong and effective working relationship between the council and senior management, which focused on delivering tertiary opportunities for people in the Bay of Plenty and beyond. Such a working partnership makes an important contribution to organisational capability.



Total revenue increased by \$0.4 million (1.0%) from 2011 to 2012, with increased government funding of \$0.8 million. This was partially offset by a reduction in student tuition fees of \$0.4 million. BoPP's operating expenses increased by \$0.9 million (2.2%) in the same period, with increased personnel costs of \$0.6 million.

As a result, the net surplus of \$1.8 million (4.2%) for 2012 was down on the 2011 result of \$2.3 million (5.4%).

BoPP recorded a \$4.1 million property revaluation gain in 2012, which resulted in total equity at the end of 2012 being \$5.9 million higher than at the end of 2011.



## TES Priorities

Participation		
2012 Performance	BOPP	ITP sector
Students under 25	60%	52%
Māori	32%	22%
Pasifika	3%	10%

Course Completion		
2012 Performance	BOPP	ITP sector
All	83%	79%
Students under 25	82%	78%
Māori	78%	73%
Pasifika	76%	73%

Qualification Completion		
2012 Performance	BOPP	ITP sector
All	72%	70%
Students under 25	72%	63%
Māori	69%	61%
Pasifika	66%	62%

Of the tertiary-aged population in the BOPP region, 17% were identified as Māori, 1% as Pasifika, and 12% as under the age of 25 years. (Based on Statistics NZ 2011 population projections.)

Overview of Educational Performance – Formal SAC Funded EFTS only				
Enrolments	% of ITP sector	2010	2011	2012
EFTS	4%	2,918	2,787	2,802
Students	3%	6,800	4,152	4,269
Educational Performance Indicators	ITP sector	2010	2011	2012
Successful Course Completion	79%	74%	80%	83%
Qualification Completion	70%	59%	69%	72%
Student Retention	60%	50%	58%	73%
Student Progression L1-4	37%	25%	24%	38%

Overview of Financial Performance*			
Summary Financial Statements (\$000)	2010	2011	2012
<b>Revenue</b>			
Total government revenue	\$27,905	\$25,877	\$26,722
Domestic student fees	\$10,103	\$11,401	\$11,098
International student fees	\$955	\$1,091	\$964
Other income (including research)	\$4,500	\$4,669	\$4,692
Total revenue	\$43,463	\$43,038	\$43,476
<b>Expenses</b>			
Personnel	\$24,578	\$25,391	\$26,024
Total expenses	\$38,565	\$40,726	\$41,638
Net surplus (after unusual and non-recurring items)	\$4,898	\$2,312	\$1,838
<b>Assets</b>			
Property, plant, equipment and intangibles	\$81,290	\$82,173	\$90,964
Total assets	\$94,020	\$96,800	\$101,621
<b>Equity (net assets)</b>	\$81,029	\$83,276	\$89,208
<b>Cashflow</b>			
Net cashflow from operations	\$7,341	\$6,721	\$6,633
Purchase of property, plant, equipment and intangibles	\$9,653	\$5,309	\$9,778
<b>Other</b>			
Staffing FTE	375	381	388
Total EFTS to total staff FTE ratio	9 : 1	9 : 1	8 : 1
Total EFTS to teaching staff FTE ratio (academic and tutorial)	18 : 1	17 : 1	17 : 1

# CHRISTCHURCH POLYTECHNIC INSTITUTE OF TECHNOLOGY

**Chair:** Jenn Bestwick  
**Chief Executive:** Kay Giles

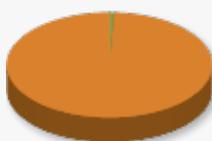
- Main Campus  
Christchurch City
- Other Campus Locations  
Waltham (Christchurch)

## NZQA EER

**Educational Performance:** Highly Confident  
**Self-assessment:** Confident

## Funding by TEC

99.2%	Teaching and Learning
0.1%	Capability
0.7%	Research
—	Scholarships/Learners



## Delivery by Level

13%	Level 1–2
21%	Level 3–4
21%	Level 5–6
46%	Level 7–8
—	Level 9–10



## Delivery by Subject

22%	Health
15%	Creative Arts
14%	Management and Commerce
13%	Architecture and Building
11%	Engineering and Related Technologies
25%	Other



**Christchurch Polytechnic Institute of Technology (CPIT) continued to be a strong educational performer, remaining above the ITP sector average in 2012. Financially, CPIT performed well and remains well placed to advance the TES priorities in 2013.**

## Responsiveness

The importance of CPIT to the regional development of Canterbury was highlighted by Chair Jenn Bestwick in the Annual Report, and has been even more apparent in the post-earthquake reality of 2012. CPIT's existing relationships deepened and new ones were formed as CPIT worked with industry, local and central government to understand and meet Canterbury's workforce needs.

Close connections were made with the Christchurch Earthquake Recovery Authority and the Central City Development Unit, with CPIT being consulted on recovery strategies and workforce development. CPIT also worked with the Canterbury Employment and Skills Board and Ngāi Tahu; contributed to the development of the Economic Recovery Programme; and established the CPIT Skills for Canterbury Unit, a demand-led engagement and delivery model that seeks to address skill gaps in the market.

The Chief Executive, Kay Giles, identified some of the many ways that CPIT students were contributing to rebuilding the city and to regional recovery. The post-earthquake environment had provided unique opportunities for students, particularly for Engineering Technology students conducting their final year projects in the red zone where top engineers from around the world gathered to study how buildings behave in earthquakes.

In 2012, CPIT enrolments increased by 12 percent (542 EFTS) returning it to pre-earthquake levels. Delivery was primarily at Levels 7–8 (46%) with equal proportions across Levels 3–4 (21%) and Levels 5–6 (21%). Delivery at Levels 1–2 increased 2 percent, compared with 2011, which may reflect the growth in trades training. The main fields of study were Health (22%), Creative Arts (15%) and Management and Commerce (14%). Māori and Pasifika participation both increased 2 percent, compared with 2011, but were below the ITP sector averages, which is in line with regional demography. The majority of students were aged 25 and under. In 2012, CPIT had 548 full fee-paying international EFTS (1026 students).

Despite the ongoing impact of the 2010–11 earthquakes, CPIT has continued to perform well on its key performance indicators as outlined in its Statement of Service Performance.

## Effectiveness

In 2012, CPIT achieved above the ITP sector averages across all four of the education performance indicators (EPIs). Performance also improved for each EPI with the exception of course completion, which slipped 2 percentage points from 85 percent to 83 percent but remained the highest in the sector.

Māori and Pasifika course and qualification completion both increased, compared with 2011 performance, and were above the ITP sector averages. Notable increases occurred in achievement for Pasifika with a 9 percent increase and 48 percentage point increase (from 28% in 2011 to 76% in 2012) in course and qualification completion respectively. The latter increase was attributable to the Pasifika Trades Training initiative, which led to a sharp rise in Pasifika student enrolments from a low base.



## Capability

Total revenue increased from 2011 to 2012 by \$4.2 million (5.0%), with \$2.2 million of that increase from additional international and domestic student tuition fees. CPIT reported a net surplus before earthquake impacts of \$4.6 million (5.2%), which was down on the 2011 result of \$6.0 million (7.1%). After earthquake effects, the surplus reduced slightly to \$4.3 million, compared with \$5.7 million in 2011.

In 2012, CPIT had \$6.5 million of earthquake impact revenue and \$6.8 million of expenses, compared with \$2.6 million and \$2.9 million respectively in 2011. A fair value assessment of buildings was carried out during 2012 with no material differences noted from the 2011 valuations. CPIT considered the damage estimate of \$30 million would increase, because repair work may uncover additional damage.



## TES Priorities

Participation		
2012 Performance	CPIT	ITP sector
Students under 25	60%	52%
Māori	10%	22%
Pasifika	4%	10%

Course Completion		
2012 Performance	CPIT	ITP sector
All	83%	79%
Students under 25	83%	78%
Māori	76%	73%
Pasifika	79%	73%

Qualification Completion		
2012 Performance	CPIT	ITP sector
All	75%	70%
Students under 25	67%	63%
Māori	69%	61%
Pasifika	76%	62%

Of the tertiary-aged population in the CPIT region, 7% were identified as Māori, 2% as Pasifika and 22% as under the age of 25 years. (Based on Statistics NZ 2011 population projections.)

Overview of Educational Performance – Formal SAC Funded EFTS only					
Enrolments	% of ITP sector	2010	2011	2012	
EFTS	8%	5,076	4,502	5,045	
Students	7%	11,546	8,725	9,854	
Educational Performance Indicators		ITP sector	2010	2011	2012
Successful Course Completion	79%	81%	85%	83%	
Qualification Completion	70%	63%	71%	75%	
Student Retention	60%	44%	53%	66%	
Student Progression L1-4	37%	31%	30%	48%	

Overview of Financial Performance*			
Summary Financial Statements (\$000)	2010	2011	2012
<b>Revenue</b>			
Total government revenue	\$49,925	\$52,045	\$52,391
Domestic student fees	\$19,395	\$18,686	\$20,294
International student fees	\$9,895	\$7,292	\$7,218
Other income (including research)	\$8,638	\$6,815	\$9,184
Total revenue	\$87,853	\$84,838	\$89,087
<b>Expenses</b>			
Personnel	\$48,697	\$51,376	\$53,065
Total expenses	\$77,568	\$78,799	\$84,441
Net surplus (after unusual and non-recurring items)	\$10,285	\$5,720	\$4,324
<b>Assets</b>			
Property, plant, equipment and intangibles	\$168,112	\$190,656	\$188,641
Total assets	\$210,859	\$233,649	\$239,633
<b>Equity (net assets)</b>	\$186,997	\$215,332	\$219,411
<b>Cashflow</b>			
Net cashflow from operations	\$14,946	\$11,757	\$13,142
Purchase of property, plant, equipment and intangibles	\$7,541	\$5,483	\$4,579
<b>Other</b>			
Staffing FTE	752	757	776
Total EFTS to total staff FTE ratio	8 : 1	7 : 1	8 : 1
Total EFTS to teaching staff FTE ratio (academic and tutorial)	16 : 1	14 : 1	15 : 1

# EASTERN INSTITUTE OF TECHNOLOGY

**Chair:** David Pearson  
**Chief Executive:** Chris Collins

- Main Campus**  
Taradale, Gisborne
- Other Campus Locations**  
Hastings, Waipukurau, Flaxmere,  
Maraenui, Wairoa, Ruatoria,  
Tokomaru Bay



## NZQA EER

**Educational Performance:** Highly Confident  
**Self-assessment:** Confident

**In 2012, Eastern Institute of Technology (EIT) again performed well educationally and generally improved on 2011 performance. Financially, EIT remained in a healthy position above most TEC guidelines.**

## Responsiveness

Among the developments described by Chair David Pearson, in EIT's Annual Report was the opening of the upgraded Tairāwhiti trades training facilities on the Gisborne campus in June 2012; the Māori Student Success Framework underpinning high Māori participation across both campuses; a strong focus on a range of research activity supporting EIT's degrees and local industry needs; and active collaboration with other organisations in New Zealand and overseas. This includes partnerships with tertiary providers such as Victoria University of Wellington and Taratahi Agricultural Training Centre.

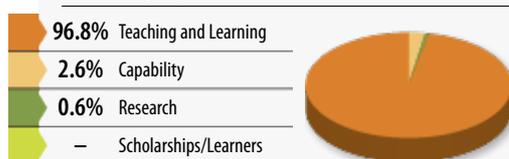
Chief Executive Chris Collins described 2012 as a significant year of consolidation and development for EIT, following the successful merger of Tairāwhiti Polytechnic and EIT Hawke's Bay in January 2011. Merger implementation activity was ongoing, with programme harmonisation and other academic developments across the two regions. It included the accreditation of EIT's new practice-based primary teaching degree, and other merger activity was planned or in progress.

In 2012, EIT's enrolments increased by 1 percent (53 EFTS), primarily at Levels 3–4, which accounted for 28 percent of total provision, while the largest share of delivery was at Levels 7–8 (34%). The main fields of study were Health (20%), Management and Commerce (15%) and Agriculture, Environmental and Related Studies (12%). A significant increase occurred (of 5%) in the volume of delivery in Architecture and Building.

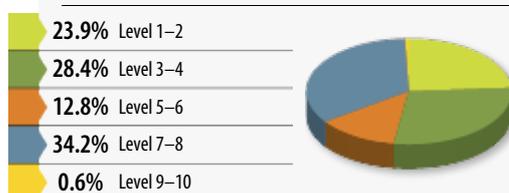
Māori participation, at 44 percent, remained well above the ITP sector average and demographics for the region. Participation of Pasifika students and those under 25 years of age was slightly below the ITP sector average but consistent with the region's population. In 2012, EIT had 213 full fee-paying international EFTS (459 students).

EIT achieved the majority of the key performance indicators outlined in its Statement of Service Performance.

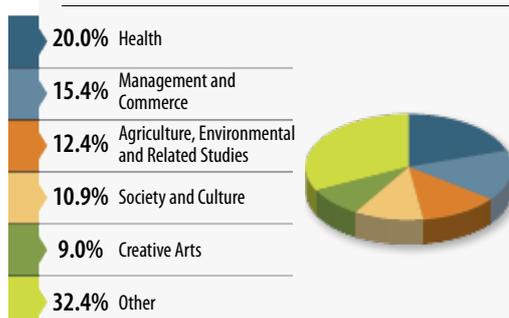
## Funding by TEC



## Delivery by Level



## Delivery by Subject



## Effectiveness

In 2012, the effectiveness of EIT's education delivery was evidenced by increases across all four educational performance indicators (EPIs). With the exception of qualification completion rates, all EPIs were above or equal to the ITP sector average. These continued improvements are particularly significant given EIT's merger with Tairāwhiti Polytechnic in 2011. Student retention rates increased sharply, compared with the previous year (up from 48% in 2011 to 61% in 2012), to sit above the ITP sector average.

In 2012, course completion by TES priority groups (Māori, Pasifika and under-25-year-olds) remained unchanged from 2011. Qualification completion rates for all TES priority groups increased, compared with 2011, but remained slightly below the ITP sector average.

## Capability

Nori Parata, Principal of Tolaga Bay Area School, stepped down from her council role in December 2012; the Chair acknowledged her important contribution to the council and her part in the success of partnerships with East Coast secondary schools in the Trades Academy at Tairāwhiti.



Total revenue decreased by \$3.3 million (5.4%) from 2011 to 2012, principally due to decreased government funding of \$2.5 million. Total expenditure increased by \$2.2 million (4.1%) with the principal component being an increase in salaries and wages of \$2.6 million (7.9%) resulting from the merger with Tairāwhiti Polytechnic. EIT reported a net surplus of \$1.1 million (2.0%) in 2012, which was down on the 2011 result of \$6.6 million (10.9%).

The merger with Tairāwhiti Polytechnic affected EIT's financial performance in both 2011 and 2012. In 2011, merger funding exceeded merger expenses and contributed significantly to the surplus reported that year. In 2012, merger expenses exceeded merger funding by \$0.3 million contributing to the lower surplus.



## TES Priorities

Participation		
2012 Performance	EIT	ITP sector
Students under 25	51%	52%
Māori	44%	22%
Pasifika	4%	10%

Course Completion		
2012 Performance	EIT	ITP sector
All	79%	79%
Students under 25	77%	78%
Māori	72%	73%
Pasifika	72%	73%

Qualification Completion		
2012 Performance	EIT	ITP sector
All	69%	70%
Students under 25	59%	63%
Māori	57%	61%
Pasifika	59%	62%

Of the tertiary-aged population in the EIT region, 29% were identified as Māori, 2% as Pasifika and 29% as under the age of 25 years. (Based on Statistics NZ 2011 population projections.) The merger with Tairāwhiti on 1 January 2011 means that EIT's results for 2011 and 2012 are not directly comparable with 2010.

Overview of Educational Performance – Formal SAC Funded EFTS only				
Enrolments	% of ITP sector	2010	2011	2012
EFTS	6%	2,729	3,596	3,649
Students	5%	6,152	6,848	6,415
Educational Performance Indicators	ITP sector	2010	2011	2012
Successful Course Completion	79%	76%	78%	79%
Qualification Completion	70%	55%	58%	69%
Student Retention	60%	52%	48%	61%
Student Progression L1-4	37%	45%	42%	43%

Overview of Financial Performance*			
Summary Financial Statements (\$'000)	2010	2011	2012
<b>Revenue</b>			
Total government revenue	\$27,557	\$41,032	\$38,747
Domestic student fees	\$9,293	\$11,524	\$11,519
International student fees	\$2,755	\$3,049	\$2,580
Other income (including research)	\$3,976	\$5,087	\$4,566
Total revenue	\$43,581	\$60,692	\$57,412
<b>Expenses</b>			
Personnel	\$24,776	\$32,499	\$35,073
Total expenses	\$40,004	\$54,058	\$56,272
Net surplus (after unusual and non-recurring items)	\$3,577	\$6,634	\$1,140
<b>Assets</b>			
Property, plant, equipment and intangibles	\$82,030	\$105,236	\$108,199
Total assets	\$97,462	\$127,241	\$126,887
<b>Equity (net assets)</b>	\$89,758	\$117,455	\$117,626
<b>Cashflow</b>			
Net cashflow from operations	\$8,551	\$11,066	\$6,659
Purchase of property, plant, equipment and intangibles	\$7,238	\$6,406	\$9,969
<b>Other</b>			
Staffing FTE	392	523	546
Total EFTS to total staff FTE ratio	8 : 1	9 : 1	8 : 1
Total EFTS to teaching staff FTE ratio (academic and tutorial)	16 : 1	15 : 1	14 : 1

# MANUKAU INSTITUTE OF TECHNOLOGY

**Chair:** Kaye Turner to April 2013, Stuart Crosbie (Acting)

**Chief Executive:** Dr Peter Brothers

- Main Campus**  
Manukau City (Auckland)
- Other Campus Locations**  
Newmarket, Auckland City,  
Pukekohe, Highbrook



## NZQA EER

**Educational Performance:** Highly Confident  
**Self-assessment:** Highly Confident

**In 2012, Manukau Institute of Technology (MIT) continued to perform well both educationally and financially. MIT is well placed to advance the TES priorities in 2013.**

## Responsiveness

MIT serves New Zealand's fastest growing and most culturally diverse community and one where participation in vocational education is half the national average. In the 2012 Annual Report the council Chair, Kaye Turner, highlighted MIT's strategies to close the gap and improve the employability and progression of learners. The new Manukau Campus complex, which was nearly half complete by the end of 2012, exemplified MIT's commitment to providing the resources to ensure student success.

