

Jade
(Ngāti Tai)
Ara graduate



Institute of Canterbury
Ara rau, taumata rau

ANNUAL REPORT 2021

Ara at a glance

2021

7,587

Equivalent full time students (EFTS) enrolled at Ara in 2021

Up from 7,295 in 2020



14,354 DOMESTIC STUDENTS



601 INTERNATIONAL STUDENTS

1902

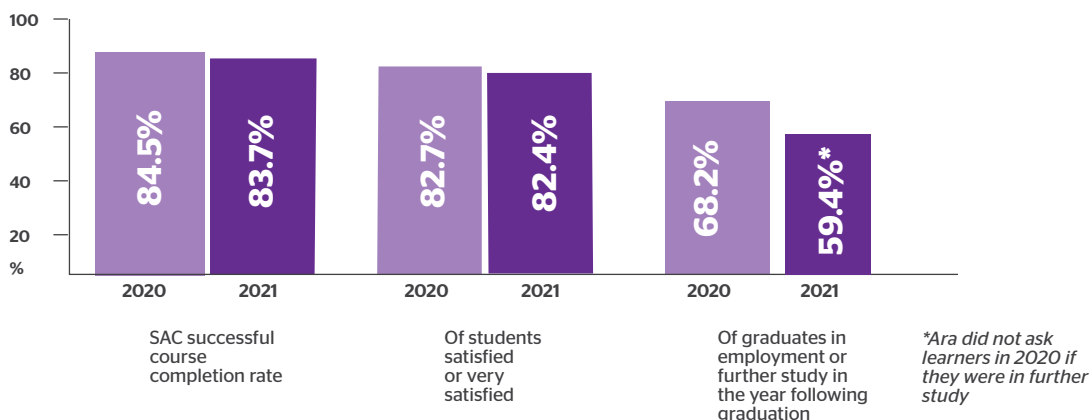
MĀORI STUDENTS ENROLLED

(14.0% of all SAC students)

743

PACIFIC STUDENTS ENROLLED

(5.1% of all SAC students)



The first students enrolled in many new programmes at Ara, in areas including: Early Childhood Education Level 5, Te Pokaitahi Reo, Cybersecurity, Performing Arts Level 4, Post Graduate Diploma in Osteopathy, and Wellness, Relaxation and Remedial Massage.

956

FULL TIME EQUIVALENT STAFF

6

MAIN CAMPUSES

Christchurch City (Madrass Street), Manawa, Woolston, Timaru, Ashburton, Oamaru (plus four Ara Connect sites)

Parent \$3.0m* Net surplus (2020: \$0.8m)

Parent \$122m* Total revenue (2020: \$119m)

Group \$4.7m* Net surplus (2020: \$1.6m)

Group \$124m* Total revenue (2020: \$119m)

*Figures are for the full 2021 calendar year

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Publication Format

The 2021 Ara Annual Report has been specifically designed, published and distributed in keeping with our commitment to sustainable principles as a digital publication online.

In line with legislative requirements, a limited number have been printed.

The digital version can be viewed at:

<https://www.ara.ac.nz/about-us/annual-reports/>



We reflect on the 2021 academic year with thanks and gratitude to all our colleagues and learners for their continued strength, resilience, and commitment that has enabled Ara to achieve success throughout another unprecedented and disruptive year. Despite the challenges of an ongoing global pandemic, Ara has celebrated another year of outstanding education and financial results surpassing enrolment expectations and achieving a surplus of almost \$3m.

We farewelled Chief Executive Tony Gray in May and with more than 37 years in the sector, Ara was fortunate to have had Tony's foresight and leadership for three and a half years. We welcomed Acting Chief Executive Darren Mitchell in June, and with the support of a strong, capable leadership team and the incredible commitment and hard work of colleagues, the organisation continued to grow and achieve exceptional results.

With our learners at the heart of everything we do, Ara has continued to focus on the needs of its communities. In 2021 Ara exceeded our targets for overall enrolments, despite the number of international learners being negatively impacted by the global pandemic. Especially pleasing was exceeding our target for participation of Māori and Pacific learners. The number of Māori that participated in study with Ara increased by 11.9% this year. Pacific learners also increased by the significant level of 71%. These are important milestones as we instigate our strategic priority of relentlessly focusing on equity.

Ara is committed to building our relationships with iwi partners and in 2021 has undertaken extensive efforts to prioritise and develop capability to support equitable outcomes for learners. To this end, senior roles were established to reflect the importance of equity, not only to Ara, but also to the sector and wider communities across New Zealand. These included the appointment of an Executive Director Te Tiriti Partnerships, Director Māori Achievement, Director of Pacific Achievement and a Director of Disability and Inclusion (thought to be the first such role in the Te Pūkenga network). Towards the end of 2021 Ara further increased its capacity to develop and implement equity-focused initiatives, in the form of four Kaiārahi roles.

In April, following an extensive 9-month refurbishment, we celebrated Te Whakaohonga, a 're-awakening' of Te Puna Wānaka, allowing the whare to return to its original purpose as a whare wānanga (centre of learning).

Acknowledging the disappointment for our learners and colleagues with our Graduation ceremonies having been cancelled due to the impact of Covid-19, we have been able to safely celebrate our learners' achievements and milestones in other ways such as online events and awards ceremonies. Colleagues were recognised for their outstanding achievements at our Celebration of our People Awards, which provided a multitude of inspiring examples of Ara colleagues bringing Ara's values to life.

Exemplary feedback was received following the New Zealand Qualification Authority's (NZQA's) targeted evaluation, which focused on areas of educational performance that will be important for both Ara and Te Pūkenga in the new operating environment.

Ara continued to examine and develop its course offerings throughout 2021. We saw our first graduates of Master of Creative Practice and established two new Bachelor of Music pathways: Music Creation and Music Production. We worked closely with the health sector to expand our health provision course offerings in South Canterbury. All within the confines of a rapid, ever-changing Covid environment which resulted in a hybrid learning environment with online and face to face teaching and learning delivery.

Transforming lives through education continues as the core purpose of Ara's strategic focus areas which include a relentless focus on equity, delivering an exceptional learning experience, increased colleague engagement and wellbeing across Ara and greater regional access alongside the development and implementation of our regional master plan. Aligned to Te Pūkenga's Charter and Letter of Expectations, Ara remains committed to influencing the redesign of vocational education in New Zealand.

Ara has achieved much in 2021 and demonstrates that with collective action, we can continue to make an extraordinary impact while navigating ongoing change and uncertainty. We are positioned well for 2022 and are confident in our ability to navigate through the year ahead as we move towards our integration with Te Pūkenga.

Mā pango, mā whero, ka oti te mahi.

It will take an embedded systemic approach to realise all of the work ahead of us.

Mā tini, mā mano, ka rapa te whai.

Growing a critical mass of talent will be an essential lever to unlock our potential.

Dr Thérèse Arseneau
Ara Board Chair

Darren Mitchell
Acting Chief Executive

Our Values

Ara is committed to the following values that underpin the institute's activities and the way in which we operate:

Aroha - Respect

Hono - Connect

Hihiri - Inspire

Our Purpose

Transforming lives through education

Ngāi Tātou ki te whai ao

Our Vision

Success for Learners

Connected Learning Communities

Leading Together

Building for the Future

Our Appreciation

Thank you to all of our students, staff, colleagues, fellow institutions, communities, industries and businesses for contributing to such a successful 2021.

Ara Board

Ara Institute of Canterbury Limited is a Crown Entity Subsidiary governed by its own board with accountability to Te Pūkenga as the immediate controlling entity and the Crown as the ultimate controlling entity.

The Board is made up of eight Directors. As the governing body of Ara, the Board operates in accordance with the Charter and Letter of Expectations as set out by the Minister of Education and Te Pūkenga.

The Board directs the management of Ara to achieve planned outcomes and to ensure that the organisation is acting prudently, legally and ethically.

Ara operates under a number of Acts of Parliament – particularly the Education and Training Act 2020, the Crown Entities Act 2004, and the Companies Act 1993.

List of Board Members | 1 January – 31 December 2021

Directors of the Company, Ara Institute of Canterbury Ltd appointed by Te Pūkenga

Dr Dona Thérèse Arseneau	Chair
Ms Melanie Taite-Pitama	Deputy Chair (Ara Board), Chair (Chief Executive Remuneration Committee)
Mr Murray Bain	Director
Ms Jane Cartwright	Director
Ms Maryann Geddes	Director
Ms Nettles Lamont	Director and Chair, Ara Board Audit and Risk Committee
Ms Andrea Leslie	Director
Mr Bryn Thompson	Director and Chair, Ara Board Campus Redevelopment Committee

Ara Board Officers

Mr Tony J Gray	Chief Executive (to 28 May 2021)
Mr Darren J Mitchell	Acting Chief Executive (from 31 May 2021)
Mr S Te Marino Lenihan	Kaiārahi
Ms Christina Yeates	Company/Minute Secretary

Te Kāhui Manukura Senior Leadership Team

Mr Tony J Gray	Chief Executive (until 28 May 2021)
Mr Darren J Mitchell	Acting Chief Executive (from 31 May 2021)
Mr S Te Marino Lenihan	Kaiārahi/Director Māori Development (until 25 July 2021)
Mr S Te Marino Lenihan	Executive Director – Te Tiriti Partnerships (from 28 July 2021)
Vacant	Deputy Chief Executive – Academic, Innovation and Research (until 28 May 2021)
Glynnis L Brook	Executive Director – Academic, Innovation and Research (from 31 May 2021)
Mr Darren J Mitchell	Deputy Chief Executive – Chief Operating Officer (until 31 May 2021)
Colin D King	Executive Director – Operations (from 1 June 2021)
Ms Karen L Te Puke	Deputy Chief Executive – Customer Experience and Engagement (until 6 December 2021)
Ms Karen L Te Puke	Executive Director – Ākonga Success (from 7 December 2021)
Ms Belinda A de Zwart	Deputy Chief Executive – People and Culture (until 9 July 2021)
Ms Leanne Carson-Hughes	Executive Director – People and Culture (from 12 July 2021 until 27 August 2021)
Ms Jasmine Cannon	Executive Director – People and Culture (from 30 August 2021)

Ara Strategic Focus Areas and Priorities for 2021

The Ara strategic plan is set by the Board and determines the institution's direction in conjunction with a mix of Government policy directives and regional strategies. It is used to inform the Ara Investment Plan which is prepared in consultation with stakeholders and in collaboration with the Tertiary Education Commission. The 2020-2021 Strategic Plan sets our values, vision and outcomes.

ARA STRATEGIC FOCUS AREAS AND PRIORITIES 2020 – 2021

PURPOSE: Transforming lives through education
Ngāi Tātou ki te whai ao



- › Provide personalised, lifelong learner journeys.
- › Design initiatives that drive learner success.
- › Co-create (with learners) an Ara where everyone belongs.
- Learners at the heart of everything we do

SUCCESS FOR LEARNERS

- › Inspire learners with our products and delivery methods.
- › Ensure future-focused and industry current teachers.
- › Partner with iwi, whānau, industry and businesses to shape our education ecosystem.
- Dynamic delivery of contemporary programmes and research

CONNECTED LEARNING COMMUNITIES

SUSTAINABILITY

MĀORI ACHIEVEMENT

LEADING TOGETHER

BUILDING FOR THE FUTURE

- High-performing, customer-focused teams
- › Acknowledge the actions and behaviours of colleagues who exemplify Ara's purpose.
- › Celebrate our achievements.
- › Foster agile learning and collaborate towards shared goals.
- › Embrace diversity: all are included and belong.
- › Ensure everyone is safe, feeling good and functioning well.
- › Continually grow colleagues' capability to be responsive and future-ready.
- › Empower colleagues to lead courageously and inspire actions that transform.

- Innovative and sustainable practice
- › Maintain a thriving and viable education enterprise.
- › Leverage value from our assets.
- › Embed continuous improvement through planning strategies, setting targets, monitoring progress and sharing achievements.
- › Honour our Treaty foundations and commitment to iwi aspirations.
- › Embed efficient smart systems that are simple and easy to use.

Statement of Service Performance

The purpose of the Statement of Service Performance (SSP) is to provide evidence of performance against non-financial targets.

Measures included in the Statement of Service Performance include both those specified as performance commitments in the 2019-2021 Investment Plan, other commitments agreed with TEC, plus some additional internal measures to provide a balanced view of performance. The measures from the Investment Plan are based on negotiations with the Tertiary Education Commission (TEC). Thus, these reflect the outputs expected of Ara by the Ara Board and the TEC.

The SSP includes best estimates for student related targets of course completion, qualification completion, progression, and retention, based on internal student achievement data processed by 25 January 2022. Performance validation is confirmed via the TEC in mid-2022.

Enrolments

Measure	2020 Actual	2021 Investment Plan Target	2021 Revised Target	2021 Actual
SAC Level 1-2 EFTS enrolled	137.25	154	127	172.02
SAC Level 3+ EFTS enrolled	5802.32	6340	5846	6516.67
International EFTS enrolled	852.67	930	509	371.71
ACE EFTS enrolled	77.98	106.12	86	73.54
Trades Academy (Formerly CTC) EFTS enrolled (2)	148.37	n/a	153	178.32
Youth Guarantee EFTS enrolled	94.00	96	83	79.25
Other EFTS enrolled	182.49	n/a	208	196.09
Total EFTS enrolled	7295.08	n/a	7012	7587.61

Responding to TEC Priority: Delivering Skills for Industry

EFTS delivered in healthcare provision at Levels 3-9	1125.18	1090	n/a	1226.03
EFTS delivered in STEM subjects at Levels 3-9	1817.01	1393	n/a	2136.77
EFTS delivered in Trades provision at Levels 3-9	1157.82	1183	n/a	1355.05

14354 students enrolled at Ara in 2021, across all locations and types of delivery. This equated to 7,587 EFTS (Equivalent Full Time Students) in 2021, up from 7,295 EFTS in 2020 and exceeded the 2021 budget target of 7,011 EFTS. SAC (Student Achievement Component) Level 3+ enrolments made up the majority of Ara provision. Based on 2020 actuals, the growth in SAC level 3+ for 2021 was 714 EFTS (an increase of 12.3 %)

Following the introduction of the Targeted Training and Apprentice Fund (TTAF) in 2020, there was continued increases in the sponsored areas, Community support, Agri-Business Management, Construction, Engineering, Trades and Transport.

Excluding TTAF provision, SAC 3+ enrolments at Level 3- 7 and Level 8-9 increased in 2021. Specific areas of growth included health provision, in both long standing programmes such as the Bachelors of Nursing, as well as Pre-Health, Midwifery, and Post Graduate study in Health Science.

Other areas of notable increases were qualifications in Hair and Beauty, Career and Study Preparation, Outdoor Education and Sustainability; plus, Early Childhood Education, Baking, Applied Science. Domestic provision that has declined and can be attributed to COVID-19 impacts is, Tourism, Languages, some Hospitality, Business Admin, sub degree Outdoor Education, and Community education courses.

