



Tai Tokerau Wānanga  
**NORTHLAND  
Polytechnic**



**ANNUAL REPORT**

**2005**

## 2005 HIGHLIGHTS

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- Operating surplus of \$1.4million – maintaining the financial recovery which commenced in 2003.
- A record number of 22,433 student enrolments.
- A record number of 4130 equivalent full time students, 34% higher than 2004.
- Crown oversight reduced from Crown Manager status to Crown Observer status.
- A new learning centre opened in Kaikohe, specialising in kaupapa māori philosophy and launched under the institution's Maori name of Te Tai Tokerau Wananga.
- The Hospitality section won a major national award at the Hospitality Standards Institute awards.
- Simon Hart was a finalist for Hospitality Tutor of the Year in the Hospitality Standards Institute awards.
- Awarded \$352,000 from the e-Learning Collaborative Development Fund to develop the Certificate in eLearning Design and Development (CeLDD) in conjunction with Massey University and People Potential Ltd.
- A flexible delivery centre was opened by the Honourable Steve Maharey.
- Video conferencing links established between the Whangarei hub and the Kerikeri campus, Kaitaia, Dargaville and Rawene learning centres.
- The polytechnic launched the “Northtec Portal” – an intranet which will be the core vehicle for the development of a knowledge management capacity.
- A Memorandum of Understanding was signed with the Maori Language Commission, Te Taura: Te Reo Māori.
- A Memorandum of Understanding was signed with the New Zealand Refining Company.
- A rugby academy was established in conjunction with Northland Rugby.
- A Memorandum of Understanding was signed with the prestigious Emily Carr Institute of Art and Design in Vancouver, Canada.
- The polytechnic received accreditation for a new Bachelor of Social Service, including majors in social work, counselling and community development.

## GLOSSARY

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<b>BAA</b>	Bachelor of Applied Arts
<b>BAppIS</b>	Bachelor of Applied Information Systems
<b>BBM</b>	Bachelor of Business Management
<b>BITO</b>	Boating Industry Training Organisation
<b>BCITO</b>	Building Construction Industry Training Organisation
<b>BHSc [Nursing]</b>	Bachelor of Health Science [Nursing]
<b>EEO</b>	Equal Educational Opportunities
<b>EFTS</b>	Equivalent Full-time Students
<b>EITO</b>	Engineering Industry Training Organisation
<b>ESOL</b>	English for Speakers of Other Languages
<b>FIT</b>	Forest Industries Training
<b>FTE</b>	Full-Time Equivalent
<b>IELTS</b>	International English Language Testing System
<b>ITO</b>	Industry Training Organisation
<b>ITPNZ</b>	Institutes of Technology and Polytechnics in New Zealand
<b>ITPQ</b>	Institutes of Technology and Polytechnics Quality
<b>KPI</b>	Key Performance Indicators
<b>MITO</b>	Motor Industry Training Organisation
<b>NQF</b>	National Qualifications Framework
<b>NZDB</b>	NZ Diploma in Business
<b>NZIM</b>	New Zealand Institute of Management
<b>NZQA</b>	New Zealand Qualifications Authority
<b>PTE</b>	Private Training Establishment
<b>QMS</b>	Quality Management Systems
<b>SDR</b>	Single Data Return
<b>TAMU</b>	Tertiary Advisory Monitoring Unit
<b>TEC</b>	Tertiary Education Commission

# CONTENTS



Highlights	1
Glossary	2
The Role of this Annual Report	4
The Council of Northland Polytechnic	5
Senior Staff and Management	5
Statements of Mission and Values	6
Chairperson's Report	9
Chief Executive's Report	10
Summary of Non-Financial Performance Figures	14
Summary of Financial Information	15

## Polytechnic's Review and Performance



Statement of Service Performance	18
Academic Quality Services Report	24
Flexible Learning Report	24
Programme Development Report	25
Research Report	26
Library Report	27
Programme Area Reports	28

## Financial Reporting



Auditor's Report	41
Management Responsibility Statement	44
Financial Statements and Notes to Accounts	45

## Equity Statement

Equal Employment Opportunities	61
Equal Educational Opportunities	62

Professional Services Directory	inside back cover
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## THE ROLE OF THIS ANNUAL REPORT

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### Purpose of this Annual Report

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The purpose of this Annual Report is to provide information to assist users in:

- assessing the polytechnic's financial and service performance, financial position and cash flows;
- assessing the polytechnic's compliance with legislation, regulations, common law and contractual arrangements, as these relate to the assessment of the polytechnic's financial and service performance, financial position and cash flows; and
- making decisions about providing resources to, or doing business with, the polytechnic.

Thus the report has an accountability role and an informative role.

Annual financial statements are required by section 41 of the Public Finance Act 1989. Financial and non-financial information is required to be included for each significant activity.

### Relationships to Other Key Documents

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Under the Education Act 1989, a tertiary institution must prepare and adopt the following key documents:

- Charter of the institution (section 180);
- Profile (section 191);
- Annual Report (section 220).

The polytechnic council has prepared a charter (that was approved by the Minister of Education [Tertiary Education] on 24 December 2003), which sets out the broader vision for Northland Polytechnic and the mission and role of the council.

## THE COUNCIL OF NORTHLAND POLYTECHNIC

Chairperson:	<b>Jules Flight</b>	Ministerial
Deputy Chairperson:	<b>Robert Lescher</b>	Co-opted
Members:	<b>Janet Te Rore</b>	Ministerial
	<b>Jenny Huddleston</b>	General Staff
	<b>Esme Connell</b> (term ended March 2005)	Ministerial
	<b>Gay McCullough</b> (from April 2005)	Ministerial
	<b>Iritana Te Whata</b> (term ended March 2005)	Student Representative
	<b>Ringi Hohepa</b> (from April 2005)	Student Representative
	<b>Steve Bennett</b> (Resigned April 2005)	Auckland Provincial Employers & Manufacturers Association
	<b>Heinz Schmitt</b>	New Zealand Council of Trade Unions
	<b>Joseph van Pels</b> (term ended March 2005)	Ministerial
	<b>Vern Dark</b> (from April 2005)	Ministerial
	<b>Tepania Kingi</b> (from June 2005)	Co-opted
	<b>Joan Walker</b> (resigned May 2005)	Co-opted
	<b>Craig Brown</b>	Co-opted
	<b>Peter Bruce</b>	Tutorial Staff
<b>Terry Barnett</b>	Chief Executive	
<b>Paul Binney</b>	Executive Officer	

## SENIOR STAFF AND MANAGEMENT as at 31 December 2005

Chief Executive:	Terry Barnett, BSc[Hons][Lond], M.Ed[B'ham], P.G.C. E [Warwick]
Deputy Chief Executive and Chief Financial Officer:	Paul Binney, BSc [Econ] Hons, CA
Human Resources and Business Services:	Rod Humpage (Acting), PGDip. (Mgt) [Southern Cross University] Member NZ Institute of Management [MNZIM] and Member of the HR Institute of NZ [MHRINZ]
Executive Dean:	Chris Coutts, MEdAdmin[Hons/Massey], BSc [Victoria], DipTchg [Christchurch Coll of Ed]
General Manager Academic Services:	Ross Scobie, BSc[Hons]
Marketing Manager:	Dave Williams, BA-Bcomm [University Auckland – University of Canterbury]
Advisor (Maori) to Chief Executive:	Taipari Munro, BA(Maori Studies), Cert. in Adult Teaching
Advisor (Institutional Advancement):	Jane Arlidge, M.Ed(Hons), BA, NZLS Cert., ALIANZA
Kaumatuā:	Winiata Morunga

## TE KITENGA - VISION

Māori Version	English Version
Ka mōhiohia mātou mō te wairua hihiko mō ngā kaupapa mātauranga rēanga tuatoru e hāngai pū ana ki te āhua whakahou i te ora o te tangata, ā, me te whakakaha ake i ngā hapori.	We will be recognised for relevant, accessible, innovative tertiary education which transforms lives and builds communities.

## TE WHĀINGA – MISSION

Māori Version	English Version
Te 'hākapakaritanga ake i Te Tai Tokerau me ōna iwi, mā te mātauranga rēanga tuatoru	Developing Northland and its people through tertiary education.



## STATEMENT OF VALUES - KO NGĀ UARATANGA

*Northland Polytechnic is a community of learners. The learning needs and expectations of students, staff and community inspire our work.*

**In achieving its mission, Northland Polytechnic is committed to the following values:**

<b>INTEGRITY:</b>	This is our foundation: We speak and act truthfully.
<b>RESPECT:</b>	We respect the needs and aspirations of others. We are here for our students and achieve results through teamwork.
<b>FAIRNESS:</b>	We treat students and colleagues justly and expect the same in return.
<b>MUTUAL TRUST:</b>	We value and honour students and colleagues as people – sharing perspectives, accommodating differences, believing motives are trustworthy.
<b>WHOLENESS:</b>	We believe it is the whole person who best learns, teaches, leads and serves.
<b>CONSIDERATE, OPEN COMMUNICATION:</b>	We openly share information, ideas and feelings, listening carefully, expressing our views clearly.
<b>PROFESSIONALISM:</b>	This is everyone's business. We are aiming high, we "walk the talk", providing opportunities for all people to succeed.
<b>INITIATIVE:</b>	We think it through and get on with it. Our commitment is to improving student access.
<b>RESPONSIBLE RISK TAKING AND INNOVATION:</b>	We respond well to challenges and find new ways to solve problems.
<b>DIVERSITY AND CREATIVITY:</b>	We value and encourage diversity and originality, freeing one another to innovate and use creative ideas that work.
<b>CO-OPERATION AND PARTNERSHIP:</b>	We work with students and colleagues to achieve common goals. We work in partnership with our community. Our commitment is to deliver on New Zealand's founding bi-cultural partnership.
<b>FUN AND SELF-WORTH:</b>	We recognise and celebrate achievement and encourage positive effort. We take our work seriously and ourselves lightly, believing that people learn and work best when they enjoy what they do.



## KO NGĀ UARATANGA

*He wāhi ako ko tēnei nohoanga tāngata o Te Tai Tokerau Wānanga. Ko ngā hiahia me ngā tūmanako o ngā ākonga, ngā kaimahi me te hunga e noho kāinga mai nei, he mea 'hakaoho i ā mātou mahi.*

**Kua herea Te Tai Tokerau Wānanga ki ēnei uaratanga i raro iho nei hei 'hakatutuki i ōna whāinga.**

<b>TE NGĀKAU PONO</b>	Ko tō mātou pūtake tēnei: He pono o mātou kōrero me o mātou mahi katoa.
<b>'HAKANUI</b>	Ka 'hakanui atu mātou i ngā hiahia me ngā wawata o te tangata. Kei konei hoki mātou mō ngā ākonga, ā, mā te mahitahi ka whiwhi ki ngā hua.
<b>TIKA</b>	Ka manaakitia ngā ākonga me o mātou hoamahi i runga i te pai me te tika. Me pērā anō o rātou 'hakahoki mai i ēnei tūāhuatanga.
<b>KIA 'HAKAPONO TĒTAHI KI TĒTAHI</b>	Ka 'hakauaratia, ā, ka 'hakahōnoretia e mātou i o mātou ākonga me o mātou hoamahi hei tāngata. Ka āta tirohia ngātahitia i ngā māramatanga, ka āta 'hakaaroaro i ngā pokakētanga, ka 'hakapono he tika ngā kaupapa 'hakahau o te tangata.
<b>TE KATOATANGA O TE TANGATA</b>	Ki a mātou nei, mā te katoatanga o te tangata, mai i tōna hinengaro tae atu ki te wairua, ka taea e ia ki te ako, ki te 'hakaako, ki te arataki me te manaaki.
<b>TE NGĀKAU MAHARA ME TE 'HAKAPUAKI 'HAKAARO</b>	Ka 'hakapuakina e mātou i o mātou 'hakaaro me o mātou kōrero, tae atu ki te hinengaro. Ka āta 'hakarongo atu ki ngā kōrero a ētahi atu, ā, ka āta 'hakaputa atu i o mātou ake 'hakaaro kia mārama.
<b>TE NGAIOTANGA</b>	Nā mātou katoa tēnei āhua. Kua ikeike to mātou whāinga. Ka kawea e mātou i o mātou kōrero ki ōna 'hakatutukinga, kia taea ngā moemoea o te tangata.
<b>TE KAKAMA</b>	Ka 'hakaaronuitia e mātou ki te kaupapa, ā, ka mahia te mahi. Kua herea mātou ki te rapu i ngā putanga hei painga mō ngā ākonga.
<b>TE ĀTA ĀRAHI ATU KI ROTO I NGĀ TŪPONOTANGA ME NGĀ REREKĒTANGA</b>	Ka 'hakautu mārika mātou ki ngā wero, ā, ka rapu hoki i ngā putanga hou hei 'hakatutuki ai i ngā take.
<b>NGĀ REREKĒTANGA ME NGĀ WAIHANGATANGA</b>	Ka 'hakauaratia, ka 'hakahauhaua e mātou i ngā rerekētanga me ngā pūtake o ngā 'hakaaro wairua hihiko, kia wātea mātou ki te hanga, ki te 'hakinana ai i aua 'hakaaro.
<b>MAHI NGĀTAHITANGA</b>	Ka mahi ngātahi mātou me ngā ākonga me o mātou hoa mahi, kia tutuki pai ai ngā whāinga. Ka mahi ngātahi mātou me te hunga e noho kāinga mai nei i roto i tēnei takiwā. Kua noho here mātou ki te mahitahi i ngā mahi i runga i te kaupapa tikanga rua o Niu Tīreni.
<b>TE MANA O TE TANGATA</b>	Ka 'hakaetia, ā, ka 'hakanuia e mātou i ngā 'hakatutukitanga a te tangata. E mahara ana mātou ki te hohonutanga o te mahi, engari ka kore e tukua kia ngaro te ngākau hari. Ka 'hakapono mātou ma roto i te hari me te koa ka ako tika, ka oti tika ngā mahi a te tangata.

## CHAIRPERSON'S REPORT



For 2005 Northland Polytechnic posted a financial surplus of \$1.485m. This result further consolidates the financial viability of the institution, which has now returned an above-budgeted surplus for three successive years. The 2005 surplus is an increase of 43% on that achieved in 2004.

The polytechnic has continued to prove its educational viability, with EFTS in 2005 reaching 4,130. The focus has been on meeting the aims of the government's Tertiary Education Strategy. In particular the institution has placed emphasis on enhanced quality, greater collaboration, increased responsiveness to students and learners, greater alignment with regional and national goals, and stronger links with businesses, iwi and other external stakeholders.

The institution enjoys informed and well-qualified educational leadership, combined with robust financial management. The external academic audit process has affirmed that teaching programmes are of high quality. The staff are committed and, through surveys, students express a high level of satisfaction in the education that they are receiving. The Council continually strives to improve its governance capability, and has restored the confidence of central government – this has been signalled by the Crown Manager reverting to Crown Observer status. The reputation of the institution in the community has been regained, and items in the media that refer to aspects of the polytechnic have been overwhelmingly positive throughout the past year.