Developments in MIT academic programmes in 2012 included accreditation of new bachelor's degrees in Applied Management and in Sport and Exercise Science, and collaboration with Unitec on the provision of quality vocational education. MIT is a partner in the Southern Initiative, a major strategic initiative outlined in the Auckland Plan, and has been involved in the early development of internship programmes with the support and cooperation of the Auckland Council.

The Chief Executive, Dr Peter Brothers, highlighted MIT's focus continually refreshing and improving MIT's programmes with the aim of increasing flexible study options and helping students move from education into employment. As part of its commitment to link students with employers and industry, MIT developed several new qualifications, two of which were engineering specific. In 2012, MIT launched the Hub and SPOKE Schools Partnership Programme, which aims to support Year 11 and 12 students into vocational education and training programmes in priority trades areas.

MIT's volume of delivery continued to increase, by 5 percent (278 EFTS) compared with the previous year. Delivery increased across all levels except Levels 5–6, which slipped 3 percentage points, compared with 2011. The majority of the increase was at Levels 7–8 and Levels 3–4. The main fields of study were Society and Culture (21%), Management and Commerce (18%) and Engineering and Related Technologies (14%).

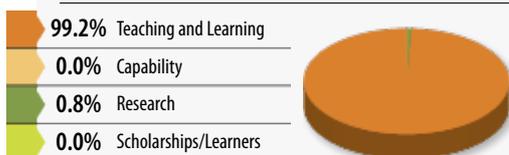
Participation by under-25-year-olds increased again on the previous year but remained just below the ITP sector average, as did Māori participation, which increased 1 percentage point from 2011. Pasifika participation remained well above the ITP sector average at 34 percent of total enrolments but dropped fractionally, compared with 2011. In 2012, MIT had 497 full fee-paying international EFTS (864 students).

MIT achieved or surpassed almost all of its key performance indicators as outlined in its Statement of Service Performance.

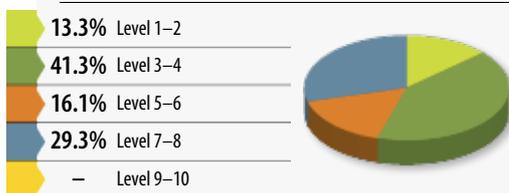
## Effectiveness

MIT was above, or on a par with, the ITP sector averages for three of the four educational performance indicators. Only qualification completion was slightly below, despite an increase from 2011. Māori and Pasifika course completion was just above the ITP sector averages, but each slipped 2 percentage points compared with 2011. Qualification completion for the TES priority groups (Māori, Pasifika and under-25-year-olds) was either on a par with, or slightly below, the ITP sector average despite an increase on the previous year's results.

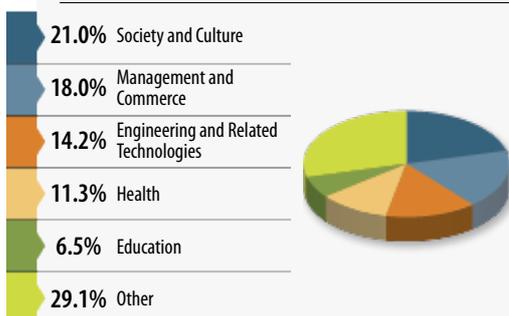
## Funding by TEC



## Delivery By Level



## Delivery By Subject





## Capability

At the end of 2012 the Chair, Kaye Turner, resigned – her resignation to be effective from 30 April 2013. The Acting Chair is Dr Stuart Crosbie.

MIT's total revenue increased by \$2.4 million (2.2%) from 2011 to 2012 mainly as a result of additional government funding of \$6.6 million. MIT reported a net surplus of \$5.8 million (5.3%), which was up on the 2011 result of \$3.3 million (3.1%). MIT recorded a \$15.8 million gain on property valuations in 2012, which is reflected in the increase in total assets. MIT's Manukau Campus development, which was due for completion in 2013, has been affected by the receivership of Mainzeal Property and Construction Limited.

In 2012, Ministers approved the application for the transfer of the Crown titled assets at MIT's Otara campus into MIT ownership.



## TES Priorities

Participation		
2012 Performance	MIT	ITP sector
Students under 25	51%	52%
Māori	16%	22%
Pasifika	34%	10%

Course Completion		
2012 Performance	MIT	ITP sector
All	80%	79%
Students under 25	77%	78%
Māori	74%	73%
Pasifika	75%	73%

Qualification Completion		
2012 Performance	MIT	ITP sector
All	67%	70%
Students under 25	59%	63%
Māori	61%	61%
Pasifika	61%	62%

Of the tertiary-aged population in the Auckland region, 11% were identified as Māori, 14% as Pasifika and 22% as under the age of 25 years. (Based on Statistics NZ 2011 population projections.)

Overview of Educational Performance – Formal SAC Funded EFTS only				
Enrolments	% of ITP sector	2010	2011	2012
EFTS	10%	5,724	6,124	6,402
Students	8%	11,747	11,542	11,301
Educational Performance Indicators	ITP sector	2010	2011	2012
Successful Course Completion	79%	80%	82%	80%
Qualification Completion	70%	58%	61%	67%
Student Retention	60%	58%	61%	65%
Student Progression L1-4	37%	47%	44%	50%

Overview of Financial Performance*			
Summary Financial Statements (\$'000)	2010	2011	2012
<b>Revenue</b>			
Total government revenue	\$62,570	\$64,530	\$71,107
Domestic student fees	\$22,571	\$23,936	\$24,882
International student fees	\$7,112	\$6,385	\$6,916
Other income (including research)	\$11,528	\$12,228	\$6,560
Total revenue	\$103,781	\$107,079	\$109,465
<b>Expenses</b>			
Personnel	\$67,177	\$67,894	\$64,948
Total expenses	\$100,646	\$103,786	\$103,630
Net surplus (after unusual and non-recurring items)	\$3,135	\$3,293	\$5,835
<b>Assets</b>			
Property, plant, equipment and intangibles	\$160,722	\$169,563	\$221,391
Total assets	\$210,808	\$216,129	\$236,235
<b>Equity (net assets)</b>	\$190,395	\$193,688	\$215,285
<b>Cashflow</b>			
Net cashflow from operations	\$13,670	\$11,302	\$14,231
Purchase of property, plant, equipment and intangibles	\$8,938	\$15,372	\$46,289
<b>Other</b>			
Staffing FTE	769	838	787
Total EFTS to total staff FTE ratio	9 : 1	9 : 1	10 : 1
Total EFTS to teaching staff FTE ratio (academic and tutorial)	20 : 1	19 : 1	22 : 1

# NELSON MARLBOROUGH INSTITUTE OF TECHNOLOGY

**Chair:** Ross Butler  
**Chief Executive:** Tony Gray

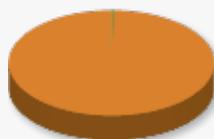
-  Main Campus  
Nelson
-  Other Campus Locations  
Blenheim

## NZQA EER

**Educational Performance:** Highly Confident  
**Self-assessment:** Confident

### Funding by TEC

99.6%	Teaching and Learning
–	Capability
0.4%	Research
–	Scholarships/Learners



### Delivery by Level

12.1%	Level 1–2
39.9%	Level 3–4
30.6%	Level 5–6
17.4%	Level 7–8
–	Level 9–10



### Delivery by Subject

27.8%	Management and Commerce
18.1%	Engineering and Related Technologies
16.9%	Society and Culture
9.2%	Health
6.1%	Creative Arts
21.9%	Other



**Nelson Marlborough Institute of Technology's (NMIT's) educational performance generally improved on 2011 but was below the ITP sector average on some indicators. Financially, NMIT remained in a stable position.**

## Responsiveness

In the Annual Report, Chair Ross Butler expressed his confidence that NMIT would continue to satisfy the growing and rapidly changing needs of its students and communities – despite the funding challenges – with responsiveness based on leadership, commitment, sound investment decisions and good strategic and business planning.

Chief Executive Tony Gray described 2012 as a year of exceptional activity, with ongoing review to strengthen educational and financial performance at the centre of their endeavours. He also highlighted the work to transform NMIT's product and delivery to ensure the right outcome for students in the 21st-century workplace. New laboratory, nursing, aquaculture and adventure tourism facilities had been opened and seismically unsafe buildings demolished. The number of school leavers choosing NMIT as their tertiary provider increased as a result of further collaboration between NMIT and schools and the number of students enrolled in the Nelson Tasman Trades Academy was expected to more than double in 2013.

However, NMIT's enrolments fell by 1 percent (29 EFTS) in 2012, primarily at Levels 5–6 with the majority of delivery remaining at Levels 3–4 (40%). The main fields of study were Management and Commerce (28%), Engineering and Related Technologies (18%) and Society and Culture (17%).

Participation of the TES priority groups (Māori, Pasifika and under-25-year-olds) increased, compared with 2011. However, participation of each group was below the ITP sector average, which reflects the region's demography. NMIT had 552 full fee-paying international EFTS (865 students).

## Effectiveness

In 2012, the effectiveness of NMIT's education delivery was demonstrated by increases on the previous year's performance for qualification completion, student retention, and student progression. However, course completion dropped slightly compared with 2011 and was just below the ITP sector average.

Educational achievement for the TES priority groups was either above or equal to the ITP sector averages across all indicators, with the exception of qualification completion for Māori. Course completion increased for each TES priority group compared with 2011 with a particularly strong increase for Pasifika students of 11 percentage points. Qualification completion dropped for Māori but increased for under-25-year-olds and Pasifika, compared with the previous year.

NZQA completed NMIT's external evaluation and review in 2012. The outcome was a 'confident' rating for the methods and processes used by NMIT to self-assess and a 'highly confident' rating for its educational performance, which placed it in the highest category for tertiary institutes.

## Capability

Council member Claudia Wysocki (Scanlon) died in March 2012. In paying tribute in the Annual Report, the Chair said Ms Wysocki always focused on the needs of students and the NMIT community, had made a significant contribution to the work of the council and would be sorely missed.



In the Annual Report, the Chair also paid tribute to the leadership of the Directorate Team and noted that the council was pleased to reappoint the Chief Executive during 2012 for a further term of office.

NMIT's total revenue decreased by \$2.9 million (5.5%) in 2012, partly due to a \$2.2 million decrease in student tuition fees. The net surplus of \$2.2 million (4.5%), was down on the 2011 result of \$4.7 million (8.9%).

Net cash flows reduced from 128.2 percent in 2011, to 95.8 percent in 2012, mainly as a result of a timing issue with fees for aviation pilot training.



## TES Priorities

Participation		
2012 Performance	NMIT	ITP sector
Students under 25	49%	52%
Māori	15%	22%
Pasifika	5%	10%

Course Completion		
2012 Performance	NMIT	ITP sector
All	77%	79%
Students under 25	78%	78%
Māori	74%	73%
Pasifika	75%	73%

Qualification Completion		
2012 Performance	NMIT	ITP sector
All	69%	70%
Students under 25	63%	63%
Māori	60%	61%
Pasifika	70%	62%

Of the tertiary-aged population in the NMIT region, 9% were identified as Māori, less than 1% as Pasifika, and 18% as under the age of 25 years. (Based on Statistics NZ 2011 population projections.)

Overview of Educational Performance – Formal SAC Funded EFTS only					
Enrolments	% of ITP sector	2010	2011	2012	
EFTS	4%	2,749	2,474	2,445	
Students	3%	5,857	4,772	4,634	
Educational Performance Indicators		ITP sector	2010	2011	2012
Successful Course Completion	79%	78%	79%	77%	
Qualification Completion	70%	60%	64%	69%	
Student Retention	60%	50%	57%	65%	
Student Progression L1-4	37%	23%	25%	29%	

Overview of Financial Performance*			
Summary Financial Statements (\$'000)	2010	2011	2012
<b>Revenue</b>			
Total government revenue	\$25,728	\$22,598	\$22,242
Domestic student fees	\$21,588	\$19,778	\$17,887
International student fees	\$3,918	\$4,535	\$4,261
Other income (including research)	\$5,574	\$5,643	\$5,250
Total revenue	\$56,808	\$52,554	\$49,640
<b>Expenses</b>			
Personnel	\$16,313	\$16,407	\$17,325
Total expenses	\$51,500	\$47,872	\$47,422
Net surplus (after unusual and non-recurring items)	\$5,308	\$4,682	\$2,218
<b>Assets</b>			
Property, plant, equipment and intangibles	\$75,378	\$75,244	\$77,870
Total assets	\$99,897	\$108,250	\$103,926
<b>Equity (net assets)</b>	\$83,472	\$87,417	\$90,731
<b>Cashflow</b>			
Net cashflow from operations	\$7,533	\$12,513	-\$1,857
Purchase of property, plant, equipment and intangibles	\$10,324	\$4,220	\$4,780
<b>Other</b>			
Staffing FTE	227	209	238
Total EFTS to total staff FTE ratio	16 : 1	16 : 1	14 : 1
Total EFTS to teaching staff FTE ratio (academic and tutorial)	32 : 1	35 : 1	29 : 1

# NORTHTEC

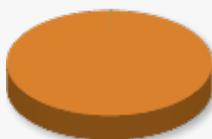
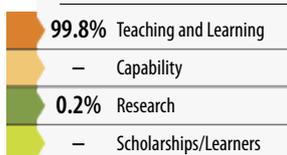
**Chair:** Vern Dark  
**Chief Executive:** Paul Binney

- Main Campus**  
Whangarei
- Other Campus Locations**  
Rawene, Kaitaia, Kaikohe (Far North)

## NZQA EER

**Educational Performance:** Confident  
**Self-assessment:** Confident

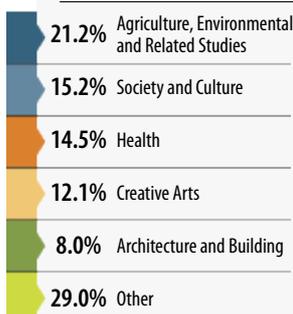
### Funding by TEC



### Delivery by Level



### Delivery by Subject



**In 2012, the educational performance of NorthTec improved on the previous year but was below the ITP sector average on some indicators. Financially, NorthTec continued to perform strongly and was above the TEC guidelines.**

## Responsiveness

Achievements highlighted by the Chair, Vern Dark, in NorthTec’s 2012 Annual Report included a Māori Responsiveness Plan, developed after consultation with all interested parties, to help improve the performance of Māori students. The Youth Readiness project, which was established in response to the needs of employers in the region for more work-ready young people, had also progressed well.

The Chief Executive, Paul Binney, was pleased to report on another successful year. A highlight of 2012 was the opening of Toi Te Pito, the refurbished Creative Industries Centre, intended to provide programmes in Arts, Māori Arts, Media Arts, Fashion, Beauty Therapy and Hairdressing.

Through the Youth Guarantee programme, NorthTec provided opportunities to 300 young people who would otherwise have been lost to the education system, and NorthTec had successfully responded to the challenge of competitive tendering for Level 1–2 courses.

NorthTec’s enrolments increased by 2 percent (57 EFTS), compared with the previous year. The increase was at Levels 3–4, which accounted for over half of the delivery (54%). The remainder of the delivery was spread relatively evenly across Levels 1–2 (18%), Levels 7–8 (15%) and Levels 5–6 (13%). The main fields of study were Agriculture, Environmental and Related Studies (21%), Health (15%) and Society and Culture (15%). This distribution was similar to the previous year but with an increase of 4 percentage points in Society and Culture.

Māori participation remained strong, with over half (54%) of students identifying as Māori in 2012. The number of under-25-year-old and Pasifika students remained below the ITP sector average, reflecting the demography of the region. In 2012, NorthTec had 108 full fee-paying international EFTS (226 students).

NorthTec met most of the key performance indicators outlined in its Statement of Service Performance.

## Effectiveness

NorthTec’s achievement was on a par with the ITP sector average for course completion. Its performance improved or remained the same across each of the four educational performance indicators, compared with 2011. Achievement across the TES priority groups (Māori, Pasifika and under-25-year-olds) was mixed; course completion improved for Māori and under-25-year-olds but declined for Pasifika. Qualification completion improved on 2011 results, but NorthTec’s ranking against the ITP sector dropped.

NZQA completed NorthTec’s external evaluation and review in 2012. The result was a ‘confident’ rating for educational performance and for the methods and processes that NorthTec uses to self-assess performance.

## Capability

Ken Rivers resigned from the council at the end of the year, and the Chair paid tribute in the Annual Report to his significant contribution. Anna Cassells Brown has been appointed to the position.