Domestic enrolment numbers in Business and computing programmes across Levels 3 to 7 were below 2020 levels and short of the respective 2021 targets. The 2021 SAC Level 3+ target included 219 EFTS to be delivered wholly online through eCampus.

In 2021, Ara international enrolments continued to be influenced by COVID-19, International border restrictions and government mandates preventing International Learners to enter NZ. Due to these restrictions 2021 targets were not achieved.

¹ The '2021 Revised Target' for enrolments are from the Ara 2021 budget, which was set in December 2020. This figure was based on the basis that borders were open for semester two 2021 enrolments. This did not occur. Borders remained closed. Revisions are due to changes in the type and volume of provision funded by the Tertiary Education Commission and the Ministry of Education, as well as Ara revising 2020 delivery targets based on actual 2020 performance. The trends described above and the introduction of the TTAF in 2020 contributed to Ara achieving the overall enrolment targets for STEM (Science, Technology, Engineering and Mathematics), Healthcare and Trades. These targets are aligned to the government's goal of "Delivering Skills for Industry".

Ara exceeded the 2021 SAC Levels 1-2 enrolment target, and this delivery was an increase of 25.3% based on 2020 actuals. This growth reflects a demand from domestic students in the areas of work skills, foundation studies, Te Reo and English Language. 2021 observed a small decline in enrolments into ACE (Adult and Community Education) funded programmes. This portfolio includes a mix of courses focussed on computing, English language and general life skills. The decline across ACE provision was observed in all Ara locations.

The Trades Academy EFTS target was exceeded. Whilst this source of funding is included in the EFTS totals, it is funded on a place's basis. In 2021 Ara enrolled 567 Trades Academy students, an increase on 2020 participation, but shy of the 570 places target. Enrolments were in areas such as trades, digital technology, cookery, hospitality, supported learning, business, and outdoor education. Provision in the dual enrolment portfolio was delivered in schools and across all Ara locations.

Ara revised the 2021 Youth Guarantee enrolment target due to continual downward trends in demand for this provision and based on 2020 analysis. This 2021 target was not reached. Whilst the targets for Youth Guarantee enrolments in Christchurch were achieved, those in Timaru were not.

The target for 'Other EFTS' was not achieved in 2021, the combined target was missed by 12 EFTS. This provision exceeded 2020 actuals. The off-job training for TITOs (Transitional Industry Training Organisations) apprentices exceeded target by 24.6%, while enrolments in domestic full-fee provision and STAR (Secondary Tertiary Alignment Resource) were down due to COVID-19 impacts. A further shift is explained by less hours being delivered through Intensive Literacy and Numeracy (ILN) and ILN ESOL programmes

Responding to TEC Priority: Improving Adult Literacy and Numeracy

	2020 Actual	2021 Investment Plan Target	2021 Revised Target	2021 Actual
EFTS delivered through SAC provision at Levels 1-2	137	154	127	172
EFTS delivered through SAC provision at Level 3	992	1084	n/a	1069
Successful course completion rate for SAC learners at Level 1	71.9%	73.4%	n/a	76.6%
Successful course completion rate for SAC learners at Level 2	59.8%	69.1%	n/a	68.7%
Successful course completion rate for SAC learners at Level 3	78.4%	76.8%	n/a	76.5%
Enrolments in specialist literacy and numeracy provision > ILN	38 lnrs, 6625 hrs	44 lnrs, 6486 hrs	n/a	27 lnrs, 4500 hrs
> ILN ESOL	37 lnrs, 10192 hrs	44 lnrs, 8800 hrs	n/a	32 lnrs, 9787 hrs

In response to the TEC priority to improve adult literacy and numeracy, Ara has aimed to increase provision through SAC Levels 1 and 2 and ILN (Intensive Literacy and Numeracy). Ara increased participation in SAC levels 1 and 2 in 2021 and reduced provision in ILN. This reduction was a direct result of increasing participation in SAC 1-2 and optimising funding allocations. Overall SAC provision at Level 3 increased in 2021 due to increased demand in Trades training (TTAF) and increased enrolments in pathway programmes (Career and study preparation), both have a strong literacy and numeracy focus.

Overall, SAC achievement at Levels 1- 3 (combined) exceeded performance comparative to 2020. In isolation the increases occurred primarily in SAC 1-2 and there was a slight reduction in overall course completion performance at Level 3.

The participation increases (connected to this priority) relate to higher demand in (NZ1880) New Zealand Certificate in English Language Level 1 and (NZ2853) New Zealand Certificate in Skills for Living for Supported Learners Level 1, and NZ3044 Te Pokaitahi Reo (Reo Rua) (Te Kaupae 2) compared to 2020 achieved.

Student Achievement - SAC (Student Achievement Component) and YG (Youth Guarantee)

	2020 Actual	2021 Investment Plan Target	2021 Revised Target	2021 Actual
Successful Course Completion Rate for all SAC-funded students at all levels	84.5%	n/a	n/a	83.7%
Successful Course Completion Rate for all SAC-funded students at Levels 1-3	76.8%	n/a	n/a	75.9%
Successful Course Completion Rate for all SAC-funded students at Levels 4-6	80.1%	n/a	n/a	79.6%
Successful Course Completion Rate for all SAC-funded students at Levels 7+	91.3%	n/a	n/a	91.2%
Successful Course Completion Rate for YG-funded students at Levels 1-3	77.5%	81.0%	n/a	75.4%
Student progression rate for all SAC-funded students, from level 1-3 to a higher level	24.6%	n/a	n/a	25.6%
Student progression rate for all YG-funded students, at Levels 1-3	18.0%	n/a	n/a	15.5%
Number of SAC graduates at Levels 1-3	642	n/a	n/a	521
Number of YG graduates at all Levels 1-3	94	n/a	n/a	47
First year retention rate for all students at Levels 4-7 (non-degree)	75.8%	n/a	n/a	79.2%
First year retention rate for all students at Level 7 (degree)	77.2%	n/a	n/a	78.9%

In recent years, the Tertiary Education Commission (TEC) has changed some of the performance metrics for assessing student achievement, including how programme levels and ethnicities are grouped. 2019 was the first time Ara reported using these new measures. Whilst targets were set for Māori, Pacific and non-Māori/non-Pacific as per TEC direction, overall targets were not required and were not set in the Investment Plan. However, overall performance by students of all ethnicities have been included above to provide a holistic view of Ara performance, and 2021 comparatives have also been calculated.

The overall successful course completion rate for SAC learners in 2021 declined based on 2020 performance. The finalised 2020 sector results (published on Nga Kete) placed Ara at the top of the institutions for this measure, in the 2020 period. We note in 2021, there was improved performance in Level 7+ based on 2020 actuals, however there is a notable decline in successful course completions at band Levels 1-3 and 4-6.

The successful course completion rate for Youth Guarantee (YG) courses declined by 2.1% in 2021 compared to 2020 actuals, additionally the investment plan target was not achieved. The decline from 2020 was based on the performance in the areas of foundation studies, plus Hospitality and Salon Skills Level 2. Positive gains in successful course completion, based on 2020 actuals, were achieved in Construction Skills Level 3, Salon Support Level 3 and Tourism Level 2.

2021 graduate numbers for SAC 1-3 and Youth Guarantee learners demonstrate a decline from 2020 actuals. It is noted that the progression rates for SAC L1-3 have slightly increased for 2021, based on 2020 performance. YG graduates at Levels 1 to 3 have declined, this is indicative of the overall decline in YG participation and is also representative that the TTAF initiatives have offered a greater selection of offerings in 2020 and 2021 reporting year, further eroding YG enrolments. With the introduction of TTAF and other fees-free initiatives, learners have had access to more tertiary study choices, including on-job training. The YG portfolio remains confined and the learner eligibility criteria to access this funding is restrictive. YG was designed to improve the transition from school to work by providing a range of learning opportunities for those that have limited prior achievement.

The first-year retention rates improved by 3.4% at Levels 4 to 7 (non-degree), and by 1.7% at Level 7. Improved retention and attrition rates are aligned to Ara's continued focus on supporting and retaining learners over the transition periods. Interventions such as "keeping warm" and the support activated via our Framework for Māori Achievement (FMA) have all attributed to these successes.

Māori and Pacific students - Participation

	2020 Actual	2021 Investment Plan Target	2021 Revised Target	2021 Actual
Proportion of EFTS enrolled who are Māori students at all levels	13.8%	n/a	n/a	14.0%
Proportion of EFTS enrolled who are Pacific students at all levels	5.2%	n/a	n/a	5.1%
Proportion of SAC EFTS delivered to non-Māori, non-Pacific, at Levels 1-3	76.0%	75.2%	n/a	78.0%
Proportion of SAC EFTS delivered to Māori learners, at Levels 1-3	18.7%	19.2%	n/a	16.8%
Proportion of SAC EFTS delivered to Pacific learners, at Levels 1-3	6.7%	6.7%	n/a	6.5%
Proportion of SAC EFTS delivered to non-Māori, non-Pacific, at Levels 4-7 non-degree	80.7%	82.4%	n/a	81.2%
Proportion of SAC EFTS delivered to Māori learners, at Levels 4-7 non-degree	14.6%	14.0%	n/a	14.5%
Proportion of SAC EFTS delivered to Pacific learners, at Levels 4-7 non-degree	5.8%	5.4%	n/a	5.0%
Proportion of SAC EFTS delivered to non-Māori, non-Pacific, at Level 7 (degree)	85.1%	87.4%	n/a	84.5%
Proportion of SAC EFTS delivered to Māori learners, at Level 7 (degree)	11.3%	12.9%	n/a	11.8%
Proportion of SAC EFTS delivered to Pacific learners, at Level 7 (degree)	4.2%	4.6%	n/a	4.4%
Proportion of SAC EFTS delivered to non-Māori, non-Pacific, at Level 8 and above	89.9%	87.8%	n/a	91.6%
Proportion of SAC EFTS delivered to Māori learners, at Level 8 and above	4.4%	12.9%	n/a	6.3%
Proportion of SAC EFTS delivered to Pacific learners, at Level 8 and above	5.8%	4.6%	n/a	3.0%

Overall Māori and Pacific participation rates were maintained in 2021 and continue to be well above the proportions within the Canterbury regional population. Many of the targets by level groups were not achieved for both Māori and Pacific in 2021. We note a slight decrease in Māori participation rates for at Level 4-7 (non-degree), but an increase of 1.9% at postgraduate levels. Pacific participation rates increased at Level 7 degree and declined at postgraduate level. The targets by level group were set to achieve parity of participation at all level groups by 2021, and 1 of the 8 targets for 2021 were achieved. While targets were not achieved there is notable increases seen in the participation of Māori at higher levels of study. There were more Māori participating in degree programmes, these included nursing, applied science, business, plus music arts; and increased Pacific numbers in social work, ICT, architectural studies, and engineering.

Supporting Māori Learners

Ara is committed to our part in supporting Māori success. Providing good information to Māori learners and their whānau and comprehensive support through the transition to tertiary education is integral to our success with learner recruitment and retention. We support key initiatives and events that engage, that celebrate, that support students and their whānau from pre-enrolment through to graduation.

Products and services will be designed with Māori learners and their whānau at the centre, whereby integrating and embedding mātauranga Māori at every step will ensure authentic and culturally appropriate experiences are provided.

Sharing best practice and developing new initiatives to raise Māori achievement is important and should be prioritised. There are many examples of this at Ara and we look forward to sharing and celebrating these initiatives.

Māori and Pacific students - Achievement

	2020 Actual	2021 Investment Plan Target	2021 Revised Target	2021 Actual
Successful Course Completion Rate for non-Māori/non-Pacific SAC-funded students at all levels	86.1%	88.0%	n/a	85.2%
Successful Course Completion Rate for Māori SAC-funded students at all levels	77.9%	81.8%	n/a	78.2%
Successful Course Completion Rate for Pacific SAC-funded students at all levels	74.3%	81.3%	n/a	73.4%
Number of Māori SAC graduates at Levels 1-3	110	60	n/a	80
Number of Pacific SAC graduates at Levels 1-3	39	20	n/a	30
Number of non-Māori, non-Pacific SAC graduates at Levels 1-3	496	140	n/a	415
Number of Māori YG graduates at Levels 1-3	16	40	n/a	14
Number of Pacific YG graduates at Levels 1-3	5	20	n/a	4
Number of non-Māori, non-Pacific YG graduates at Levels 1-3	76	120	n/a	32
Student progression rate for non-Māori/non-Pacific SAC-funded students, from Levels 1-3 to a higher level	24.5%	51.0%	n/a	23.6%
Student progression rate for Māori SAC students from Levels 1-3, to a higher level	22.3%	49.0%	n/a	31.8%
Student progression rate for Pacific SAC students from Levels 1-3, to a higher level	32.8%	51.0%	n/a	35.9%
Student progression rate for non-Māori, non-Pacific YG-funded students, at Levels 1-3	20.6%	66.0%	n/a	14.9%
Student progression rate for Māori YG students from Levels 1-3, to a higher level	14.3%	58.0%	n/a	20.0%
Student progression rate for Pacific YG students from Levels 1-3, to a higher level	16.7%	58.0%	n/a	20.0%
First year retention rate for non-Māori, non-Pacific students at Levels 4-7 (non-degree)	76.7%	54.5%	n/a	78.0%
First year retention rate for Māori students at levels 4-7 (non-degree)	73.2%	54.5%	n/a	90.9%
First year retention rate for Pacific students at Levels 4-7 (non-degree)	66.7%	53.0%	n/a	81.3%
First year retention rate for non-Māori, non-Pacific students at Level 7 (degree)	78.6%	82.0%	n/a	79.5%
First year retention rate for Māori students at Level 7 (degree)	68.9%	75.0%	n/a	76.4%
First year retention rate for Pacific students at Level 7 (degree)	74.6%	78.0%	n/a	72.7%

Although the overall successful course completion rates for Māori learners at Ara improved between 2020 and 2021, the targets were not achieved. Between 2020 and 2021, there was a small decline in Pacific achievement. These targets were determined based on the ambitious goal of achieving parity of achievement between Māori, Pacific and non-Māori/non-Pacific by 2021, and whilst incremental improvements are being made, the targeted shift in Māori and Pacific achievement has not yet occurred.

The results for graduate numbers are largely a function of enrolment numbers through SAC Levels 1-3 and Youth Guarantee, which fluctuate year on year. Whilst the targets were not achieved, it is also noted that the progression rates for Māori and Pacific SAC and Youth Guarantee (1-3) graduates have increased between 2020 and 2021 showing an increasing proportion of Māori and Pacific graduates are transitioning into higher level study at Ara.

It is acknowledged that YG and SAC 1-3 programmes are designed to improve the transition from school to work by providing a wider range of learning opportunities, making better use of the education network, and creating clear pathways from school to work and study, we know many our young people transition on to further study outside of Ara. This includes transition into employment and connecting with apprenticeship-based learning. This information is validated through our exit interviews with all YG students. To further support the mahi in this space, in the later part of 2020 Ara introduced the Māui te Tauria Mentoring programme. This programme endeavoured to support Māori students to transform through education. This programme is multi-layered. In its first instance it provides support to learners and seeks to develop support within the student body. The second strength of the programme is in the creation of competent mentors across Ara to lead by example and to teach and grow others to carry those legacies.