Despite an apparent state of both financial and educational health, the polytechnic is nevertheless seriously constrained in the strategic direction that it wishes to pursue. A major aspect of this, as expressed in the polytechnic's revised Charter, is a return to provision of programmes in the area to the south of Whangarei. This area has historically been part of Northland, and the peninsula has been traditionally divided into the Lower North, the Mid

North and the Far North. The greater Auckland city has spilled into the Lower North, but there is no regional polytechnic north of the Harbour Bridge to support the tremendous demographic and economic growth in the region. Northland Polytechnic firmly believes that it, as part of the national network of provision, offers part of the solution for this vacuum, with support for this position being expressed by the local communities. In particular, this includes the provision of trades training and diploma level courses, and collaboration with universities with a presence in the area.

The Tertiary Education Commission has balked at this aspiration and has not approved the revised Charter. The existing, old Charter has been rolled over pending further investigation, leaving the institution in a frustrating stasis.

A further major constraint is the urgent need for campus redevelopment. The campus is underdeveloped, lacks even one full-sized lecture theatre, and many of the buildings are run down, beyond their useful life span and not geared for 21st century delivery methods.

Compounding these major constraints is the current treatment of the institution's existing loan from the Crown. So that campus redevelopment can proceed, many cases have been submitted that propose the conversion of the loan to equity. Resolution of this issue has been progressively deferred. It is now subject to a testing, through the quality reinvestment programme process, of the polytechnic's portfolio of provision for congruence with government policy. In addition, a further revised business case is required. Meanwhile the institution continues to provide for both loan principal and interest as a liability.

The resolution of these issues is an immediate priority that the Council will continue to pursue with utmost vigour.

*Jules Flight*

Jules Flight  
Chairperson

## CHIEF EXECUTIVE'S REPORT



2005 has been a year in which Northland Polytechnic has started to consolidate some of the gains generated by development strategies adopted since 2003. The institution has maintained a position of financial surplus. Allowing for interest on the prevailing Crown loan, a surplus of \$1.485m was achieved, compared with \$1million in 2004 and \$229,000 in 2003. This represents a return of 4.57% on revenue. During 2005 the Crown scaled back its regulatory oversight, moving from Crown Manager to Crown Observer status.

Equivalent full-time student numbers have grown from 3,075 EFTS in 2004 to 4,130 EFTS in 2005. This is a 34% increase and demonstrates the level of tertiary education needs which exist in te rohe o Te Tai Tokerau, the northern region of New Zealand. The institution will continue to target growth in 2006.

### The Network of Provision

2005 has seen the polytechnic continue to develop its established relationships with other tertiary education providers, including Massey University and Te Wananga O Aotearoa. Joint programme development commenced with Massey University. Credit transfer opportunities were identified. Research collaboration opportunities started to be explored.

The polytechnic, cognisant of its role as the primary tertiary education institute in te rohe o Te Tai Tokerau, the northern region of New Zealand, has begun to broaden the scope of its relationships with other tertiary education institutes. A collaboration agreement was reached with Auckland University of Technology [AUT] for the delivery of the AUT Master of Art and Design from the polytechnic's Bay of

Islands campus. Discussions have been held with the University of Auckland which will be consolidated during 2006. A collaborative funding proposal was submitted to the e-Learning Collaborative Development Fund with the Open Polytechnic of New Zealand.

Curriculum alignment activity started with the high schools in 2004 and continued during 2005 in conjunction with Innovation Development Funding provided via Manukau Institute of Technology. The curriculum material produced to highlight forestry training attracted very complimentary feedback from the school sector.

### Innovation and Flexible Delivery

In 2005 the polytechnic established the electronic footprint which is beginning to integrate its activities within the region. Computing facilities, video conferencing and smartboard capability has been established at each of the existing regionally located delivery sites. This network of learning centres was increased with the opening of a learning centre in Kaikohe during 2005 and a flexible delivery centre network hub opened at the Raumanga campus by the Honourable Steve Maharey.

Discussions were pursued with regional agencies to gain more effective broadband links through the region. This saw the submission of a proposal to the Ministry of Economic Development in late 2005 modelling a Probe 2 broadband initiative based on the polytechnic's regional electronic footprint. This will be pursued further during 2006. The polytechnic also engaged in discussions with the Rodney District Council and North Shore Economic Development Agency to begin to explore how the polytechnic could assist these parts of the Tai Tokerau region to meet their training needs and aspirations.

The introduction of community-based horticulture programmes has demonstrated the ability to provide a gain to economic and social development. The flexible delivery model of this programme led to the creation during 2005 of a similar community-based trades skills programme. These two programmes take the learning to the community. They are particularly applicable to the dispersed communities found in the Far North District, Whangarei District, Kaipara District and Rodney District. 2006 will see the development of further programmes which will replicate this successful flexible delivery format.

In an effort to continue to address the price barrier to tertiary education which exists within the region, the polytechnic maintained its fees-free approach to commencing tertiary study. In 2005 69% of EFTS were enrolled on fees-free programmes compared with 60% in 2004.

### **Connecting with Communities**

The agreements reached with agencies during 2003 and 2004 have started to give a much greater level of connection between communities and the polytechnic. The polytechnic was invited to join the Northland Skills Forum chaired by Enterprise Northland. Meetings were held with the economic development agencies in the Far North District, Whangarei District, Kaipara District, Rodney District and North Shore. Polytechnic staff are now active contributors to the development and implementation strategy for an increasing portion of the region. Work is required during 2006 to further contribute to the economic and social development agendas within the region. The polytechnic is actively discussing such activity with staff from the Ministry of Social Development.

During 2005 the polytechnic has worked closely with a number of key industry groups. A Memorandum of Agreement was signed with the New Zealand Refining Company. A successful trades industry forum was held and a working group, including representation from the engineering, wood processing, construction, marine and refining sectors, formed with the polytechnic and Enterprise Northland to find ways to continue to improve the provision of trades training within the north.

Discussions with the Ngawha Corrections Facility led to the establishment of a training programme at the facility in 2005. Initial responses to this trial programme suggest that it will expand during 2006.

The polytechnic contributed significantly to the creation of a creative industries arts strategy for the Northland region. It is part of the steering group to create a similar strategy for the Whangarei District.

Enrolments of Māori students increased from 4578 in 2004 to 5,276 in 2005. Significant agreements were reached with iwi during 2005, specifically in forestry with Te Aupouri, house building with Te Rarawa and Maurakau with Ngati Hine. The polytechnic acknowledges the active support it received from respective iwi during 2005. Ongoing discussions with Ngati Whatua led to the agreement of a Memorandum of Understanding which will be signed in early 2006. The polytechnic has continued to develop its links with a number of regional trusts and during 2005 developed further agreements involving its highly successful horticultural programme. Very productive relationships were established with Te Puni Kokiri to assist Māori development via the application of polytechnic programmes.

### **Capital Works**

2005 gave the opportunity for significant progress to be made in addressing the legacy issues of deferred maintenance. The buildings at Raumanga were painted. The book shop was moved and a flexible learning centre established. This included a computer laboratory space for staff on-line development work. Student café facilities were enhanced. New signage was introduced through the various polytechnic delivery sites. A new learning centre was opened in Kaikohe specialising in a kaupapa Māori philosophy and launched under the institution's Māori name of Te Tai Tokerau Wananga. The Kaitaia campus was repainted and a security system installed. Disability access was improved at the Dargaville and Rawene learning centres and a new shadehouse constructed at the latter.

Planning work commenced for the construction of a new e-enabled teaching facility to be constructed during 2006. This will be the first new building

at the Raumanga campus since 1996. It marks the start of a process which will begin to increase the appropriateness of facilities for 21st century learning. Opus International were also commissioned to prepare a 10 year campus development strategy. The polytechnic notes the Crown's establishment of funding processes designed to facilitate alignment with the Tertiary Education Strategy and anticipates that this will finally provide a mechanism to address the significant legacy issues of poor facilities for tertiary education within the North.

The investment in technology development continued during 2005, building on the foundations established in the previous two years. A comprehensive intranet structure [Northtec Portal] was launched during 2005. The richness of information available on this will be increased during 2006. Planning for the establishment of the Raumanga campus as a wireless zone was completed and this will take place in the early weeks of 2006. Syllabus Plus "facilities management" software was purchased. Its application has started to improve the efficiency of room usage. This will provide valuable data on pressure points so that facilities development can match changing patterns of demand.

### Best Practice

Satisfaction data continued to record high levels of student satisfaction. Rates remained high at 98% compared with the 2004 rate of 93%. Student satisfaction with teaching was recorded at 97% compared with 97% in 2004. These are very high levels. Satisfaction with facilities remains the lowest of the responses at 89% but still an improvement on 84% in 2004 and 80% in 2003.

The growing reputational quality of the institution continues to be reinforced with the range of partnership agreements being reached with other bodies. For example, Memoranda of Understanding

signed with the Māori Language Commission, New Zealand Refining Company, Northland Rugby and Emily Carr Institute of Art and Design [Canada].

The national standing of the hospitality section continues to grow, with the section awarded The Tertiary Provider of the Year by the Hospitality Institute after being finalists in the previous two years. Hospitality tutor, Simon Hart, was also a finalist in the Tutor of the Year at the Hospitality Standards awards. Similarly the polytechnic was highly commended by Institutes of Technology and Polytechnics Quality [ITPQ] staff for the quality of the submission and accreditation process during the 2005 ITPQ approval of the Bachelor of Applied Social Science. Substantial funding support was provided during 2005 to enhance curriculum development processes, including the creation of blended learning study options, for example in Nursing. The value of this work will become apparent in coming years.

### Staffing

In 2005 the institute employed 298 people who, in full-time equivalent terms generated a staffing level of 255 compared with 228 FTE in 2004. During 2005 the polytechnic continued to improve student to staff ratios. EFTS: Tutorial staff FTE ratios have moved to 27:1 from 22:1 in 2004. Overall student to staff ratios moved to 16:1 from 13:1 in 2004.

A review of the teaching areas reporting to the Executive Dean was completed and realignment made around planning and marketing clusters. This process has created more coherent groupings for programme delivery and created a framework whereby zones of mutual interest are more likely to be explored. The planning and marketing clusters of Creative Industries, Sustainable Development, Business Applications, Health and Active Wellness, and Transport, Trades and Logistics strongly reflect the economic and social development strategies of the region.

The newly established Staff Wellness Committee has started to provide a useful sounding board for the continuing development of the institutional culture. Substantial planning was completed involving both human resource staff and learning development and learning support staff which will provide a sound framework for a more strategic approach to educational development and professional development in the years to come. Despite a competitive labour market the polytechnic is continuing to attract well-qualified and experienced applicants. New managers were welcomed to the Business and Tourism and Primary Industries programme areas.

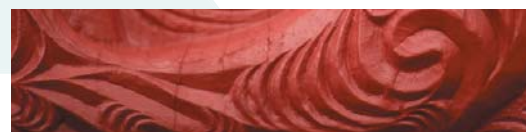
### Internationalisation

2005 remained a difficult year in the New Zealand international student market. Northland Polytechnic was affected by this general adverse trend but, given the small size of the current international student cohort, this did not constitute a business risk of great magnitude. Nevertheless, to ensure resource allocation continues to match market demand, international operations were reviewed during 2005.

The institute continued to develop its relationships with the Hawai'ian Community Colleges and visits by respective staff from both parties took place. Following the establishment of relationships in 2004 by the Chief Executive, an agreement was signed with Emily Carr Institute of Art and Design in Vancouver, Canada. A further agreement was signed with Chinese partner Adult and Higher Education Service – City Centre, targeting Hong Kong as a future market.



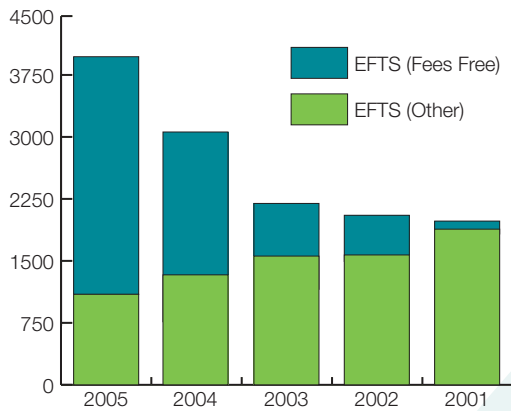
Terry Barnett  
Chief Executive  
Te Ahurei



# SUMMARY OF NON-FINANCIAL PERFORMANCE FIGURES

	2005	2004	2003	2002	2001
EFTS	4130	3075	2191	1886	1867
Tutors [FTE]	152	138	129	164	163
EFTS/Tutor	27	22	17	12	12
Total staff [FTE]	255	228	207	264	266
% Maori EFTS	40	40	39	42	42
% Female EFTS	52	56	58	54	58

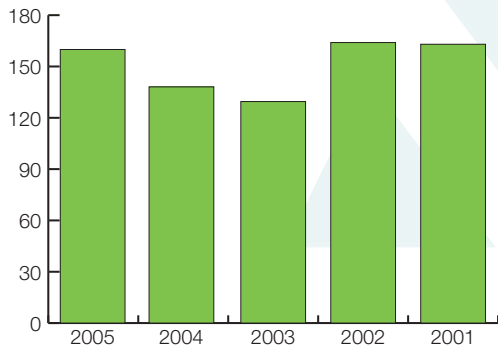
EFTS Trends



During 2005, the polytechnic provided education to 22,798 students representing 4,130 Equivalent Full-Time Students (EFTS). This is a 34% increase over 2004 EFTS.

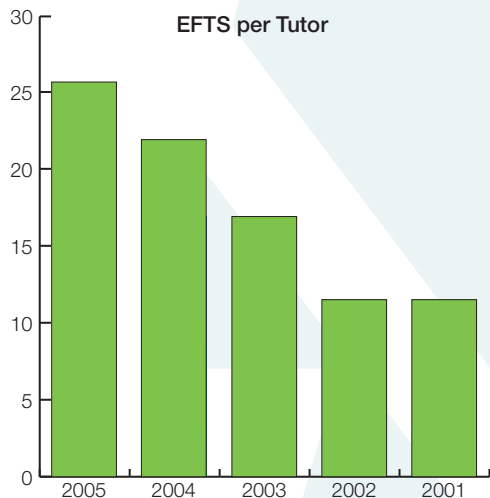
The number of students accessing fees free courses continued to increase, now representing 69% of total EFTS.

Tutor Trends



The small increase in tutor FTEs in 2005 reflects the fact that many of the additional EFTS in 2005 were taught in conjunction with third party providers.

EFTS per Tutor

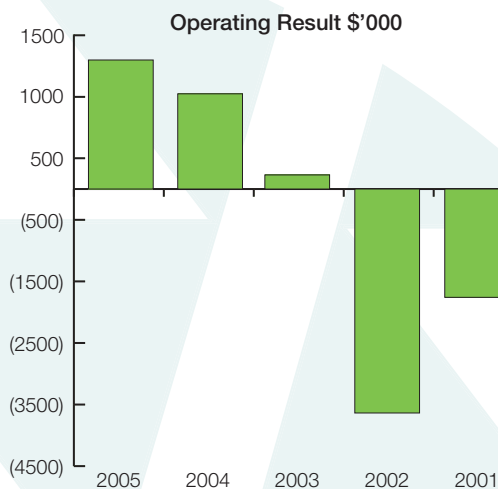


EFTS per tutor increased from 22 in 2004 to 27 in 2005. The numbers of EFTS in programmes delivered in conjunction with third party providers continued to influence this ratio.