Total revenue increased by \$1.1 million (3.0%) mainly due to an increase of \$0.6 million in student tuition fees. Total expenditure increased by \$0.9 million (2.5%) in the same period, with an increase in personnel costs of \$1.5 million partially offset by a reduction in other costs. NorthTec reported a net surplus of \$1.3 million (3.5%), which was up on the 2011 result of \$1.1 million (3.0%).

NorthTec's application for the transfer of the Crown titled land and buildings at three sites remains under consideration pending progress with Treaty of Waitangi Settlement negotiations. The disposal of the Dargaville campus is also pending.



## TES Priorities

Participation		
2012 Performance	NorthTec	ITP sector
Students under 25	38%	52%
Māori	54%	22%
Pasifika	3%	10%

Course Completion		
2012 Performance	NorthTec	ITP sector
All	79%	79%
Students under 25	76%	78%
Māori	76%	73%
Pasifika	68%	73%

Qualification Completion		
2012 Performance	NorthTec	ITP sector
All	64%	70%
Students under 25	56%	63%
Māori	57%	61%
Pasifika	52%	62%

Of the tertiary-aged population in the NorthTec region, 31% were identified as Māori, 3% as Pasifika and 20% as under the age of 25 years. (Based on Statistics NZ 2011 population projections.)

Overview of Educational Performance – Formal SAC Funded EFTS only				
Enrolments	% of ITP sector	2010	2011	2012
EFTS	4%	2,826	2,757	2,814
Students	3%	6,444	4,997	4,517
Educational Performance Indicators	ITP sector	2010	2011	2012
Successful Course Completion	79%	77%	79%	79%
Qualification Completion	70%	56%	64%	64%
Student Retention	60%	52%	53%	64%
Student Progression L1-4	37%	27%	27%	32%

Overview of Financial Performance*			
Summary Financial Statements (\$000)	2010	2011	2012
<b>Revenue</b>			
Total government revenue	\$31,354	\$27,372	\$27,500
Domestic student fees	\$5,610	\$6,481	\$6,494
International student fees	\$1,133	\$852	\$1,493
Other income (including research)	\$1,660	\$1,296	\$1,599
Total revenue	\$39,757	\$36,001	\$37,086
<b>Expenses</b>			
Personnel	\$21,212	\$20,209	\$21,733
Total expenses	\$37,986	\$34,921	\$35,796
Net surplus (after unusual and non-recurring items)	\$1,771	\$1,080	\$1,290
<b>Assets</b>			
Property, plant, equipment and intangibles	\$38,010	\$38,977	\$39,174
Total assets	\$47,578	\$48,894	\$49,558
<b>Equity (net assets)</b>	\$43,768	\$44,848	\$46,138
<b>Cashflow</b>			
Net cashflow from operations	\$5,480	\$3,953	\$3,351
Purchase of property, plant, equipment and intangibles	\$1,906	\$3,378	\$2,769
<b>Other</b>			
Staffing FTE	330	326	347
Total EFTS to total staff FTE ratio	10 : 1	10 : 1	10 : 1
Total EFTS to teaching staff FTE ratio (academic and tutorial)	17 : 1	17 : 1	17 : 1

# OPEN POLYTECHNIC OF NEW ZEALAND

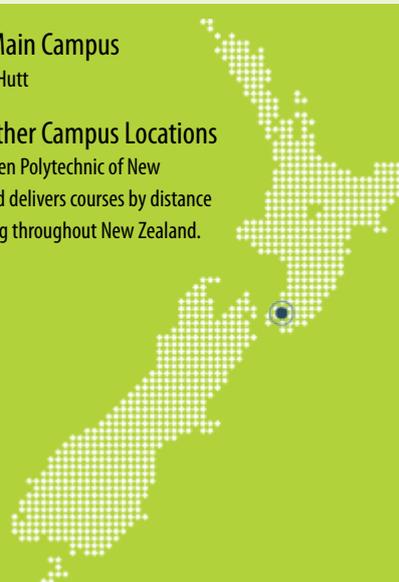
**Chair:** Graeme Hall  
**Chief Executive:** Dr Caroline Seelig

## Main Campus

Lower Hutt

## Other Campus Locations

The Open Polytechnic of New Zealand delivers courses by distance learning throughout New Zealand.



## NZQA EER

**Educational Performance:** Confident

**Self-assessment:** Confident

**In 2012, the Open Polytechnic of New Zealand continued to improve its educational performance, and achieved above the ITP sector average for course and qualification completion. Financially, the Open Polytechnic remained in a strong position.**

## Responsiveness

In the Annual Report, Chair Graeme Hall described 2012 as another successful year with further progress on several fronts. These included learner support, technology enablement, curriculum development and collaborations and partnerships, including a partnership arrangement with the Department of Corrections to deliver offender education services in 2013. As a specialist provider of distance learning, one aim was to wrap the educational provision with comprehensive and highly effective 'customer care' and, to this end, the council sought advice on strategies, service concepts and structures.

In her review, Chief Executive Dr Caroline Seelig highlighted curriculum development, including a new Bachelor of Social Work that will allow graduates to gain recognition as social workers and to work in government and community settings. New qualifications were also offered in horticulture, and new pipeline qualifications planned at Levels 3–5 to strengthen pathways to higher-level qualifications. A focus on technology and innovation underpins the Open Polytechnic's distance learning provision and, during the year, various projects were initiated that were designed to improve services and offer innovative solutions to student needs.

In 2012, the Open Polytechnic experienced a 2 percent (89 EFTS) increase in enrolments, primarily at Levels 3–4, which represented 33 percent of enrolments. Delivery at Levels 7–8 made up a further 28 percent of enrolments. Levels 1–2 and Levels 5–6 decreased as a proportion of total enrolments, and accounted for 14 percent and 25 percent respectively. The largest fields of study were Management and Commerce (26%), Society and Culture (18%) and Education (13%).

The Open Polytechnic continued to have good levels of Pasifika participation and moved above the ITP sector average in 2012 with 11 percent. Participation of Māori and under-25-year-olds remained at levels consistent with the New Zealand population as a whole but sat below the ITP sector average. In 2012, the Open Polytechnic had 27 full fee-paying international EFTS (154 students).

In 2012, the Open Polytechnic achieved well on the key performance indicators outlined in its Statement of Service Performance.

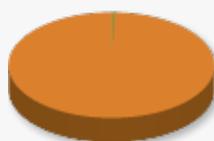
## Funding by TEC

99.6% Teaching and Learning

– Capability

0.4% Research

– Scholarships/Learners



## Delivery by Level

14.3% Level 1–2

32.6% Level 3–4

25.3% Level 5–6

27.8% Level 7–8

– Level 9–10



## Delivery by Subject

26.0% Management and Commerce

18.0% Society and Culture

13.1% Education

11.6% Mixed Field Programmes

10.8% Health

20.5% Other



## Effectiveness

The Open Polytechnic's educational delivery improved against all four educational performance indicators in 2012. It performed above the ITP sector average for course and qualification completion, both of which increased notably on 2011. The Open Polytechnic remained below the ITP sector average for student retention and student progression, which may reflect its role in distance learning.

Performance for the TES priority groups (Māori, Pasifika and under-25-year-olds) improved for both course and qualification completion. Pasifika students were above the ITP sector average on both educational indicators; Māori were below for course completion but above for qualification completion; while under-25-year-olds were on par with the ITP sector average for each indicator.



## Capability

Dr Ray Meldrum and Dr Alan Barker, who was Deputy Chair, resigned from the council during 2012. Both resignations were Ministerial appointees, and the Minister has appointed Helen Robinson and Murray Bain to the vacant positions. The council invested in research and analysis during the year, which provided valuable input to the strategic planning process and to the polytechnic's investment plan.

Total revenue was \$3.4 million (5.8%) higher than 2011, which was almost entirely due to increased government funding. A net surplus of \$4.3 million (7.0%) was reported by the Open Polytechnic for 2012, which was up on the 2011 result of \$3.7 million (6.4%).

Ministerial approval was provided to the Open Polytechnic's application for the transfer to its ownership of the Crown titled land and buildings at its Lower Hutt campus.



## TES Priorities

Participation		
2012 Performance	OPNZ	ITP sector
Students under 25	23%	52%
Māori	14%	22%
Pasifika	11%	10%

Course Completion		
2012 Performance	OPNZ	ITP sector
All	80%	79%
Students under 25	78%	78%
Māori	69%	73%
Pasifika	74%	73%

Qualification Completion		
2012 Performance	OPNZ	ITP sector
All	78%	70%
Students under 25	63%	63%
Māori	71%	61%
Pasifika	81%	62%

Overview of Educational Performance – Formal SAC Funded EFTS only				
Enrolments	% of ITP sector	2010	2011	2012
EFTS	9%	5,760	5,477	5,565
Students	22%	37,347	34,950	30,279
Educational Performance Indicators	ITP sector	2010	2011	2012
Successful Course Completion	79%	64%	73%	80%
Qualification Completion	70%	33%	59%	78%
Student Retention	60%	30%	30%	40%
Student Progression L1-4	37%	20%	18%	25%

Overview of Financial Performance*				
Summary Financial Statements (\$000)	2010	2011	2012	
<b>Revenue</b>				
Total government revenue	\$47,044	\$40,558	\$43,614	
Domestic student fees	\$16,048	\$16,046	\$16,260	
International student fees	\$205	\$182	\$220	
Other income (including research)	\$1,859	\$1,716	\$1,823	
Total revenue	\$65,156	\$58,502	\$61,917	
<b>Expenses</b>				
Personnel	\$36,099	\$28,466	\$27,909	
Total expenses	\$59,983	\$54,765	\$57,579	
Net surplus (after unusual and non-recurring items)	\$5,173	\$3,737	\$4,338	
<b>Assets</b>				
Property, plant, equipment and intangibles	\$38,095	\$36,417	\$34,714	
Total assets	\$72,253	\$74,785	\$79,169	
<b>Equity (net assets)</b>	\$55,197	\$58,129	\$62,467	
<b>Cashflow</b>				
Net cashflow from operations	\$11,028	\$9,352	\$11,111	
Purchase of property, plant, equipment and intangibles	\$8,057	\$4,150	\$4,888	
<b>Other</b>				
Staffing FTE	426	393	397	
Total EFTS to total staff FTE ratio	16 : 1	15 : 1	16 : 1	
Total EFTS to teaching staff FTE ratio (academic and tutorial)	56 : 1	54 : 1	57 : 1	

# OTAGO POLYTECHNIC

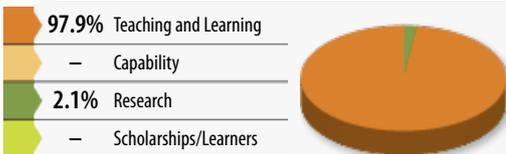
**Chair:** Kathy Grant  
**Chief Executive:** Phil Ker

- Main Campus**  
Dunedin
- Other Campus Locations**  
Cromwell, Auckland

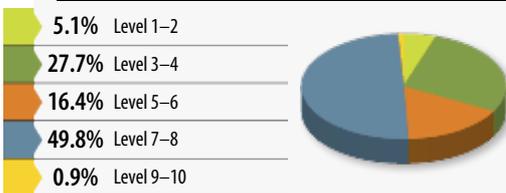
## NZQA EER

**Educational Performance:** Highly Confident  
**Self-assessment:** Highly Confident

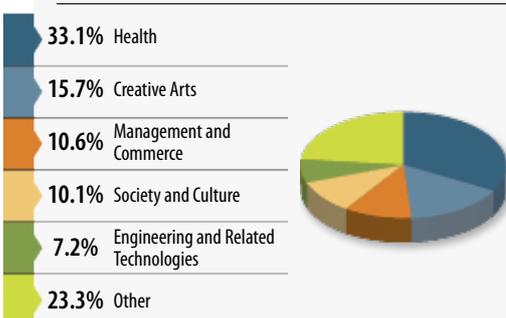
## Funding by TEC



## Delivery by Level



## Delivery by Subject



**In 2012, Otago Polytechnic continued to be a strong educational and financial performer. Otago Polytechnic remains well placed to advance the TES priorities in 2013.**

## Responsiveness

The council Chair, Kathy Grant, and the Chief Executive, Phil Ker, provided a joint review for the 2012 Annual Report, reflecting the complementary nature of governance and management at Otago Polytechnic. Their review highlighted the quality of staff and the achievement in 2012 of the seventh Tertiary Teaching Excellence Award in six years.

Other 2012 achievements included: the introduction of the Altitude programme, in partnership with the Malcam Trust, aimed at reducing youth unemployment in Dunedin; the opening of a new campus in Auckland, in partnership with the Future Skills Academy, to provide applied management and English language programmes to international students; and the launch of two new trades initiatives – a kaupapa Māori trades programme and a trades academy in Central Otago.

Curriculum developments also included two new professional practice qualifications: a graduate diploma and Master's degree. Both are work-based learning programmes and unique in New Zealand. The polytechnic also successfully piloted the 'Scarfie Army' volunteer community service projects, which will become a permanent feature of the polytechnic. The development of a carbon mitigation scheme is also under-way for implementation in 2013.

In 2012, Otago Polytechnic increased its enrolments by 4 percent (131 EFTS). Most of the increase was at Levels 7–8, where 50 percent of Otago Polytechnic's delivery was focused, with the remainder being spread across Levels 3–4 (28%), Levels 5–6 (16%), Levels 1–2 (5%) and Levels 9–10 (1%). The largest fields of study were Health (33%), Creative Arts (16%) and Management and Commerce (11%).

Participation was well above the ITP sector average for students under the age of 25. Participation for Māori at 11 percent and Pasifika at 3 percent, while below the sector average, significantly exceeded the regions demographics at 4 percent and 1 percent respectively and was above the polytechnic's own targets (8% for Māori and 2.5% for Pasifika). Otago Polytechnic had the highest student participation rate in the AUSSE, the comparative survey of Australasian tertiary institutions.

Otago Polytechnic had 231 full fee-paying international EFTS in 2012 (529 students).

Otago Polytechnic achieved the majority of the key performance indicators as outlined in its Statement of Service Performance. Where indicators were not met, results were only fractionally below target.

## Effectiveness

Otago Polytechnic continued to be a strong educational performer and maintained its high placing in the polytechnic sector for qualification and course completions.

Improvements on 2011 performance were achieved across three of the four educational performance indicators (EPIs), and Otago Polytechnic was above sector average for all EPIs. For each of the TES priority groups (Māori, Pasifika, and under-25-year-olds), the polytechnic performed on a par with, or above, the ITP sector average. In each case, achievement improved compared with 2011 results and included good increases for Pasifika.



## Capability

Total revenue increased by \$4.5 million (8.0%) from 2011 to 2012, with an additional \$2.0 million of government funding and \$2.0 million in student tuition fees. Total expenditure increased by \$4.1 million (7.8%) in the same period, mainly due to increased personnel costs of \$2.9 million. Otago Polytechnic reported a net surplus of \$3.7 million (6.1%) in 2012, which was up on the 2011 result of \$3.3 million (6.0%).

Otago Polytechnic applied for the transfer into its ownership of the Crown titled land and building assets that it manages at its Dunedin and Cromwell sites. These form the bulk of the assets managed by the polytechnic.



## TES Priorities

Participation		
2012 Performance	Otago Polytechnic	ITP sector
Students under 25	64%	52%
Māori	11%	22%
Pasifika	3%	10%

Course Completion		
2012 Performance	Otago Polytechnic	ITP sector
All	83%	79%
Students under 25	83%	78%
Māori	76%	73%
Pasifika	73%	73%

Qualification Completion		
2012 Performance	Otago Polytechnic	ITP sector
All	78%	70%
Students under 25	69%	63%
Māori	65%	61%
Pasifika	62%	62%

Of the tertiary-aged population in the Otago Polytechnic region, 4% were identified as Māori, Pasifika as 1% and 19% as under the age of 25 years. (Based on Statistics NZ 2011 population projections.)