Students learn how to develop strategies to cope with whānau and peer dynamics, emotional and cultural intelligence and draw upon models such as Te Whare Tapa Whā as a pillar to reflect on when coping with elements that effect our everyday functions. The programme was trialled in our department of Hospitality and Service Industries (HSI) in the 2021 period. We now see the success and celebrate the shift in successful course completion for Māori in HSI, noting an increase of 6.2% compared to 2020 results,

Building on this mahi we have also formed, the Office of Māori Development. The Office of Māori Development is instrumental in maintaining Iwi-Māori relationships and ensuring alignment of needs and aspirations with Ara, through connecting with Mana Whenua and Mata-a-waka. The Office of the Kaiārahi works alongside Departments and Divisions to grow understanding, champion and guide the implementation of the Framework for Māori Achievement (FMA).

The Ara Framework for Māori Achievement (FMA) looks to provide guidance to divisions and departments for raising Māori Achievement.

Our Vision:

More Māori come, stay and succeed at Ara.

Whānau transformation through education, enterprise and agency.

Equitable education, employment and income levels for all Māori.

First year retention: The achievement of Māori and Pacific learners using this measure demonstrates strong improvements when compared to 2020 performance. Three out of four targets were achieved in this area. Our commitment and vision as described above, plus the transition and support interventions aligned to the kaupapa of the FMA, has enabled this success.

International students

	2020 Actual	2021 Investment Plan Target	2021 Revised Target	2021 Actual
International EFTS enrolled	853	930	509	371.7
Successful Course Completion Rate for international students	90.2%	n/a	n/a	89.5%

International enrolment numbers in 2021 were significantly less than 2020 actual, the initial investment plan target, and the 2021 revised budget targets.

While, revised targets were established on the premise that international borders would open for 2021 semester two enrolments, unfortunately this did not eventuate. As a direct consequence of COVID-19 and border closures Ara was unable to achieve its full year target.

2021 highlighted a continued reduction in the international market and a slight softening in educational achievement. The overall successful course completion declined by 0.7%, which is slightly greater than 2019. The achievement of international students (89.5%) continues to be higher than SAC-funded domestic students (85.2%).

Student survey results

	2020 Actual	2021 Investment Plan Target	2021 Revised Target	2021 Actual
Student Satisfaction ²	83%	n/a	n/a	82.40%
Proportion of graduates in employment or further study in the year following graduation ²	68.20%	n/a	n/a	59.40%

In 2020, the student satisfaction measure expanded in scope and reported on whether students satisfied with the program, teaching, institution and learning environment based on 'agreed' and 'strongly agreed' responses.

There was a 0.6% decline in student satisfaction between 2020 and 2021. However there was a positive increase in student experience connected to Learning Environment (1.2% compared to 2020). 91.8% of learners strongly agreed that they felt safe at Ara and 85.3% reflected that Ara was preparing them for industry relevant work an increase of 1.1% from 2020. Positive gains were also noted in the areas of online learning, library, and ICT support.

The graduate outcome survey aligns to graduation timing. We note the decline in responses here and attribute this our ability to survey graduates. Noting the cancellation of graduation events in 2021.

Student satisfaction survey and graduate outcome measures are not the included in the Investment Plan therefore do not have an investment plan target. However, Ara aims to at least maintain or increase these results from year to year.

² Ara Institute of Canterbury Limited distribute the survey to students via the Qualtrics survey mailer which individualised email invitations to each participant. The survey can only be accessed through these specific email invitations. When the survey associated with a particular customized link is completed, Qualtrics will not allow that link to be used again which ensures that students do not complete the survey more than once.

Student experience surveys are sent twice a year in May and October due to this being near the end of each semester. Surveys are sent out to all student except for those enrolled in certain programmes. Excluded programmes are those not administered by Ara, non-formal courses, short courses, trade programmes under 20 weeks long and programmes for learners with low English language comprehension e.g. international students or students with learning disabilities.

Research

	2020 Actual	2021 Investment Plan Target	2021 Revised Target	2021 Actual
The amount of External Research Income earned	0	0	n/a	\$18,000
The number of Research Degrees completed	0	0	n/a	0

The Research revenue impact here pertains to the COVID environment and community / industry restrictions during this time. While research revenue is greater than 2020 actuals, Ara would like to see an increase of performance in this area. Our Research and Innovation Office is closely working with the Ara and Canterbury communities to build this capability. The purpose at Ara is to foster a culture of research and knowledge transfer that supports our innovation and creativity which inspires teaching and learning, adds value to New Zealand's economy and addresses environmental and social challenges, particularly in our region. It is underpinned by partnerships with stakeholders and industry.

Campus redevelopment programme

	2020 Actual	2021 Investment Plan Target	2021 Revised Target	2021 Actual
Campus Redevelopment Work Programme continues within scope, on time and within budget	Not achieved	n/a	n/a	Partial

Completed works for this period included the Te Puna Wānaka major refurbishment, a light refurbishment to Paxus House, the remains of TG building demolished and subsequently replaced with a sealed carpark, five Osteopathy clinic rooms constructed within O Block and the Art boxes sold and removed from site. The light refurbishment of TV and P building was only 50% complete by the end of this period with the remaining work to be completed within 2022. All sub 67% NBS buildings have also been identified and either strengthening or demolition plans have been created for each. Regarding the Regional Master Plan, three key areas were identified for progression being the Timaru workshop/campus redevelopment, L Block strengthening and Stage 1 works, and the building of a new facility (Z Block). By the end of this period Client Briefs have been developed for both the L Block and Timaru Workshop and are in final review with a view to undertaking works during 2022. Stakeholder engagement has commenced to inform the design for the Timaru campus redevelopment and further development of the design will continue through 2022. Further work in relation to the proposed new build of the Z Block was undertaken last year to identify the impacts on various departments and there will be a considerable amount of stakeholder engagement carried out in 2022 to inform the design

Statement of Responsibility

The Ara Institute of Canterbury Ltd hereby certifies that:

- 1 It has been responsible for the preparation of these financial statements and statement of service performance and judgements used therein; and
- 2 It has 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 It is of the opinion that these Financial Statements and Statement of Service Performance fairly reflect the financial position and operations of the Ara Institute of Canterbury Ltd for the year ended 31 December 2021.

The financial statements were authorised for issue by the Ara Institute of Canterbury Ltd Board on 29 April 2022.



Dr Thérèse Arseneau
Chair of Board



Nettles Lamont
Chair of Audit and Risk Committee



Darren Mitchell
Acting Chief Executive

Statement of Comprehensive Revenue and Expenses

for the Year Ended 31 December 2021

	Notes	Parent			Group		
		Actual 2021 \$000	Budget 2021 \$000	Actual 9 months ended 31 Dec 2020 \$000	Actual 2021 \$000	Budget 2021 \$000	Actual 9 months ended 31 Dec 2020 \$000
Revenue							
Government Grants	2	73,197	64,878	942	73,197	64,878	942
Student Tuition Fees	2	41,577	39,971	25,421	41,577	39,971	25,421
Other Revenue	2	6,962	8,256	5,020	7,365	8,565	4,794
Finance Revenue	2	563	915	1,008	1,110	1,280	2,192
Gain on Investment Property Revaluations	2	-	-	-	620	150	175
Gain on Interest Rate Swaps	2	-	-	-	377	-	60
Total Revenue		122,299	114,020	32,391	124,246	114,844	33,584
Operating Expenses							
Employee Benefit Expenses	2	76,489	74,046	56,153	76,489	74,046	56,153
Depreciation Expense	2, 8	10,629	10,735	8,299	11,452	11,456	8,846
Amortisation Expense	2, 9	534	611	1,102	534	611	1,102
Finance Costs	2	1,373	1,373	1,041	1,825	1,835	1,368
Other Expenses	2	28,339	30,403	21,822	27,275	29,368	20,817
Transformation Expenses	2	1,538	3,300	1,422	1,538	3,300	1,422
Total Operating Expenses		118,902	120,468	89,839	119,113	120,616	89,708
Share of associate surplus	16	(405)	-	65	(405)	-	65
Net Surplus/(Deficit)		2,992	(6,448)	(57,383)	4,728	(5,772)	(56,059)
Other Comprehensive Revenue and Expenses							
Gains on Property Revaluations	8	50,819	-	-	50,819	-	4,787
Total Other Comprehensive Revenue and Expenses		50,819	-	-	50,819	-	4,787
Total Comprehensive Revenue and Expenses		53,811	(6,448)	(57,383)	55,547	(5,772)	(51,272)
Net Operating Surplus analysed for non-recurring items							
		Actual	Parent Budget	Actual 9 months ended	Actual	Group Budget	Actual 9 months ended
		2021 \$000	2021 \$000	31 Dec 2020 \$000	2021 \$000	2021 \$000	31 Dec 2020 \$000
Net Operating Surplus/(Deficit)		4,530	(3,148)	(55,961)	6,266	(2,472)	(54,637)
Transformation Expenses*		(1,538)	(3,300)	(1,422)	(1,538)	(3,300)	(1,422)
Net Surplus/(Deficit)		2,992	(6,448)	(57,383)	4,728	(5,772)	(56,059)

Items that are non-recurring in nature (not part of normal operations) are indicated with an asterisk.

The accompanying notes form part of these financial statements.

Statement of Financial Position

for the Year Ended 31 December 2021

Notes	Parent			Group			
	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000	
ASSETS							
Current Assets							
Cash and Cash Equivalents	3, 18	11,462	2,140	7,635	12,460	8,733	9,192
Trade and Other Receivables	4, 18	7,407	2,000	2,998	7,575	2,020	3,162
Inventories	5	1,021	1,027	702	1,021	1,027	702
Prepayments		2,941	2,291	2,329	2,941	2,291	2,329
Assets held for Sale	20	-	-	48	-	-	48
Other Financial Assets	6, 18	58,800	57,000	62,200	63,184	57,000	65,736
Total Current Assets		81,631	64,458	75,912	87,181	71,071	81,169
Non-Current Assets							
Land and Buildings	8	340,804	294,415	292,972	369,640	319,335	322,473
Plant and Equipment	8	14,716	15,971	13,928	15,143	15,971	14,429
Investment accounted for using the equity method	16	-	1,151	1,169	-	1,151	1,169
Other Financial Assets	6	-	-	-	7,040	4,969	6,385
Investment Properties	7	-	-	-	4,415	3,300	3,795
Intangible Assets	9	665	1,506	1,193	665	1,506	1,193
Total Non-Current Assets		356,185	313,043	309,262	396,903	346,232	349,444
TOTAL ASSETS		437,816	377,501	385,174	484,084	417,303	430,613
LIABILITIES							
Current Liabilities							
Trade and Other Payables	10, 18	6,129	5,000	5,736	6,324	5,133	5,902
Finance Leases Current	11	860	1,233	683	860	1,233	683
Loans and Borrowings	11	-	-	-	560	-	560
Employee Benefit Liabilities	12	4,008	3,157	3,615	4,008	3,157	3,615
Revenue Received in Advance	13	6,808	11,800	8,567	6,808	11,800	8,567
Total Current Liabilities		17,805	21,190	18,601	18,560	21,323	19,327
Non-Current Liabilities							
Finance Leases Non-current	11	25,276	25,092	24,886	25,276	25,092	24,886
Loans and Borrowings	11	-	-	-	10,498	11,135	11,058
Employee Benefit Liabilities Non current	12	229	238	228	229	238	228
Interest Rate Swaps		-	-	-	23	-	399
Total Non-Current Liabilities		25,505	25,330	25,114	36,026	36,465	36,571
TOTAL LIABILITIES		43,310	46,520	43,715	54,586	57,788	55,898
NET ASSETS		394,506	330,981	341,459	429,498	359,515	374,715
EQUITY							
Accumulated Comprehensive Revenue and Expense		239,488	226,325	237,243	259,804	244,761	255,822
Asset Revaluation Reserve		154,187	103,782	103,368	168,864	113,880	118,045
Trusts and Bequests Reserves		831	874	848	830	874	848
TOTAL EQUITY		394,506	330,981	341,459	429,498	359,515	374,715

The accompanying notes form part of these financial statements.

Statement of Cash Flows

for the Year Ended 31 December 2021

Notes	Parent			Group			
	Actual	Budget	Actual	Actual	Budget	Actual	
	31 Dec 2021 \$000	31 Dec 2021 \$000	9 months ended 31 Dec 2020 \$000	31 Dec 2021 \$000	31 Dec 2021 \$000	9 months ended 31 Dec 2020 \$000	
Cash Flows from Operating Activities							
Receipts of Government Grants	73,105	64,878	47,971	73,105	64,878	47,971	
Receipts of Student Tuition Fees	38,572	38,916	13,048	38,572	38,916	13,048	
Receipts of Other Income	3,776	8,232	4,432	4,175	8,541	4,211	
Interest Received	604	915	1,223	686	1,280	1,261	
Payments to Employees	(76,095)	(74,046)	(56,011)	(76,095)	(74,046)	(56,011)	
Payments to Suppliers	(28,876)	(28,652)	(20,605)	(27,803)	(27,627)	(19,467)	
Payments relating to transformation costs	(1,538)	(3,300)	(1,422)	(1,538)	(3,300)	(1,422)	
Interest Paid	-	-	-	(451)	(453)	(327)	
Net Cash Flows from Operating Activities	3	9,548	6,943	(11,364)	10,651	8,189	(10,736)
Cash Flows from Investing Activities							
Proceeds from Sale of Property, Plant and Equipment	76	26	57	76	26	57	
Proceeds from Sale and Maturity of Investments	58,800	4,000	130,000	58,800	4,000	130,000	
Investment in term deposits	-	-	-	(348)	-	2	
Purchase of Intangible Assets	(6)	(16)	(49)	(6)	(16)	(49)	
Purchase of Property, Plant and Equipment	(6,786)	(10,645)	(5,712)	(6,868)	(10,645)	(5,712)	
Purchase of Investments	(55,401)	-	(114,200)	(56,074)	-	(114,722)	
Net Cash Flows from Investing Activities		(3,317)	(6,635)	10,096	(4,420)	(6,635)	9,576
Cash Flows from Financing Activities							
Repayments of Loans & Borrowings	-	-	-	(560)	2	(420)	
Repayment of Finance Lease Liabilities	(2,403)	(2,399)	(1,726)	(2,403)	(2,399)	(1,726)	
Net Cash Flows from Financing Activities		(2,403)	(2,399)	(1,726)	(2,963)	(2,398)	(2,146)
Net Increase/(Decrease) in Cash and Cash Equivalents		3,828	(2,091)	(2,994)	3,268	(844)	(3,306)
Cash and Cash Equivalents at the beginning of the year	7,634	4,231	10,629	9,192	9,576	12,498	
Cash and Cash Equivalents at the end of the year	3	11,462	2,140	7,635	12,460	8,733	9,192

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the Year Ended 31 December 2021

Notes	Parent			Group		
	Actual 2021 \$000	Budget 2021 \$000	Actual 9 months ended 31 Dec 2020 \$000	Actual 2021 \$000	Budget 2021 \$000	Actual 9 months ended 31 Dec 2020 \$000
Opening balance	341,459	337,429	399,306	374,715	365,287	426,451
Bequest Funds		-	(50)	-	-	(50)
Total Comprehensive Revenue and Expenses	53,811	(6,448)	(57,383)	55,547	(5,772)	(51,272)
Transfer of shares in associates - TANZ eCampus	(764)	-	-	(764)	-	-
Revaluation Adjustment	-	-	(414)	-	-	(414)
Closing Balance	394,506	330,981	341,459	429,498	359,515	374,715

By Class**Accumulated comprehensive revenue and expense**

Opening balance	237,243	232,773	294,619	255,822	250,532	311,874
Net Surplus/(Deficit) for the period	2,992	(6,448)	(57,383)	4,728	(5,771)	(56,059)
TANZ eCampus Amalgamation	(764)	-	-	(764)	-	-
Appropriation of Net Surplus from(to) Restricted Reserves	17	-	7	17	-	7
Closing Balance	239,488	226,325	237,243	259,804	244,761	255,822

Trusts and Bequests Reserves

Opening balance	848	874	905	848	874	905
General bequest funds	-	-	(25)	-	-	(25)
Appropriation of Net Surplus	5	-	11	5	-	11
Application of Trusts and Bequests	(22)	-	(43)	(23)	-	(43)
Closing Balance	831	874	848	830	874	848

Restricted reserves consist of scholarships, bequests and trust funds held by the Institute on behalf of others.