## SUMMARY OF FINANCIAL INFORMATION

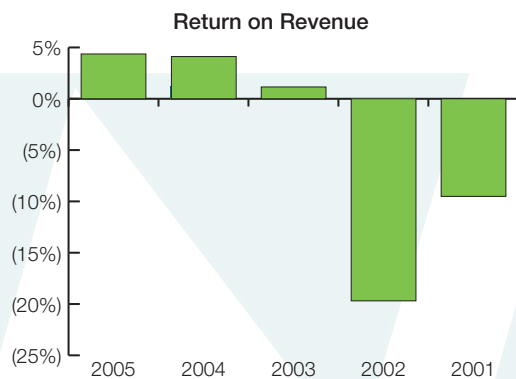
	2005 \$'000	2004 \$'000	2003 \$'000	2002 \$'000	2001 \$'000
Total Revenue	32,484	25,866	19,886	18,467	18,487
Operating Result	1,485	1,031	229	(3,637)	(1,759)
Total Staff Cost	13,496	11,767	10,406	13,491	12,179
Salaries and Wages per EFTS	3.3	3.8	4.7	7.2	6.5
Working Capital	3,737	(3,854)	(4,522)	(4,926)	(1,339)
Capital Expenditure [net of sales]	1,414	2,166	1,052	402	1,238
Total Fixed Assets	25,679	25,997	21,798	21,859	22,735
Total Costs per EFTS	7.5	8.1	9.0	11.7	10.8

Capital expenditure includes Leased Asset expenditure.



The Operating Result for the 2005 year is again an improvement on the previous year, with a further increase in revenue associated with a higher level of EFTS, and continued control on expenditure.

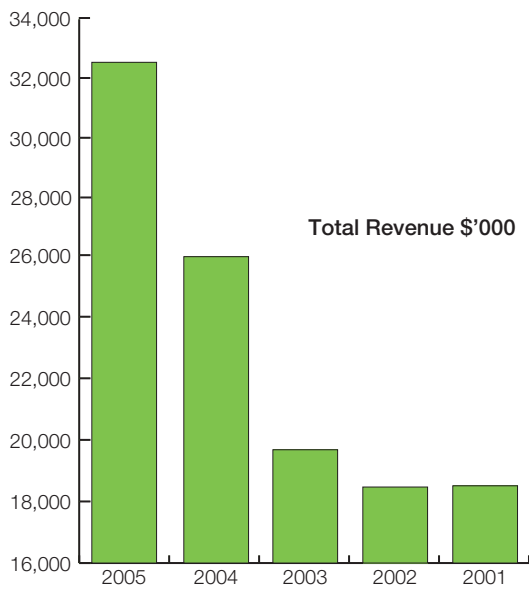
The Operating Surplus is after providing for interest of \$0.47 million on the Crown Loan.



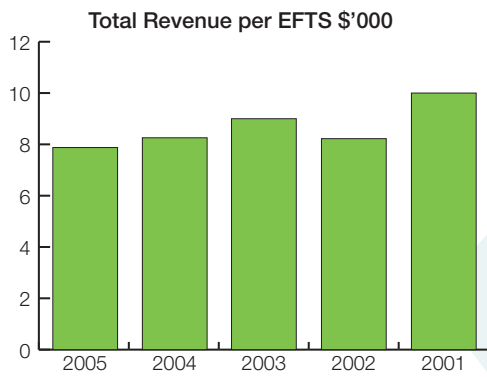
Operating Surplus remains above the TAMU 3% benchmark, at 4.57% for the 2005 year.



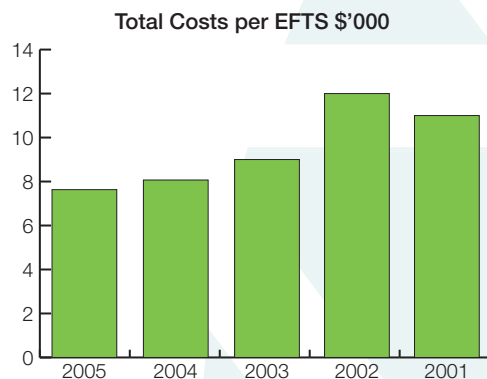
SUMMARY OF FINANCIAL INFORMATION



Total revenue of \$32.48m is an increase of 25.6% over the previous year. This increased revenue is due to a 34% increase in EFTS, partially offset by an increase in EFTS on fees-free programmes.



Revenue per EFTS continues to decrease and is a reflection of the increasing number of EFTS accessing fees-free programmes. (69% in 2005)



Increased EFTS and continued control on expenditure have resulted in a further decrease in Total Costs per EFTS in the 2005 year.



**POLYTECHNIC'S  
REVIEW  
AND  
PERFORMANCE**

## STATEMENT OF SERVICE PERFORMANCE

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The goals adopted by the polytechnic in its Charter and 2005 - 2007 Profile are shown below.

1. An outstanding provider of tertiary education.
2. The leading facilitator of tertiary pathways.
3. Strong connections with external stakeholders and partners.
4. A clear and shared commitment to the institution's vision, goals and values.
5. A financially strong and sustainable institution.

### Statement of Service Performance

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The Public Finance Act (1989) and the Education Amendment Act (1990) and subsequent amendments provide the legal requirements for public reporting by Northland Polytechnic.

The Education Amendment Act requires the polytechnic council to prepare a charter that includes the goals of the institution. The Public Finance Act requires a Statement of Objectives, which specifies outputs to be achieved during the year. The objectives that follow are those adopted in the 2005 - 2007 Profile.



# GOAL 1

## An Outstanding Provider of Tertiary Education

Objectives	Performance Indicators	Target 2005	Actual 2005
1.1 Ensure that programmes meet quality requirements	ITP Quality Assured Status  Research outputs from staff and students which contribute to regional development or Māori development or inform teaching and learning	Maintained ITP Quality Assured Status Planned benchmarking occurs and maintained  40	Achieved  Work on benchmarking the quality of programmes has been deferred to allow national initiatives on quality benchmarking to be developed  Achieved total of 80
1.2 Increase rates of participation consistent with regional needs	Participation rate EFTS/ 1,000 population	Increase participation rates compared with previous year  Establish robust retention and completion baseline data	Achieved - EFTS/ 1,000 population increase on previous year  Achieved - captured through Single Data Return
1.3 Provide a range of applied programmes that meet the identified needs of the community	Frequency of needs analysis  Review of programme portfolio	Annual needs analysis conducted  Frequency of needs analysis conducted  Review of programme portfolio	Achieved - Analysis undertaken  Achieved - Analysis undertaken  Achieved - Analysis undertaken
1.4 Ensure through innovative and flexible delivery methods that programmes are accessible throughout the Northland region	% of programmes with components available using flexible delivery methods  % of teaching staff who have had training in flexible delivery methods  Percentage of programmes accessible outside Whangarei	34%  30%  43%	Achieved - 34%  Achieved - 32% of staff undertook training  Achieved - 59% of programmes accessible outside Whangarei
1.5 Provide a safe, positive and enjoyable environment for educational delivery	Student satisfaction survey response to overall satisfaction with experience at Northland Polytechnic  Equal Educational Opportunities Plan Operating  Investigate feasibility of providing student accommodation  Number of student complaints	Ensure adequate satisfaction levels  Refer Page 62  Conduct feasibility study  <30	Achieved - 98% of respondents indicate satisfied to some extent  Achieved  Initial investigations were undertaken, however the building in question was considered to be unsuitable. Further work will be undertaken in 2006 with Enterprise Northland to investigate potential private sector partners for the development of student accommodation.  Achieved - 15 received

## GOAL 2

### The Leading Facilitator of Tertiary Pathways

Objectives	Performance Indicators	Target 2005	Actual 2005
2.1 Ensure that the community has the opportunity to study from foundation level through to advanced level in a wide range of programmes	Table EFTS by output class EFTS by location EFTS by Certificate/Dip/Degree or NQF level	See table below	See table below
2.2 Establish and publicise clear academic linkages with secondary schools	Academic Linkages with: Schools – curriculum alignment programmes	2 new Linkages p.a. (some existing linkages will no longer exist)	Achieved - 2 new linkages developed with Northland College and Kamo High School. Relationships and various links with all Northland Schools exist. STAR Programmes run from majority of these
2.3 Establish and publicise clear academic linkages with Private Training Establishments, Wananga and other Tertiary Education Institutes [TEIs]	PTEs - Memoranda of Agreement negotiated  Primary linkages established with TWA, Massey University and other TEIs	1 new MoA p.a.(some existing MoAs will no longer exist)  1 new linkage p.a.(some existing linkages will no longer exist)	Achieved - signed 1 MoA with Te Aupouri Maori Trust Board  Achieved - ongoing relationship with Massey and Te Wananga o Aotearoa. Agreement signed with Auckland University of Technology Agreement signed with Emily Carr Institute of Art and Design
2.4 Establish and publicise clear academic linkages with industry	Pathways publicised on website	2 additional	Paper publication sent to schools. To be updated onto Internet in 2006

PROFILE EFTS TRENDS	TARGETS 2005	ACTUAL 2005
<b>Qualification</b>	<b>EFTS</b>	<b>EFTS</b>
Certificate	2,858	2,277
Diploma	456	388
Bachelor	316	272
Continuing Education	111	86
STAR	10	34
Short Courses	367	1,073
	<b>4,118</b>	<b>4,130</b>
<b>Output Class</b>	<b>EFTS</b>	<b>EFTS</b>
Arts and Performing Arts	137	91
Business, Computing and Law	1,086	989
Teacher Education	28	27
Health Professions	415	663
Environment, Science and Applied Science	940	1,278
Technology	130	128
Trade Training	328	319
Humanities and General Education	1,054	635
	<b>4,118</b>	<b>4,130</b>
<b>Location</b>	<b>EFTS</b>	<b>EFTS</b>
Whangarei	2,126	1,655
Bay of Islands	281	235
Rawene	209	118
Dargaville	159	98
Kaitaia	198	122
Kaikohe	21	49
Other	524	856
Extramural or Distance	600	997
	<b>4,118</b>	<b>4,130</b>

## GOAL 3

### Strong Connections with External Stakeholders and Partners

Objectives	Performance Indicators	Target 2005	Actual 2005
<i>Within Northland establish strong and lasting relationships with:</i>			
3.1 Regional communities	Number of regional advisory fora operating	2 operating	Achieved - Chief Executive is a member of 6 regional groups
3.2 Business and industry sectors	Advisory processes operating	For each programme	Achieved
3.3 Schools and other tertiary education providers	Memorandum of Understanding establishing a primary relationship with other tertiary providers  Number of liaison visits to schools	3 operational  Between 1 and 3 on a predetermined 3-tier system	Achieved - MoAs signed with 8 Secondary Schools  Achieved - 3 visits to Tier A schools, 2 visits to Tier B schools, 1 visit to Tier C school
3.4 Education contractors	Effective relationships with preferred education contractors	5 operating	Achieved - Relationships established with 12 Third Party Contractors
3.5 Public sector agencies	Strategic relationships established	2 additional	Achieved - Relationship established with Te Puni Kokiri and Memorandum of Understanding developed with Department of Conservation
3.6 Māori organisations and iwi (tangata whenua)	Consultation opportunities  Memoranda of Understanding exist with Māori organisations and iwi	1 hui conducted  2 negotiated  2 operational	Achieved  Achieved - 3 programmes in conjunction with Maori organisations  Achieved - contracts signed with Ngati Hine, Te Aupouri and Maori Language Commission
3.7 Pacific Island people	Pacific communities identified in Northland and needs analysis conducted	Pacific communities identified and needs analysis conducted	Not achieved - Research project formulated but was not conducted in 2005. Will commence in 2006.
3.8 Professional associations and industrial unions	Agreements concluded with industrial unions  List of key professional associations established	2 agreements concluded  Identify relevant professional associations	Achieved  Achieved

# GOAL 4

## A Clear and Shared Commitment to the Institution's Vision Goals and Values

Objectives	Performance Indicators	Target 2005	Actual 2005
<i>Through strong leadership and management supported by Council, ensure that:</i>			
4.1 The goals, values and culture of the institution meet the requirements of the Northland community	Response to survey of Northlanders with respect to institutional culture and responsiveness	Improved  Investigate Learning College	Achieved. The focus was directed towards community leaders regarding our Charter and Profile. Some changes to these documents occurred as a result of this community feedback.  Achieved - 3 US Community Colleges visited by Deputy Chief Executive
4.2 This strategic framework is communicated to, and understood by all staff	Frequency of communication related to strategic framework  Survey of staff understanding	3 per annum  Maintained 1 institute-wide staff training opportunity	Achieved  Achieved
4.3 Actual behaviour is consistent with these goals, values and culture, and supported by all staff	Response to survey of Northlanders with respect to institutional reputation	Maintained	Achieved. Feedback from community leaders (4.1 above) and overwhelmingly positive media statements reflect the communities view of our institutional reputation.
4.4 Staff are valued and provided with opportunities to develop in a framework of optimism, enthusiasm and creativity	Professional development uptake by staff  Presence of a staff reward and development system  Response to staff survey  Equal Employment Opportunities Plan operating	80% of eligible staff  Operating  Maintained  Refer to Page 61	Not achieved. It is acknowledged that improvements are required to the planning and uptake of professional development, with an institution-wide strategy to be developed in 2006.  Achieved  Achieved  Refer to Page 61



## GOAL 5

### A Financially Strong and Sustainable Institution

Objectives	Performance Indicators	Target 2005	Actual 2005
5.1 Operating surplus of at least 3% of total income and 1% of total assets	Year End Surplus as a percentage of total income and total assets	3% 1%	Achieved - 4.6% Achieved - 4.2%
5.2 Year-end cash and bank balances equal to at least 5% of the operating cash expenditure over the preceding 12 months	Cash and Bank Balances as a percentage of operating cash expenditure over the preceding 12 months	13.3%	Achieved - 32.6%
5.3 Operating cash receipts equal to at least 105% of operating cash expenditure over the previous 12 months	Operating cash receipts as a percentage of operating cash expenditure over the previous 12 months	106.2%	Achieved - 117.4%
5.4 Robust controls and systems that support the ability to respond effectively to a demonstrated need in an efficient and timely manner	Audit report with respect to financial controls Submission of Single Data Return	No significant risks identified Meets TEC requirements with regard to timing, accuracy and content	Achieved Achieved - submitted within framework
5.5 Enhance professional capacity of income generation	Model to enhance income generation	Model developed and maintained	Whilst a formal model has not been developed, the 2006-08 profile (adopted in late 2005) sets out the strategic direction that the polytechnic intends to take with respect to the enhancement of revenue generation





## ACADEMIC QUALITY SERVICES REPORT

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For the 2005 year Northland Polytechnic continued to operate a quality management system aligned with the ITPNZ Academic Quality Standards. Northland Polytechnic holds Quality Assured Status that was awarded by ITP Quality in 2004. It is planned for ITP Quality to conduct a mid-term review of this status in 2006.