Overview of Educational Performance – Formal SAC Funded EFTS only					
Enrolments	% of ITP sector	2010	2011	2012	
EFTS	5%	3,337	3,314	3,445	
Students	4%	6,190	4,977	4,824	
Educational Performance Indicators		ITP sector	2010	2011	2012
Successful Course Completion	79%	78%	83%	83%	
Qualification Completion	70%	62%	74%	78%	
Student Retention	60%	48%	54%	67%	
Student Progression L1-4	37%	33%	37%	41%	

Overview of Financial Performance*			
Summary Financial Statements (\$000)	2010	2011	2012
<b>Revenue</b>			
Total government revenue	\$33,840	\$31,465	\$33,425
Domestic student fees	\$14,120	\$15,106	\$16,134
International student fees	\$2,392	\$2,467	\$3,422
Other income (including research)	\$6,246	\$6,900	\$7,441
Total revenue	\$56,598	\$55,938	\$60,422
<b>Expenses</b>			
Personnel	\$33,753	\$33,403	\$36,262
Total expenses	\$54,334	\$52,840	\$56,986
Net surplus (after unusual and non-recurring items)	\$2,264	\$3,342	\$3,704
<b>Assets</b>			
Property, plant, equipment and intangibles	\$83,625	\$82,845	\$84,748
Total assets	\$90,476	\$92,400	\$96,144
<b>Equity (net assets)</b>	\$82,677	\$84,063	\$87,767
<b>Cashflow</b>			
Net cashflow from operations	\$8,568	\$8,131	\$9,000
Purchase of property, plant, equipment and intangibles	\$5,457	\$6,630	\$7,103
<b>Other</b>			
Staffing FTE	447	437	461
Total EFTS to total staff FTE ratio	8 : 1	8 : 1	8 : 1
Total EFTS to teaching staff FTE ratio (academic and tutorial)	19 : 1	19 : 1	19 : 1

# SOUTHERN INSTITUTE OF TECHNOLOGY

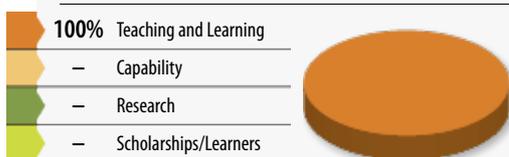
**Chair:** Sarah Brown  
**Chief Executive:** Penny Simmonds

- Main Campus**  
Invercargill
- Other Campus Locations**  
Gore, Christchurch, Queenstown

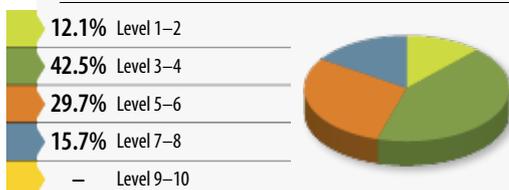
## NZQA EER

**Educational Performance:** Confident  
**Self-assessment:** Confident

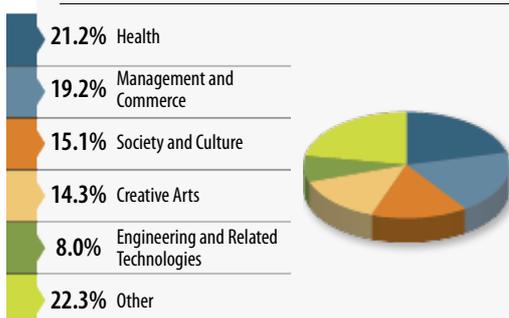
### Funding by TEC



### Delivery by Level



### Delivery by Subject



**The Southern Institute of Technology (SIT) generally improved its educational performance in 2012. Financially, SIT remained in a strong position.**

## Responsiveness

In SIT's 2012 Annual Report, Chair Sarah Brown, highlighted the completion of a \$5.5 million trades centre on SIT's Invercargill campus. The Trade Centre has a mix of new and redeveloped facilities, and is expected to provide job seekers with the skills and qualifications to support regional economic growth and to contribute to the Canterbury rebuild.

Further building and infrastructure development was covered by the Chief Executive, Penny Simmonds, in her review of the year. In 2012, SIT completed development of a \$1 million upgrade of the Nursing School to enhance nursing simulation and clinical suites. Building started on the student accommodation site that was purchased in Invercargill in 2011, and Hansen Hall, on the Tay Street campus, was substantially renovated. International educational partnership arrangements increased in 2012, with international student growth continuing to occur, although at a lower rate than in previous years.

Participation rates remained at almost the same levels to 2011. The majority of delivery was at Levels 3-4 (43%), Levels 5-6 (30%) and Levels 7-8 (16%). Provision increased at Levels 3-6, compared with 2011, and reduced at Levels 7-8, which went against the trend for the previous year. In 2012, the main fields of study at SIT were Health (21%), Management and Commerce (19%) and Society and Culture (15%). A significant proportion of SIT's delivery is via distance learning.

In 2012, Māori and Pasifika participation made up 14 percent and 3 percent of SIT's enrolments respectively, reflecting the region's demography. Māori participation was slightly down on the previous year. Participation for under-25-year-olds continued to show year-on-year increases but remained below the sector average, which is consistent with the region's demography. In 2012, SIT had 496 full fee-paying international EFTS (778 students).

SIT achieved many of its key performance indicators as outlined in its Statement of Service Performance.

## Effectiveness

In 2012, SIT achieved increases across three of the four educational performance indicators, compared with the previous year. However, with the exception of student progression, SIT remained below the ITP sector average on each indicator.

Achievement of under-25-year-olds and Pasifika students improved notably on the previous year, with course completion up by 6 percent and 4 percent respectively and qualification completion up by 17 percent and 13 percent respectively. Māori achievement also increased and moved closer to the ITP sector average.



## Capability

Total revenue increased by \$0.4 million (0.9%) from 2011 to 2012, and SIT continues to maintain a strong liquidity position. In 2012, SIT reported a net surplus of \$3.1 million (6.9% of total revenue), which was up on the 2011 result of \$2.9 million (6.5%).

SIT has applied to transfer into its own title the Crown titled land and buildings that it manages in Invercargill. The application was being assessed against the Cabinet-agreed criteria at year end.



## TES Priorities

Participation		
2012 Performance	SIT	ITP sector
Students under 25	44%	52%
Māori	14%	22%
Pasifika	3%	10%

Course Completion		
2012 Performance	SIT	ITP sector
All	72%	79%
Students under 25	73%	78%
Māori	67%	73%
Pasifika	56%	73%

Qualification Completion		
2012 Performance	SIT	ITP sector
All	64%	70%
Students under 25	67%	63%
Māori	60%	61%
Pasifika	39%	62%

Of the tertiary-aged population in the SIT region, 10% were identified as Māori and 20% as under the age of 25 years. Pasifika population figures were less than 1%. (Based on Statistics NZ 2011 population projections.)

Overview of Educational Performance – Formal SAC Funded EFTS only					
Enrolments	% of ITP sector	2010	2011	2012	
EFTS	5%	3,815	3,582	3,581	
Students	5%	9,178	6,474	6,878	
Educational Performance Indicators		ITP sector	2010	2011	2012
Successful Course Completion	79%	65%	70%	72%	
Qualification Completion	70%	43%	55%	64%	
Student Retention	60%	39%	38%	59%	
Student Progression L1-4	37%	45%	40%	40%	

Overview of Financial Performance*			
Summary Financial Statements (\$'000)	2010	2011	2012
<b>Revenue</b>			
Total government revenue	\$35,355	\$30,514	\$31,302
Domestic student fees	\$7,539	\$6,303	\$6,763
International student fees	\$2,852	\$3,601	\$3,919
Other income (including research)	\$2,856	\$4,373	\$3,234
Total revenue	\$48,602	\$44,791	\$45,218
<b>Expenses</b>			
Personnel	\$17,786	\$18,625	\$19,479
Total expenses	\$42,234	\$41,862	\$42,108
Net surplus (after unusual and non-recurring items)	\$6,368	\$2,929	\$3,110
<b>Assets</b>			
Property, plant, equipment and intangibles	\$58,802	\$59,817	\$66,363
Total assets	\$90,421	\$94,061	\$97,668
<b>Equity (net assets)</b>	\$84,336	\$88,017	\$91,150
<b>Cashflow</b>			
Net cashflow from operations	\$9,612	\$6,162	\$7,843
Purchase of property, plant, equipment and intangibles	\$7,628	\$4,735	\$10,126
<b>Other</b>			
Staffing FTE	312	317	332
Total EFTS to total staff FTE ratio	16 : 1	14 : 1	14 : 1
Total EFTS to teaching staff FTE ratio (academic and tutorial)	30 : 1	28 : 1	28 : 1

# TAI POUTINI POLYTECHNIC

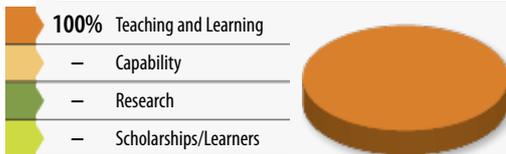
**Chair:** Graeme McNally  
**Chief Executive:** Allan Sargison

- Main Campus**  
Greymouth
- Other Campus Locations**  
Reefton, Hamilton, Westport,  
Auckland, Christchurch, Palmerston  
North, Invercargill, Wanaka

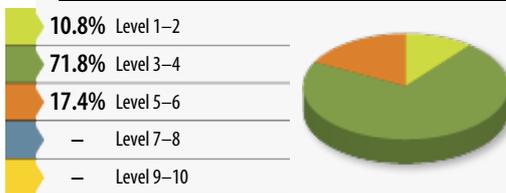
## NZQA EER

**Educational Performance:** Confident  
**Self-assessment:** Confident

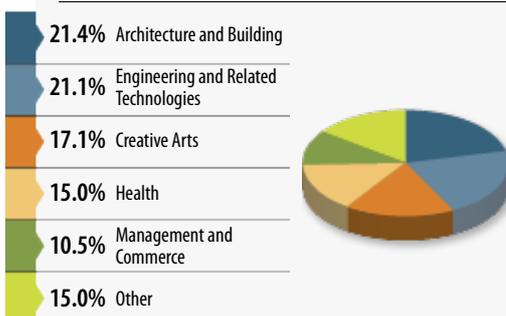
### Funding by TEC



### Delivery by Level



### Delivery by Subject



**Tai Poutini Polytechnic continued its strong educational performance across the TES priority groups in 2012. Financially, Tai Poutini improved on the previous year but was below the TEC guidelines on some measures.**

## Responsiveness

Chair Graeme McNally said in the Annual Report that it had been a very successful year and the polytechnic had improved its educational performance and achieved a positive financial result. Tai Poutini also made significant progress in positioning itself as a responsive and innovative polytechnic focused on responding to the needs of its region – as well as meeting national needs in a number of specialised industry-relevant disciplines. The most important initiative for 2012 was the strategy to increase the range and relevance of programmes provided on the West Coast, which resulted in increased provision in Buller and Greymouth. Further work was underway to establish how best to meet the needs of key industries. Other initiatives in 2012 included increased support for Christchurch, extending offerings of music/audio courses, and implementing an international strategy.

CEO Allan Sargison described the polytechnic as going steadily through a change of focus. In 2012 it achieved improved key performance indicators and growth in the scope, size and delivery of programmes. Tai Poutini's focus for the year had included priority trades, with significant attention given to the trades to help with the Canterbury rebuild and priority learners in Auckland. The Mining School was established in 2012, and Tai Poutini gained additional EFTS in 2013 for both mining engineering and priority trades. The CEO anticipated that the polytechnic would continue to focus on the further development of both programme delivery and capital infrastructure.

Tai Poutini's delivery increased in 2012 by 3 percent (50 EFTS), and was focused mostly on Levels 3-4 (72%), which increased as a proportion of total delivery by 11 percentage points (250 EFTS). The remainder of delivery was spread across Levels 5-6 (17%) and Levels 1-2 (11%). The largest fields of study were Architecture and Building (21%), Engineering and Related Technologies (21%) and Creative Arts (17%).

In 2012, participation for each of the TES priority groups (Māori, Pasifika and under-25-year-olds) increased. Māori and under-25-year-old students increased by 2 percentage points, while Pasifika increased by 4 percentage points. Only under-25-year-old participation was below the ITP sector average. Tai Poutini had 68 full fee-paying international EFTS (359 students) in 2012.

Tai Poutini achieved the majority of key performance indicators as outlined in its Statement of Service Performance.

## Effectiveness

Increases across all four educational performance indicators in 2012, demonstrated the effectiveness of Tai Poutini's education delivery. Tai Poutini was also above the ITP sector average for course completion. Performance by the TES priority groups was above the ITP sector averages for both course and qualification completion.



## Capability

In early 2012, the council initiated recruitment of a chief executive to replace Paul Wilson who had resigned in 2011. The position attracted strong applicants and, after in-depth evaluation, the council appointed Allan Sargison to the position.

Tai Poutini's total revenue increased by \$19,000 (0.1%) from 2011 to 2012. An increase in student tuition fees of \$0.6 million was offset by a reduction in other income.

Tai Poutini's total expenditure decreased by \$0.6 million (2.3%) in the same period, with a \$1.8 million decrease in personnel costs partially offset by increased operating costs. A net surplus of \$0.5 million (2.2%) was reported in 2012, which is a reversal of the deficit of \$46,000 (0.2%) that Tai Poutini reported in 2011.



## TES Priorities

Participation		
2012 Performance	Tai Poutini Polytechnic	ITP sector
Students under 25	43%	52%
Māori	27%	22%
Pasifika	12%	10%

Course Completion		
2012 Performance	Tai Poutini Polytechnic	ITP sector
All	81%	79%
Students under 25	83%	78%
Māori	78%	73%
Pasifika	80%	73%

Qualification Completion		
2012 Performance	Tai Poutini Polytechnic	ITP sector
All	67%	70%
Students under 25	72%	63%
Māori	64%	61%
Pasifika	67%	62%

Of the tertiary-aged population in the Tai Poutini region, 9% were identified as Māori and 18% as under the age of 25 years. Pasifika population figures were less than 1%. (Based on Statistics NZ 2011 population projections.)

Overview of Educational Performance – Formal SAC Funded EFTS only					
Enrolments	% of ITP sector	2010	2011	2012	
EFTS	3%	2,219	1,974	2,023	
Students	4%	7,768	5,365	5,098	
Educational Performance Indicators		ITP sector	2010	2011	2012
Successful Course Completion	79%	79%	79%	81%	
Qualification Completion	70%	47%	57%	67%	
Student Retention	60%	32%	36%	45%	
Student Progression L1-4	37%	21%	17%	21%	

Overview of Financial Performance*			
Summary Financial Statements (\$000)	2010	2011	2012
<b>Revenue</b>			
Total government revenue	\$21,141	\$17,797	\$17,944
Domestic student fees	\$4,456	\$4,097	\$4,604
International student fees	\$0	\$0	\$85
Other income (including research)	\$1,091	\$2,454	\$1,734
Total revenue	\$26,688	\$24,348	\$24,367
<b>Expenses</b>			
Personnel	\$16,482	\$15,300	\$13,493
Total expenses	\$26,064	\$24,394	\$23,831
Net surplus (after unusual and non-recurring items)	\$624	-\$46	\$536
<b>Assets</b>			
Property, plant, equipment and intangibles	\$16,328	\$15,570	\$14,799
Total assets	\$21,780	\$21,586	\$22,110
<b>Equity (net assets)</b>	\$18,699	\$18,636	\$19,165
<b>Cashflow</b>			
Net cashflow from operations	\$2,809	\$1,491	\$1,764
Purchase of property, plant, equipment and intangibles	\$4,318	\$1,067	\$920
<b>Other</b>			
Staffing FTE	185	211	172
Total EFTS to total staff FTE ratio	12 : 1	11 : 1	14 : 1
Total EFTS to teaching staff FTE ratio (academic and tutorial)	19 : 1	17 : 1	27 : 1

# UNITEC INSTITUTE OF TECHNOLOGY

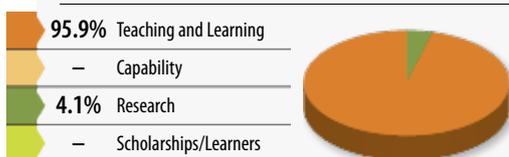
**Chair:** Ted van Arkel  
**Chief Executive:** Dr Rick Ede

- Main Campus**  
Mt Albert, Auckland
- Other Campus Locations**  
Newmarket (Auckland), Waitakere (Auckland), Albany (Auckland)

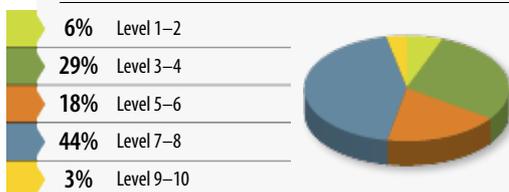
## NZQA EER

**Educational Performance:** Highly Confident  
**Self-assessment:** Confident

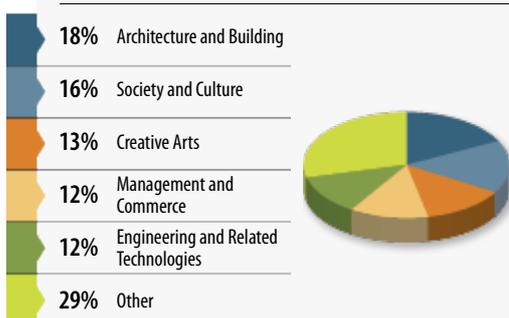
## Funding by TEC



## Delivery by Level



## Delivery by Subject



**In 2012, Unitec Institute of Technology (Unitec) continued to perform well overall. Educational performance improved on the previous year, and Unitec remained in a healthy financial position.**

## Responsiveness

In the Annual Report, Chair Ted van Arkel explained that an important focus for the 2012 year had been to look at strategies to accelerate the pace of Unitec’s transformation. This had led to new projects and increased investment in existing projects that facilitate change and help to increase the contribution Unitec makes to the economic and social wellbeing of New Zealand.

Projects based on new and innovative models of delivery included: an agreement with IBM to establish an IBM Delivery Centre at Unitec’s Mount Albert campus; the launch of the first Cyber Security Research Centre in New Zealand in collaboration with Japan’s National Institute of Information and Communications Technology; and a joint venture with the Rosebank Business Association to work alongside businesses on projects that encourage innovation, build capacity and enhance competitiveness.

In terms of curriculum development, Unitec had moved to align its provision with industries identified as growth areas in the Auckland Plan and to work in collaboration with Manukau Institute of Technology to better align trades provision across Auckland.

Chief Executive Rick Ede highlighted work that the council and senior leadership group had undertaken to ensure Unitec continued to be responsive to its rapidly changing environment. Equity of success is a key long-term objective, and Unitec continued to ensure that all programmes were responsive to the needs of learners. Successes for 2012 included Unitec’s high ratings in the Australasian Survey of Student Engagement, and the results of the graduate destination survey that showed 74 percent of graduates were in employment relevant to their area of study within three months of graduating. New developments included the launch of the Awhina Health Campus at Waitakere Hospital in partnership with the Waitemata District Health Board.