Asset Revaluation Reserve

Opening balance	103,368	103,782	103,782	118,045	113,880	113,672
Fair Value Revaluation of Land and Buildings	50,819	-	(414)	50,819	-	4,373
Closing Balance	154,187	103,782	103,368	168,864	113,880	118,045

The asset revaluation reserve is used to record increments and decrements in the fair value of land and buildings to the extent that they offset one another.

Asset Revaluation Reserve is comprised of:

Land	64,833	40,104	40,104	73,857	40,104	49,128
Buildings	89,354	63,678	63,264	95,007	73,776	68,917
Total	154,187	103,782	103,368	168,864	113,880	118,045

The accompanying notes form part of these financial statements.

Statement of Childcare Operating Income and Expenditure

for the Year Ended 31 December 2021

	Actual 12 mths ended 31 Dec 2021	Budget 12 mths ended 31 Dec 2021	Actual 12 mths ended 31 Dec 2020
Revenue			
Operating Grants	499,515	512,414	489,238
Fees	171,660	210,446	177,981
Total	671,175	722,860	667,219
Expenditure			
Salaries and Related Costs	626,729	647,248	627,211
Consumables	5,142	4,383	3,318
Administration	13,728	13,769	11,075
Occupancy Costs	58,000	58,000	58,000
Depreciation	-	-	803
Total	703,599	723,400	700,407
Net (Deficit)	(32,424)	(540)	(33,188)
Total Child Funded Hours			
	2021		2020
Children Aged Under Two	10,228		9,824
Children Aged Two and Over	9,104		12,603
20 Hours ECE	25,415		24,587
Plus 10 Subsidy	2,961		4,385
Total	47,708		51,399

Statement of Special Supplementary Grants

Ara received funding as Special Supplementary Grants during 2021. These items are subject to Section 199(1)(b) of the Education and Training Act 2020. There is a requirement in Section 199(5) to apply such grants only for the purposes specified. The following statement reports on this obligation and discloses the actual cost to Ara which resulted from the activities funded in this manner.

Grant Title	Grant Amount	Applied to	Salaries & Related Costs	Materials & Services	Total Cost	Net Cost to Ara
Students with Disabilities	171,373	Students with Disabilities	687,228	25,000	712,228	540,855
Support for Māori and Pacific people	146,968	Support for Māori and Pacific people	266,716	20,493	287,209	140,241
Total	318,341		953,944	45,493	999,437	681,096

Statement of Compulsory Student Services Fees

Pursuant to sections 227A(1) and 235D(1) of the Education and Training Act 2020, Ara is required to show how the use of the compulsory fees for student services is attributed. Students are charged \$250 including GST for a full time equivalent per annum. If the student is enrolled less than a full time equivalent the fee is pro-rated. Income and expenditure associated with the provision of these services is separately accounted for. Details of the types of service and of the income and expenditure for the year are set out below. In 2021, income from Compulsory Student Service fees was pro-rated across categories on the basis of relative expenditure.

Actual 2021	Careers Information, Advice and Guidance									
	Total \$000	Advocacy and Legal Advice \$000	Counselling Services \$000	Financial Support and Advice \$000	Health Services \$000	Media Services \$000	Childcare Services \$000	Sports, Recreation and Cultural Activities \$000	Clubs and Societies \$000	
Revenue										
Compulsory Student Service Fees	1,796	85	4	46	253	147	22	274	40	
Other Revenue	986	-	-	-	155	-	671	160	-	
Total Revenue	2,782	85	4	46	408	147	693	434	40	
Expenditure	3,612	124	6	68	525	215	704	561	58	
(Deficit)	(830)	(39)	(2)	(22)	(117)	(68)	(11)	(127)	(18)	

Actual 2020	Careers Information, Advice and Guidance									
	Total \$000	Advocacy and Legal Advice \$000	Counselling Services \$000	Financial Support and Advice \$000	Health Services \$000	Media Services \$000	Childcare Services \$000	Sports, Recreation and Cultural Activities \$000	Clubs and Societies \$000	
Revenue										
Compulsory Student Service Fees	1,723	61	1	54	243	62	355	302	26	
Other Revenue	941	-	-	-	157	-	667	117	-	
Total Revenue	2,664	61	1	54	400	62	1,022	419	26	
Expenditure	3,397	119	3	107	479	123	700	595	51	
Surplus/(Deficit)	(733)	(58)	(2)	(53)	(79)	(61)	322	(176)	(25)	

Statement of Compulsory Student Services Fees (continued)

Advocacy and Legal Advice

Ara contracts an external agency to provide an independent advocate to directly support learners to resolve issues impacting directly on their study or on their ability to study. It also covers the management of learner complaints and resolutions including some legal costs. These services are available for all learners.

Careers Advice and Guidance

Ara provides career development advice and guidance as well as employment information. Career development may start prior to enrolment through assisting people to work through what they want to do and their study options. Learners are supported throughout their study to develop the wide range of skills and attributes that will maximise their advantage in the employment market. Learners have access to both Career Hub and Student Job Search for finding employment.

Resources are available for learners to work independently, attend workshops/seminars (or drop in sessions) and to have one to one guidance where necessary. These may include topics such as strength/skill identification, strategies to develop skills, attributes and experience, CV writing, letter writing, interview skills and contract negotiation. Learners use myGPS App to guide them through the career and work readiness process and to maximise their potential outcomes.

Student Advice and Guidance

Student advice and guidance includes all generic student advisors (not including the library, learning staff and those who are funded from other sources) who offer support to learners to enable them to succeed in their studies, to find solutions and to access services that assist with solving problems they may face. This may include a listening ear, information and support for matters related to Studylink, programme/course selection, accommodation, personal, spiritual, cultural, financial, legal, health and study concerns.

Counselling Services

Ara provides students with access to some free counselling sessions through our health services. Contracts for counselling cover the whole region.

Financial Support and Advice

Learners can access budgeting support with links to effective budgeting and financial management systems as well as support to access scholarships, grants and the Ara (unexpected) financial hardship resource.

Health Services

The Christchurch city campus has a Health Centre with doctors and nurses. Woolston campus has an on-site nurse part time during the academic year. In Timaru the Health Centre oversees information about access to low-cost health services. In addition, the Health Centre coordinates health promotion events and services that encourage proactive wellbeing and health management to students at all sites. Ara also has agreements in place for learners at other campuses to access lower cost (sometimes free) nursing and medical consultations.

Media Services

Ara encourages and supports online learning and communities and maintains information for current students - 'MyAra'. This holds all key relevant and up to date information for learners. A student communications team produce the Ara student Magazine Magazine Waha Kōrero every two months and maintain the student facebook site Ara Student Plug In as well as other documents designed by and for students.

Childcare Services

There are two Early Learning Centres on the Madras Campus site. Ara owns and operates the Ara Early Learning Centre and leases facilities to Te Waka Huruherumanu bilingual centre. Ara has negotiated discounted fees at the Early Learning Centre opposite the Timaru Campus.

Sports, Recreation and Cultural Activities

Ara provides a wide range of free learner events, recreation and activities throughout the academic year at all sites. The events are structured to support learner wellbeing and success, fun and connection for example, Freshies for the orientation period.

In addition, both Christchurch City and Timaru campuses have gymnasium facilities. City learners can purchase a membership to the Christchurch city weights and fitness space at very low cost. There are no other charges for all other classes and facilities including the use of balls, racquets, etc.

Cultural events include welcomes and the celebration of Matariki, Te Wiki o Te Reo and many language weeks, Polyculture - a celebration of many diverse cultures of Ara students and marks many key ethnic, cultural, identity and spiritual celebrations.

Clubs and Societies

Ara has an advisor whose role is to support the development and sustainability of learner's groups, clubs, and societies. The groups vary from recreational, interest and identity to political and spiritual. They alter from year to year based on the direction and energy that learners choose to give them.

Notes to the Financial Statements

1 General Information

1.1 Reporting Entity

Ara Institute of Canterbury Limited (Ara or the Institute) is a Crown entity subsidiary that is domiciled and operates in New Zealand. The Institute was established on 1 April 2020 and its immediate controlling entity is Te Pūkenga— New Zealand Institute of Skills and Technology, and the ultimate controlling entity is the New Zealand Crown. The relevant legislation governing the Institute's operations includes the Education and Training Act 2020, the Crown Entities Act 2004, and the Companies Act 1993.

The financial statements are for Ara, its subsidiaries, its associate and its joint venture (together, the Group).

Ara and the Group provide educational and research services for the benefit of the community. It does not operate to make a financial return. Accordingly, Ara has designated itself and the Group as public benefit entities (PBEs) for financial reporting purposes.

The Institute came into existence on 1 April 2020. The financial statements of Ara and Group are for the year ended 31 December 2021, with the comparative reporting period being the nine months from 1 April 2020 to 31 December 2020. The financial statements were authorised for issue by the Board on 29 April 2022.

1.2 Basis of Preparation

The financial statements of the Group have been prepared in accordance with the requirements of the Crown Entities Act 2004 and the Education and Training Act 2020, which include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). The measurement base applied is historical cost except where otherwise identified.

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

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

The Act disestablished Ara Institute of Canterbury and transferred its assets and liabilities to a new company, Ara Institute of Canterbury Limited on 1 April 2020. The Education and Training Act 2020 (schedule 1, clause 21) states that all Te Pūkenga subsidiaries will continue in existence until 31 December 2022. Thereafter the rights, assets and liabilities of Ara Institute of Canterbury Limited will be transferred to Te Pūkenga— New Zealand Institute of Skills and Technology (Te Pūkenga). There are mechanisms in the legislation to vary this date.

The financial statements have been prepared on a disestablishment basis, as the Education and Training Act 2020 (the Act) states that each Te Pūkenga subsidiary continues in existence until the close of 31 December 2022. Under the Act, Te Pūkenga may dissolve Ara at or before this date and transfer some or all the rights, assets, and liabilities to Te Pūkenga or another Te Pūkenga subsidiary.

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

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

1.3 Budget Figures

The budget figures for Ara are those approved by the Board prior to the beginning of the 2021 financial year. The Group budget figures consists of a combination of the budget of Ara and the individual budgets of the Institute's subsidiaries. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Ara in preparing these financial statements.

1.4 Group Structure

Subsidiaries

Ara has the following subsidiaries: Ara Foundation and Ōtautahi Education Development Trust (OEDT). All subsidiaries are incorporated and domiciled in New Zealand.

Associate

Ara held a 16.7% equity share of its associate TANZ eCampus Limited. On 1 December 2021, TANZ eCampus Limited became a business division of the Open Polytechnic of New Zealand Limited. Consequently, Ara's equity share of the entity ceased on 30 November 2021. The financial statements have been prepared to reflect this.

Joint Operation

Ara holds its 50% interest in the Health Precinct lease by way of a joint operation. Ara has determined that its interest in the jointly controlled asset constitutes a joint operation, as both parties to the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Ara recognises its share of assets, liabilities, revenue and expenses of the joint operation. For further details of the lease, refer to note 11.

Principles of Consolidation

The consolidated financial statements comprise the financial statements of Ara (the Parent), its subsidiaries, its associate and its joint operation. The financial statements of subsidiaries and the associate are prepared for the same reporting period as the Parent using consistent accounting policies.

Subsidiaries are entities that are controlled, either directly or indirectly, by the Parent. Subsidiaries are consolidated by aggregating like items of assets, liabilities, revenues, expenses and cash flows on a line-by-line basis. The balances and transactions between subsidiaries and the Parent are eliminated in full.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting year during which Ara has control.

Notes to the Financial Statements

1 General Information (continued)

An associate is an entity over which the Parent has significant influence and that is neither a subsidiary nor an interest in a joint operation. The Parent's associate investment is accounted for in the Group financial statements using the equity method. The investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of the change in net assets of the associate after the date of acquisition. The Group's share of the associate's surplus or deficit is recognised in the Group surplus or deficit. Distributions received from an associate reduce the carrying amount of the investment in the Group financial statements.

Accordingly, the results of Ara, the Ara Foundation and OEDT have been consolidated into Ara's financial statements for the period ended 31 December 2021. Its 16.7% equity share of its associate TANZ eCampus Limited has been equity accounted until the change (as noted above) on 30 November 2021. Its joint operation with CDHB is accounted for as noted under 'Joint Operation' above.

1.5 New Standards

New amendment applied

Amendment to PBE IPSAS 2 Cash Flow Statements

An amendment to PBE IPSAS 2 Cash Flow Statements requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The new information required by this amendment has been disclosed in Note 21.

Standards issued and adopted early

PBE IPSAS 41 Financial Instruments

Ara and the Group have elected to early adopt PBE IPSAS 41 Financial Instruments.

In accordance with the transitional provisions in PBE IPSAS 41, Ara and the Group have elected not to restate the comparative information. The comparative information (for the nine months ended 31 December 2020) continues to be reported under PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Differences in carrying amounts of financial assets and liabilities resulting from the adoption of PBE IPSAS 41 are recognised in opening equity as at 1 January 2021.

Additionally, Ara and the Group has adopted consequential amendments to PBE IPSAS 30 Financial Instruments: Disclosures. Classification and measurement of financial assets and financial liabilities. For classification and measurement of financial assets and financial liabilities, PBE IPSAS 41 contains three principal classification categories for financial assets: measured at amortised costs, fair value through other comprehensive revenue and expense (FVOCRE) and fair value through surplus or deficit (FVTSD). The classification of financial assets under PBE IPSAS 41 is based on the business model in which a financial asset is managed and its contractual cash flow characteristics. PBE IPSAS 41 eliminates the previous PBE IPSAS 29 categories of held to maturity, loans and receivables and available for sale.