Throughout the year programmes, courses and teaching were systematically evaluated by students. The results of these evaluations provide a valuable insight into the provision of education and help to identify areas for improvement. The annual student satisfaction survey was conducted in the second semester. This is the fifth year the survey was conducted and analysis of the results over the period indicates that 2005 had the highest levels of student satisfaction. Graduates were also given the opportunity to evaluate the Polytechnic approximately nine months after the end of the 2004 academic year. During the year 15 formal student complaints were received. This was an increase on the number received in 2004.

Internal academic audit is an important part of the quality management system. During 2005 15 programmes were audited. In order to increase the institution's academic audit capacity, eight staff received training in academic audit.

## FLEXIBLE LEARNING REPORT

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The major focus of flexible learning development in 2005 was on building capacity in both infrastructure and staff development processes. This was made possible by external funding from the e-Learning Collaborative Development Fund (eCDF) and internal funds for flexible learning development allocated from the polytechnic budget.

The eCDF funds assisted with the development of capacity in multimedia development, the NorthNet e-learning system, and programme development in Nursing and Te Puna. Stanley Frielick completed his professional development award as a Flexible Learning Leader in New Zealand, which was also funded by the eCDF. Another round of eCDF funding began in mid-2005 with the Certificate in e-Learning Design and Development (CELDD) project led by Northland in partnership with Massey University and People Potential Ltd.

The internal funding enabled 8 small-scale projects from across programme areas, including Library, Tertiary Teaching, Business, Nursing, Horticulture, and Trades. The projects were demonstrated at the annual showcase in December.

Overall there was encouraging growth in the use of the NorthNet e-learning system with over 80 courses online or in development by the end of 2005. These are now able to be supported by a robust IT network, video-conferencing, Smartboards, and an emerging central resource for learning and teaching development.



## PROGRAMME DEVELOPMENT REPORT

During 2005 the Academic Board approved 24 new programmes. This included one degree, six diplomas and 17 certificates. In addition the Academic Board approved 27 short courses and 79 applications for changes to existing programmes. The new degree approved in 2005 was the Bachelor of Applied Social Service. The Social Work major of this degree has been added to the Social Workers Registration Board's Schedule of Recognised Qualifications.

New programmes approved in 2005 are:

### Business Applications

- Northland Polytechnic Certificate in Cookery (Level 4)
- Northland Polytechnic Certificate in Tourism Maori (Level 3)
- Northland Polytechnic Certificate in Tourism (Core Skills)
- National Certificate in Hospitality (Small Business Management) (Level 4)
- Northland Polytechnic Certificate in Tourism and Hospitality Skills (Level 2)

### Creative Industries

- Northland Polytechnic Diploma in Beauty Therapy
- Northland Polytechnic Diploma in New Media
- Northland Polytechnic Diploma in Animation
- Northland Polytechnic Diploma in Performing Arts (Creative Techniques)

### Health and Active Wellness

- Northland Polytechnic Diploma in Sport and Recreation (redeveloped)
- Northland Polytechnic Certificate in Sport and Recreation (Level 5) (redeveloped)
- National Certificate in Occupational Health and Safety (Workplace Safety Level 3)
- Bachelor of Applied Social Service
- Northland Polytechnic Certificate in Registered Nurse Competence

### Sustainable Development

- Northland Polytechnic Diploma in Applied Science
- Northland Polytechnic Certificate in Forestry (Forest Industries) (Level 2)
- Northland Polytechnic Certificate in Forestry (Harvesting) (Level 3)
- Northland Polytechnic Certificate in Wood Processing (Level 4)

### Technology and Trades

- Northland Polytechnic Certificate in Marine Cabinet Making
- Northland Polytechnic Certificate in Concrete Construction
- Northland Polytechnic Certificate in Elementary Construction
- Northland Polytechnic Certificate in Applied Work Practice (Level 3)

### Te Puna O Te Matauranga

- Ngā Mahu Tū Taua (Northland Polytechnic Certificate in Ancient Māori Weaponry)
- Northland Polytechnic Certificate in Whakairo (Visual Arts)



## RESEARCH REPORT

Northland Polytechnic encourages staff to become involved in research that contributes to regional development, Māori development and/or informs teaching and learning. Northland Polytechnic continues to cultivate its developing research culture through internal process and funding, and in the 3rd quarter, through the appointment of a full-time Research Co-ordinator.

The total amount available for research funding in 2005 was \$125,000 of which \$95,098 was allocated via the contestable research fund. This was up from \$88,000 in 2004, of which \$51,800 was allocated via the contestable research fund. Funding in 2005 was derived from a portion of the Student Component funding associated with the four degree programmes (\$80,000) and the research component of the Business Links Fund (\$45,000). The Student Component funding will continue to be a decreasing source of research funds, to be replaced by PBRF funding starting in 2007.

Any research conducted at Northland Polytechnic, or under the name of the polytechnic, must be approved by the Research Committee. The role of the Research Committee is to monitor research and to ensure that projects have adequate support, appropriate ethical standards, will not harm the reputation of the institution, and have been conceptualised and planned to a suitable standard.

### Research Projects Approved:

In 2005, 28 projects were approved. A number of these projects extend into 2006.

Marea Timoko: Artist in Residence, North Lands Creative Glass School, Scotland.  
 Bev Mackay: Nursing Leadership and Innovative Role Development in Primary Health Care Nursing.  
 Dorothy Waetford: Toi-a-nuku, Matariki 2005.  
 Albert van Aardt: Using OpenOffice as a tool in teaching Database Administration.  
 Colin Dyer, Mike Mullany: Using simulations in teaching systems analysis case studies: a method described and demonstrated.  
 Judy Hylton: Clinical Portfolios assist with Knowledge Transfer and help close the gaps.  
 Bev Mackay: KIWIN - An Evaluative Study.  
 Stanley Frielick: Complexity, Science & Society Conference.  
 Stanley Frielick: The Zone of Academic Development.  
 Janine McVeagh: Distance Lends Enchantment - Research Challenges and Opportunities in a remote area.  
 Joan Taylor: Exploring the Teaching / Postgraduate Study Nexus in Computing. A national ITP Project.  
 Lou van Es: An investigation into an appropriate business incubator model for Northland.  
 Alan Martin: Hospitality Success.  
 Rose Chapman: Enabling teaching staff to make best use of new intranet facility.  
 Janine McVeagh: Priscilla Wakefield.  
 Richard Parker: Exhibition of new work for the Osaka Sakai Gallery.  
 Chris Coutts: Six Students' Stories - Bridging Educators Conference.  
 Derek Colebrook, Phil Giles, Stanley Frielick: Curriculum Alignment in Action - Bridging Educators Conference.  
 Sue Bartlett: Is anybody out there - Bridging Educators Conference.  
 Albert van Aardt: Security Software for Small Businesses.  
 Ileen Maklad, Norma Scobie: Distribution and employment of new graduates within two years of successfully completing the Northland Polytechnic Nursing Programme.  
 Jane Scripps: Why don't more women go into trades?  
 Joan Taylor: Motivation and attitudinal research of tertiary study in Northland.  
 Albert van Aardt: Business Models on Open Source Software.  
 Peter Bruce: A Space For Identity: Maori Being at Home at Work.  
 Ellie Smith: Our Most Treasured Art.

## LIBRARY REPORT

Library developments in 2005 include:

- Close links made between the library team, flexible learning team and learning development tutors to provide improved support for students.
- A virtual library tour and online/dvd resource produced to support flexible learners' information skills development.
- Redesigned library webpages to help students use online resources successfully and independently.
- Online journals easily accessible by title through Ebsco A-Z.
- The audio visual area now groups videos, cds, dvds and kits in one place.
- Significant collection development to support the Bachelor of Applied Social Service.
- Two online fulltext databases have been added (SocINDEX with fulltext, Cinahl with fulltext).
- Improvements to the library environment such as: a smartboard in the library seminar room; new shelving; student furniture and new display areas.

### Library Usage

Although visits to the library and issued items dropped in 2005, the number of students and staff using library material increased.

	2005	2004	2003
Active borrowers	1,475	1,406	924
Issues	30,474	32,404	27,318
Renewals	4,010	4,352	5,713
Door-count	67,292	69,646	62,505

### Collection

The library currently has 24,756 titles and 43,132 items.

	2005	2004	2003
New titles	1,811	1,668	1,465
Items withdrawn	549	899	1,986



# PROGRAMME AREA REPORT - ARTS

2005 saw Arts consolidate existing programmes and advance plans for new programme initiatives.

It also saw the re-introduction of the Certificate in Performing Arts as a fees-free programme. Staff prepared the next level of study with many of the students now eligible to enter into the Diploma in Performing Arts to be offered in 2006.

The north has a reputation for the strength of Applied Arts especially in Clay and Glass and it is within these subjects and with local creative industry support that the Arts programme is becoming known nationally. Interest in the degree is increasing.

To complement the undergraduate programme and allow students pathways in the future without leaving the area, we have entered into an agreement with Auckland University of Technology to facilitate the delivery of their Masters in Arts and Design (Distance) through the Kerikeri campus. This will be expanded to the Raumanga campus as interest grows.

An agreement was signed with Emily Carr Institute of Art and Design in Vancouver, Canada, for students to participate in international exchanges.

We hosted the Canadian artist Fae Logie as an Artist in Residence. Her time here culminated in a successful show in the Geoff Wilson Gallery. It is hoped that this project will become a yearly award bringing in both local and international interest.

On the research front tutors on the programme have been engaged in successful activities that won financial support. Marea Timoko and Richard Parker both attended top international venues to share their craft and, locally, Dorothy Waetford organised two exhibitions to complement the Matariki celebrations.

The year closed with several excellent exhibitions by students in Northland.

## Financial Performance

	2005 Actual \$'000	2005 Budget \$'000
<b>Revenue</b>		
EFTS Funding	590	856
Other Government Revenue	-	-
Student Fees	345	473
Other Revenue	1	-
<b>Total Revenue</b>	<b>936</b>	<b>1,329</b>
<b>Costs</b>		
Salaries and Wages	443	509
Other Direct Costs	150	222
Allocated Overheads	387	602
<b>Total Costs</b>	<b>980</b>	<b>1,333</b>
<b>Net Contribution</b>	<b>(44)</b>	<b>(4)</b>

## Performance Indicators

	2005 Actual	2005 Budget
<b>Numbers</b>		
Equivalent Full-Time Students Enrolled (EFTS)	91	137
Full-Time Equivalent Staff / Non Teaching	1.0	1.0
Full-Time Equivalent Staff / Teaching	7.4	8.6
Student (EFTS):Tutor Ratio	12.3:1	15.9:1
<b>Student Participation Rates</b>		
Māori	36%	
Female	77%	
Students with Disabilities	12%	
<b>Student Success Rates</b>		
Overall	78%	
Māori	68%	
Female	80%	
Students with Disabilities	53%	

# PROGRAMME AREA REPORT

## - COMPUTING and ADMINISTRATION

The Computing and Administration programme area was part of a review of programme delivery conducted during 2005. As a result of the review this area has been amalgamated with degree and diploma delivery of information systems. This creates a more effective staircasing for students wishing to move from lower NQF level programmes to higher NQF level programmes.

The traditional programmes in the area proceeded much the same as previous years. A major change was the implementation in the second half of 2004 of the Northland Polytechnic Certificate in Generic Computing Level 3 (NOPCGC3), a home based level 2/3 computing course.

The programme runs for a year with the initial course running from mid-2004 to mid-2005. Over 600 students enrolled on the initial offering. A number of strategies have been put in place to improve the completion rates of this distance programme for the future.



### Financial Performance

	2005 Actual \$'000	2005 Budget \$'000
<b>Revenue</b>		
EFTS Funding	4,219	4,555
Other Government Revenue	-	-
Student Fees	113	106
Other Revenue	3	1
<b>Total Revenue</b>	<b>4,335</b>	<b>4,662</b>
<b>Costs</b>		
Salaries and Wages	555	917
Other Direct Costs	2,190	2,474
Allocated Overheads	1,446	1,265
<b>Total Costs</b>	<b>4,191</b>	<b>4,656</b>
<b>Net Contribution</b>	<b>144</b>	<b>6</b>

### Performance Indicators

	2005 Actual	2005 Budget
<b>Numbers</b>		
Equivalent Full-Time Students Enrolled (EFTS)	813	883
Full-Time Equivalent Staff / Non Teaching	1.6	2.3
Full-Time Equivalent Staff / Teaching	10.5	17
Student (EFTS):Tutor Ratio	77.4:1	51.9:1
<b>Student Participation Rates</b>		
Māori	23%	
Female	70%	
Students with Disabilities	2%	
<b>Student Success Rates</b>		
Overall	42%	
Māori	32%	
Female	45%	
Students with Disabilities	38%	

# PROGRAMME AREA REPORT - EDUCATION

The delivery of hairdressing, beauty therapy and textiles and fashion programmes continued in 2005.

The area had set itself a target of beginning some evening classes at the Robert Street Learning Centre. We successfully held two Textile and Fashion evening classes with a full complement of 14 students in each. We also began a mid-year intake of hairdressing students. For a first attempt at a mid-year intake we believe it has been successful. The year ended with a successful fashion show which families and industry attended. Development of the required documentation for a Diploma in Beauty Therapy was completed in December 2005. With this completion the diploma can be offered in 2006. Opportunities for off-shore delivery are under consideration for the future.

Foundation Studies has been developing a strong student base in Whangarei. Kerikeri achieved a full complement of students on its third running of the programme in semester two of 2005. Insufficient student numbers resulted in the programme not running in Kaitaia, Rawene or Dargaville. Considerable time was put into developing a more flexible programme to be delivered in the regions. With this new approach an application for Foundation Studies funding was submitted to TEC. This was successful for three programmes, one each in Kaitaia, Kaikohe and Dargaville for 2006.

The Education area continued to work with Te Wānanga o Aotearoa in the delivery of the Greenlight Literacy and Numeracy programme. With the Crown's review of this programme during 2005, the enrolling of new student cohorts was deferred until the completion of the review.

## Financial Performance

	2005 Actual \$'000	2005 Budget \$'000
<b>Revenue</b>		
EFTS Funding	1,988	3,402
Other Government Revenue	101	97
Student Fees	316	351
Other Revenue	15	-
<b>Total Revenue</b>	<b>2,420</b>	<b>3,850</b>
<b>Costs</b>		
Salaries and Wages	671	693
Other Direct Costs	1,000	2,275
Allocated Overheads	695	871
<b>Total Costs</b>	<b>2,366</b>	<b>3,839</b>
<b>Net Contribution</b>	<b>54</b>	<b>11</b>

## Performance Indicators

	2005 Actual	2005 Budget
<b>Numbers</b>		
Equivalent Full-Time Students Enrolled (EFTS)	371	639
Full-Time Equivalent Staff / Non Teaching	1.0	1.0
Full-Time Equivalent Staff / Teaching	11.7	12.3
Student (EFTS):Tutor Ratio	31.7:1	51.9:1
<b>Student Participation Rates</b>		
Māori	55%	
Female	69%	
Students with Disabilities	4%	
<b>Student Success Rates</b>		
Overall	45%	
Māori	38%	
Female	47%	
Students with Disabilities	30%	

# PROGRAMME AREA REPORT

## - ENGLISH AS A FOREIGN LANGUAGE

June of 2005 saw the merging of the management of the International area and the Education Area. The International area had major problems with achieving its EFTS target. With the end of the Asian 'bubble' wanting to learn English there was a real need for the staff to change the way they thought about international education. After the third review of the budget this area met their target EFTS. Exploration of new directions to take took place and the initial drive was to develop an "English for Migrants" flexible delivery course in conjunction with English-to-Go Ltd. A pilot was successfully run near the end of 2005. The new programme manager for the area went overseas on a marketing trip in November 2005. This trip consolidated reservations for Kansai Gaidai University students with 16 due in February 2006 and the proposed trip by Musashi Kodai High School in August 2006 being projected at 41 students, the highest to date. Three Filipino students have applied for the required visas to attend Northland Polytechnic programmes in 2006.