In 2012, Unitec experienced a 2 percent increase in enrolments (163 EFTS). Unitec’s delivery was primarily at Levels 7–8 (44%), Levels 3–4 (29%) and Levels 5–6 (18%). The main fields of study were Architecture and Building (18%), Society and Culture (16%) and Creative Arts (13%). Participation increased for Pasifika and under-25-year-olds and remained above the ITP sector average. Māori participation remained at the same level as 2011 and, although below the ITP sector average, was in line with the demography of the region. In 2012, Unitec had 1640 full fee-paying international EFTS (2920 students).

Unitec achieved most of the key performance indicators outlined in its Statement of Service Performance. Where targets were not met, the difference between actual and target was marginal.

## Effectiveness

In 2012, the effectiveness of Unitec’s education delivery was demonstrated by increases in each of the educational performance indicators against 2011. Unitec was above, or on par with, the ITP sector average for all indicators, except qualification completion.

Performance of the TES priority groups improved against 2011 results, with Māori course completion on a par with the sector average. For Pasifika and students under 25 years, however, the results were below the ITP sector average.



## Capability

Total revenue increased by \$8.2 million (5.7%) from 2011 to 2012, with \$2.1 million of the increase coming from government funding and \$2.2 million from student tuition fees.

Total expenditure increased by \$9.1 million (6.5%), with personnel costs contributing \$5.6 million of the increase. Unitec reported a net surplus of \$3.9 million (2.6%) in 2012, which was down on the 2011 result of \$4.7 million (3.3%).

Unitec's total borrowing, which is helping fund campus developments, decreased from \$10.4 million at the end of 2011 to \$3.8 million at the end of 2012.



## TES Priorities

Participation		
2012 Performance	Unitec	ITP sector
Students under 25	57%	52%
Māori	11%	22%
Pasifika	17%	10%

Course Completion		
2012 Performance	Unitec	ITP sector
All	79%	79%
Students under 25	76%	78%
Māori	73%	73%
Pasifika	68%	73%

Qualification Completion		
2012 Performance	Unitec	ITP sector
All	64%	70%
Students under 25	55%	63%
Māori	54%	61%
Pasifika	49%	62%

Of the tertiary-aged population in the Auckland region, 11% were identified as Māori, 14% as Pasifika and 22% as under the age of 25 years. (Based on Statistics NZ 2011 population projections.)

Overview of Educational Performance – Formal SAC Funded EFTS only				
Enrolments	% of ITP sector	2010	2011	2012
EFTS	13%	8,378	8,319	8,483
Students	10%	15,143	13,470	13,072
Educational Performance Indicators	ITP sector	2010	2011	2012
Successful Course Completion	79%	77%	78%	79%
Qualification Completion	70%	52%	57%	64%
Student Retention	60%	64%	59%	69%
Student Progression L1-4	37%	35%	37%	41%

Overview of Financial Performance*			
Summary Financial Statements (\$000)	2010	2011	2012
<b>Revenue</b>			
Total government revenue	\$79,087	\$79,137	\$81,322
Domestic student fees	\$32,449	\$33,309	\$34,089
International student fees	\$16,866	\$20,299	\$21,743
Other income (including research)	\$10,701	\$10,987	\$14,820
Total revenue	\$139,103	\$143,732	\$151,974
<b>Expenses</b>			
Personnel	\$81,712	\$86,824	\$92,434
Total expenses	\$130,229	\$139,007	\$148,075
Net surplus (after unusual and non-recurring items)	\$8,874	\$4,725	\$3,899
<b>Assets</b>			
Property, plant, equipment and intangibles	\$222,047	\$227,627	\$229,017
Total assets	\$228,832	\$236,961	\$236,549
<b>Equity (net assets)</b>	\$197,746	\$201,230	\$205,128
<b>Cashflow</b>			
Net cashflow from operations	\$22,110	\$15,791	\$19,719
Purchase of property, plant, equipment and intangibles	\$15,053	\$18,247	\$11,797
<b>Other</b>			
Staffing FTE	1,119	1,181	1,185
Total EFTS to total staff FTE ratio	9 : 1	9 : 1	9 : 1
Total EFTS to teaching staff FTE ratio (academic and tutorial)	18 : 1	17 : 1	18 : 1

# UNIVERSAL COLLEGE OF LEARNING

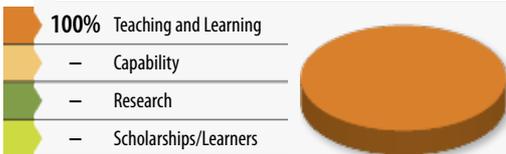
**Chair:** Trevor Goodwin  
**Chief Executive:** Paul McElroy

- Main Campus**  
Palmerston North
- Other Campus Locations**  
Whanganui, Masterton

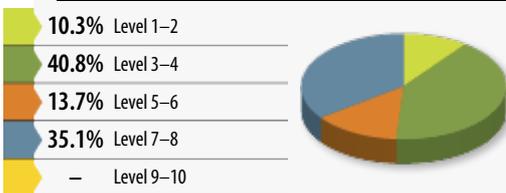
## NZQA EER

**Educational Performance:** Confident  
**Self-assessment:** Confident

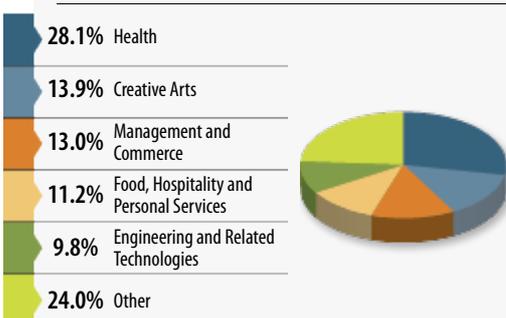
## Funding by TEC



## Delivery by Level



## Delivery by Subject



**Universal College of Learning (UCOL) continued to improve its educational performance in 2012. UCOL's financial performance remained in a healthy position, although not as strong as in 2011.**

## Responsiveness

The 2012 year was described by Chair Trevor Goodwin in the Annual Report as particularly challenging but one where real progress had been made. Achievements that demonstrated responsiveness included: successful completion of the Safer UCOL Buildings Project; a successful NZQA External Evaluation Review; Project Transform's role in improving educational performance; UCOL's contribution to the draft Whanganui Education Plan and joint Taskforce; and the opening of new facilities. These included the Regional Trades and Technology Centre in Palmerston North, Le Cordon Bleu Institute in Wellington and the U-Kinetics health and wellness training facility in Wellington. U-Kinetics was opened in collaboration with the MidCentral District Health Board, MidCentral Primary Health Organisation, Health Workforce New Zealand and TBI Health.

Chief Executive Paul McElroy highlighted the role of Project Transform, an initiative introduced in 2010 to lift educational performance through improved teaching and learning. Its impact was reflected in the results of the 2012 NZQA External Evaluation Review, which provided a 'confident' rating for UCOL in both educational performance and self-assessment, with the Bachelor of Nursing programme receiving an 'excellent' rating. UCOL developed an innovative relationships-based programme designed to improve the educational success of students. The goals are to increase the number of Māori and Pasifika graduates, produce graduates who are culturally competent, and achieve parity in completions between Māori and non-Māori students.

In 2012, UCOL's enrolments decreased by 2 percent (53 EFTS). The majority of UCOL's delivery was at Levels 3-4 (41%), Levels 7-8 (35%) and Levels 5-6 (14%). The largest areas of delivery were Health (28%), Creative Arts (14%) and Management and Commerce (13%).

Participation of the TES priority groups (Māori, Pasifika and under-25-year-olds) either increased or remained the same as for 2011. Participation for Māori increased to 26 percent and was above the ITP sector average (22%), as was participation for under-25-year-olds at 64 percent, compared with the sector average (52%). In 2012, UCOL had 253 full fee-paying international EFTS (428 students).

UCOL performed well in terms of its key performance indicators as outlined in its Statement of Service Performance.

## Effectiveness

Increases in each of the educational performance indicators demonstrated improvements in the effectiveness of UCOL's education delivery. UCOL was above the ITP sector averages for student retention and progression but below average on course and qualification completion.

In general, achievement for the TES priority groups was below the ITP sector averages but showed improvement on 2011 performance. A particularly strong increase occurred in course completion for Māori, which was up 8 percentage points, compared with the previous year.



## Capability

Recommendations from a 2012 governance effectiveness review have contributed to governance development at UCOL.

Total revenue increased in 2012 by \$0.8 million (1.5%). The surplus of \$56,000 (0.1%) was down on the 2011 result of \$2.2 million (4.2%). UCOL reported costs for restructuring of \$1.1 million, \$1.0 million for addressing building seismic risks and a \$0.9 million loss from the Le Cordon Bleu New Zealand Institute Partnership Ltd.

A revaluation write down in 2012 resulted in a reduction in equity of \$15.0 million and contributed to the fall in the asset value.

UCOL faces a significant reduction in revenue of \$2.6 million in 2013 and, in the last quarter of 2012, management embarked on a process to realign UCOL's activities with the new lower funding levels.



## TES Priorities

Participation		
2012 Performance	UCOL	ITP sector
Students under 25	64%	52%
Māori	26%	22%
Pasifika	5%	10%

Course Completion		
2012 Performance	UCOL	ITP sector
All	73%	79%
Students under 25	71%	78%
Māori	65%	73%
Pasifika	64%	73%

Qualification Completion		
2012 Performance	UCOL	ITP sector
All	65%	70%
Students under 25	59%	63%
Māori	51%	61%
Pasifika	60%	62%

Of the tertiary-aged population in the UCOL region, 18% were identified as Māori, 2% as Pasifika, and 23% as under the age of 25 years. (Based on Statistics NZ 2011 population projections.)

Overview of Educational Performance – Formal SAC Funded EFTS only					
Enrolments	% of ITP sector	2010	2011	2012	
EFTS	5%	3,410	3,204	3,151	
Students	3%	5,500	4,594	4,242	
Educational Performance Indicators		ITP sector	2010	2011	2012
Successful Course Completion	79%	62%	71%	73%	
Qualification Completion	70%	51%	65%	65%	
Student Retention	60%	51%	55%	65%	
Student Progression L1-4	37%	28%	35%	43%	

Overview of Financial Performance*			
Summary Financial Statements (\$000)	2010	2011	2012
<b>Revenue</b>			
Total government revenue	\$35,925	\$31,527	\$31,744
Domestic student fees	\$13,198	\$14,118	\$13,504
International student fees	\$2,784	\$3,544	\$3,293
Other income (including research)	\$4,658	\$3,169	\$4,585
Total revenue	\$56,565	\$52,358	\$53,126
<b>Expenses</b>			
Personnel	\$28,245	\$27,960	\$28,383
Total expenses	\$51,897	\$48,964	\$50,051
Net surplus (after unusual and non-recurring items)	\$4,668	\$2,195	\$56
<b>Assets</b>			
Property, plant, equipment and intangibles	\$130,622	\$121,951	\$119,778
Total assets	\$156,332	\$149,143	\$131,007
<b>Equity (net assets)</b>	\$130,940	\$124,224	\$109,246
<b>Cashflow</b>			
Net cashflow from operations	\$10,940	\$7,932	\$5,475
Purchase of property, plant, equipment and intangibles	\$4,496	\$5,885	\$17,866
<b>Other</b>			
Staffing FTE	432	433	447
Total EFTS to total staff FTE ratio	9 : 1	9 : 1	8 : 1
Total EFTS to teaching staff FTE ratio (academic and tutorial)	19 : 1	18 : 1	16 : 1

# WAIARIKI INSTITUTE OF TECHNOLOGY

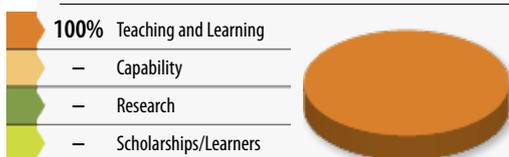
**Chair:** Graeme Nahkies  
**Chief Executive:** Professor Margaret Noble

- Main Campus**  
Rotorua (Mokoia)
- Other Campus Locations**  
Taupo, Tokoroa, Whakatane, Waipa

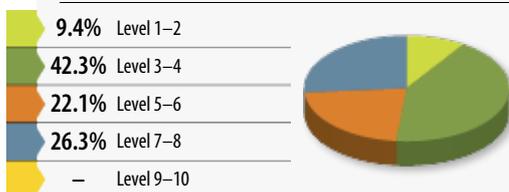
## NZQA EER

**Educational Performance:** Confident  
**Self-assessment:** Confident

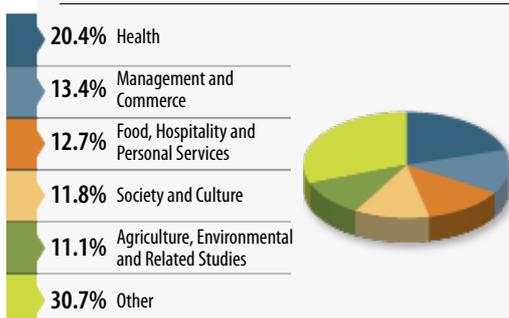
## Funding by TEC



## Delivery by Level



## Delivery by Subject



**Waiariki Institute of Technology's educational performance continued to improve in 2012 coming much closer to the ITP sector average. Waiariki remained in a stable financial position but was below the TEC guidelines on some measures.**

## Responsiveness

In Waiariki's 2012 Annual Report, Chair Graeme Nahkies, Chief Executive Professor Margaret Noble and Te Mana Mātauranga Chair Aubrey Kohunui provided a joint report. Highlights of the year included the opening of the Wood Manufacturing Centre at Waipa and the \$4.5 million Te Tāhūhūroa o Ihenga building at the Mokoia Campus, which is the teaching and administration centre for the Te Pākaro a Ihenga: the Faculty of Health, Education and Humanities.

To better serve regional economic and social need, Waiariki continued to diversify the portfolio of courses and qualifications that it offered. New programmes were developed in foundation vocational skills, electrical and related trades, health and rehabilitation, beauty therapy, and two new Bachelor degrees in Teaching Early Childhood Education. New programmes were also developed at graduate and post-graduate level to be offered from 2013 in Health Studies, Resource Management and Applied Management.

During 2012, new collaborative pathways were created with Tai Poutini Polytechnic for Contemporary Music Performance and Wellington Institute of Technology for the Diploma in Beauty Therapy. Waiariki is committed to increasing trade training provision, particularly for Māori, and to supporting the Canterbury rebuild. In 2012, the first students graduated from the two-year Eastern Bay of Plenty Trades Academy programme, and the Trades Academy has been extended to include Rotorua.

Waiariki's enrolments increased by 10 percent (273 EFTS), compared with 2011, with most of this increase at Levels 3-4. In 2012, the majority of Waiariki's delivery was at Levels 3-4 (42%), Levels 7-8 (26%) and Levels 5-6 (22%). The main fields of study were Health (20%), Management and Commerce (13%) and Food, Hospitality and Personal Services (13%).

Waiariki has the highest level of Māori participation in the ITP sector (57%), and participation of under-25-year-olds (53%) was also well above the ITP sector average. Pasifika participation increased compared with 2011 and was above the regional demographic level. Waiariki had 806 full fee-paying international EFTS (1315 students) in 2012, the third largest in the ITP sector.

Waiariki met the majority of key performance indicators outlined in its Statement of Service Performance.

## Effectiveness

In 2012, the effectiveness of Waiariki's education delivery was demonstrated by improvement across three of the four education performance indicators. It achieved above the ITP sector average for student retention, and increased 4 percentage points for course completion to bring it close to the ITP sector average. Waiariki's qualification completion and student retention also improved substantially on the previous year, up 13 and 9 percentage points respectively.

The year on year improvement in the achievement among the TES priority groups (Māori, Pasifika and under-25-year-olds), meant that these were generally only marginally below the ITP sector averages in 2012. Pasifika students were the exception, and were on a par with the ITP sector average for course completion (73%) and above average for qualification completion (67%).



## Capability

Prior to the arrival of Professor Noble in October 2012, Waiariki had a period of acting chief executives. This had a flow-on effect through the organisation with a number of senior management positions covered in an acting capacity.

Total revenue increased by \$3.5 million (7.1%) from 2011 to 2012, with notable increases in government funding (\$2.4 million) and international student tuition fees (\$0.9 million). Total expenses increased by \$7.2 million (16.4%) in the same period, with personnel costs up \$4.7 million.

In 2012, Waiariki reported a net surplus of \$1.4 million (2.6%), which was down on the 2011 result of \$5.1 million (10.4%).



## TES Priorities

Participation		
2012 Performance	Waiariki	ITP sector
Students under 25	53%	52%
Māori	57%	22%
Pasifika	7%	10%

Course Completion		
2012 Performance	Waiariki	ITP sector
All	77%	79%
Students under 25	74%	78%
Māori	72%	73%
Pasifika	73%	73%

Qualification Completion		
2012 Performance	Waiariki	ITP sector
All	68%	70%
Students under 25	61%	63%
Māori	59%	61%
Pasifika	67%	62%

Of the tertiary-aged population in the Waiariki region, 37% were identified as Māori, 3% as Pasifika and 22% as under the age of 25 years. (Based on Statistics NZ 2011 population projections.)