PBE IPSAS 41 largely retains the existing requirements in PBE IPSAS 29 for classification and measurement of financial liabilities. The adoption of PBE IPSAS 41 has not had a significant effect on Ara and the Group's accounting policies related to financial liabilities and derivative financial instruments. There had been no changes in the carrying amount for financial liabilities between the closing 31 December 2020 and opening 1 January 2021 dates. On the date of initial application of PBE IPSAS 41, being 1 January 2021, the classification of financial instruments under PBE IPSAS 29 and PBE IPSAS 41 is as follows:

Parent	Measurement Category		Carrying Amount		
	Original BE IPSAS 29 Category	New PBE IPSAS 41 Category	Closing Balance 31 Dec 2020 (PBE IPSAS 29) \$000	Adoption of PBE IPSAS 41 Adjustment \$000	Opening Balance 1 January 2021 (PBE IPSAS 41) \$000
Cash and cash equivalents	Loans and receivables	Amortised Cost	7,635	-	7,635
Term Deposits	Loans and receivables	Amortised Cost	62,200	-	62,200
Student Fees and Other Receivables	Loans and receivables	Amortised Cost	2,998	-	2,998
Managed Funds - Ara Foundation	Fair value through surplus/deficit	Fair value through surplus/deficit	-	-	-
Group	Measurement Category	Carrying Amount	Closing Balance	Adoption of	Opening Balance
	Original BE IPSAS 29 Category	New PBE IPSAS 41 Category	31 Dec 2020 (PBE IPSAS 29) \$000	PBE IPSAS 41 Adjustment \$000	1 January 2021 (PBE IPSAS 41) \$000
Cash and cash equivalents	Loans and receivables	Amortised Cost	9,192	-	9,192
Term Deposits	Loans and receivables	Amortised Cost	65,736	-	65,736
Student Fees and Other Receivables	Loans and receivables	Amortised Cost	3,162	-	3,162
Managed Funds - Ara Foundation	Fair value through surplus/deficit	Fair value through surplus/deficit	6,385	-	6,385

Notes to the Financial Statements

1 General Information (continued)

Standards issued and not yet effective and not early adopted

Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for year ended 31 December 2023, with early application permitted. Ara and the Group has not yet assessed in detail the impact of PBE FRS 48 on its Statement of Service Performance.

Leases

PBE IPSAS 13 Accounting for Leases is effective for reporting periods beginning on or after 1 January 2022 with early adoption permitted in the financial year starting 1 January 2020. Ara has chosen not to early adopt this standard and intends to adopt the standard for the 31 December 2022 financial year. Ara has not assessed the impact of the new standard.

1.6 Summary of Significant Accounting Policies

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

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

Foreign currency transactions

Foreign exchange transactions are translated into New Zealand dollars (the functional currency) using the exchange rates prevailing at the date of the transactions.

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

Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except for trade receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Taxation

Ara and the Group are exempt from the payment of income tax as it is classified by the IRD as a charitable organisation. Accordingly, no charge for income tax applies or has been provided for.

Share Capital

On 1 April 2020, the Institute issued 100 shares to Te Pūkenga in accordance with clause 20(1)(c) of Schedule 1 to the Education and Training Act 2020. Each share carries one vote and an equal share in dividends and distribution of the Institute's surplus assets. These shares do not have a nominal or par value.

Critical accounting judgements, estimates and assumptions

In preparing these financial statements, Ara has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are:

- Estimating the fair value of land, buildings and infrastructure - refer to note 8.
- Long service leave - refer to note 12.

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

- Crown owned land and buildings - refer to note 8.
- Accounting treatment of the Manawa lease - refer to Note 11.

Comparatives

When presentation or classification of items in the financial statements is amended or accounting policies are changed voluntarily, comparative figures are restated to ensure consistency with the current period unless it is impractical to do so.

Notes to the Financial Statements

2 Revenue and Expenses

Revenue Accounting Policy

Revenue classification

Revenue is measured at fair value. Ara classifies its revenue into exchange and non-exchange transactions.

Exchange transactions

An exchange transaction is one in which Ara receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Non-exchange transactions

A non-exchange transaction is one in which Ara either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange. Included in this category are transfers, which are inflows of future economic benefits or service potential from non-exchange transactions.

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

Student Achievement Component (SAC) funding

SAC funding - 31 December 2021 year

Student Achievement Component (SAC) funding is the main source of operational funding from Te Pūkenga. The Institute considers SAC funding to be non-exchange and recognises SAC funding as revenue when the course withdrawal date has passed, based on the number of eligible students enrolled in the course at that date and the value of the course. This is adjusted for any expected adjustments as part of the final wash-up process with Te Pūkenga.

Fees-Free Revenue

The Institute considers fees-free revenue is non-exchange revenue and recognises revenue when the course withdrawal date for an eligible student has passed.

The Institute has presented funding received for fees-free as part of tuition fees. This is on the basis that receipts from Te Pūkenga are for payment on behalf of the student as specified in the relevant funding mechanism.

SAC and fees-free funding - 31 Dec 2020 comparative year

In the 31 December 2020 comparative year, SAC funding was provided directly by Tertiary Education Commission (TEC).

In March 2020, in response to Covid-19, TEC confirmed that it would not seek repayment of 2020 SAC and fees-free funding if there was any underdelivery.

Therefore, the predecessor entity recognised the 2020 funding in full as revenue in the period ended 31 March 2020. There is no such arrangement in place for 2021 funding.

Performance-Based Research Fund (PBRF)

The Institute considers funding received from Performance-Based Research Fund (PBRF) to be non-exchange in nature. PBRF revenue is measured based on the funding entitlement allocated by Te Pūkenga adjusted for any expected adjustments as part of the final wash-up process. Indicative funding for future periods is not recognised until confirmed for that future period.

Student Tuition Fees

Domestic student tuition fees are subsidised by government funding and are considered non-exchange. Revenue is recognised when the course withdrawal date has passed, which is when a student is no longer entitled to a refund for withdrawing from the course. International student tuition fees are accounted for as exchange transactions and recognised as revenue on a course percentage of completion basis. The percentage of completion is measured by reference to the days of the course completed as a proportion of the total course days.

Interest

Interest revenue is recognised using the effective interest method.

Notes to the Financial Statements

2 Revenue and Expenses (continued)

Revenue	Parent		Group	
	2021 \$000	9 months ended 31 Dec 2020 \$000	2021 \$000	9 months ended 31 Dec 2020 \$000
Government Grants				
Normal Operational Grants	72,879	648	72,879	648
Special Supplementary Grants	318	294	318	294
Total Government Grants	73,197	942	73,197	942
Student Tuition Fees	41,577	25,421	41,577	25,421
Other Revenue				
Gains on Disposal of Property, Plant and Equipment	76	57	76	57
Revenue from Other Operating Activities	6,886	4,963	7,289	4,737
Total Other Revenue	6,962	5,020	7,365	4,794
Finance Revenue				
Interest Earned on Investments (including Bank Deposits)	563	1,008	1,110	2,192
Total Finance Revenue	563	1,008	1,110	2,192
Gain on Property Investment Revaluations	-	-	620	175
Gain on Interest Rate Swaps	-	-	377	60
Total Revenue	122,299	32,391	124,246	33,584
Revenue under exchange and non exchange transactions				
Revenue under exchange transactions				
International Student Fees	7,030	11,901	7,030	11,901
Other Revenue	5,448	3,761	5,851	3,535
Finance Revenue	563	1,008	1,110	2,192
Gain on Property Investment Revaluations	-	-	620	175
Gain on Interest Rate Swaps	-	-	377	60
Total Exchange Revenue	13,041	16,670	14,988	17,863
Other exchange revenue is mainly made up of: teaching delivery to external parties, student accommodation rent, facilities hire and restaurant revenue.				
Revenue under non exchange transactions				
Government Grants	73,197	942	73,197	942
Domestic Student Fees	32,751	12,124	32,751	12,124
Student Services Levy	1,796	1,396	1,796	1,396
Other Revenue	1,514	1,259	1,514	1,259
Total Non Exchange Revenue	109,258	15,721	109,258	15,721
Other Non Exchange revenue is mainly Industry Training Organisations (ITOs) revenue.				
Total Revenue	122,299	32,391	124,246	33,584
Expenses				
Finance Charge*	1,373	1,041	1,373	1,041
Interest on Bank Loans	-	-	452	327
Total Finance Costs	1,373	1,041	1,825	1,368
*Finance charge arises as a result of the Manawa lease classification. The lease is not funded through loans or borrowings, therefore the interest charge is a non cash item. Refer to Note 11 for an explanation of this charge.				
Employee Benefit Expenses				
Wages and Salaries	76,095	56,011	76,095	56,011
Increase (Decrease) in Employee Benefit Liabilities	394	142	394	142
Total Employee Benefit Expenses	76,489	56,153	76,489	56,153

Notes to the Financial Statements**2 Revenue and Expenses (continued)**

	Parent		Group	
	2021 \$000	9 months ended 31 Dec 2020 \$000	2021 \$000	9 months ended 31 Dec 2020 \$000
Depreciation Expense	10,629	8,299	11,452	8,846
Amortisation Expense	534	1,102	534	1,102
Other Expenses				
Audit New Zealand Fees for Financial Statement Audits	205	195	205	195
Other Auditor Fees for Audit of Ara Foundation and OEDT Financial Statements	-	-	15	18
Donations Made	9	4	9	4
Impairment of Receivables (Note 4)	(7)	(113)	(7)	(113)
Research and Development Expenditure	327	165	327	165
Minimum Lease Payments under Operating Leases	1,805	1,212	1,805	1,212
Other Operating Expenses	26,000	20,360	24,920	19,336
Total Other Expenses	28,339	21,822	27,725	20,817
Transformation Expenses	1,538	1,422	1,538	1,422
Total Expenses	118,902	89,839	119,113	89,708

There are no unfulfilled conditions or other contingencies attached to government grants recognised.

Notes to the Financial Statements

3 Cash and Cash Equivalents

Accounting Policy

Cash and cash equivalents comprise cash at bank, cash in hand and short-term deposits with an original maturity of three months or less. The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Although cash and cash equivalents at 31 December 2021 are subject to the expected credit loss requirements of PBE IPSAS 41 Financial Instruments, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

	Parent		Group	
	2021 \$000	9 months ended 31 Dec 2020 \$000	2021 \$000	9 months ended 31 Dec 2020 \$000
Cash at Bank and in Hand	11,462	7,635	12,460	9,192
Total Cash and Cash Equivalents	11,462	7,635	12,460	9,192

Included in cash and cash equivalents are unspent funds with restrictions that relate to the delivery of educational services and research by Ara. Other than trust funds, it is not practicable for Ara to provide further detailed information about the restrictions.

Apart from the restricted reserves there is no cash and cash equivalents that can only be used for a specified purpose.

Reconciliation of net surplus/(deficit) to net cash flows from operating activities

	Parent		Group	
	2021 \$000	9 months ended 31 Dec 2020 \$000	2021 \$000	9 months ended 31 Dec 2020 \$000
Net Surplus/(Deficit)	2,992	(57,383)	4,728	(56,059)
Add/(Subtract) Non-Cash Items:				
Depreciation and Amortisation Expense	11,163	9,401	11,986	9,948
Recognition of Movement in Long Term Service Leave	1	(10)	1	(10)
Share of Associate's Deficit/(Surplus)	405	(65)	405	(65)
(Losses) on the Revaluation of Investments	-	-	(861)	(1,179)
Finance Lease Charge	1,373	1,041	1,373	1,041
Add/(Subtract) items classified as investing or financing activities:				
(Gains) on Disposal of Property, Plant and Equipment	(76)	(57)	(76)	(57)
Revaluation of Investment Properties	-	-	(620)	(175)
Equity Scholarship	-	(49)	-	(49)
Add/(Subtract) movements in working capital items:				
Accounts Receivable	(4,409)	47,625	(4,409)	47,616
Inventories	(319)	35	(319)	35
Prepayments	(611)	(174)	(612)	(174)
Accounts Payable	395	1,405	421	1,525
Income in Advance	(1,759)	(13,285)	(1,759)	(13,285)
Employee Benefits	393	152	393	152
Net Cash Inflow/(Outflow) from Operating Activities	9,548	(11,364)	10,651	(10,736)

Notes to the Financial Statements

4 Trade and Other Receivables

Accounting Policy

Student fees and other receivables recognised initially at fair value (the amount due) and subsequently measured at amortised cost using effective interest method, less provision for impairment.

At the end of each reporting period, an assessment is made of whether there is objective evidence that student fees and other receivables are impaired.

There is an objective evidence of impairment if one or more events (a 'loss event(s)') occurs after the initial recognition of the receivable and that loss event (or events) has an impact on the estimated future cash flows of the receivable that can be reliably estimated. Short-term receivables are then impaired and impairment losses incurred.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of the loss is measured as the difference between the receivables carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the receivables original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in surplus or deficit.

The expected credit loss rates at 31 December 2021 and 1 January 2021 are based on the payment profile over prior periods at measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the expected recoverability of receivables. Given the short period of credit risk exposure, the effects of macroeconomic factors are not considered significant.

There have been no changes since 1 January 2021 in the estimation techniques or significant assumptions in measuring the loss allowance.

Short-term receivables are written off when there is no reasonable expectation of recovery.