2005 was a year of change and challenge for the area staff and programme manager. Some achievements have been made but more importantly the staff are moving in the same direction and there is an enthusiasm developing for the area and Northland Polytechnic.



### Financial Performance

	2005 Actual \$'000	2005 Budget \$'000
<b>Revenue</b>		
EFTS Funding	23	25
Other Government Revenue	-	-
Student Fees	602	772
Other Revenue	5	8
<b>Total Revenue</b>	<b>630</b>	<b>805</b>
<b>Costs</b>		
Salaries and Wages	336	375
Other Direct Costs	63	137
Allocated Overheads	280	505
<b>Total Costs</b>	<b>679</b>	<b>1,017</b>
<b>Net Contribution</b>	<b>(49)</b>	<b>(212)</b>

### Performance Indicators

	2005 Actual	2005 Budget
<b>Numbers</b>		
Equivalent Full-Time Students Enrolled (EFTS)	37	59.6
Full-Time Equivalent Staff / Non Teaching	2.0	2.2
Full-Time Equivalent Staff / Teaching	5.2	5.0
Student (EFTS):Tutor Ratio	7.1:1	11.9:1



# PROGRAMME AREA REPORT

## - ENVIRONMENT

The Environmental Sciences programme area was divided into two this year. The highly successful Horticulture and Forestry programmes were reformed into a new 'Primary Industries' programme area. The Northland Polytechnic Certificate in Professional Hunting and Pest Control, Diploma in Applied Science and Diploma in Conservation and Environmental Management were consolidated into an 'Applied and Environmental Sciences' programme area.

The Primary Industries programme area is now poised to continue to grow through higher level horticulture and new agriculture and rural land management programmes. Level 2 horticulture graduates, for example, are expected to progress into the more commercial Level 4 programme in 2006. The Applied and Environmental Sciences area plans to re-focus on environmental conservation, monitoring and education programmes.

The year saw significant growth in the new foundation level Northland Polytechnic Certificate in Environmental Studies (Conservation Corps) programme. Students are expected to progress from this mainly outdoor education programme into one of the mainstream vocational programmes. The Ministry of Youth Development funded 44 of the students.

The area was pleased to re-launch its laboratory based Applied Science programme this year. This underpins the capacity to deliver higher level applied science.

A number of excellent projects came out of the Level 6 Diploma in Conservation and Environmental Management programme, including a study of the distribution and abundance of various ant species and a comparative analysis of polymer flocculants, used to increase dairy effluent settlement. These projects were awarded Northland Regional Council scholarships.

### Financial Performance

	2005 Actual \$'000	2005 Budget \$'000
<b>Revenue</b>		
EFTS Funding	9,435	6,328
Other Government Revenue	238	169
Student Fees	235	717
Other Revenue	59	60
<b>Total Revenue</b>	<b>9,967</b>	<b>7,274</b>
<b>Costs</b>		
Salaries and Wages	1,958	1,886
Other Direct Costs	3,800	2,457
Allocated Overheads	2,018	2,273
<b>Total Costs</b>	<b>7,776</b>	<b>6,616</b>
<b>Net Contribution</b>	<b>2,191</b>	<b>658</b>

### Performance Indicators

	2005 Actual	2005 Budget
<b>Numbers</b>		
Equivalent Full-Time Students Enrolled (EFTS)	1,243	839
Full-Time Equivalent Staff / Non Teaching	1.6	1.6
Full-Time Equivalent Staff / Teaching	34.3	40.4
Student (EFTS):Tutor Ratio	36:1	20.8:1
<b>Student Participation Rates</b>		
Māori	17%	
Female	18%	
Students with Disabilities	2%	
<b>Student Success Rates</b>		
Overall	92%	
Māori	76%	
Female	86%	
Students with Disabilities	64%	

# PROGRAMME AREA REPORT

## - HOSPITALITY and TOURISM

The Hospitality and Tourism programme area was reviewed during 2005 and reconstituted into a programme area delivering business, hospitality and tourism programmes in 2006. This change reflects the nature of regional demand in the north with strong local links between business in the tourism and hospitality sector.

The hospitality section was a standout performer in the Hospitality Standards Institutes awards and a national winner in its field. However, the strong employment growth continues to adversely affect enrolment in training in this area. The section continues to review the efficiency of its operations.

### Financial Performance

	2005 Actual \$'000	2005 Budget \$'000
<b>Revenue</b>		
EFTS Funding	584	836
Other Government Revenue	34	25
Student Fees	420	531
Other Revenue	21	32
<b>Total Revenue</b>	<b>1,059</b>	<b>1,424</b>
<b>Costs</b>		
Salaries and Wages	523	522
Other Direct Costs	273	258
Allocated Overheads	500	634
<b>Total Costs</b>	<b>1,296</b>	<b>1,414</b>
<b>Net Contribution</b>	<b>(237)</b>	<b>10</b>

### Performance Indicators

	2005 Actual	2005 Budget
<b>Numbers</b>		
Equivalent Full-Time Students Enrolled (EFTS)	110	132
Full-Time Equivalent Staff / Non Teaching	1.0	1.0
Full-Time Equivalent Staff / Teaching	8.2	10
Student (EFTS):Tutor Ratio	13.4:1	13.2 : 1
<b>Student Participation Rates</b>		
Māori	43%	
Female	61%	
Students with Disabilities	1%	
<b>Student Success Rates</b>		
Overall	62%	
Māori	54%	
Female	60%	
Students with Disabilities	93%	



# PROGRAMME AREA REPORT - HUMAN SCIENCES

The programme area met budget but the mix of student numbers on individual programmes was different to predictions. There was a reduction in enrolments in the Sport and Recreation programmes, an increase in the number of enrolments in Occupational Health and Safety courses while the Massage programmes met targets.

Student interest in the Sport and Recreation programmes was on par with 2004. Initial discussions with Auckland University of Technology about the delivery of the third year of their degree in Northland are promising and should lead to increased interest in this programme. Interest in the new Diploma in Massage was very strong and a new introductory level programme will be developed in 2006 to support student entry into this programme. Occupational Health and Safety programmes showed strong levels of interest but numbers on these programmes may be reduced in 2006 due to TEC restrictions on short course funding.

The programme manager for this area was seconded part-time to the Office of the Dean for 2005 and this secondment will continue into 2006.



## Financial Performance

	2005 Actual \$'000	2005 Budget \$'000
<b>Revenue</b>		
EFTS Funding	1,025	967
Other Government Revenue	-	-
Student Fees	204	286
Other Revenue	2	-
<b>Total Revenue</b>	<b>1,231</b>	<b>1,253</b>
<b>Costs</b>		
Salaries and Wages	332	352
Other Direct Costs	513	436
Allocated Overheads	333	420
<b>Total Costs</b>	<b>1,178</b>	<b>1,208</b>
<b>Net Contribution</b>	<b>53</b>	<b>45</b>

## Performance Indicators

	2005 Actual	2005 Budget
<b>Numbers</b>		
Equivalent Full-Time Students Enrolled (EFTS)	190	179.6
Full-Time Equivalent Staff / Non Teaching	0.5	0.9
Full-Time Equivalent Staff / Teaching	5.6	5.4
Student (EFTS):Tutor Ratio	33.9 : 1	33.2 : 1
<b>Student Participation Rates</b>		
Māori	17%	
Female	44%	
Students with Disabilities	1%	
<b>Student Success Rates</b>		
Overall	93%	
Māori	83%	
Female	90%	
Students with Disabilities	84%	

# PROGRAMME AREA REPORT

## - INFORMATION SYSTEMS and BUSINESS

During 2005 there was a major change to the organisational structure involving the previous two programme areas of Computing and Information Systems. The resulting amalgamation established the new department in October 2005.

One of the goals immediately embarked upon was to promote our public image and build confidence in the quality of the academic certificates, diplomas and degrees in Computing and Information Systems. This has required a review of advisory processes, curriculum alignment between the two departments and a rethink on the marketing processes required to promote the new department. To achieve this goal, teaching staff were encouraged to broaden the business and industry contacts in the local and national IT industry, and form small subject specialist focus groups.

In an attempt to increase access to the teaching programmes, a programme for using electronic media for delivery of selected courses during 2004 expanded in 2005. So far evaluations indicate moderate to good student uptake of these options, mainly as new students who would not normally have undertaken tertiary study without the alternative delivery options.

There has been significant involvement in research and scholarship, promoting collaboration between staff and encouraging projects from the local community.

Research (both staff and degree students) as well as business links projects have centred around both academic topics for national conferences as well as local business problems. The request for student projects increases every year, providing sufficient opportunities for our students to work with industry during their academic study.

Business hosted the NZ Diploma in Business National Conference. This was a great success and saw presenters from many parts of the country visit the north.

### Financial Performance

	2005 Actual \$'000	2005 Budget \$'000
<b>Revenue</b>		
EFTS Funding	791	1,065
Other Government Revenue	2	3
Student Fees	597	746
Other Revenue	62	-
<b>Total Revenue</b>	<b>1,452</b>	<b>1,814</b>
<b>Costs</b>		
Salaries and Wages	811	830
Other Direct Costs	141	163
Allocated Overheads	733	959
<b>Total Costs</b>	<b>1,685</b>	<b>1,952</b>
<b>Net Contribution</b>	<b>(233)</b>	<b>(138)</b>

### Performance Indicators

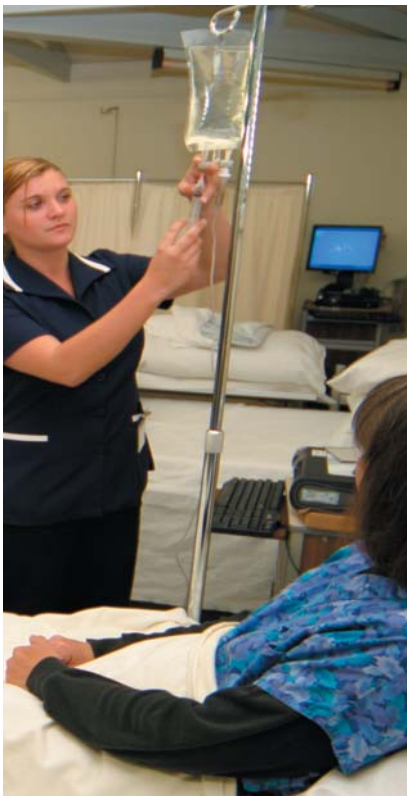
	2005 Actual	2005 Budget
<b>Numbers</b>		
Equivalent Full-Time Students Enrolled (EFTS)	160	203
Full-Time Equivalent Staff / Non Teaching	1.0	1.0
Full-Time Equivalent Staff / Teaching	13.3	13.8
Student (EFTS):Tutor Ratio	12.0:1	14.7:1
<b>Student Participation Rates</b>		
Māori	19%	
Female	56%	
Students with Disabilities	4%	
<b>Student Success Rates</b>		
Overall	75%	
Māori	66%	
Female	78%	
Students with Disabilities	58%	

# PROGRAMME AREA REPORT - NURSING

The Nursing programme area in 2005 had student numbers significantly exceeding the budget. There was increased demand for First Aid short courses. The nursing students EFTS were slightly under the expected 185 at 171 EFTS.

The new Bachelor of Nursing programme continued to be phased in as years two and three of the BHSc programme were completing. Staffing increases were necessary to ensure the quality of both programmes, especially where overlap in clinical places occurred. The success rate for the Nursing programme remained just under 100% pass rate for students sitting the State final examination set by the Nursing Council of New Zealand for Registered Nurses.

During 2005 the nursing department invested in staff development and technology to support the introduction of the proposed change of mode of delivery for future nursing courses. The Nursing programme area is introducing a blended delivery approach which will increase the opportunities for students located in the regions of the north to study for a nursing degree. The approach will assist students who currently experience travel difficulties or family circumstances which make tertiary study problematic.



## Financial Performance

	2005 Actual \$'000	2005 Budget \$'000
<b>Revenue</b>		
EFTS Funding	3,041	1,905
Other Government Revenue	-	-
Student Fees	614	617
Other Revenue	7	-
<b>Total Revenue</b>	<b>3,662</b>	<b>2,522</b>
<b>Costs</b>		
Salaries and Wages	897	916
Other Direct Costs	1,278	424
Allocated Overheads	900	841
<b>Total Costs</b>	<b>3,075</b>	<b>2,181</b>
<b>Net Contribution</b>	<b>587</b>	<b>341</b>

## Performance Indicators

	2005 Actual	2005 Budget
<b>Numbers</b>		
Equivalent Full-Time Students Enrolled (EFTS)	475	235
Full-Time Equivalent Staff / Non Teaching	1.2	1.2
Full-Time Equivalent Staff / Teaching	15.1	14.1
Student (EFTS):Tutor Ratio	31.5:1	16.6:1
<b>Student Participation Rates</b>		
Māori	26%	
Female	66%	
Students with Disabilities	1%	
<b>Student Success Rates</b>		
Overall	94%	
Māori	93%	
Female	94%	
Students with Disabilities	92%	

# PROGRAMME AREA REPORT - SOCIAL SERVICES

Social Services emphasised the Certificate in Mental Health this year. There was a good calibre of students with 17 graduates gaining their certificates. The Local Advisory Group for MHC programmes provided useful industry information and feedback about the programme, and added to an increased profile of the programme.

We had strong enrolments for Diploma programmes in Whangarei and Kerikeri in response to the demand created by the establishment of Social Worker Registration Act 2003. Our Diploma programme in Kaitiā associated with Te Rarawa has continued successfully this year with 9 graduates. A number of students will complete Fieldwork Education courses during 2006. From the 1st January 2006 all new students to social work programmes need to achieve a bachelor degree to apply for registration.

In response to the industry's move to degree level qualifications for the future, a strong and concerted effort was made to write the Bachelor of Applied Social Service degree. The degree approval and accreditation visit by the ITPQ panel was very successful, and a list of commendations cited our professional and comprehensive attention to detail and approach to the panel visit. The staff consulted widely with professionals and social service industry during the development of the degree. The Bachelor of Applied Social Service was approved by ITPQ and funding approved by TEC during 2005. Social Worker Registration Board has recognised the BASS (SW) and added it to the SWRB Schedule of Recognised Qualifications.

The tutoring staff has over 220 years of industry and social service experience and this is a significant strength of our programme delivery and acceptance by students and industry.