Overview of Educational Performance – Formal SAC Funded EFTS only					
Enrolments	% of ITP sector	2010	2011	2012	
EFTS	5%	2,968	2,663	2,937	
Students	3%	5,222	4,106	4,226	
Educational Performance Indicators		ITP sector	2010	2011	2012
Successful Course Completion	79%	65%	73%	77%	
Qualification Completion	70%	44%	55%	68%	
Student Retention	60%	39%	54%	63%	
Student Progression L1-4	37%	39%	29%	29%	

Overview of Financial Performance*			
Summary Financial Statements (\$000)	2010	2011	2012
<b>Revenue</b>			
Total government revenue	\$30,614	\$25,900	\$28,292
Domestic student fees	\$8,750	\$9,229	\$9,198
International student fees	\$6,018	\$9,798	\$10,656
Other income (including research)	\$3,329	\$3,778	\$4,025
Total revenue	\$48,711	\$48,705	\$52,171
<b>Expenses</b>			
Personnel	\$26,232	\$28,556	\$33,254
Total expenses	\$40,899	\$43,629	\$50,791
Net surplus (after unusual and non-recurring items)	\$7,812	\$5,076	\$1,380
<b>Assets</b>			
Property, plant, equipment and intangibles	\$46,307	\$51,826	\$56,896
Total assets	\$67,401	\$76,356	\$75,500
<b>Equity (net assets)</b>	\$60,260	\$65,336	\$66,716
<b>Cashflow</b>			
Net cashflow from operations	\$12,859	\$11,157	\$2,597
Purchase of property, plant, equipment and intangibles	\$3,307	\$7,926	\$9,172
<b>Other</b>			
Staffing FTE	327	394	459
Total EFTS to total staff FTE ratio	11 : 1	9 : 1	9 : 1
Total EFTS to teaching staff FTE ratio (academic and tutorial)	22 : 1	17 : 1	17 : 1

# WAIKATO INSTITUTE OF TECHNOLOGY

**Chair:** Gordon Chesterman until April 2012  
(Current: Mary Cave-Palmer)

**Chief Executive:** Mark Flowers

## Main Campus

Hamilton (City), Rotokauri

## Other Campus Locations

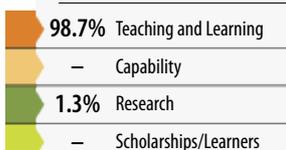
Thames, Te Kuiti, Otorohanga,  
Hamilton Gardens

## NZQA EER

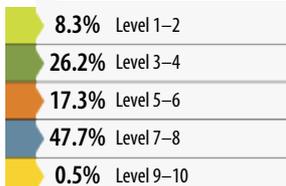
Educational Performance: Highly Confident

Self-assessment: Confident

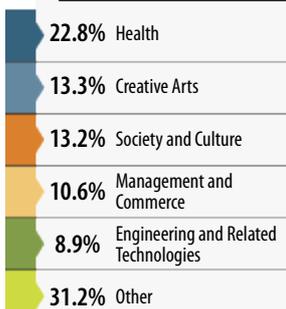
## Funding by TEC



## Delivery by Level



## Delivery by Subject



**Waikato Institute of Technology (Wintec) continued to perform well educationally and remained in a healthy financial position in 2012.**

## Responsiveness

Council Chair, Mary Cave-Palmer, and Chief Executive, Mark Flowers provided a joint review for Wintec's 2012 Annual Report. Achievements in 2012 included improved academic performance for students, value-led initiatives for students and employers, and an expanded international focus to include off-shore delivery. Campus facilities were modernised, Wintec was recognised with a business excellence award, and the organisation posted a positive financial result.

Māori achievement remained a strategic priority that was strengthened by the opening of a new marae, Te Kōpū Mānia o Kirikiriroa, at the city campus, by King Tuheitia in February. The Media Arts building on the city campus was refurbished, and a new entrance to the Rotokauri campus was completed.

Relationships with secondary schools were extended to create more pathways, and the trades academies in Hamilton and Te Kuiti were operating as partnerships between Wintec and local secondary schools. Wintec's commitment to internationalisation was demonstrated by increased enrolments, more international partnerships, and greater involvement in emerging off-shore delivery options. An off-shore campus is to be established at Chengdu University in China, with English language courses to be taught from 2014. Wintec's Employer Partnership Groups continued to provide regular interaction with industry and practical research requests from local industry resulted in 47 research vouchers commissioned in 2012.

Wintec's enrolments in 2012 increased by 1 percent (65 EFTS), compared with 2011. Most of this increase was at Levels 7–8, which made up 48 percent of delivery in 2012, with Levels 3–4 (26%) and Levels 5–6 (17%) making up the other largest shares. The main fields of study were Health (23%), Creative Arts (13%) and Society and Culture (13%).

Participation of Māori and under-25-year-old students remained above the ITP sector average, while Pasifika student participation was below average but representative of regional demography. In 2012 Wintec had 662 full fee-paying international EFTS (1137 students).

Wintec achieved the majority of key performance indicators outlined in its Statement of Service Performance with only marginal differences between target and actual.

## Effectiveness

In 2012, Wintec's education delivery was above or on par with the ITP sector averages across all four of the educational performance indicators (EPIs). Each of the EPIs also increased compared with 2011 results, except for course completion, which dropped slightly. Student retention increased 13 percentage points on the previous year.

Achievement by each of the TES priority groups (Māori, Pasifika and under-25-year-olds) was below the ITP sector average yet showed improvement. Small increases were achieved in qualification completion for all groups, with Pasifika qualification completion increasing from 49% in 2011 to 57% in 2012, and larger increases were made in retention and progression for all groups.



## Capability

In April 2012 Gordon Chesterman retired as council Chair after serving for 10 years. His contribution was recognised in a series of well-attended farewell events with staff, council members, and the community. The Minister for Tertiary Education, Skills and Employment appointed Mary Cave-Palmer, the former Deputy Chair, as council Chair in September 2012 and subsequently appointed Pam Roa to the consequential vacancy.

In 2012, Wintec reported a net surplus of \$3.6 million (4.1%), which was up on the 2011 result of \$3.3 million (3.9%). Wintec's 2012 total revenue increased from 2011 by \$4.3 million, with \$3.4 million of the increase coming from additional domestic and international student tuition fees.



## TES Priorities

Participation		
2012 Performance	Wintec	ITP sector
Students under 25	62%	52%
Māori	23%	22%
Pasifika	6%	10%

Course Completion		
2012 Performance	Wintec	ITP sector
All	79%	79%
Students under 25	77%	78%
Māori	70%	73%
Pasifika	68%	73%

Qualification Completion		
2012 Performance	Wintec	ITP sector
All	69%	70%
Students under 25	59%	63%
Māori	56%	61%
Pasifika	57%	62%

Of the tertiary-aged population in the Wintec region, 18% were identified as Māori, 3% as Pasifika and 23% as under the age of 25 years. (Based on Statistics NZ 2011 population projections.)

Overview of Educational Performance – Formal SAC Funded EFTS only					
Enrolments	% of ITP sector	2010	2011	2012	
EFTS	8%	4,918	4,943	5,008	
Students	6%	9,886	7,681	7,562	
Educational Performance Indicators		ITP sector	2010	2011	2012
Successful Course Completion	79%	77%	80%	79%	
Qualification Completion	70%	61%	64%	69%	
Student Retention	60%	59%	58%	71%	
Student Progression L1-4	37%	33%	45%	55%	

Overview of Financial Performance*			
Summary Financial Statements (\$000)	2010	2011	2012
<b>Revenue</b>			
Total government revenue	\$49,198	\$49,467	\$49,478
Domestic student fees	\$17,277	\$18,752	\$20,687
International student fees	\$7,488	\$7,545	\$8,990
Other income (including research)	\$8,909	\$7,598	\$8,562
Total revenue	\$82,872	\$83,362	\$87,717
<b>Expenses</b>			
Personnel	\$44,113	\$47,584	\$48,467
Total expenses	\$80,153	\$80,093	\$84,101
Net surplus (after unusual and non-recurring items)	\$2,719	\$3,269	\$3,616
<b>Assets</b>			
Property, plant, equipment and intangibles	\$129,313	\$138,474	\$141,630
Total assets	\$135,548	\$159,394	\$158,151
<b>Equity (net assets)</b>	\$113,258	\$119,974	\$122,525
<b>Cashflow</b>			
Net cashflow from operations	\$14,385	\$10,598	\$11,661
Purchase of property, plant, equipment and intangibles	\$23,519	\$15,060	\$10,833
<b>Other</b>			
Staffing FTE	614	610	640
Total EFTS to total staff FTE ratio	11 : 1	11 : 1	11 : 1
Total EFTS to teaching staff FTE ratio (academic and tutorial)	20 : 1	20 : 1	19 : 1

# WELLINGTON INSTITUTE OF TECHNOLOGY

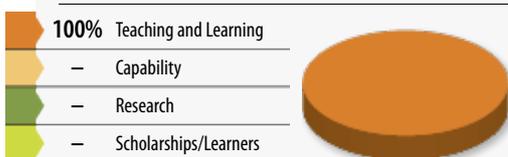
**Chair:** Hon Roger Sowry  
**Chief Executive:** Dr Linda Sissons

- **Main Campus**  
Petone (Wellington)
- **Other Campus Locations**  
Auckland, Christchurch

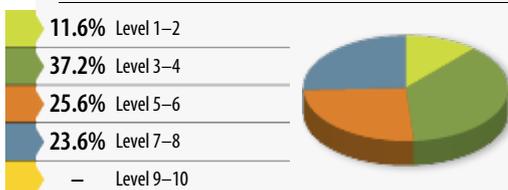
## NZQA EER

**Educational Performance:** Highly Confident  
**Self-assessment:** Confident

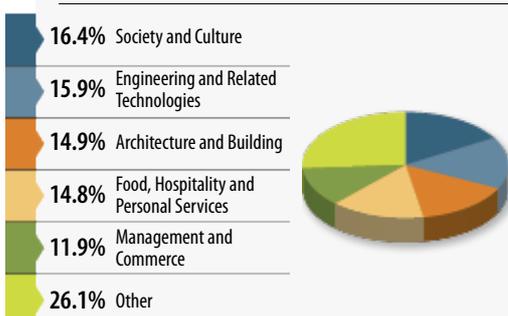
### Funding by TEC



### Delivery by Level



### Delivery by Subject



**In 2012, Wellington Institute of Technology (WelTec) continued its strong educational performance, staying above the ITP sector average. WelTec remained in a stable financial position but was below the TEC guidelines on some measures.**

## Responsiveness

A significant number of events in 2012 marked achievements that had been years in the making, and were described by the council Chair, Hon Roger Sowry, in the Annual Report. These were: the launch of WelTec’s new \$13 million hospitality campus in Wellington, which includes a joint venture between WelTec and Le Cordon Bleu New Zealand Institute; the Students First strategic partnership with Whitireia; acquisition of the assets of Computer Power Plus as a joint venture of the partnership; and developments to provide student accommodation in Wellington. The strategic partnership with Whitireia is steered by a single combined council that governs and provides a consistent direction for tertiary level vocational education in the Wellington region. Priorities in the first year included: establishing combined governance processes and a joint Academic Board; developing a Shared Services Strategy and a Shared Campus Planning Strategy; developing a shared brand, joint domestic and international marketing and working with advisory committees.

Achievements highlighted by the Chief Executive, Dr Linda Sissons, included the agreement with Guangxi Polytechnic of Construction in China whereby its students will complete engineering and creative technology diplomas at WelTec; recognition of WelTec’s School of Information Technology as the first National Academy for CompTIA in New Zealand; and work with the Department of Corrections to help reduce reoffending by delivering trades training. In 2012, the Pacific Trades Scholarships were launched, a joint approach across the Wellington region involving both WelTec and Whitireia working with the Pacific Churches Ministers’ Group.

The majority of delivery was at Levels 3–4 (37%), Levels 5–6 (26%) and Levels 7–8 (26%). Overall provision decreased by 3 percent (83 EFTS), compared with 2011. The main fields of study were Engineering and Related Technologies (16%), Society and Culture (16%) and Architecture and Building (15%).

Participation was above the ITP sector average for students under 25 years of age and Pasifika, while Māori participation was below. In each case, participation had either remained the same or increased, compared with 2011. In 2012, WelTec had 347 full fee-paying international EFTS (481 students).

WelTec achieved most of the key performance targets outlined in its Statement of Service Performance.

## Effectiveness

WelTec’s results were above the ITP sector average on all four of the educational performance indicators. With the exception of student progression, performance improved on each measure.

The achievement of the TES priority groups (Māori, Pasifika and under-25-year-olds) was either above or on par with the ITP sector average. In each case, performance improved compared with the previous year. Notably, course completion increased for under-25-year-olds, Māori and Pasifika students by 5, 8 and 10 percentage points respectively.



## Capability

The WelTec Whitireia combined council was established with 12 members on 1 January 2012. Governance arrangements provided for a reduction in the number of council members to eight, in two stages by January 2014.

WelTec's total revenue increased by \$2.4 million (4.5%) from 2011 to 2012. This represented an increase of \$0.7 million in government funding and \$2.7 million in student fees, partially offset by a reduction in other income. Operating expenses increased by \$3.0 million (5.9%) for 2012, with increased personnel costs of \$1.2 million.

WelTec reported a net deficit of \$0.3 million (0.6%), compared with a surplus of \$2.7 million (5.3%) in 2011. WelTec showed a \$0.7 million net loss from its investment in associates, principally Le Cordon Bleu New Zealand Institute Limited Partnership – which began taking students in September 2012.



## TES Priorities

Participation		
2012 Performance	Weltec	ITP sector
Students under 25	63%	52%
Māori	18%	22%
Pasifika	11%	10%

Course Completion		
2012 Performance	Weltec	ITP sector
All	82%	79%
Students under 25	80%	78%
Māori	77%	73%
Pasifika	76%	73%

Qualification Completion		
2012 Performance	Weltec	ITP sector
All	71%	70%
Students under 25	63%	63%
Māori	63%	61%
Pasifika	63%	62%

Of the tertiary-aged population in the Wellington region, 12% were identified as Māori, 8% as Pasifika and 22% as under the age of 25 years. (Based on Statistics NZ 2011 population projections.)

Overview of Educational Performance – Formal SAC Funded EFTS only				
Enrolments	% of ITP sector	2010	2011	2012
EFTS	5%	2,905	3,122	3,039
Students	3%	4,786	4,988	4,547
Educational Performance Indicators	ITP sector	2010	2011	2012
Successful Course Completion	79%	75%	77%	82%
Qualification Completion	70%	64%	64%	71%
Student Retention	60%	61%	64%	67%
Student Progression L1-4	37%	39%	40%	38%

Overview of Financial Performance*			
Summary Financial Statements (\$000)	2010	2011	2012
<b>Revenue</b>			
Total government revenue	\$33,581	\$32,278	\$33,017
Domestic student fees	\$9,491	\$10,704	\$12,043
International student fees	\$3,963	\$3,775	\$5,095
Other income (including research)	\$6,310	\$5,829	\$4,793
Total revenue	\$53,345	\$52,586	\$54,948
<b>Expenses</b>			
Personnel	\$28,290	\$29,882	\$31,120
Total expenses	\$50,279	\$50,756	\$53,764
Net surplus (after unusual and non-recurring items)	\$3,066	\$2,765	-\$315
<b>Assets</b>			
Property, plant, equipment and intangibles	\$59,781	\$61,256	\$65,399
Total assets	\$84,290	\$87,703	\$86,962
<b>Equity (net assets)</b>	\$68,642	\$73,224	\$72,770
<b>Cashflow</b>			
Net cashflow from operations	\$9,501	\$5,857	\$5,633
Purchase of property, plant, equipment and intangibles	\$4,296	\$4,511	\$9,514
<b>Other</b>			
Staffing FTE	397	402	444
Total EFTS to total staff FTE ratio	11 : 1	12 : 1	10 : 1
Total EFTS to teaching staff FTE ratio (academic and tutorial)	22 : 1	23 : 1	20 : 1

# WESTERN INSTITUTE OF TECHNOLOGY AT TARANAKI

**Chair:** Mary Bourke  
**Chief Executive:** Richard Handley to April 2013;  
 Barbara George from October 2013  
 (Interim: Dr Jan Lockett-Kay)

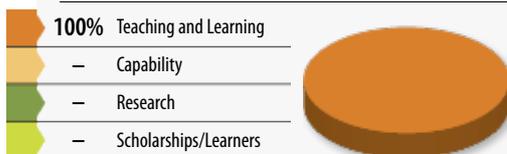
**Main Campus**  
 New Plymouth



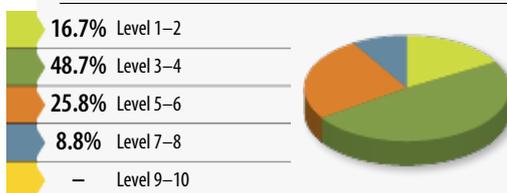
## NZQA EER

**Educational Performance:** Highly Confident  
**Self-assessment:** Confident

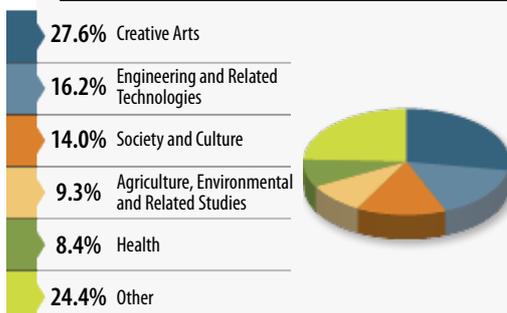
## Funding by TEC



## Delivery by Level



## Delivery by Subject



**In 2012, the Western Institute of Technology at Taranaki (WITT) continued to improve its overall educational performance. WITT remained in a financially stable position.**

## Responsiveness

Council Chair Mary Bourke and former Chief Executive, Richard Handley, provided a combined review for WITT's 2012 Annual Report. WITT continued to drive its results through the 'pillars' of the vision that frames its operational strategies: student experience, community partnership and ownership, academic viability and rigour, and financial viability and sustainability. The year saw the implementation of the Academic Strategy and Rautaki Māori, and the development of a Youth Strategy. These three strategies set a framework for achieving greater levels of engagement from Māori and young people.