	Parent		Group	
	2021	31 Dec 2020	2021	31 Dec 2020
	\$000	\$000	\$000	\$000
Student Fee Receivables				
Student Fee Receivables	861	936	861	936
Less Allowances for Credit Losses	(248)	(239)	(248)	(239)
Net Student Fee Receivables	613	697	613	697
Other Receivables				
Trade Receivables	5,060	638	5,060	788
Related Party Receivables	86	188	86	188
Bank Interest Receivables	138	179	306	193
Less Allowance for Credit Losses	(10)	(26)	(10)	(26)
Net Other Receivables	5,274	979	5,442	1,143
PBE non-exchange revenue adjustment				
Government Funding	1,520	1,322	1,520	1,322
Total receivables	7,407	2,998	7,575	3,162
Classification				
Receivables classified as exchange transactions	828	1,003	996	1,167
Receivables classified non-exchange transactions	6,579	1,995	6,579	1,995
Total Receivables	7,407	2,998	7,575	3,162

Notes to the Financial Statements

4 Trade and Other Receivables (continued)

	2021 Parent					2021 Group				
	Not past due	Past due 1-30 days	Past due 30-60 days	Past due 61-90 days	Past due over 90 days	Not past due	Past due 1-30 days	Past due 30-60 days	Past due 61-90 days	Past due over 90 days
Student Fees Receivables										
Expected Credit Loss (%)	0.0%	0.0%	5.4%	16.3%	34.0%	0.0%	0.0%	5.4%	16.3%	34.0%
Gross Carrying Amount ('000)	96	2	19	21	722	96	2	19	21	722
Total Lifetime Expected Credit Loss (\$'000)	-	0.1	1.1	3.5	246	-	0.1	1.1	3.5	246
Other Receivables - Trade & Related Party										
Expected Credit Loss (%)	0.0%	0.0%	5.4%	5.4%	16.3%	0.0%	0.0%	5.4%	5.4%	16.3%
Gross Carrying Amount ('000)	5,082	10	10	1	42	5,082	10	10	1	42
Total Lifetime Expected Credit Loss (\$'000)	-	-	1	0	7	-	-	1	0	7
Total Lifetime Expected Credit Loss	-	-	2	4	253	-	-	2	4	253

	2020 Parent					2020 Group				
	Not past due	Past due 1-30 days	Past due 30-60 days	Past due 61-90 days	Past due over 90 days	Not past due	Past due 1-30 days	Past due 30-60 days	Past due 61-90 days	Past due over 90 days
Student Fees Receivables										
Expected Credit Loss (%)	0.0%	5.5%	5.5%	5.5%	33.2%	0%	6%	6%	6%	33%
Gross Carrying Amount ('000)	34	99	48	71	684	34	99	48	71	684
Total Lifetime Expected Credit Loss (\$'000)	-	5	3	4	227	-	5	3	4	227
Other Receivables - Trade & Related Party										
Expected Credit Loss (%)	0.0%	0.0%	16.8%	11.2%	33.5%	0.0%	0.0%	16.8%	11.2%	33.5%
Gross Carrying Amount ('000)	717	24	8	4	73	867	24	8	4	73
Total Lifetime Expected Credit Loss (\$'000)	-	-	1	0	24	-	-	1	0	24
Total Lifetime Expected Credit Loss	-	5	4	4	252	-	5	4	4	252

	Parent		Group	
	2021 \$'000	9 months ended 31 Dec 2020 \$'000	2021 \$'000	9 months ended 31 Dec 2020 \$'000
Movements in the provision for impairment of receivables				
Allowance for credit losses as at 1 January 2021 (under PBE IPSAS 29)	265	378	265	378
PBE IPSAS 41 Expected Credit Loss Adjustment	-	n/a	-	n/a
Opening allowance for credit losses as at 1 January 2019	265	378	265	378
Additional provisions made during the year	69	(42)	69	(42)
Receivables written off during the year	(77)	(71)	(77)	(71)
Closing Balance	258	265	258	265

Notes to the Financial Statements

5 Inventories

Accounting Policy

Inventories are valued at the lower of cost and net realisable value. The cost of inventory is based on a first-in, first-out (FIFO) basis and includes expenditure incurred in acquiring the inventories and in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale.

Where inventories are acquired through non-exchange transactions they are measured at fair value at the date of acquisition.

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

	Parent		Group	
	2021 \$000	9 months ended 31 Dec 2020 \$000	2021 \$000	9 months ended 31 Dec 2020 \$000
Held for Resale	16	17	16	17
Materials and Consumables	1,005	685	1,005	685
Total Inventories	1,021	702	1,021	702

The write-down of inventories held for sale amounted to \$Nil.

Notes to the Financial Statements

6 Other Financial Assets

Accounting Policy

All financial assets and financial liabilities are initially recognised at fair value. Ara and the Group determines the classification of its financial assets and liabilities at initial recognition and re-evaluates this designation at every reporting date.

Financial assets

After initial recognition at fair value, they are then classified as, and subsequently measured under, the following categories:

- amortised costs;
- fair value through other comprehensive revenue and expense (FVTOCRE); and
- fair value through surplus or deficit (FVTSD).

Transaction costs are included in the value of the financial asset at initial recognition unless it has been designated as FVTSD, in which case it is recognised in surplus or deficit.

Financial assets classification is based on Ara and the Group's contractual cash flow characteristics and its management model for managing these.

Amortised Costs

A financial asset is subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding and is held within a management model whose objective is to collect the contractual cash flows of the assets.

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance.

Ara and the Group's cash and cash equivalents, term deposits and trade and other receivables are recognised within this category. Further details for trade and other receivables can be found in Note 4.

Impairment of financial assets held at amortised cost

Ara and the Group recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that Ara and the Group expects to receive).

Lifetime ECLs are ECLs that result from all possible default events over the expected life of a financial instrument. 12 month ECLs are the portion of ECLs that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). Loss allowances on cash and cash equivalents and term deposits are measured at 12 month ECLs if credit risk has not increased significantly since initial recognition. Should credit risk of these instruments increase significantly, loss allowances are measured at an amount equal to lifetime ECLs. No loss allowance for expected credit losses has been recognised because the estimated 12-month expected loss allowance for credit losses is trivial.

Loss allowances for receivables are always measured at an amount equal to lifetime ECLs. Ara and the Group applies the simplified approach, as permitted by PBE IPSAS 41. For the simplified approach, Ara and the Group establishes a provision matrix that is based on historical credit loss experience, adjusted for current and forward-looking information on macroeconomic factors affecting the ability of the customer to settle the amount receivable.

Ara and the Group considers a financial asset to be in default when:

- the financial asset (mainly Student Fees and Other Receivables) is more than 120 days past due, and/or
- the debtor is unlikely to pay its obligations to Ara and the Group in full.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The unrecoverable portion of a financial asset is written off when Ara and the Group has no reasonable expectations of recovering all or some of a financial asset. For student fees, Ara and the Group has a policy of writing off the gross carrying amount when the receivable is two years past due based on historical experience of recoveries of similar assets. For trade receivables, Ara and the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

Ara and the Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with Ara and the Group's procedures for recovery of amounts due.

Fair value through surplus and deficit (FVTSD)

Financial assets within this category are subsequently measured at fair value with fair value gains and losses recognised in surplus and deficit. Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Ara and the Group's managed funds is a portfolio of financial assets that are actively traded with the intention of making profits. Therefore has been classified as fair value through surplus or deficit.

Financial liabilities

Ara and the Group's financial liabilities consist of payables and secured loans. Further details on the financial liabilities can be found in Notes 10 and 11.

Notes to the Financial Statements

6 Other Financial Assets (continued)

	Parent		Group	
	2021 \$000	9 months ended 31 Dec 2020 \$000	2021 \$000	9 months ended 31 Dec 2020 \$000
Financial Assets - at Amortised costs (Current Portion)				
Bank Deposits Maturing within 12 months	58,800	62,200	63,184	65,736
Total Current Portion	58,800	62,200	63,184	65,736
Fair Value through Profit and Loss				
Managed Funds - Ara Foundation	-	-	7,040	6,385
Total Non-current Portion	-	-	7,040	6,385
Effective Interest Rates				
Bank Deposits with Maturities of 3-12 months	0.73%	1.69%	0.92%	1.69%

There were no impairment provisions for other financial assets.

Residual Earthquake Insurance proceeds are invested as part of the overall term deposit portfolio. At balance date the insurance proceeds held for future repairs to damaged building stock totalled \$27.3m (2020 \$28m).

Credit Quality of Financial Assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates.

	Parent		Group	
	2021 \$000	9 months ended 31 Dec 2020 \$000	2021 \$000	9 months ended 31 Dec 2020 \$000
Counterparties with Credit Ratings				
Cash and Cash Equivalents:				
AA- Cash at Bank and in Hand	11,462	7,635	12,460	9,192
Total Cash and Cash Equivalents	11,462	7,635	12,460	9,192
Term deposits:				
A	14,500	13,200	14,500	13,200
AA-	44,300	49,000	48,684	52,536
Total Term Deposits	58,800	62,200	63,184	65,736
Counterparties without Credit Ratings				
Other investments:				
Existing Counterparty with no Defaults in the Past	-	-	7,040	6,385
Total Other Investments	-	-	7,040	6,385

Notes to the Financial Statements

7 Investment Properties

Accounting Policy

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation. Property held to meet service delivery objectives is classified as property, plant and equipment.

Investment properties are initially measured at cost, plus related costs of acquisition.

Where an investment property is acquired at no cost or nominal cost, its cost is deemed to be its fair value as at the date of acquisition.

After initial recognition, investment properties are measured at fair value as determined by independent registered valuers. The fair valuation uses market based evidence. For further details of this type of valuation, refer to the appropriate section of Note 8 discussing market based valuation. Investment properties are valued periodically.

Any gains or losses arising from changes in fair value are recognised in the surplus or deficit in the reporting period in which they arise.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. The net gain or loss on disposal is calculated as the difference between the carrying amount of the investment property at the time of the disposal and the proceeds on disposal and is included in the surplus or deficit in the reporting period in which the disposal is settled.

	Parent		Group	
	2021 \$000	9 months ended 31 Dec 2020 \$000	2021 \$000	9 months ended 31 Dec 2020 \$000
Balance 1 January	-	-	3,795	3,620
Fair Value Gain	-	-	620	175
Closing Balance	-	-	4,415	3,795

The valuation of investment property for OEDT as at 31 December 2021 was performed by an independent registered valuer, Telfer Young, on 31 December 2021. Telfer Young are experienced valuers with extensive market knowledge in the types and location of investment property owned by the Group.

The valuation of investment property for Ara Foundation as at 31 December 2021 was performed by an independent registered valuer, Colliers International Valuation (ChCh) Limited, on 28 October 2021. Colliers International Valuation (ChCh) Limited are experienced valuers with extensive market knowledge in the types and location of investment property owned by the Group.

Notes to the Financial Statements

8 Property, Plant and Equipment

Accounting Policy

Property, plant and equipment consists of land, buildings, buildings under finance lease, leasehold improvements, computer equipment, computer equipment under finance lease, plant, furniture, vehicles, library collection and art collection.

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

- Land and buildings are measured at fair value less subsequent accumulated depreciation and impairment losses.
- All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Additions

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

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

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are disposed, the amounts included in the asset revaluation reserves in respect of those assets are transferred to retained earnings.

Under the Education and Training Act 2020, the Institute is required to notify Te Pūkenga, who then obtains consent from the Secretary for Education, to dispose of land and buildings.

Subsequent costs

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

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

Depreciation

All items of property, plant and equipment, other than land and the art collection, are depreciated using the straight-line method, at rates that will write off the cost of assets less their residual values, over their estimated remaining useful lines. Depreciation rates used are as follows:

Ara

- Buildings - 1% - 4%
- Buildings under finance lease - 3.33%
- Computer equipment - 20%
- Plant - 7.7% - 50%
- Furniture - 7.7%-50%
- Vehicles - 25%
- Library collection - 10%
- Computer equipment under finance lease - 33.3%

Land and the art collection are not depreciated because they have indefinite or sufficiently long useful lives that any depreciation is considered negligible.

The Group

- Buildings - 1.1% - 4.8%
- Buildings under finance lease - 3.33%
- Computer equipment - 10% - 33.3%
- Plant - 7.7% - 50%
- Furniture - 7.7%-50%
- Vehicles - 20%-25%
- Library collection - 10%
- Computer equipment under finance lease - 33.3%

Land and the art collection are not depreciated because they have indefinite or sufficiently long useful lives that any depreciation is considered negligible.

Impairment of property, plant and equipment held at cost

Property, plant and equipment held at cost that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For revalued assets, any impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, any impairment loss is recognised in the surplus or deficit.

Notes to the Financial Statements

8 Property, Plant and Equipment (continued)

Revaluations

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

The carrying values of revalued assets are assessed periodically to ensure they do not differ materially from fair value. If there is evidence supporting a material difference, then the off-cycle asset classes are revalued. Revaluations for property, plant and equipment are accounted for on a class of asset basis.

The revaluation results are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the surplus or deficit. Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in the asset revaluation reserve for that class of asset.

Land

Land is valued at fair value using market based evidence based on the highest and best use of the land with reference to comparable land values. Restrictions on Ara and the Group's ability to sell land would normally not impair the value of the land because Ara and the Group has operational use of the land and will substantially receive the full benefits of outright ownership.

Buildings

Non-specialised buildings (for example, residential buildings and office buildings) are valued at fair value using market based evidence. Fair values determined by market based evidence is the estimated amount the property would sell for on the date of valuation, between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction, acting knowledgeably, prudently and without compulsion. The market value methodology takes into account recent sales of comparable properties. Thus, this valuation method is only utilised when there are appropriate comparable property sales to utilise for the valuation. Market based evidence valuation is determined using a number of assumptions. Assumptions used in the 31 December 2021 valuation include:

- Market rents are applied to reflect market value while considering the highest and best use alternatives. An increase (decrease) in the capitalisation rate would decrease (increase) the fair value of non-specialised buildings.

Where market based evidence is inappropriate due to its specialised nature, then buildings are valued on an optimised depreciated replacement cost (DRC) basis. Specialised buildings are buildings specifically designed for educational purposes. They are valued using DRC because no reliable market data is available for such buildings. Depreciated replacement cost valuation is determined using a number of assumptions. Assumptions used in the 31 December 2021 valuation include:

- The replacement costs of the specific assets are adjusted where appropriate for optimisation due to over-design or surplus capacity.
- Replacement costs are derived from construction contracts of like assets, reference to publications such as QV cost builder, recent costings obtained from construction details and the Property Institute of New Zealand's cost information.
- The remaining useful life of assets is estimated after considering factors such as the condition of the asset, future maintenance and replacement plans, and experience with similar buildings.
- Straight line depreciation has been applied in determining the DRC value of the asset.

Revaluation

- All Parent land and buildings were revalued as at 31 December 2021 in accordance with PBE IPSAS 17. The land and buildings valuation was completed by independent valuers: Ashley Point (BLPM, APINZ), Cameron Ferguson (BCom (VPM), MPINZ) and Maria McHugh (BCom (VPM), MPINZ). Both Cameron and Maria are Registered Valuers of Quotable Value (QV).
- Land and buildings held under the Ōtautahi Education Development Trust were revalued as at 31 December 2020 in accordance with PBE IPSAS 17. The valuation was completed by independent valuer Mark Dunbar (BCom (VPM), ANZIV, SPINZ, AREINZ) of Telfer Young.
- The Library resources have been valued by B Roberts of DTZ New Zealand Limited, independent registered valuers, at depreciated replacement cost as at 31 December 2005. This is deemed to be cost. Additions since 31 December 2005 are recorded at cost less accumulated depreciation and any accumulated impairment in value.

Fair value of Christchurch Campus Buildings

The buildings at the Christchurch Campus have been valued as if they are undamaged. To reach the fair value of the buildings incorporating earthquake damage, the remaining cost to repair these buildings is deducted from their undamaged value.

The cost to repair estimates have been developed from scopes of work prepared by Pace Project Management. These scopes have been considered and reviewed by consulting engineers and quantity surveyors as part of the insurance settlement process. The estimates have been reviewed by Deloitte, with adjustments made to standardise costs that include project management and preliminary and general costs.

Costs included in the estimates that are actuarial in nature, including escalation, have been removed in determining the fair value. Work completed for earthquake repairs has been deducted from the total expected repair cost, to determine the remaining cost to repair.

Notes to the Financial Statements

8 Property, Plant and Equipment (continued)

Vesting

As part of the reform of the delivery of vocational education in New Zealand, the Education (Vocational Education and Training Reform) Amendment Act 2020 converted the Ara Institute of Canterbury into the Ara Institute of Canterbury Limited on 1 April 2020. On this date, the rights, assets, and liabilities of Ara Institute of Canterbury vested in Ara Institute of Canterbury Limited for no consideration.