## Financial Performance

	2005 Actual \$'000	2005 Budget \$'000
<b>Revenue</b>		
EFTS Funding	785	932
Other Government Revenue	-	-
Student Fees	490	561
Other Revenue	2	-
<b>Total Revenue</b>	<b>1,277</b>	<b>1,493</b>
<b>Costs</b>		
Salaries and Wages	535	581
Other Direct Costs	151	186
Allocated Overheads	491	716
<b>Total Costs</b>	<b>1,177</b>	<b>1,483</b>
<b>Net Contribution</b>	<b>100</b>	<b>10</b>

## Performance Indicators

	2005 Actual	2005 Budget
<b>Numbers</b>		
Equivalent Full-Time Students Enrolled (EFTS)	148	179
Full-Time Equivalent Staff / Non Teaching	1.8	1.8
Full-Time Equivalent Staff / Teaching	7.91	8.9
Student (EFTS):Tutor Ratio	18.7:1	20.1:1
<b>Student Participation Rates</b>		
Māori	66%	
Female	78%	
Students with Disabilities	11%	
<b>Student Success Rates</b>		
Overall	79%	
Māori	78%	
Female	78%	
Students with Disabilities	80%	

# PROGRAMME AREA REPORT - TE PUNA

There has been much happening for Te Puna O Te Mātauranga in 2005.

A major development has been the establishment of a Wānanga at Kaikohe. The establishment of the Wānanga has been a small part of the movement by Northland Polytechnic to have proper and meaningful ties with Northland's diverse communities, not the least of whom are Māori. The programmes being delivered there in 2005 were Te Reo Māori certificate and diploma and the certificate in traditional Māori weaving, Te Raranga.

A new certificate programme set up in Te Puna in 2005 was Mahi Tū Taua which looks at the study of ancient Māori weaponry and the traditions and practice surrounding traditional Māori martial arts. This programme proved to be very popular as students sought to engage in the development of mind and body through study of a discipline unique to Aotearoa.

The staff retreat held in September 2004 focussed on reviewing all programmes in Te Puna O Te Mātauranga and specifically prescriptions. Modifications to courses were made following the process in relation to the polytechnic's Quality Management System.

Staff training was held on changes and additions to programmes as required by the Quality Management processes and procedures. Also an internal moderation plan for 2005 and 2006 was approved by the Board of Studies. Development of the Te Reo Māori certificate and diploma programmes Te Pōkaitahi and Te Pōkairua included aligning learning outcomes with associated performance criteria and changing assessments to being competency based for all modules.

Agreement was reached with the Māori Language Commission for Te Puna O Te Mātauranga to be a testing centre for the interpreter's examination. This is a notable validation of the quality delivery of Te Puna O Te Mātauranga.

## Financial Performance

	2005 Actual \$'000	2005 Budget \$'000
<b>Revenue</b>		
EFTS Funding	857	1,377
Other Government Revenue	-	-
Student Fees	129	148
Other Revenue	5	5
<b>Total Revenue</b>	<b>991</b>	<b>1,530</b>
<b>Costs</b>		
Salaries and Wages	525	581
Other Direct Costs	113	259
Allocated Overheads	514	892
<b>Total Costs</b>	<b>1,152</b>	<b>1,732</b>
<b>Net Contribution</b>	<b>(161)</b>	<b>(202)</b>

## Performance Indicators

	2005 Actual	2005 Budget
<b>Numbers</b>		
Equivalent Full-Time Students Enrolled (EFTS)	164	263
Full-Time Equivalent Staff / Non Teaching	2.0	2.5
Full-Time Equivalent Staff / Teaching	7.83	10.4
Student (EFTS):Tutor Ratio	20.9:1	25.2:1
<b>Student Participation Rates</b>		
Māori	92%	
Female	56%	
Students with Disabilities	17%	

## Student Success Rates

Overall	66%
Māori	67%
Female	69%
Students with Disabilities	67%

# PROGRAMME AREA REPORT

## - TECHNOLOGY and TRADES

2005 saw Northland Polytechnic continue to offer a full range of training at both pre-trade and apprentice level. Buoyant economic conditions throughout Northland have seen a continued rise in both apprenticeship and Modern Apprenticeship numbers.

Major milestones which will future-proof trade training at Northland Polytechnic included;

- The developed relationship with Te Runanga O Te Rarawa around carpentry training and the potential to use this success as a catalyst to rejuvenate Māori Trade Training throughout Te Tai Tokerau.
- The commencement of Trade Training at Ngawha Correction Facility.
- The completion of the Marine studies report which programmes the development of Marine training for the next five years.
- Investigating the development of a Women's Trade Academy.
- The launch of a short course seminar series for the Boatbuilding industry commencing with a highly successful course in Veneer Marquetry.
- Substantial work in improving dialogue with Northland engineering industries and the launch of the Northland Polytechnic Certificate in Applied Workplace Skills.
- The launch of the ITAB carpentry apprentice scheme in Northland.



### Financial Performance

	2005 Actual \$'000	2005 Budget \$'000
<b>Revenue</b>		
EFTS Funding	1,157	2,082
Other Government Revenue	946	912
Student Fees	547	673
Other Revenue	121	74
<b>Total Revenue</b>	<b>2,771</b>	<b>3,741</b>
<b>Costs</b>		
Salaries and Wages	1,500	1,420
Other Direct Costs	743	982
Allocated Overheads	1,448	1,514
<b>Total Costs</b>	<b>3,691</b>	<b>3,916</b>
<b>Net Contribution</b>	<b>(920)</b>	<b>(175)</b>

### Performance Indicators

	2005 Actual	2005 Budget
<b>Numbers</b>		
Equivalent Full-Time Students Enrolled (EFTS)	328	370
Full-Time Equivalent Staff / Non Teaching	2.0	2.0
Full-Time Equivalent Staff / Teaching	25.52	24.7
Student (EFTS):Tutor Ratio	12.8:1	15.0:1

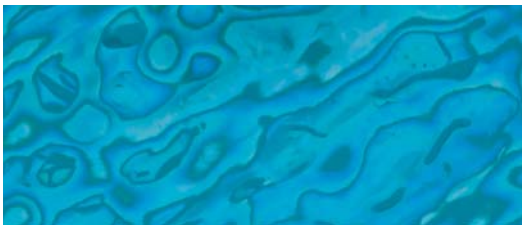
### Student Participation Rates

Māori	20%
Female	6%
Students with Disabilities	1%

### Student Success Rates

Overall	78%
Māori	84%
Female	87%
Students with Disabilities	72%





## FINANCIAL REPORTING

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# AUDITOR'S REPORT

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

## AUDIT REPORT TO THE READERS OF NOTHLAND POLYTECHNIC'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

The Auditor-General is the auditor of Northland Polytechnic (the Polytechnic). The Auditor-General has appointed me, K B MacKenzie, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Polytechnic, on his behalf, for the year ended 31 December 2005.

### Unqualified opinion

In our opinion the financial statements of the Polytechnic on pages 17 to 39 and pages 45 to 59:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
  - the Polytechnic's financial position as at 31 December 2005;
  - the results of its operations and cash flows for the year ended on that date; and
  - its service performance achievements measured against the performance targets adopted for the year ended on that date.

The audit was completed on 26 April 2006, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

### Basis of opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We evaluated the overall adequacy of the presentation of information in the financial statements. We obtained all the information and explanations we required to support our opinion above.

### **Responsibilities of the Council and the Auditor**

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the Polytechnic as at 31 December 2005. They must also fairly reflect the results of its operations and cash flows and service performance achievements for the year ended on that date. The Council's responsibilities arise from the Public Finance Act 1989.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and the Public Finance Act 1989.

### **Independence**

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

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



K B MacKenzie  
Audit New Zealand  
On behalf of the Auditor-General  
Auckland, New Zealand



## MANAGEMENT RESPONSIBILITY STATEMENT

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For the year ended 31 December 2005

In terms of Section 42 of the Public Finance Act 1989, we hereby certify that:

1. we have been responsible for the preparation of these financial statements and judgements used therein; and
2. we have been responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting; and
3. we are of the opinion that these financial statements fairly reflect the financial position and operations of this polytechnic for the year ended 31 December 2005.



Jules Flight  
Council Chairperson

26th April 2006



Terry Barnett  
Chief Executive

26th April 2006



Paul Binney  
Chief Financial  
Officer

26th April 2006

## FINANCIAL STATEMENTS and NOTES TO ACCOUNTS

### STATEMENT OF FINANCIAL PERFORMANCE For The Year Ended 31 December 2005

	NOTES	2005 Actual \$'000	2005 Budget \$'000	2004 Actual \$'000
<b>REVENUE</b>				
Government Grants	2	26,344	26,171	19,067
Interest on Investments		598	330	339
		26,942	26,501	19,406
Recoveries from Students and other Income	4	5,542	6,504	6,460
<b>TOTAL REVENUE</b>		32,484	33,005	25,866
<b>LESS EXPENSES</b>				
Salaries and Wages		13,496	13,980	11,767
Class Materials and Resources		10,446	10,273	7,070
Depreciation		1,803	1,598	1,380
Other Operating Expenses		5,254	6,804	4,618
	5	30,999	32,655	24,835
<b>NET OPERATING EXPENSES</b>		25,457	26,151	18,375
<b>SURPLUS FROM OPERATIONS</b>	6	1,485	350	1,031
<b>NET SURPLUS/(DEFICIT)</b>		1,485	350	1,031

The accompanying accounting policies and notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION  
 As at 31 December 2005

	NOTES	2005 Actual \$'000	2005 Budget \$'000	2004 Actual \$'000
<b>CURRENT ASSETS</b>				
Cash and Bank	7	172	24	265
Short Term Investments	8	9,060	6,325	5,750
Accounts Receivable	9	565	1,802	1,327
Stock		4	7	7
Total Current Assets		9,801	8,158	7,349
<b>CURRENT LIABILITIES</b>				
Accounts Payable	10(a)	4,059	3,925	3,633
Employee Entitlements	10(b)	710	687	703
Current Portion - Finance Lease	12	575	576	475
Current Portion - Government Loan	21	720	6,896	6,392
Total Current Liabilities		6,064	12,084	11,203
<b>WORKING CAPITAL</b>		3,737	(3,926)	(3,854)
<b>NON-CURRENT ASSETS</b>				
Fixed Assets	11	25,679	26,076	25,997
Total Non-Current Assets		25,679	26,076	25,997
<b>NON-CURRENT LIABILITIES</b>				
Finance Lease	12	247	246	589
Government Loan	21	6,130	-	-
Total Non-Current Liabilities		6,377	246	589
<b>NET ASSETS</b>		23,039	21,904	21,554
<b>EQUITY</b>				
Retained Surplus/ (Deficit)	13	1,915	780	430
Public Equity	14	13,240	13,240	13,240
Asset Revaluation Reserve	15	7,884	7,884	7,884
<b>TOTAL EQUITY</b>		23,039	21,904	21,554

The accompanying accounting policies and notes form an integral part of these financial statements.

## STATEMENT OF MOVEMENTS IN EQUITY

### For The Year Ended 31 December 2005

	NOTES	2005 Actual \$'000	2005 Budget \$'000	2004 Actual \$'000
Equity as at 1 January		21,554	21,554	17,069
Net Surplus for the Period		1,485	350	1,031
Revaluation Adjustment		-	-	3,454
Total Recognised Revenue and Expenses		1,485	350	4,485
Equity as at 31 December		23,039	21,904	21,554

The accompanying accounting policies and notes form an integral part of these financial statements.



STATEMENT OF CASH FLOWS  
 For The Year Ended 31 December 2005

	NOTES	2005 Actual \$'000	2005 Budget \$'000	2004 Actual \$'000
<b>OPERATING ACTIVITIES</b>				
Cash was provided from:				
Government Grants		26,789	29,567	19,764
Student Fees		4,468	6,728	5,891
Other		1,393	788	2
Interest		598	372	339
GST		28	50	19
		33,276	37,505	26,015
Cash was paid to:				
Employees & Suppliers		28,272	34,892	22,136
Interest Paid on Term Loan		-	-	-
Interest Paid on Finance Leases		70	55	47
GST		-	-	-
		28,342	34,947	22,183
Net Cash flow from Operating Activities	17	4,934	2,558	3,832
<b>INVESTING ACTIVITIES</b>				
Cash was provided from:				
Sale of Assets		83	-	14
Cash was paid for:				
Purchase of Assets		1,215	1,681	964
Net Cash flow from Investing Activities		(1,132)	(1,681)	(950)
<b>FINANCING ACTIVITIES</b>				
Cash was provided from:				
Government Loan		-	-	-
Cash was paid to:				
Repayment of Loans		-	-	-
Repayment of Finance Leases		585	584	488
Net Cash flow from Financing Activities		(585)	(584)	(488)
Net Increase/(Decrease) in Cash		3,217	293	2,394
Opening Bank & Cash Balances 1 January		6,015	6,056	3,621
Closing Bank & Cash Balances				
31 December		9,232	6,349	6,015
Comprising:				
Cash at Bank		172	24	265
Short Term Investments		9,060	6,325	5,750
		9,232	6,349	6,015

The accompanying accounting policies and notes form an integral part of these financial statements.

## STATEMENT OF ACCOUNTING POLICIES For The Year Ended 31 December 2005

### REPORTING ENTITY

Northland Polytechnic was established under section 35 of the Education Amendment Act, 1990.

The Northland Polytechnic Group consists of Northland Polytechnic and its subsidiary, the Northland Polytechnic Student Hardship and Health Trust. The Trust is not consolidated as it is not considered material.

These financial statements have been prepared in accordance with section 203 of the Education Act 1989, section 41 of the Public Finance Act 1989, and applicable financial reporting and accounting standards, issued by the New Zealand Institute of Chartered Accountants.

### MEASUREMENT BASE

The measurement base adopted is that of historical cost modified by the revaluation of certain assets.

### FINANCIAL STATEMENTS

The Financial Statements include a Statement of Financial Performance, a Statement of Financial Position, a Statement of Movements in Equity, a Statement of Cash flows, Notes to the Financial Statements and a Statement of Commitments and Contingencies.

For each area of the polytechnic's activity there is a summarised Statement of Cost of Services Provided in Note 5. These individual statements are combined in the Statement of Financial Performance.

The financial statements of the polytechnic comprise the following activities:

- Arts
- Computing & Administration
- Education
- English as a Foreign Language
- Environment
- Hospitality & Tourism
- Human Science
- Information Systems & Business
- Nursing
- Social Services
- Te Puna
- Technology & Trades

### ACCOUNTING POLICIES

The following particular accounting policies which significantly affect the measurement and reporting of financial performance and financial position have been applied:

#### A. GOVERNMENT GRANTS

Government Grants are recognised on the basis of EFTS earned during the year.

#### B. INVENTORIES

Stocks of materials are regarded as having been issued at the time of payment and charged to the relevant account at the time of receipt.

#### C. ACCOUNTS RECEIVABLE

Accounts Receivable are stated at expected realisable value after providing against debts where collection is doubtful.

#### D. FIXED ASSETS

Land and Buildings include polytechnic and Crown owned assets. Whilst title to the Crown owned land and buildings has not yet passed to the polytechnic, these assets have been recorded as the polytechnic assumes the risks and benefits of ownership of these assets.