Campus developments included upgraded teaching spaces, improved space utilisation and improved landscaping. WITT was also developing a Tertiary Village with tenancies by like-minded tertiary organisations. WITT's collaboration with other training organisations included: Taratahi Agricultural Training Centre, Agriculture New Zealand for horticulture, G&H Training Ltd for carpentry, and Te Reo o Taranaki Charitable Trust for te reo Māori. In 2012, the Taranaki Trades Academy had its first intake of students and there was a significant increase in school leavers transitioning to WITT.

WITT's enrolments increased in 2012 by 6 percent (102 EFTS). The majority of the increase occurred at Levels 3-4, which made up nearly half (49%) of total delivery. The rest of WITT's provision was spread across Levels 5-6 (26%), Levels 1-2 (17%) and Levels 7-8 (9%). The largest fields of study were Creative Arts (28%), Engineering and Related Technologies (16%) and Society and Culture (14%).

Māori participation increased on 2011 and was above the ITP sector average, at 44 percent. Pasifika and under-25-year-old student participation remained below the ITP sector average but was consistent with regional demography. In 2012, WITT had 73 full fee-paying international EFTS (149 students).

In 2012, WITT achieved all the targets set out in its Statement of Service Performance.

## Effectiveness

In 2012, WITT was above, or on a par with, the ITP sector average across all four educational performance indicators (EPIs). With the exception of student retention, WITT's performance improved on each measure, compared with 2011 results.

The achievement by the TES priority groups (Māori, Pasifika and under-25-year-olds) increased for under-25-year-olds across all measures, and increased for three of the four EPIs for Māori, compared with 2011. Performance for Māori was strong with both course and qualification completion above the ITP sector average. Qualification completion for under-25-year-olds was above average but course completion was below, while Pasifika student achievement was below the ITP sector average on both indicators for 2012.

## Capability

In 2012, after careful consideration, the WITT council decided not to renew the Chief Executive's contract for a further term and to advertise the position. The Chair described the subsequent appointment process as providing an impressive range of candidates. Barbara George was selected and is due to take up the position in October 2013.



Total revenue increased by \$0.8 million (3.1%), with government funding up by \$0.6 million and an overall increase in student tuition fees of \$0.2 million. This revenue growth was offset by an increase in expenditure. WITT reported a net surplus of \$1.3 million (5.5%), which was \$40,000 more than the result achieved in 2011.

WITT recorded a gain on property revaluations of \$1.7 million that, when combined with the operating surplus, resulted in an increase in total equity of \$3.1 million. WITT's application for the transfer of its New Plymouth campus into its own title remained under consideration throughout 2012, awaiting the outcome of Treaty of Waitangi settlement negotiations.



## TES Priorities

Participation		
2012 Performance	WITT	ITP sector
Students under 25	48%	52%
Māori	44%	22%
Pasifika	4%	10%

Course Completion		
2012 Performance	WITT	ITP sector
All	79%	79%
Students under 25	75%	78%
Māori	79%	73%
Pasifika	70%	73%

Qualification Completion		
2012 Performance	WITT	ITP sector
All	72%	70%
Students under 25	66%	63%
Māori	72%	61%
Pasifika	53%	62%

Of the tertiary-aged population in the WITT region, 15% were identified as Māori and 21% as under the age of 25 years. Pasifika population figures were less than 1%. (Based on Statistics NZ 2011 population projections.)

Overview of Educational Performance – Formal SAC Funded EFTS only				
Enrolments	% of ITP sector	2010	2011	2012
EFTS	3%	1,744	1,685	1,786
Students	2%	4,035	2,721	2,919
Educational Performance Indicators	ITP sector	2010	2011	2012
Successful Course Completion	79%	76%	76%	79%
Qualification Completion	70%	60%	70%	72%
Student Retention	60%	59%	75%	72%
Student Progression L1-4	37%	23%	13%	37%

Overview of Financial Performance*			
Summary Financial Statements (\$000)	2010	2011	2012
<b>Revenue</b>			
Total government revenue	\$17,687	\$15,444	\$16,046
Domestic student fees	\$4,408	\$4,938	\$5,278
International student fees	\$1,119	\$1,200	\$1,051
Other income (including research)	\$2,088	\$1,973	\$1,945
Total revenue	\$25,302	\$23,555	\$24,320
<b>Expenses</b>			
Personnel	\$11,852	\$12,015	\$12,691
Total expenses	\$22,477	\$22,263	\$22,988
Net surplus (after unusual and non-recurring items)	\$2,825	\$1,292	\$1,332
<b>Assets</b>			
Property, plant, equipment and intangibles	\$23,598	\$24,971	\$27,193
Total assets	\$32,094	\$32,620	\$35,132
<b>Equity (net assets)</b>	\$25,054	\$25,994	\$29,055
<b>Cashflow</b>			
Net cashflow from operations	\$4,652	\$2,622	\$2,761
Purchase of property, plant, equipment and intangibles	\$1,564	\$2,685	\$1,974
<b>Other</b>			
Staffing FTE	150	155	159
Total EFTS to total staff FTE ratio	13 : 1	13 : 1	13 : 1
Total EFTS to teaching staff FTE ratio (academic and tutorial)	24 : 1	23 : 1	23 : 1

# WHITIREIA COMMUNITY POLYTECHNIC

**Chair:** Hon Roger Sowry  
**Chief Executive:** Don Campbell

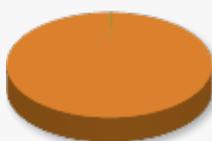
- Main Campus**  
Porirua
- Other Campus Locations**  
Wellington, Kapiti, Auckland

## NZQA EER

**Educational Performance:** Highly Confident  
**Self-assessment:** Confident

## Funding by TEC

99.7%	Teaching and Learning
–	– Capability
0.3%	Research
–	– Scholarships/Learners



## Delivery by Level

11.7%	Level 1–2
32.4%	Level 3–4
12.2%	Level 5–6
43.7%	Level 7–8
–	– Level 9–10



## Delivery by Subject

27.6%	Health
17.2%	Creative Arts
12.3%	Management and Commerce
9.1%	Society and Culture
7.1%	Food, Hospitality and Personal Services
26.6%	Other



**In 2012, Whitireia Community Polytechnic’s educational performance continued to be strong and was above the ITP sector average. Whitireia’s financial performance was stable but below the TEC guidelines on some measures.**

## Responsiveness

In Whitireia’s 2012 Annual Report, the council Chair, Hon Roger Sowry, reported on the excellent progress in the Students First strategic partnership with WelTec. From 1 January 2012, the institutions have been governed by a combined council, and a single Academic Board has been created to ensure a consistent strategic direction on academic matters.

The Chief Executive, Don Campbell, highlighted the official opening of a new Kapiti campus in a building that had undergone a \$3.5 million upgrade. Whitireia also started a multi-million dollar upgrade of the main Porirua campus, and the Health Faculty building, Wikitoria Katene, was opened in March 2013.

Whitireia is recognised as a leading provider of tertiary education for culturally diverse communities and continues to be a significant force in the international student market. In 2012, the first intake for the Bachelor of Nursing Māori graduated, and the Pacific Trades Scholarships were launched with strong support from the Pacific Churches Ministers’ Group. International developments included a Memorandum of Understanding for student and teacher exchanges with Xiamen University of Technology and a cooperation programme with China’s Capital University of Physical Education and Sports.

In 2012, Whitireia’s enrolments increased by 6 percent (166 EFTS). This increase was spread across Levels 3–4 and Levels 7–8, which accounted for the largest share of provision, at 32 percent and 44 percent respectively. The main fields of study were Health (28%), Creative Arts (17%) and Management and Commerce (12%).

Participation was slightly below the ITP sector average for Māori and under-25-year-old students. Participation of Pasifika students increased on 2011 by 1 percentage point and was above the ITP sector average at 20 percent. Whitireia had 1254 full-fee paying international EFTS (1809 students) in 2012.

Whitireia met the majority of targets outlined in its Statement of Service Performance.

## Effectiveness

Whitireia achieved above the ITP sector average for three of the four educational performance indicators in 2012. The exception was student progression, which increased by 1 percentage point but was still marginally below the sector average. The increase for qualification completion was 10 percentage points between 2011 and 2012.

Performance among the TES priority groups (Māori, Pasifika and under-25-year-olds) was above the ITP sector average and, with the exception of progression, had improved on 2011 results. Course completion for Māori increased 7 percentage points, lifting it above the ITP sector average. Qualification completion for Māori and Pasifika increased significantly, up 21 and 14 percentage points respectively.

## Capability

The Whitireia WelTec combined council was established on 1 January 2012, and will reduce from 12 to eight members in two stages by 2014. In the Annual Report,



the Chair paid tribute to the work of Dr Alan Barker and Peter Preston, who both retired from the council at the end of 2012.

In 2012, Whitireia reported a net surplus of \$18,000, a decrease of \$2.6 million (4.4%). Total revenue increased by \$4.3 million (7.3%), with \$3.1 million of that increase from government funding. In the same period, operating expenses increased by \$5.6 million (10.0%). Whitireia also incurred \$1.2 million in non-operating costs of which \$1.0 million related to leased accommodation relocation due to seismic issues. In 2012, Whitireia's subsidiary Whitireia New Zealand Ltd (WNZL) took over the business of Computer Power (NZ) Ltd, resulting in a significant increase in activity, and WNZL now represents around 10 percent of Whitireia's revenue and educational delivery.



## TES Priorities

Participation		
2012 Performance	Whitireia	ITP sector
Students under 25	49%	52%
Māori	20%	22%
Pasifika	20%	10%

Course Completion		
2012 Performance	Whitireia	ITP sector
All	83%	79%
Students under 25	80%	78%
Māori	76%	73%
Pasifika	77%	73%

Qualification Completion		
2012 Performance	Whitireia	ITP sector
All	78%	70%
Students under 25	66%	63%
Māori	70%	61%
Pasifika	74%	62%

Of the tertiary-aged population in the Wellington region, 12% were identified as Māori, 8% as Pasifika and 22% as under the age of 25 years. (Based on Statistics NZ 2011 population projections.)

Overview of Educational Performance – Formal SAC Funded EFTS only					
Enrolments	% of ITP sector	2010	2011	2012	
EFTS	4%	2,780	2,725	2,891	
Students	3%	4,706	4,230	4,187	
Educational Performance Indicators		ITP sector	2010	2011	2012
Successful Course Completion	79%	76%	80%	83%	
Qualification Completion	70%	65%	68%	78%	
Student Retention	60%	46%	64%	70%	
Student Progression L1-4	37%	34%	35%	36%	

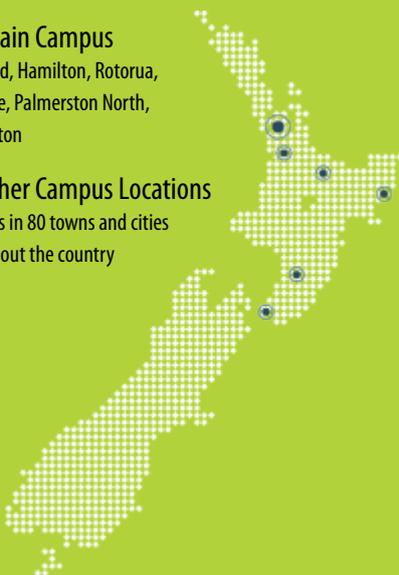
Overview of Financial Performance*			
Summary Financial Statements (\$000)	2010	2011	2012
<b>Revenue</b>			
Total government revenue	\$26,886	\$26,458	\$29,514
Domestic student fees	\$11,239	\$11,989	\$13,960
International student fees	\$13,700	\$14,910	\$14,171
Other income (including research)	\$4,365	\$5,139	\$5,126
Total revenue	\$56,190	\$58,496	\$62,771
<b>Expenses</b>			
Personnel	\$28,725	\$30,460	\$32,848
Total expenses	\$52,746	\$55,916	\$61,523
Net surplus (after unusual and non-recurring items)	\$3,444	\$2,580	\$18
<b>Assets</b>			
Property, plant, equipment and intangibles	\$56,815	\$62,674	\$73,373
Total assets	\$80,625	\$85,211	\$87,386
<b>Equity (net assets)</b>	\$63,823	\$63,513	\$63,116
<b>Cashflow</b>			
Net cashflow from operations	\$8,441	\$5,129	\$4,216
Purchase of property, plant, equipment and intangibles	\$2,685	\$9,840	\$14,945
<b>Other</b>			
Staffing FTE	444	446	473
Total EFTS to total staff FTE ratio	10 : 1	10 : 1	11 : 1
Total EFTS to teaching staff FTE ratio (academic and tutorial)	18 : 1	17 : 1	20 : 1

# TE WĀNANGA O AOTEAROA

**Chair:** Richard Batley  
**Chief Executive:** Bentham Ohia to June 2013;  
 Jim Mather from October 2013  
 (Co-delegate CEOs are Hinerangi Raumati-Tu'ua  
 and Turi Ngatai)

**Main Campus**  
 Auckland, Hamilton, Rotorua,  
 Gisborne, Palmerston North,  
 Wellington

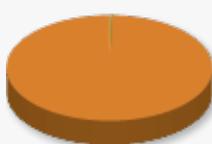
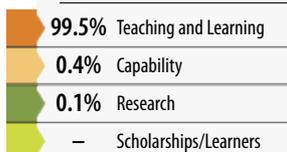
**Other Campus Locations**  
 120 sites in 80 towns and cities  
 throughout the country



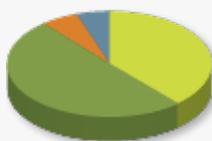
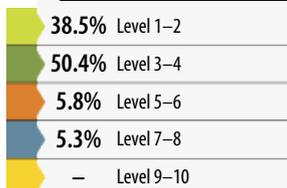
## NZQA EER

Educational Performance: Scheduled for April 2013

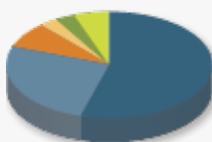
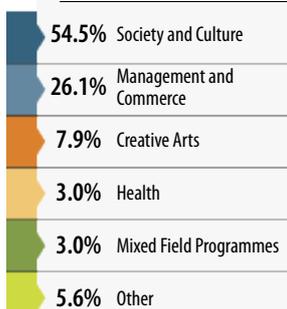
### Funding by TEC



### Delivery by Level



### Delivery by Subject



**Te Wānanga o Aotearoa performed strongly again in 2012 against the TEC's educational and financial performance indicators and remained well placed to advance the TES priorities in 2013.**

## Responsiveness

In Te Pūrongo (the 2012 Annual Report for Te Wānanga o Aotearoa), Richard Batley (the Chair) highlighted progress under the following headings: assuring sustainability; maximising efficacy; employing the best people; and remaining competitive. Success in retaining funding at Levels 1–2 contributed to the organisation remaining competitive and was a testament to the value of its programmes to the tertiary sector at these levels.

Te Pouhere (the Chief Executive) Bentham Ohia focused his review on improvements in educational and financial performance, successful completion of Te Rautakinga (the organisation's strategic plan), consolidation and extension of pathways of study from foundation to degree level, and responsiveness to the Government's national education goals. Initiatives to extend pathways included: implementing a range of Bachelor degrees and a new Master's degree (He Waka Hiringa – Master of Applied Indigenous Knowledge); working to provide further opportunities at secondary level; and progress with Mātātahi Mataora (the organisation's youth strategy).

Enrolments at Te Wānanga o Aotearoa during 2012 remained stable, increasing by 34 EFTS. The majority of the organisation's delivery was at Levels 3–4 (50%) and Levels 1–2 (38%). Delivery at Levels 1–4 increased by 204 EFTS and at Levels 5–8 decreased by 170 EFTS. In 2012, more than half of the organisation's delivery was in Society and Culture (54%), with the next largest shares being in Management and Commerce (26%) and Creative Arts (8%).

In 2012, 50 percent of participants at Te Wānanga o Aotearoa were Māori, 10 percent were Pasifika and 14 percent were under the age of 25 years. Nearly a third of provision (27%) was extra-mural.

The organisation met the majority of targets outlined in its Statement of Service Performance.

## Effectiveness

In 2012, the organisation's education delivery was equal to or above wānanga sector averages for each of the four educational performance indicators (EPIs). Te Wānanga o Aotearoa also improved its performance across three of its EPIs (course completion, student retention and student progression).

Performance against TES priority groups (Māori, Pasifika and under-25-year-olds) was above wānanga sector averages for qualification completion, but below or equal to sector averages for course completion.

## Capability

The council completed the first phase of a review of governance structures and processes during the year. The review's aim was to maximise efficiency in driving organisational growth and development, and it paralleled a government-led review of tertiary sector governance. Review results were presented to council members along with a preferred model for a smaller council. The next step will be comprehensive consultation with stakeholders.



Chief Executive Bentham Ohia's contract came up for renewal in 2012, and the decision was made to re-advertise his position to explore the market for suitably qualified applicants. The successful applicant will lead Te Wānanga o Aotearoa for the next five years.

Te Wānanga o Aotearoa reported a net surplus of \$7.9 million (5.2%) in 2012, up on the 2011 result of \$7.3 million (4.8%). The organisation's total revenue increased by \$1.3 million (0.9%) on 2011's result, and total expenditure increased by \$0.7 million (0.5%).

Te Wānanga o Aotearoa recorded a loss on property valuations of \$2.9 million in 2012, which reduced the increase in total equity for the year from \$7.9 million to \$5.0 million.