Ara Institute of Canterbury Limited has applied PBE IPSAS 40 PBE Combinations to account for the vesting of the assets and liabilities. The carrying amount of assets, liabilities, and equity reserves included in Ara Institute of Canterbury final disestablishment report as at 31 March 2020 were carried forward to become the opening balances for the Ara Institute of Canterbury Limited's statement of financial position at 1 April 2020. No adjustments were made to the amounts reported as at 31 March 2020. The opening 1 April 2020 balances are presented in the statement of financial position.

Property, Plant and Equipment Critical judgements in applying accounting policies

Crown owned land and buildings

Property in the legal name of the Crown that is occupied by Ara and the Group is recognised as an asset in the Statement of Financial Position. Ara and the Group consider that it has assumed all the normal risks and rewards of ownership of the properties despite legal ownership not being transferred and accordingly it would be misleading to exclude these assets from Ara and the Group's financial statements.

Notes to the Financial Statements
8 Property, Plant and Equipment (continued)

	Cost/ Revaluation 1 Jan 2021 \$000	Accumulated Depreciation and Impairment 1 Jan 2021 \$000	Carrying Amount 1 Jan 2021 \$000	Current Year Additions \$000	Reclassification	Current Year Disposals \$000	Current Year Impairment \$000	Current Year Depreciation \$000	Revaluation Changes \$000	Revaluation 31 Dec 2021 \$000	Cost/ Revaluation 31 Dec 2021 \$000	Accumulated Depreciation and Impairment 31 Dec 2021 \$000	Carrying Amount 31 Dec 2021 \$000
2021 Parent													
Institution Land and Buildings	278,798	(9,480)	269,318	3,783	-	-	(5,954)	39,849	307,006	307,006	(10)	306,996	
Crown Land and Buildings	2,862	(2,862)	-	-	-	-	-	-	-	-	-	-	
Buildings under Finance Lease	25,792	(2,138)	23,654	45	-	-	(860)	10,970	33,809	33,809	-	33,809	
Computer Equipment	10,367	(6,532)	3,835	1,638	-	-	(1,407)	-	12,005	12,005	(7,939)	4,066	
Computer Equipment under Finance Lease	808	-	808	1,597	-	-	(713)	-	1,692	1,692	-	1,692	
Plant	12,258	(8,623)	3,635	681	-	-	(743)	-	12,939	12,939	(9,366)	3,573	
Furniture	5,673	(2,505)	3,168	433	-	-	(551)	-	6,106	6,106	(3,056)	3,050	
Vehicles	2,090	(1,730)	360	42	-	-	(179)	-	2,132	2,132	(1,909)	223	
Library Collection	2,507	(1,499)	1,008	181	-	-	(222)	-	2,688	2,688	(1,721)	967	
Art Collection	1,114	-	1,114	30	-	-	-	-	1,144	1,144	-	1,144	
Total Parent	342,269	(35,369)	306,900	8,430	-	-	(10,629)	50,819	379,521	379,521	(24,001)	355,520	
2021 Group													
Group Land and Buildings	313,431	(14,612)	298,819	3,869	71	-	(6,777)	39,849	341,796	341,796	(5,965)	335,831	
Crown Land and Buildings	2,862	(2,862)	-	-	-	-	-	-	-	-	-	-	
Buildings under Finance Lease	25,792	(2,138)	23,654	45	-	-	(860)	10,970	33,809	33,809	-	33,809	
Computer Equipment	13,937	(10,098)	3,839	1,638	-	-	(1,407)	-	15,575	15,575	(11,507)	4,068	
Computer Equipment under Finance Lease	808	-	808	1,597	-	-	(713)	-	1,692	1,692	-	1,692	
Plant	17,901	(13,770)	4,131	681	(71)	-	(743)	-	18,511	18,511	(14,513)	3,998	
Furniture	5,673	(2,505)	3,168	433	-	-	(551)	-	6,106	6,106	(3,056)	3,050	
Vehicles	2,424	(2,063)	361	42	-	-	(179)	-	2,466	2,466	(2,242)	224	
Library Collection	2,507	(1,499)	1,008	181	-	-	(222)	-	2,688	2,688	(1,721)	967	
Art Collection	1,114	-	1,114	30	-	-	-	-	1,144	1,144	-	1,144	
Total Group	386,449	(49,547)	336,902	8,516	-	-	(11,452)	50,819	423,787	423,787	(39,004)	384,783	

Notes to the Financial Statements

8 Property, Plant and Equipment (continued)

December 2020 Parent	Cost/ Revaluation 1 Apr 2020	Accumulated Depreciation and Impairment 1 Apr 2020	Carrying Amount 1 Apr 2020	Current Year Additions \$000	Reclassification	Current Year Disposals \$000	Current Year Impairment	Current Year Depreciation \$000	Revaluation Changes \$000	Revaluation 31 Dec 2020	Cost/ Revaluation 31 Dec 2020	Accumulated Depreciation and Impairment 31 Dec 2020	Carrying Amount 31 Dec 2020
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Institution Land and Buildings	261,173	(5,125)	256,048	3,681	14,377	-	-	(4,374)	(414)	278,798	(9,480)	269,318	
Crown Land and Buildings	17,287	(2,801)	14,486	-	(14,425)	-	-	(61)	-	2,862	(2,862)	-	
Buildings under Finance Lease	25,736	(1,495)	24,241	56	-	-	-	(643)	-	25,792	(2,138)	23,654	
Computer Equipment	11,524	(8,224)	3,300	681	480	(8)	-	(618)	-	10,367	(6,532)	3,835	
Computer Equipment under Finance Lease	921	-	921	361	-	-	-	(474)	-	808	-	808	
Plant	14,314	(10,242)	4,072	910	(542)	(1)	(145)	(659)	-	12,258	(8,623)	3,635	
Furniture	5,550	(2,216)	3,334	258	-	(2)	(27)	(395)	-	5,673	(2,505)	3,168	
Vehicles	2,182	(1,613)	569	93	-	-	(152)	(150)	-	2,090	(1,730)	360	
Library Collection	5,218	(3,696)	1,522	87	-	-	(420)	(181)	-	2,507	(1,499)	1,008	
Art Collection	1,096	-	1,096	18	-	-	-	-	-	1,114	-	1,114	
Total Parent	345,001	(35,412)	309,589	6,145	(110)	(11)	(744)	(7,555)	(414)	342,269	(35,369)	306,900	
December 2020 Group													
Group Land and Buildings	291,019	(9,774)	281,245	3,681	14,377	-	-	(4,857)	4,373	313,431	(14,612)	298,819	
Crown Land and Buildings	17,287	(2,801)	14,486	-	(14,425)	-	-	(61)	-	2,862	(2,862)	-	
Buildings under Finance Lease	25,736	(1,495)	24,241	56	-	-	-	(643)	-	25,792	(2,138)	23,654	
Computer Equipment	15,094	(11,789)	3,305	681	480	(8)	-	(618)	-	13,937	(10,098)	3,839	
Computer Equipment under Finance Lease	921	-	921	361	-	-	-	(474)	-	808	-	808	
Plant	19,957	(15,325)	4,632	910	(542)	(1)	(145)	(723)	-	17,901	(13,770)	4,131	
Furniture	5,550	(2,216)	3,334	258	-	(2)	(27)	(395)	-	5,673	(2,505)	3,168	
Vehicles	2,516	(1,946)	570	93	-	-	(152)	(150)	-	2,424	(2,063)	361	
Library Collection	5,218	(3,696)	1,522	87	-	-	(420)	(181)	-	2,507	(1,499)	1,008	
Art Collection	1,096	-	1,096	18	-	-	-	-	-	1,114	-	1,114	
Total Group	384,394	(49,042)	335,352	6,145	(110)	(11)	(744)	(8,102)	4,373	386,449	(49,547)	336,902	

There was a reclassification of Crown Land and Buildings during 2020 as a result of gazette notices that were issued. Legal ownership on the Crown Land and Buildings specified in the gazette notices was transferred to Ara and the Group.

In 2020, Te Pūkenga has specified the useful lives to be applied to assets. In some cases, asset lives have shortened to a degree that has necessitated an impairment (Furniture \$27k, Vehicles \$152k, Plant \$145k, Library Collection \$420k). The amount of the impairment was \$744k. In other cases, asset lives were extended which required a write up of balances (Institute Land and Buildings \$71k, Computer Equipment \$606k). These extensions are included in current year depreciation.

Notes to the Financial Statements

8 Property, Plant and Equipment (continued)

Capital Work in Progress

Accounting Policy

Capital work in progress is calculated on the basis of expenditure incurred and certified gross progress claim certificates up to balance date. Work in progress is not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

Expenditures recognised in the carrying amounts of Property, Plant and Equipment in the course of construction were:

	Parent		Group	
	31 Dec 2021 \$000	9 months ended 31 Dec 2020 \$000	31 Dec 2021 \$000	9 months ended 31 Dec 2020 \$000
Institution Land and Buildings	343	91	343	91

Restriction of Title

Under the Education and Training Act 2020, the Institute is required to obtain consent from the Ministry of Education to dispose of land and buildings. For plant and equipment, there is an asset disposal limit formula, which provides a limit up to which a TEI may dispose of plant and equipment without seeking the approval from the Ministry of Education. Detailed information on the asset disposal rules can be found on the Tertiary Education Commission website.

Insurance of Assets

Ara participates in a collective procurement arrangement with ITPs for its comprehensive insurance programme. All buildings and equipment are covered for material damage based on replacement value.

The insurance programme has a \$200 million annual limit for Earthquake/Natural Disaster claims made by the participating ITPs.

The excess on claims for the Canterbury region is calculated as a 2.5% of site value, with a minimum of \$75,000 and a maximum of \$5m per event.

Given that the combined ITP insurance Earthquake/Natural Disaster cap is \$200 million, in the event of a large one off event may result in Ara being under insured.

Ara maintains a minimum balance of \$5 million in cash reserves in line with Board position to fund the full value of the insurance excess in the event of a significant insurance claim.

Assets as Security

There are no assets pledged as security for liabilities (2019: Nil).

Capital Commitments

	Parent		Group	
	31 Dec 2021 \$000	9 months ended 31 Dec 2020 \$000	31 Dec 2021 \$000	9 months ended 31 Dec 2020 \$000
Capital Commitments Approved and Contracted				
Land and Buildings	583	1,059	583	1,059

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

Notes to the Financial Statements

9 Intangible Assets

Accounting Policy

Software acquisition and development

Computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

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

Internally developed courses

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

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

(b) It is probable that the courses will generate future economic benefits or service potential attributable to the course and the cost can be reliably measured.

This is the case when:

(i) it is technically feasible to complete the development so that the course or programme will be available for use and/or sale;

(ii) management intends to complete the development of the course or programme and use or sell it;

(iii) there is an ability to use or sell the course or programme;

(iv) it can be demonstrated how the course or programme will generate probable future economic benefits or service potential;

(v) there are adequate technical, financial and other resources available to complete development of the course or programme and to use or sell the course or programme; and

(vi) the expenditure attributable to the course or programme development can be reliably measured.

Amortisation

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

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

The amortisation rates for computer software range from 16.7%–33.3%.

Impairment of intangible assets

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested periodically for impairment.

For further details on impairment, refer to the policy for impairment of property, plant and equipment in Note 8. The same approach applies to the impairment of intangible assets.

Research and course development costs

Research and course development costs are recognised as an expense in the year in which they are incurred.

Vesting

As part of the reform of the delivery of vocational education in New Zealand, the Education (Vocational Education and Training Reform) Amendment Act 2020 converted the Ara Institute of Canterbury into the Ara Institute of Canterbury Limited on 1 April 2020. On this date, the rights, assets, and liabilities of Ara Institute of Canterbury vested in Ara Institute of Canterbury Limited for no consideration.

Ara Institute of Canterbury Limited has applied PBE IPSAS 40 PBE Combinations to account for the vesting of the assets and liabilities. The carrying amount of assets, liabilities, and equity reserves included in Ara Institute of Canterbury final disestablishment report as at 31 March 2020 were carried forward to become the opening balances for the Ara Institute of Canterbury Limited's statement of financial position at 1 April 2020. No adjustments were made to the amounts reported as at 31 March 2020. The opening 1 April 2020 balances are presented in the statement of financial position.

Notes to the Financial Statements

9 Intangible Assets (continued)

	Gross Carrying Amount 1 Jan 2021 \$000	Accumulated Amortisation 1 Jan 2021 \$000	Net Carrying Amount 1 Jan 2021 \$000	Current Year Additions \$000	Current Year Disposals \$000	Reclassification \$000	Current Year Impairment \$000	Current Year Amortisation \$000	Gross Carrying Amount 31 Dec 2021 \$000	Accumulated Amortisation 31 Dec 2021 \$000	Net Carrying Amount 31 Dec 2021 \$000
Parent and Group – Other	953	(793)	160	-	-	-	-	(160)	953	(953)	0
Parent and Group – Software	4,209	(3,175)	1,033	6	-	-	-	(374)	4,215	(3,549)	665
Total Group	5,161	(3,968)	1,193	6	-	-	-	(534)	5,168	(4,502)	665
	Gross Carrying Amount 1 April 2020 \$000	Accumulated Amortisation 1 April 2020 \$000	Net Carrying Amount 1 April 2020 \$000	Current Year Additions \$000	Current Year Disposals \$000	Reclassification \$000	Current Year Impairment \$000	Current Year Amortisation \$000	Gross Carrying Amount 31 Dec 2020 \$000	Accumulated Amortisation 31 Dec 2020 \$000	Net Carrying Amount 31 Dec 2020 \$000
Parent and Group – Other	953	(430)	523	-	-	-	(217)	(146)	953	(793)	160
Parent and Group – Software	4,159	(2,436)	1,723	17	(29)	62	(444)	(295)	4,209	(3,175)	1,033
Total Group	5,112	(2,866)	2,246	17	(29)	62	(661)	(441)	5,161	(3,968)	1,193

All intangible assets are externally acquired. In 2020, Te Pūkenga has specified the useful lives to be applied to assets. In some cases, asset lives have shortened to a degree that has necessitated an impairment and also the write off of the full remaining balances. The amount of the impairment was \$661k. The category Radio Frequency was renamed to Other for these financials due to the Radio Frequency asset being written off in the period.

Work in Progress

Expenditures recognised in the carrying amounts of Intangibles in the course of creation were:

	Parent	Group
	9 months ended 2021 \$000	9 months ended 2021 \$000
Software	1	1

Notes to the Financial Statements**10 Trade and Other Payables****Accounting Policy**

Trade payables are recorded at the amount payable.

	Parent		Group	
	2021 \$000	9 months ended 31 Dec 2020 \$000	2021 \$000	9 months ended 31 Dec 2020 \$000
Trade Payables	2,543	3,082	2,738	3,248
Other Payables	3,580	2,578	3,580	2,578
Related Party Payables	6	76	6	76
Total Payables	6,129	5,736	6,324	5,902

Trade and other payables are non-interest bearing and are normally settled by the 20th of the month following invoice, therefore the carrying value of trade and other payables approximates their fair value.