All land and buildings used by Northland Polytechnic were valued by TelferYoung (Northland Ltd), independent valuers, on 31 December 2004 to "Net Current Value" in accordance with the terms contained in FRS 3.

All other assets are valued at 'deemed cost', which is prior valuations plus additions at cost.

#### E. COURSE DEVELOPMENT COSTS

Northland Polytechnic expenses course development costs in the period they are incurred.

#### F. LEASED ASSETS

Leases where the lessor effectively retains substantially all risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are charged as expenses in the periods in which they are incurred.

Finance leases, which effectively transfer to Northland Polytechnic substantially all the risks and benefits incident to ownership of the leased item, are capitalised at the present value of the minimum lease payments.

The leased assets and corresponding lease liabilities are disclosed and the leased assets are depreciated over the period Northland Polytechnic is expected to benefit from their use.

**G. DEPRECIATION**

Land is not depreciated.

Art collections are not depreciated because their value does not diminish with use.

Class Sets i.e. assets purchased at the start up of a new programme, are added to the asset register at cost. These assets are not depreciated and any replacements are expensed at the time of purchase.

All other fixed assets are depreciated on a straight line basis so as to write off the cost or valuation of the asset to their estimated residual value over their expected economic lives.

These are:

Buildings: Structure	40 years
Buildings: Fit Out	40 years
Buildings: Services	40 years
Computers	3 years
Electronic Equipment	4 years
Furniture and Fittings	5 years
Library Collection	10 years
Periodicals	3 years
CD ROM	3 years
Motor Vehicles	5 years
Office Equipment	5 years
Plant and Equipment	10 years
Software	3 years

For those assets purchased or disposed of part way through the year a proportionate amount of depreciation is charged.

**H. GOODS AND SERVICES TAX**

Northland Polytechnic is a registered "person" defined by the Goods and Services Act 1985. These accounts have been prepared exclusive of GST, with the exception of receivables and payables which are stated GST inclusive, and the balance payable to the Inland Revenue at 31 December 2005 is included in accounts payable in the Statement of Financial Position.

**I. STATEMENT OF CASH FLOWS**

The following is the definition of the terms used in the Statement of Cash flows:

- (i) Cash means coins and notes, demand deposits and other highly liquid investments in which the polytechnic has invested as part of its day-to-day cash management. Cash includes liabilities which are the negative form of the above, such as the bank overdraft. Cash does not include accounts receivable or payable, or any borrowing subject to a term facility.

- (ii) Investing activities are those activities relating to the acquisition, holding and disposal of fixed assets and of investments. Investments can include securities not falling within the definition of cash.

- (iii) Financing activities are those activities which result in changes in the size and composition of the capital structure of the polytechnic.

- (iv) Operating activities include all transactions and other events that are not investing or financing activities and includes interest and dividends received in relation to investments.

**J. ALLOCATION OF OVERHEADS**

Overheads are allocated to Programme areas based on a model using specific cost drivers including, inter alia, full-time equivalent employees, equivalent full-time students and number of programmes taught.

**K. FINANCIAL INSTRUMENTS**

Northland Polytechnic is party to financial instruments as part of its normal operations. These include bank accounts, debtors, creditors and loans. Revenue and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance. All financial instruments are recognised in the Statement of Financial Position.

**L. EMPLOYEE ENTITLEMENTS**

Provision is made in respect of Northland Polytechnic's liability for annual leave. Annual leave has been calculated on an actual entitlement basis at current rates of pay. Long Service leave is only accrued on an entitlement basis.

**M. BUDGET FIGURES**

The budget figures are those approved by the Crown Manager at the beginning of the financial year.

The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Council for the preparation of the financial statements.

**N. CHANGES IN ACCOUNTING POLICIES**

There have been no changes to accounting policies. All policies have been applied on a basis consistent with the previous period.

## NOTES TO THE FINANCIAL STATEMENTS

### For The Year Ended 31 December 2005

#### NOTE 1: REVENUE

	2005 Actual \$'000	2005 Budget \$'000	2004 Actual \$'000
Total Revenue	32,484	33,005	25,866

#### NOTE 2: GOVERNMENT GRANTS

Government grants received during the year, comprise:

Source	2005 Actual \$'000	2005 Budget \$'000	2004 Actual \$'000
Ministry of Education (EFTS & Non EFTS)	25,336	25,016	18,082
ETSA (TOPS)/Skill NZ	97	97	171
Quest Rapuara (STAR)	66	68	57
Ministry of Youth Affairs (Conservation Corp)	170	169	184
Industry Training Organisations (ITO)	675	821	573
<b>TOTALS</b>	<b>26,344</b>	<b>26,171</b>	<b>19,067</b>

#### NOTE 3: OVERHEAD ALLOCATIONS

The costs relating to the provision of computing and copying, printing services, library, personnel and student services, asset management, marketing service, administration and finance are included as overheads.

Overheads are allocated to Programme areas based on a model using specific cost drivers including inter alia, full-time equivalent employees, equivalent full-time students and number of programmes taught.

Included in Overheads are:

	2005 Actual \$'000	2005 Budget \$'000	2004 Actual \$'000
Salaries and Wages	4,414	4,398	3,831
Depreciation	1,803	1,598	1,380
Other Operating Expenses	3,528	5,496	3,415
<b>TOTALS</b>	<b>9,745</b>	<b>11,492</b>	<b>8,626</b>

These expenses have been allocated to each Programme as follows:

Programmes	2005 Actual \$'000	2005 Budget \$'000	2004 Actual \$'000
Arts	387	602	345
Computing & Administration	1,446	1,265	1,243
Education	695	871	721
English as a Foreign Language	280	505	363
Environment	2,018	2,273	1,218
Hospitality & Tourism	500	634	557
Human Science	333	420	318
Information Systems & Business	733	959	878
Nursing	900	841	804
Social Services	491	716	586
Te Puna	514	892	523
Technology & Trades	1,448	1,514	1,070
<b>TOTALS</b>	<b>9,745</b>	<b>11,492</b>	<b>8,626</b>

**NOTE 4: RECOVERIES FROM STUDENTS AND OTHER INCOME**

Comprises:	2005 Actual \$'000	2005 Budget \$'000	2004 Actual \$'000
Student fees - Local	2,698	3,808	3,580
- Overseas	1,150	892	1,090
Class materials and resource recoveries	767	1,282	1,177
Other	927	522	613
<b>TOTALS</b>	<b>5,542</b>	<b>6,504</b>	<b>6,460</b>

**NOTE 5: CENTRES OF STUDY - COST OF SERVICES AND COST PER EQUIVALENT FULL-TIME STUDENT (EFTS)**

The Net Cost of service centre departments has been allocated to programme areas.

Included in the net cost is revenue amounting to \$1,753K. Therefore, the Revenue and Cost figures shown in the Statement of Financial Performance are greater than those shown in this note by \$1,753K respectively.

Programmes	2005 Cost \$'000	2005 Less Revenue \$'000	2005 Net Cost/(Contribution) \$'000	2005 Net Budget \$'000	2004 Net Cost/(Contribution) \$'000
Arts	980	936	44	4	(3)
Computing & Administration	4,191	4,335	(144)	(6)	(80)
Education	2,366	2,420	(54)	(11)	159
English as a Foreign Language	679	630	49	212	18
Environment	7,776	9,967	(2,191)	(658)	(729)
Hospitality & Tourism	1,296	1,059	237	(10)	107
Human Science	1,178	1,231	(53)	(45)	(72)
Information Systems & Business	1,685	1,452	233	138	172
Nursing	3,075	3,662	(587)	(341)	(761)
Social Services	1,177	1,277	(100)	(10)	(294)
Te Puna	1,152	991	161	202	103
Technology & Trades	3,691	2,771	920	175	349
<b>TOTALS</b>	<b>29,246</b>	<b>30,731</b>	<b>(1,485)</b>	<b>(350)</b>	<b>(1,031)</b>
Add Back: Corporate Services	1,753	1,753			
Revenue	30,999	32,484			

The net cost of service per Equivalent Full Time Student (EFTS) may be summarised as follows:

Programmes	2005 Actual \$'000	2005 Budget \$'000	2004 Actual \$'000
Arts	0.484	0.029	(0.037)
Computing & Administration	(0.177)	(0.007)	(0.119)
Education	(0.146)	(0.017)	0.811
English as a Foreign Language	1.324	3.593	0.310
Environment	(1.763)	(0.784)	(1.010)
Hospitality & Tourism	2.155	(0.076)	0.884
Human Science	(0.279)	(0.251)	(0.389)
Information Systems & Business	1.456	0.680	0.910
Nursing	(1.236)	(1.451)	(2.401)
Te Puna	0.982	0.768	0.640
Technology & Trades	2.805	0.473	1.790
<b>NET COST PER EFTS</b>	<b>(0.360)</b>	<b>(0.085)</b>	<b>(0.335)</b>

The Equivalent Full Time Students (EFTS) for each programme area are as follows:

Programmes	2005 Actual EFTS	2005 Budget EFTS	2004 Actual EFTS
Arts	91	137	81
Computing & Administration	813	883	673
Education	371	639	196
English as a Foreign Language	37	59	58
Environment	1,243	839	722
Hospitality & Tourism	110	132	121
Human Science	190	179	185
Information Systems & Business	160	203	189
Nursing	475	235	317
Social Services	148	179	177
Te Puna	164	263	161
Technology & Trades	328	370	195
<b>TOTALS</b>	<b>4,130</b>	<b>4,118</b>	<b>3,075</b>

**NOTE 6: SURPLUS/(DEFICIT) FROM OPERATIONS**

The surplus/(deficit) from operations is stated after charging / (crediting):

	2005 Actual \$'000	2005 Budget \$'000	2004 Actual \$'000
Audit Fees			
- fees paid to principal auditor	60	60	54
- other services provided by the principal auditor	-	-	-
Rental and Lease Costs	541	502	443
Finance Charges on Finance Leases	55	60	47
Interest Expense	473	440	455
Councillors' Fees	53	61	50
Bad Debts Written Off	30	-	9
Doubtful Debts - increase in provision	167	150	100

**NOTE 6(a): COUNCIL FEES**

Member	Fees 2005	Fees 2004
Mr J Flight (Chair)	20	20
Ms I Te Whata	-	2
Mr D Benson	-	1
Mr C Brown	5	-
Ms J Te Rore	3	3
Mr H J Schmitt	4	4
Mr R Lescher	8	6
Mr P Bruce	2	4
Mr J Van Pels	-	8
Ms R Hohepa	2	-
Mr T Kingi	2	-
Ms G McCullough	3	-
Mr S Bennett	-	2
Mr V Dark	4	-
	<b>53</b>	<b>50</b>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 7: CASH AND BANK

	2005 \$'000	2004 \$'000
Cash	2	265
Bank (BNZ)	170	
<b>TOTALS</b>	<b>172</b>	<b>265</b>

### NOTE 8: SHORT TERM INVESTMENTS

	2005 \$'000	2004 \$'000
Money Market:		
BNZ	3,560	2,000
KIWIBANK	1,000	-
WESTPAC TRUST	4,500	3,750
<b>TOTALS</b>	<b>9,060</b>	<b>5,750</b>

All money market investments are for a period of less than 6 months.

	2005	2004
Weighted average effective interest rate		
Short-term deposits	6.9%	6.0%

### NOTE 9: ACCOUNTS RECEIVABLE

	2005 \$'000	2004 \$'000
Sundry Debtors	1,092	1,332
Prepayments	154	540
	1,246	1,852
Less: Provision for Doubtful Debts	(681)	(545)
<b>TOTALS</b>	<b>565</b>	<b>1,327</b>

### NOTE 10(a): ACCOUNTS PAYABLE

	2005 \$'000	2004 \$'000
Sundry Creditors	2,309	1,862
Accrued Suppliers	600	1,182
Fees in Advance	1,150	589
	4,059	3,633

The following provisions are included in Sundry Creditors:

Severance Payments	-	19
Performance Related Payments	-	-
Provision for Insurance Claims	48	60

### NOTE 10(b): EMPLOYEE ENTITLEMENTS

	2005 \$'000	2004 \$'000
Accrued Payroll	60	287
Accrued Leave	650	416
<b>TOTALS</b>	<b>710</b>	<b>703</b>

The following provisions are included in Accrued Payroll:

Severance Payments	-	60
Performance Related Payments	60	68

<b>NOTE 10(c): PROVISIONS</b>		2005		2004					
		\$'000		\$'000					
Bad Debts		681		545					
Restructuring		-		79					
Other		108		128					
<b>TOTAL</b>		<b>789</b>		<b>752</b>					
Movements in provisions		Bad Debts		Restructuring		Other			
		\$'000		\$'000		\$'000			
Opening		545		79		128			
Additional provisions made during the year		166		-		60			
Charged against provision during the year		(30)		(79)		(80)			
Unused amounts reversed during the year									
Closing		681		-		108			
<b>NOTE 11: FIXED ASSETS</b>		Cost/Opening Valuation		Accumulated Depreciation		Net Book Value			
		2005		2004		2005		2004	
		\$'000		\$'000		\$'000		\$'000	
Art Collection	Cost	13	13	-	-	13	13		
Buildings: Structure	Valuation	9,236	9,236	241	-	8,995	9,236		
	Cost	245	-	6	-	239	-		
Buildings: Fit Out	Valuation	6,587	6,587	172	-	6,415	6,587		
	Cost	-	-	-	-	-	-		
Buildings: Services	Valuation	3,254	3,254	84	-	3,170	3,254		
	Cost	-	-	-	-	-	-		
Class and Room Sets	Cost	836	836	-	-	836	836		
Computers	Cost	1,849	1,340	1,256	1,031	593	309		
Electronic Equipment	Cost	780	549	519	430	261	119		
Furniture and Fittings	Cost	984	913	494	360	490	553		
Land	Valuation	2,432	2,432	-	-	2,432	2,432		
	Cost	14	-	-	-	14	-		
Library Collection	Cost	1,452	1,348	594	479	858	869		
Motor Vehicles	Cost	206	139	108	80	98	59		
Office Equipment	Cost	38	30	31	29	7	1		
Plant and Equipment	Cost	1,422	1,319	998	895	424	424		
<b>Subtotals</b>		<b>29,348</b>	<b>27,996</b>	<b>4,503</b>	<b>3,304</b>	<b>24,845</b>	<b>24,692</b>		
Leased Assets									
Computers	Cost	1,456	1,124	934	507	522	617		
Furniture and Fittings	Cost	262	262	262	262	-	-		
Electronic Equipment	Cost	505	494	257	92	248	402		
<b>Total Leased Assets</b>		<b>2,223</b>	<b>1,880</b>	<b>1,453</b>	<b>861</b>	<b>770</b>	<b>1,019</b>		
Work in Progress		64	286	-	-	64	286		
<b>TOTALS</b>		<b>31,635</b>	<b>30,162</b>	<b>5,956</b>	<b>4,165</b>	<b>25,679</b>	<b>25,997</b>		



## NOTES TO THE FINANCIAL STATEMENTS

Depreciation expenses incurred by class of asset are:

	2005 \$'000	2004 \$'000
Buildings	503	440
Computer Equipment	232	155
Electronic Equipment	89	57
Furniture and Fittings	134	77
Leased Assets	592	437
Library Books	114	104
Motor Vehicles	34	15
Office Equipment	2	-
Plant and Equipment	103	95
<b>Total</b>	<b>1,803</b>	<b>1,380</b>

Details of land and buildings used by the polytechnic and owned by the Crown or Northland Polytechnic are shown in the following schedule:

Location	Ownership	Land (Valuation at 31 December 2004) \$	Buildings (Valuation at 31 December 2004) \$
Raumanga Main Campus			
	Crown	1,042,400	10,595,700
	Polytechnic	413,900	5,995,700
Subtotals		1,456,300	16,591,400
Regional Campuses			
Dargaville	Crown	118,300	248,000
Kaitia	Crown	85,000	251,800
Kerikeri	Polytechnic	718,000	1,598,600
Rawene	Crown	52,300	438,500
	Polytechnic	2,000	113,800
Subtotals		975,600	2,650,700
<b>TOTALS</b>		<b>2,431,900</b>	<b>19,242,100</b>

The split of ownership of land and buildings, based on legal title, has been determined by the polytechnic on the best information available as at the date of these financial statements.