## TES Priorities

Participation		
2011 Performance	Aotearoa	Wānanga sector
Students under 25	14%	17%
Māori	50%	57%
Pasifika	10%	9%

Course Completion		
2011 Performance	Aotearoa	Wānanga sector
All	81%	81%
Students under 25	75%	76%
Māori	77%	78%
Pasifika	78%	78%

Qualification Completion		
2011 Performance	Aotearoa	Wānanga sector
All	70%	68%
Students under 25	61%	60%
Māori	65%	63%
Pasifika	66%	65%

Overview of Educational Performance – Formal SAC Funded EFTS only				
Enrolments	% of Wānanga sector	2010	2011	2012
EFTS	83%	21,635	20,280	20,313
Students	84%	35,875	32,308	32,372
Educational Performance Indicators	Wānanga sector	2010	2011	2012
Successful Course Completion	81%	76%	79%	81%
Qualification Completion	68%	66%	71%	70%
Student Retention	71%	68%	70%	73%
Student Progression L1-4	35%	35%	33%	35%

Overview of Financial Performance*			
Summary Financial Statements (\$000)	2010	2011	2012
<b>Revenue</b>			
Total government revenue	\$138,865	\$134,330	\$134,988
Domestic student fees	\$5,478	\$5,866	\$5,216
International student fees	\$0	\$420	\$681
Other income (including research)	\$9,144	\$10,388	\$11,454
Total revenue	\$153,487	\$151,004	\$152,339
<b>Expenses</b>			
Personnel	\$80,409	\$81,529	\$85,296
Total expenses	\$147,270	\$143,718	\$144,392
Net surplus (after unusual and non-recurring items)	\$6,217	\$7,286	\$7,947
<b>Assets</b>			
Property, plant, equipment and intangibles	\$83,677	\$86,590	\$91,620
Total assets	\$142,288	\$151,359	\$155,627
<b>Equity (net assets)</b>	\$126,492	\$133,778	\$138,764
<b>Cashflow</b>			
Net cashflow from operations	\$11,634	\$16,892	\$13,975
Purchase of property, plant, equipment and intangibles	\$13,894	\$11,642	\$15,173
<b>Other</b>			
Staffing FTE	1,085	1,098	1,086
Total EFTS to total staff FTE ratio	20 : 1	19 : 1	19 : 1
Total EFTS to teaching staff FTE ratio (academic and tutorial)	47 : 1	44 : 1	36 : 1

# TE WĀNANGA O RAUKAWA

**Chair:** Robin Hapi  
**Chief Executive:** Mereana Selby

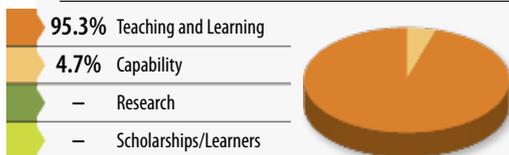
**Main Campus**  
 Otaki



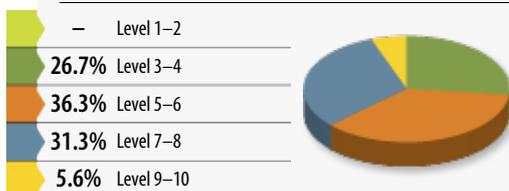
## NZQA EER

**Educational Performance:** Scheduled for August 2012

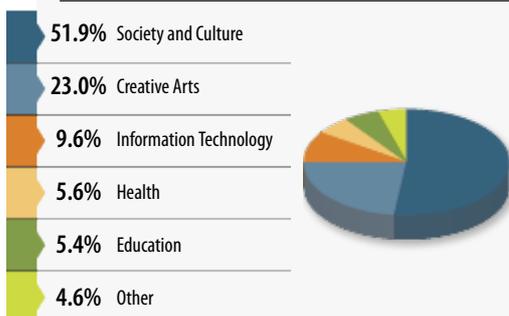
### Funding by TEC



### Delivery by Level



### Delivery by Subject



**Te Wānanga o Raukawa (Raukawa) continued to improve its educational performance in 2012. Raukawa also improved its financial position, meeting most of the TEC’s financial performance guidelines.**

## Responsiveness

In Raukawa’s 2012 Annual Report, Te Amokapua/the Chair of Te Mana Whakahaere, Robin Hapi, highlighted the opening of Ngā Purapura, which had received accolades for design and sustainability. This multi-purpose facility aims to foster Māori health and lifestyle advancement by providing programmes in health, sports, fitness and nutrition. Raukawa also introduced new initiatives aimed at improving options for students, which included the establishment of Te Tākupu publishing house; a new online language programme – Huia Te Reo; and collaboration with the Waikato–Tainui College for Research and Development and Whitireia Polytechnic.

Te Tumuaki/the Chief Executive, Mereana Selby, commented on the value of the self-assessment tool, the Kaupapa–Tikanga Matrix. Raukawa moved into the facilitation of trades provision for the first time with the delivery of Whitireia Polytechnic’s one-year pre-trade carpentry programme on Raukawa’s campus. Plans were also developed for a new Raukawa-based Reo FM, following the successful broadcasting of the online language course – Huia Te Reo, which will enable more wānanga activities to be shared with the community.

Raukawa’s enrolments in 2012 reduced by 9 percent (129 EFTS). Provision was spread across Levels 5–6 (36%), Levels 7–8 (31%) and Levels 3–4 (27%), and the decrease was entirely across Levels 5–6. The main fields of study were Society and Culture (52%), Creative Arts (23%) and Information Technology (10%). Nearly all students (97% EFTS) in 2012 identified as Māori, reflecting Raukawa’s focus on increasing the number of Māori receiving tertiary education. Raukawa’s participation for under-25-year-olds was above the wānanga sector average, at 26 percent.

In 2012, Raukawa met the majority of the key performance indicators as outlined in its Statement of Service Performance.

## Effectiveness

Raukawa improved in three of the four educational performance indicators, with only qualification completion down marginally on 2011 results. Raukawa was also above the wānanga sector average for student retention.

Māori student course completion (61%) improved by 3 percentage points but remained below the wānanga sector average. Māori student qualification completion also remained below the wānanga sector average and dropped by 1 percentage point on the previous year. Achievement of students under 25 years of age improved for course completion (up from 56% in 2011 to 64% in 2012) and for qualification completion (up from 54% in 2011 to 66% in 2012), which was above the wānanga sector average.

## Capability

Raukawa was chaired from 1993 by Dr Turoa Royal who retired at the end of 2011, having made a major contribution to the wānanga and Māori education in general. Robin Hapi was nominated for the position by Ngā Purutanga Mauri, and was elected by Te Mana Whakahaere in December 2011.



Other changes to Te Mana Whakahaere included the resignation of Professor Sir Mason Durie, following his retirement from Massey University, and of Michelle Hippolite who was appointed Te Tumuaki of Te Puni Kōkiri. During the year, the Paihere Tangata Committee provided leadership in the process of re-engaging Mereana Selby as Te Tumuaki.

Raukawa reported a net surplus of \$0.8 million (4.7%), which was up on the 2011 result of \$0.7 million (3.4%). Total revenue decreased by \$3.4 million (16.6%), reflecting decreases in government funding of \$0.7 million and student tuition fees of \$2.1 million. Raukawa made savings in the same period of \$3.5 million (17.7%).

At the end of 2012, Raukawa was holding \$20.3 million (2011: \$19.5 million) on behalf of Te Wānanga o Raukawa Foundation. These funds are expected to be distributed in 2013, following the appointment of the inaugural Chair of the Foundation.



## TES Priorities

Participation		
2012 Performance	Raukawa	Wānanga sector
Students under 25	26%	17%
Māori	97%	57%
Pasifika	1%	9%

Course Completion		
2012 Performance	Raukawa	Wānanga sector
All	61%	81%
Students under 25	64%	76%
Māori	61%	78%
Pasifika	67%	78%

Qualification Completion		
2012 Performance	Raukawa	Wānanga sector
All	54%	68%
Students under 25	66%	60%
Māori	55%	63%
Pasifika	58%	65%

Overview of Educational Performance – Formal SAC Funded EFTS only				
Enrolments	% of Wānanga sector	2010	2011	2012
EFTS	5%	1,695	1,463	1,334
Students	6%	2,144	1,895	2,259
Educational Performance Indicators	Wānanga sector	2010	2011	2012
Successful Course Completion	81%	43%	58%	61%
Qualification Completion	68%	44%	56%	54%
Student Retention	71%	61%	58%	69%
Student Progression L1-4	35%	35%	37%	45%

Overview of Financial Performance*				
Summary Financial Statements (\$000)	2010	2011	2012	
<b>Revenue</b>				
Total government revenue	\$14,666	\$11,496	\$10,794	
Domestic student fees	\$6,342	\$5,712	\$3,607	
International student fees	\$0	\$0	\$0	
Other income (including research)	\$2,865	\$3,231	\$2,653	
Total revenue	\$23,873	\$20,439	\$17,054	
<b>Expenses</b>				
Personnel	\$10,599	\$10,956	\$10,255	
Total expenses	\$19,455	\$19,745	\$16,253	
Net surplus (after unusual and non-recurring items)	\$4,418	\$694	\$800	
<b>Assets</b>				
Property, plant, equipment and intangibles	\$11,130	\$18,479	\$17,988	
Total assets	\$91,438	\$92,969	\$92,006	
<b>Equity (net assets)</b>				
	\$68,700	\$69,393	\$70,193	
<b>Cashflow</b>				
Net cashflow from operations	\$6,514	\$2,757	\$1,273	
Purchase of property, plant, equipment and intangibles	\$3,416	\$8,217	\$2,638	
<b>Other</b>				
Staffing FTE	208	202	187	
Total EFTS to total staff FTE ratio	8 : 1	7 : 1	7 : 1	
Total EFTS to teaching staff FTE ratio (academic and tutorial)	28 : 1	24 : 1	25 : 1	

# TE WHARE WĀNANGA O AWANUIĀRANGI

**Chair:** Dist. Prof. Sir Sidney Mead Hirini Moko  
**Chief Executive:** Dist. Prof. Graham H. Smith

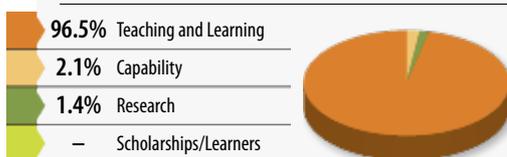
- Main Campus**  
Whakatane
- Other Campus Locations**  
More than 100 sites throughout the country



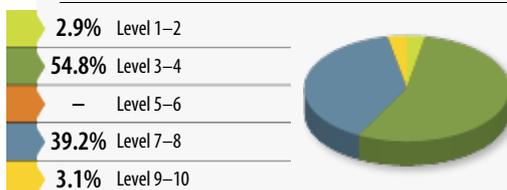
## NZQA EER

**Educational Performance:** Highly Confident  
**Self-assessment:** Confident

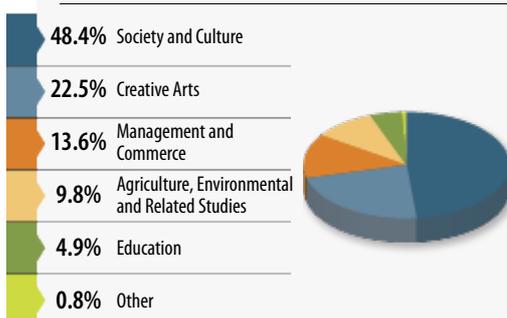
## Funding by TEC



## Delivery by Level



## Delivery by Subject



**In 2012, Te Whare Wānanga o Awanuiārangi performed well overall educationally, but its performance dropped compared with 2011. Awanuiārangi remained in a sound financial position and exceeded the TEC financial performance guidelines.**

## Responsiveness

In Awanuiārangi's 2012 Annual Report, Te Amokapua/the Chair of Te Mana Whakahaere, Distinguished Professor Sir Sidney Mead, highlighted the redevelopment of the central Whakatane campus, which has been much admired by the local community. The new facilities were opened in December 2012 and feature the Professor Mark Laws Media Centre, teaching suites and lecture theatres with advanced video conferencing facilities to connect students, lecturers and their peers.

Other 2012 highlights identified by Te Tumuaki/the Chief Executive, Distinguished Professor Graham Smith, included the high percentage of students engaged in degree programmes (42%) and the growth in graduate programmes, with more than 80 doctoral student enrolments. Sheryl Lee Ferguson's graduation with a Doctor of Philosophy in Education (PhD) in May 2012 was a landmark event for Awanuiārangi.

In November 2012, Awanuiārangi established the National Institute for Māori and Indigenous Performing Arts to protect and regenerate language, knowledge and culture through mastery of the performing arts. Donna Grant was appointed as Director of the Institute. Also in November, the inaugural symposium 'Ngā Mana Whakairo a Toi – Celebrating Haka Excellence' brought together some of the biggest names in kapa haka in the first national forum of its kind.

The 2012 year also saw the growth and expansion of the Bay of Plenty Tertiary Partnership. This formal relationship was established in 2010 between Awanuiārangi, Bay of Plenty Polytechnic and the University of Waikato and includes site-sharing, programme delivery and a proposal to jointly establish a shared campus in Tauranga for 2000 students.

In 2012, Awanuiārangi's enrolments increased by 4 percent (120 EFTS). Most of its delivery was focused at Levels 3–4 (55%) and Levels 7–8 (39%). The main fields of study were Society and Culture (48%), Creative Arts (22%) and Management and Commerce (14%).

Participation by Māori (93%) in 2012 remained stable and at similar levels to previous years. Participation by under-25-year-olds (28%) was above the wānanga sector average (17%) and increased by 5 percentage points on 2011. Pasifika participation was unchanged from the previous year.

## Effectiveness

Awanuiārangi was above wānanga sector averages for course completion and student progression. While qualification completion and student retention were below the wānanga sector averages, Awanuiārangi improved on both measures, compared with 2011.

Performance by Māori and under-25-year-olds was above the wānanga sector average for course completion. Qualification completion increased for both Māori and under-25-year-olds on the previous year but was below or equal to the wānanga sector average. Because of the relatively low numbers involved, achievement of Pasifika students has tended to fluctuate from year to year.



## Capability

A review of the size of the council's membership was one governance focus during the year and included consultation with the Ministry of Education. Awanuiārangi made recommendations on governance arrangements that took into account the institution's identity, history and future plans.

In 2012, Awanuiārangi reported a net surplus of \$3.9 million (13.3%), which was up on the 2011 result of \$2.1 million (7.1%). Awanuiārangi's total revenue decreased by \$0.2 million (0.7%) between 2011 and 2012. During the same period, total expenditure decreased by \$2.0 million (7.2%), with personnel costs down by \$1.0 million. During 2012, Awanuiārangi liquidated its sole subsidiary McAlister Holdings Ltd and purchased, on an arm's-length basis, the subsidiary's land and buildings.

## TES Priorities

Participation		
2012 Performance	Awanuiārangi	Wānanga sector
Students under 25	28%	17%
Māori	93%	57%
Pasifika	4%	9%

Course Completion		
2012 Performance	Awanuiārangi	Wānanga sector
All	88%	81%
Students under 25	86%	76%
Māori	88%	78%
Pasifika	76%	78%

Qualification Completion		
2012 Performance	Awanuiārangi	Wānanga sector
All	64%	68%
Students under 25	52%	60%
Māori	63%	63%
Pasifika	54%	65%

Of the tertiary-aged population in the Whireia region, 12% were identified as Māori, 8% as Pasifika and 22% as under the age of 25 years. (Based on Statistics NZ 2011 population projections)



## TE WHARE WĀNANGA O AWANUIĀRANGI

13 Domain Road, Private Bag 1006, Whakatāne, 3158, New Zealand  
Waea (T): +64 7 307 1467, Waea Whakaahua (F): +64 7 307 1475  
www.wananga.ac.nz

Overview of Educational Performance – Formal SAC Funded EFTS only				
Enrolments	% of Wānanga sector	2010	2011	2012
EFTS	12%	2,482	2,786	2,906
Students	13%	4,984	4,947	4,990
Educational Performance Indicators	Wānanga sector	2010	2011	2012
Successful Course Completion	81%	89%	91%	88%
Qualification Completion	68%	48%	49%	64%
Student Retention	71%	64%	53%	57%
Student Progression L1-4	35%	46%	44%	36%

Overview of Financial Performance*			
Summary Financial Statements (\$000)	2010	2011	2012
<b>Revenue</b>			
Total government revenue	\$21,421	\$24,056	\$23,584
Domestic student fees	\$1,790	\$2,054	\$2,489
International student fees	\$0	\$0	\$0
Other income (including research)	\$2,746	\$3,296	\$3,124
Total revenue	\$25,957	\$29,406	\$29,197
<b>Expenses</b>			
Personnel	\$10,154	\$12,217	\$11,175
Total expenses	\$22,550	\$27,284	\$25,310
Net surplus (after unusual and non-recurring items)	\$3,101	\$2,075	\$3,887
<b>Assets</b>			
Property, plant, equipment and intangibles	\$16,843	\$23,027	\$34,265
Total assets	\$44,906	\$47,475	\$51,749
<b>Equity (net assets)</b>	\$41,841	\$43,625	\$47,538
<b>Cashflow</b>			
Net cashflow from operations	\$3,875	\$6,057	\$7,218
Purchase of property, plant, equipment and intangibles	\$3,376	\$9,158	\$14,116
<b>Other</b>			
Staffing FTE	146	174	151
Total EFTS to total staff FTE ratio	20 : 1	19 : 1	23 : 1
Total EFTS to teaching staff FTE ratio (academic and tutorial)	43 : 1	41 : 1	48 : 1