Northland Polytechnic has no right of disposal in respect of the Crown owned land and buildings.

**NOTE 12: FINANCE LEASES**

Northland Polytechnic entered into a finance lease agreement with Rentworks Ltd to help finance the fitting out of the Tourism & Hospitality building. This agreement has been approved by the Ministry of Education. The interest rate is 14% with security held over the related assets.

	2005 \$'000	2004 \$'000
Lease Liabilities		
- Current Portion	575	475
- Term Portion		
1-2 years	247	461
2-5 years	-	128
Beyond 5 years	-	-

**NOTE 13: RETAINED SURPLUS**

	2005 \$'000	2004 \$'000
Balance at 1 January	430	(601)
Surplus/(Deficit) for the Current Period	1,485	1,031
Balance at 31 December	1,915	430

**NOTE 14: PUBLIC EQUITY**

Movements in public equity are summarised as follows:

	2005 \$'000	2004 \$'000
Balance at 1 January	13,240	13,240
Adjustment for Crown Owned Assets	-	-
Balance at 31 December	13,240	13,240

**NOTE 15: ASSET REVALUATION RESERVE**

Movements in the Asset Revaluation Reserve can be summarised as follows:

	2005 \$'000	2004 \$'000
Balance at 1 January	7,884	4,430
Revaluation of Assets to "Net Current Values"	-	3,454
Less: Release of previous revaluations on disposal	-	-
Balance at 31 December	7,884	7,884
Made up as follows:		
Buildings	5,499	5,499
Land	1,283	1,283
Other	1,102	1,102

Other consists of Class and Room Sets, Furniture and Fittings, Library, Motor Vehicles, Office Equipment and Plant and Equipment. These assets are valued at "deemed cost" which is prior year valuation plus additions at cost.

**NOTE 16: RELATED PARTY INFORMATION**

The Northland Polytechnic Student Hardship & Health Trust was established on 26 July 2001. The purpose of the Trust is to assist those students who are experiencing hardship and for student medical care. The Council of the Northland Polytechnic administer the Trust. The Net Assets of the Trust were \$61,806 at the end of 2005 (2004 \$39,907).

**NOTE 17: STATEMENT OF CASH FLOWS**

Reconciliation of surplus/(deficit) to cash flow from operating activities:

	2005 \$'000	2004 \$'000
Surplus/(Deficit)	1,485	1,031
Add/(Less) Non-cash items:		
Depreciation	1,803	1,380
Net (Gain)/Loss on Sale of Fixed Assets	(9)	-
Accrued Loan Interest	458	455
Decrease/(Increase) in Accounts Receivable	764	135
(Decrease)/Increase in Accounts Payable	433	831
Net Cash flow from Operating Activities	4,934	3,832

**NOTE 18: SEGMENTAL INFORMATION**

Northland Polytechnic operates predominantly in one industry (tertiary education) and in one geographical area (Northland).

**NOTE 19: FINANCIAL INSTRUMENTS**

**Credit Risk**

Financial instruments which subject the polytechnic to concentrations of credit risk consist of cash, short-term deposits and long-term investments.

The polytechnic places its surplus funds with trading banks and other financial institutions approved by the polytechnic Council as having the required credit rating, and further minimises its credit exposure by limiting the amounts placed with any one institution at any one time.

The polytechnic does not require collateral or other security to support financial instruments with credit risk; whilst it may be subject to credit losses up to the notional principal or contract amounts in the event of non-performance by the counter parties, such losses are not expected to occur.

**Fair Values**

The fair value of all financial instruments is approximated by their carrying value.

**Interest Rate Risk**

The polytechnic's short-term investments are at variable interest rates and mature within 12 months. Interest rates received are reviewed prior to investment.

**Exchange Rate Risk**

The polytechnic has no significant exposure to exchange rate risk.

**NOTE 20: POST BALANCE DAY EVENTS**

There were no Post Balance Day Events.

**NOTE 21: GOVERNMENT LOAN**

The interest rate on the Government loan is 8%. The loan is secured by way of a floating charge over all assets of the Polytechnic. During December 2005, an agreement was reached between Northland Polytechnic and the Crown to repay both the principal and interest over a three year period, commencing January 2006. Under the new loan agreement, interest on the outstanding balance will be at 7.3% p.a.

Loan Liabilities:

		2005	2004
		\$'000	\$'000
Current Portion		720	6,392
Term Portion	1-2 years	775	-
	2-5 years	5,355	-

**NOTE 22: OPERATING LEASE OBLIGATIONS**

Non-cancellable operating leases are as follows:

		2005	2004
		\$'000	\$'000
Property and Equipment			
Not later than one year		516	444
Later than one year and not later than two years		396	434
Later than two years and not later than five years		440	604
Later than five years		253	227

**NOTE 23: CAPITAL COMMITMENTS**

Capital commitments at 31 December 2005 are \$35,000.  
(2004:\$40,000)

**NOTE 24: CONTINGENCIES**

There are no outstanding claims against the polytechnic. (2004:Nil)



## EQUITY STATEMENT

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# EQUAL EMPLOYMENT OPPORTUNITIES

Northland Polytechnic is committed to EEO in the workplace. The EEO policy is reviewed in terms of the polytechnic's review schedule. The aims of the EEO plan, against which performance is measured and reported, are as follows:

## AIMS

1. Communicate to all new and existing staff and raise awareness of Northland Polytechnic's EEO policy and management's commitment to it.  
Establish and maintain an Intranet profile for EEO.
2. Monitor and review the recruitment process to ensure that all appointments to academic staff, allied staff and management positions are made on merit and that the process is free from discrimination based on colour, race, ethnic or national origins, marital or family status, religious or ethical beliefs, involvement in union activities or age (exercised within legislative restraints).  
Audit interview process and documentation.
3. Educate and inform management and staff regarding EEO principles and particularly those involved in the recruitment process of their responsibilities regarding Northland Polytechnic's EEO policy.  
Training and information sessions arranged.
4. Analyse and review job descriptions and person specifications for positions as they become vacant to ensure they meet the requirements of the EEO policy.  
Job descriptions reviewed annually or when new positions established.
5. Conduct an annual review of polytechnic facilities and processes with a view to implementing projects which will enhance a "family friendly" working environment and facilitate employment opportunities for disabled persons.  
Annual review conducted.
6. Make progress towards Northland Polytechnic employing an equitable balance of staff in respect to gender and race, based on the principle of merit and reflecting the communities it serves. The targets for this are:

	2005 Actual	2005 Target	2004 Actual	2003 Actual	2002 Actual
<b>Tutorial Staff</b>					
Māori *	11%	15%	25%	14%	14%
Female	55%	50%	51%	49.4%	50%
<b>Allied Staff</b>					
Māori *	4%	15%	11%	14%	14%
Female	70%	50%	63%	59.3%	50%

\* The accuracy of these percentages is dependant upon information provided by individual staff members, as notification of affiliation is voluntary. The 2005 percentage figures were obtained by a total staff survey, and all new appointees are given the opportunity to declare their affiliations.

# EQUAL EDUCATIONAL OPPORTUNITIES

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Northland Polytechnic is committed to providing equal educational opportunities for people in the northern peninsula of New Zealand. The initiatives described below are aimed at achieving this:

## 1. REMOVAL OF UNNECESSARY BARRIERS TO THE ENTRY AND PROGRESS OF STUDENTS

### 1.1 Pre-Entry Programmes

Northland Polytechnic offers a range of programmes from Level 1 through to Level 7 of the Framework. Where students do not meet the entry criteria for a given programme, the opportunity to take a pre-entry programme may be available. The intention to facilitate access to education and clear pathways for students is reflected in the variety of such programmes on offer. In addition there is a strategy of expanding the availability of these programmes across the region through the use of an increased number of delivery sites and flexible delivery methodologies. Programmes to be offered at level 2 and below are:

- National Certificate in Horticulture (Level 2)
- Northland Polytechnic Certificate in Mechanical Engineering (Level 2)
- Northland Polytechnic Certificate in Foundation Studies
- National Certificate in Hairdressing (Salon Support) (Level 2)
- National Certificate in Hospitality (Level 2)
- Northland Polytechnic Certificate in Boatbuilding
- Northland Polytechnic Certificate in Forestry (Foundation Skills)
- Northland Polytechnic Certificate in Computing (Level 2)
- Northland Polytechnic Certificate in Solid Wood Processing
- Certificate in Green Light Learning for Life
- A range of formally assessed short courses

### 1.2 Developing Programmes

The Programme Quality Assurance sub committee of the Academic Board examined all programme documents in the approval process. Consideration was given to identifying any potential barriers and staircasing arrangements for students. Related to this is the review of credit transfer and recognition of prior learning policy and procedures. The Tikanga Māori committee of the Academic Board considered the Māori dimension of programmes before approval.

### 1.3 Competency-based Assessment

There has been a shift towards competency-based assessment to allow demonstrated skills and abilities of students to be recognised.

### 1.4 Entry Criteria

The Academic Board, as part of its approval of new programmes, requires information to be provided about entry criteria and target group. Analysis of the appropriateness of entry criteria for the established target group is assessed as part of the approval process.

**1.5 Physical Barriers**

Ramps have been installed to ensure students in wheelchairs have appropriate access to polytechnic facilities. Modifications have been made to ramps on campus that were originally too steep for wheelchair access. Concrete pathways have also been modified where needed. Parking spaces have been placed in strategic positions around the campus for students with disabilities.

**1.6 Toilet Facilities**

All disability toilets have been checked for accessibility, and appropriate fixtures have been fitted. There is good access to toilets on campuses.

**1.7 Flexible Delivery**

Access to tertiary education in the northern peninsula has been improved by offering programmes at sites throughout the region. This allows students to study a range of programmes closer to their home rather than having to attend the main campus in Whangarei. Learning Centres at both Kaitaia and Dargaville have been established and offered an expanded number of programmes in 2005, in addition to maintaining the Kerikeri campus and Rawene learning centre. The polytechnic adopts a flexible approach to providing programmes in other locations as required. In 2005 two locations in Kaikohe were established for the delivery of programmes. Initiatives to reduce time and location barriers to access will be ongoing; these have included development of more flexible modes of delivery for a range of programmes and installation of a video-conferencing network.

**1.8 Learning Assistance and Support**

Specific provision was made for learning assistance to students with identified needs. The Student Learning Centre (SLC) is a free, confidential service for students that gives assistance with related learning needs. The primary focus is on course-related learning/study skills assistance. Help with subject content is also provided by the peer tutor scheme whereby able students are paid to work with students experiencing course difficulties. In 2005 a tutor was appointed to a half-time position to provide specific assistance to Māori students.

**1.9 Counselling Services**

A free confidential counselling service is provided for students. Staff are located in Rawene, Kerikeri and Whangarei and are available in Kaitaia and Dargaville. These staff are available to travel to other locations. The purpose of the service is to empower students to cope with life situations; reduce emotional distress; engage in empowering activities and make effective decisions.

As a result it is intended that students will increase their control over present adversities and future opportunities. In 2005 Counselling Services assisted 162 individuals and provided 634 counselling sessions.

**1.10 Disabilities Co-ordinator**

Northland Polytechnic encourages people with disabilities to enrol and fully participate in courses and campus life. The Disabilities Co-ordinator is able to provide information and support for current and intending students with disabilities.

Our aims are to provide support and equitable conditions for students with permanent and temporary support needs and to encourage participation. One hundred and fifty students received ongoing support during the year.



**1.11 Financial Support**

Limited financial support is made available for students experiencing hardship. This is done to eliminate this barrier to students completing their study

**1.12 Support for Māori Aspirations and Achievement**

Support is provided for Māori and Pacific tertiary students. The aims of the support are to encourage and enhance participation and retention; maintain networks to enable students to access financial support; encourage and assist students to make informed career decisions; provide emotional support and specific learning support.

**2. INITIATIVES TO ATTRACT STUDENTS FROM GROUPS IN THE COMMUNITY**

**2.1 Māori**

- Provision of the Te Pūkaiatahi Ngāpuhi-Nui-Tonu, Te Pūkairua Ngāpuhi-Nui-Tonu and Te Pūkaiatahi Ngāphui-Nui-Tonu te Raranga programmes
- Working closely with iwi organisations. In 2005 a range of programmes was provided as a direct response to needs identified by iwi.
- Offer Te Pūkaiatahi Ngāpuhi-Nui-Tonu, Ngā Mahi Tū Taua (Certificate in Ancient Māori Weaponry) and Pūkaiatahi Ngāphui-Nui-Tonu te Raranga fees-free.
- Extension of the Te Reo programme into the regional campuses and opening Taitokerau Wananga in Kaikohe.
- Further development of the range of programmes offered by Te Puna O Te Matuaranga. In 2005 the following programmes were developed or development was started: Pūkairua Ngāpuhi-Nui-Tonu te Raranga, Whakairo programme and Ngā Mahi Tū Taua (Certificate in Ancient Māori Weaponry)
- The Northland Polytechnic Certificate in Foundation Studies was offered in Kaupapa Māori environment.
- A Hui a Iwi was held as part of consultation with Iwi.
- Development of marae-based and out-reach programmes.

**2.2 Groups disadvantaged in terms of their ability to attend the institution**

- Provision of a free Northland Polytechnic Certificate in Foundation Studies to encourage second chance learners who do not meet the entry requirements for higher level programmes.
- Teaching delivery at different sites to meet the needs of students.
- Further development of flexible learning packages, including on-line learning.
- Fostering university courses in the region.
- Development of marae-based and out-reach programmes.
- Specific support was provided for students with disabilities (see Disabilities Coordinator above).

Student Group	TARGET Student EFTS Proportion	2005 ACTUAL Proportion	TARGET Retention Rates	2005 ACTUAL Retention rate	TARGET Pass Rates	2005 ACTUAL Pass Rate
Maori	>40%	39.4%	>90%	92.4%	>70%	54.0%
Tertiary Students with disabilities	>8%	6.1%	>85%	90.9%	>70%	51.4%
Female	>60%	51.8%	>90%	92.5%	>77%	64.3%