Payables under Exchange Transactions

Trade Payables	2,549	3,157	2,549	3,157
Other Payables	804	969	804	969
Total Payables under Exchange Transactions	3,353	4,126	3,353	4,126

Payables under Non-exchange Transactions

Taxes payable (GST and rates)	1,636	1,350	1,645	1,355
Other Payables	1,140	260	1,326	421
Total Payables under Non-exchange Transactions	2,776	1,610	2,971	1,776
Total Payables	6,129	5,736	6,324	5,902

Notes to the Financial Statements

11 Loans and Finance Leases

Accounting Policy

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs.

After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any transaction costs, and any discount or premium on settlement.

Borrowings are classified as current liabilities unless Ara or the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Finance Leases

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

At the start of the lease term, finance leases are recognised as assets and liabilities at the lower of the fair value of the leased item or the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables.

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

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

Lease critical judgements in applying accounting policies

Manawa Lease

Ara and Canterbury District Health Board (CDHB), collectively the Tenants, have entered into a lease with HREF Health Precinct Limited (HREF), the landlord for the building known now as Manawa (276 Antigua Street). This lease has commenced on 16 July 2018. The lease is a long term agreement where each tenant is responsible for 50% of the lease obligations. Ara and the Group have carefully considered the accounting treatment of the lease. After much deliberation, it has been determined that Ara and the Group have substantially all of the risks and rewards of ownership and thus, have classified the lease as a finance lease. Ara and the Group have recognised their portion (50%) of the lease.

Maturity Analysis

	Parent		Group	
	31 Dec 2021 \$000	9 months ended 31 Dec 2020 \$000	31 Dec 2021 \$000	9 months ended 31 Dec 2020 \$000
Lease Liabilities				
Less than One Year	860	683	860	683
Later than One Year but not more than Five Years	2,614	1,786	2,614	1,786
Later than Five Years	22,662	23,100	22,662	23,100
Total Lease Liabilities	26,136	25,569	26,136	25,569
Weighted Average Interest Rate	5.56%	5.55%	5.56%	5.55%

Description of Material Leasing Arrangements

Ara has entered into finance leases for various IT assets as well as for the building discussed in the Manawa lease section above. The net carrying amount of the leased items is shown in Note 8. The finance leases can be renewed at the option of Ara. Ara has the option to purchase the asset at the end of the lease term for the various IT assets. Ara does not have the option to purchase the building for the Manawa lease at the end of the lease term. There are no restrictions placed on Ara by any of the finance leasing arrangements.

Notes to the Financial Statements

11 Loans and Finance Leases (continued)

Contractual Maturity Analysis of Financial Liabilities

The table below analyses financial liabilities into relative maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 6 months \$000	6 to 12 months \$000	1 to 2 years \$000	2 to 3 years \$000	More than 3 years \$000
Parent 2021							
Finance Leases	26,136	50,297	1,128	1,088	2,183	2,063	43,835
Secured Loans	-	-	-	-	-	-	-
Total	26,136	50,297	1,128	1,088	2,183	2,063	43,835
Group 2021							
Finance Leases	26,136	50,297	1,128	1,088	2,183	2,063	43,835
Secured Loans	11,058	13,883	421	417	824	809	11,412
Total	37,194	64,180	1,549	1,505	3,007	2,872	55,247

Group Property Finance Lease Reconciliation 2021

The property lease is disclosed above at the contractual undiscounted cash flows. It is reconciled to the total minimum lease payments at balance date below.

	Contractual Cash Flows \$000	Less than 6 months \$000	6 to 12 months \$000	1 to 2 years \$000	2 to 3 years \$000	More than 3 years \$000
Total minimum lease payments payable	48,605	851	814	1,640	1,665	43,635
Future Finance Charges	(24,160)	(680)	(675)	(1,339)	(1,321)	(20,145)
Present value of minimum lease payments	24,445	171	139	301	344	23,490
Present value of minimum lease payments						
Finance leases	24,445	171	139	301	344	23,490
Total present value of minimum lease payments	24,445	171	139	301	344	23,490

	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 6 months \$000	6 to 12 months \$000	1 to 2 years \$000	2 to 3 years \$000	More than 3 years \$000
Parent December 2020							
Finance Leases	25,569	51,103	1,051	1,006	1,865	1,833	45,348
Secured Loans	-	-	-	-	-	-	-
Total	25,569	51,103	1,051	1,006	1,865	1,833	45,348
Group December 2020							
Finance Leases	25,569	51,103	1,051	1,006	1,865	1,833	45,348
Secured Loans	11,618	14,734	428	425	838	824	12,219
Total	37,187	65,837	1,479	1,431	2,703	2,657	57,567

Group Property Finance Lease Reconciliation December 2020

The property lease is disclosed above at the contractual undiscounted cash flows. It is reconciled to the total minimum lease payments at balance date below.

	Contractual Cash Flows \$000	Less than 6 months \$000	6 to 12 months \$000	1 to 2 years \$000	2 to 3 years \$000	More than 3 years \$000
Total minimum lease payments payable	50,295	839	851	1,665	1,640	45,300
Future Finance Charges	(25,533)	(689)	(684)	(1,355)	(1,339)	(21,466)
Present value of minimum lease payments	24,762	150	167	310	301	23,834
Present value of minimum lease payments						
Finance leases	24,762	150	167	310	301	23,834
Total present value of minimum lease payments	24,762	150	167	310	301	23,834

Notes to the Financial Statements

12 Employee Benefit Liabilities and Other Provisions

Employee Entitlements

Provision is made in respect of Ara's liability for accrued pay, annual leave, long service leave, retirement gratuities and sick leave.

Annual leave has been calculated on an actual entitlement basis for current rates of pay.

Sick leave has been calculated based on the expected utilisation of unused entitlement.

Long service leave is calculated based on the present value of estimated future cash flows determined on an actuarial basis. The discount rate is the market yield on relevant New Zealand Government Stock at the Balance Sheet date.

The present value of the long service leave depends on factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will impact on the carrying amount of the liability. Expected future payments are determined using forward discount rates derived from the yield curve of NZ Government Bonds. The discount rates used match, as closely as possible, the estimated future cash flows. The salary inflation factor has been determined after considering historical salary inflation patterns and after obtaining advice from an independent actuary.

Obligations for contributions to defined contribution pension plans are recognised as an expense in the surplus or deficit of the Statement of Comprehensive Revenue and Expenses as incurred.

	Parent		Group	
	2021 \$000	9 months ended 31 Dec 2020 \$000	2021 \$000	9 months ended 31 Dec 2020 \$000
Employee Entitlements				
Annual Leave	3,676	3,316	3,676	3,316
Long Service Leave	302	284	302	284
Sick Leave	259	243	259	243
Closing balance	4,237	3,843	4,237	3,843
Current Portion	4,008	3,615	4,008	3,615
Non-Current Portion	229	228	229	228
	4,237	3,843	4,237	3,843

Notes to the Financial Statements

13 Revenue Received in Advance

	Parent		Group	
	2021 \$000	9 months ended 31 Dec 2020 \$000	2021 \$000	9 months ended 31 Dec 2020 \$000
Government Grants	-	93	-	93
Fees Income	6,328	8,328	6,328	8,328
Other Revenue in Advance	480	146	480	146
Total revenue in advance	6,808	8,567	6,808	8,567
Current Portion	6,808	8,567	6,808	8,567
Total	6,808	8,567	6,808	8,567

Notes to the Financial Statements

14 Operating Leases

Accounting Policy

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

Non-cancellable Operating Lease Commitments Property Leases

	Parent		Group	
	2021 \$000	9 months ended 31 Dec 2020 \$000	2021 \$000	9 months ended 31 Dec 2020 \$000
Not later than One Year	1,675	1,346	76	130
Later than One Year and not later than Five Years	4,730	4,831	-	101
Later than Five Years	11,386	12,568	-	-
Total Operating Leases	17,791	18,745	76	231

The total of minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil.

Equipment Leases

Not later than One Year	540	1,476	540	1,476
Later than One Year and not later than Five Years	930	1,102	930	1,102
Total Equipment Leases	1,470	2,578	1,470	2,578

Description of Material Leasing Arrangements

Property Leases

The property leases can be renewed at the option of Ara. Ara does not have the option to purchase the property asset at the end of the lease term. There are no restrictions placed on Ara by any of the property leasing arrangements.

Equipment Leases

The equipment leases can be renewed at the option of Ara. Ara does have the option to purchase the equipment asset at the end of the lease term. There are no restrictions placed on Ara by any of the equipment leasing arrangements.

Notes to the Financial Statements

15 Contingent Assets and Liabilities

Parent

As at 31 December 2021, Ara had no contingent liabilities except as noted below.

Holiday Act Compliance

Many public and private sector entities, including Ara Institute of Canterbury Ltd (Ara), are continuing to investigate potential historic underpayment of holiday entitlements.

For employers such as Ara that have workforces that include differential occupational groups with complex entitlements, non-standard hours, allowances and/or overtime, the process of assessing compliance with the Act and determining the potential underpayment is time consuming and complicated.

To address this issue, management appointed a payroll specialist, to undertake a full review of Ara's system, processes and records to determine the scale of the potential issue. As a result of the disruption caused by COVID-19 including the closure of international borders in 2020 this piece of work was paused. Ara have recommenced this bit of work and engaged a specialist in this area to provide an initial assessment. There is uncertainty over any actual costs which may arrive from this audit, so any future liability cannot be reasonably estimated.

Ara has not made an estimate and instead disclosed a contingent liability note in its financial statements.

Group

As at 31 December 2021, both the OEDT and the Ara Foundation had no contingent liabilities.

Notes to the Financial Statements

16 Related Party Transactions

Ara is the Parent of the Group and controls two entities, being Ōtautahi Education Development Trust and Ara Foundation, and has an investment in an associate, TANZ eCampus Limited.

Prior to TANZ e-Campus becoming a business division of the Open Polytechnic of New Zealand on 30 November 2021, Ara was deemed to have significant influence in the investment in TANZ e-Campus as the Ara Acting Chief Executive was a board member and as such was deemed to have power to participate in the financial and operating policy decisions. Our related party disclosure will reflect this.

Significant transactions with government-related entities

The government influences the roles of Ara as well as being a major source of revenue.

Ara has recognised income from the Tertiary Education Commission totalling \$73 million (December 2020: \$1 million) to provide education and research services for the 2021 financial year.

Ara also leases at a nil rental amount, land and buildings legally owned by the Crown. Further information on the accounting for Crown-owned land and buildings is disclosed in Note 1.6 under the "Critical accounting judgements, estimates and assumptions" section.

Collectively, but not individually, significant transactions with government-related entities

In conducting its activities, the Group is required to pay various taxes and levies (such as GST, PAYE and ACC levies) to the Crown and entities related to the Crown. The payment of these taxes and levies is based on the standard terms and conditions that apply to all tax and levy payers. Ara is exempt from paying income tax and FBT.

Ara purchases goods and services from entities related to the Crown and it also provides services to entities related to the Crown. The purchase and provision of goods and services to government-related entities for the period ended 31 December 2021 are small when compared to total expenditure by Ara.

The purchase of goods and services included the purchase of electricity from Meridian, air travel from Air New Zealand and postal services from New Zealand Post. The provision of services to government-related entities is mainly related to the provision of educational courses.

Inter-Group Transactions

Ara Foundation

Ara Foundation is accounted for as a subsidiary of Ara.

The Foundation runs an annual grants programme for staff, students and projects associated with Ara, as well as other initiatives which promote education and enterprise in the region.

Ara appoints four of the nine trustees of the Ara Foundation.

These transactions are not on an arm's length basis as grant applications can only be received from Ara staff and students.

During 2021, Ara's revenue included the following transactions with the Ara Foundation:

	31 Dec 2021 \$000	9 months ended 31 Dec 2020 \$000
Grants	61	81

At 31 December 2021, Ara owed the Foundation \$148,374 for earthquake repair insurance proceeds. The Foundation owed Ara \$nil.

At 31 December 2020, Ara owed the Foundation \$148,374 for earthquake repair insurance proceeds. The Foundation owed Ara \$23,941.

Notes to the Financial Statements

16 Related Party Transactions (continued)

Ōtautahi Education Development Trust

Ōtautahi Education Development Trust is accounted for as a subsidiary of Ara. For accounting purposes only the OEDT is a controlled entity under PBE IPSAS 20. Ara appoints three of the seven trustees of the Ōtautahi Education Development Trust.

During 2021, Ara's revenue included the following transactions with the Trust:

	31 Dec 2021 \$000	9 months ended 31 Dec 2020 \$000
Income	24	291
During 2021, Ara's expenditure included the following transactions with the Trust:		
Lease of Student Accommodation Block	1,100	825
Lease of B Block Car Park	23	17
Lease of Paxus House	395	296
Lease of land of Jazz School Building	82	62

At 31 December 2021, OEDT owed Ara \$Nil. Ara did not owe OEDT any monies.

At 31 December 2020, OEDT owed Ara \$Nil. Ara did not owe OEDT any monies.

TANZ eCampus Ltd

During 2017, TANZ eCampus Limited was established to acquire the intangible asset associated with eCampus and to operate the eCampus business. The members of TANZ each had a 16.7% shareholding in the Company. As at 1 December 2021, TANZ eCampus Limited became a business division of the Open Polytechnic of New Zealand Limited. Ara ceased to have the portion of shareholding in TANZ eCampus Limited on 30 November 2021 and have recognised this.

	31 Dec 2021 \$000	9 months ended 31 Dec 2020 \$000
Parent and Group – Equity accounted carrying amount	-	1,169
Summarised financial information of associate presented on a gross basis		
Assets	-	7,966
Liabilities	-	953
Revenues	-	7,465
(Deficit)/Surplus	(2,432)	391
Group's Interest	0%	16.7%
Group's share of (Deficit)/Surplus	(405)	65

At 31 December 2021, TANZ eCampus Limited did not owe Ara any monies, Ara owed Tanz eCampus Limited \$Nil.

At 31 December 2020, TANZ eCampus Limited owed Ara \$2,970, Ara owed Tanz eCampus Limited \$71,186.

Canterbury District Health Board (CDHB)

In 2018, Ara entered into a joint lease with the CDHB. Ara holds its 50% interest in the Health precinct lease by way of a joint operation. Ara recognises its share of assets, liabilities, revenue and expenses of the joint operation.

During 2021, Ara's revenue included the following transactions with the CDHB:

	31 Dec 2021 \$000	9 months ended 31 Dec 2020 \$000
Manawa Lease & Facility Costs	364	291
During 2021, Ara's expenditure included the following transactions with the CDHB:		
Manawa lease and facility costs	1,904	1,613

At 31 December 2021, Ara owed the CDHB \$3,290. The CDHB owed Ara \$3,150.

At 31 December 2020, Ara owed the CDHB \$Nil. The CDHB owed Ara \$22,914.

Notes to the Financial Statements

16 Related Party Transactions (continued)

Key Management Related Party Transactions

The Ara Board and Senior Management Team may be directors or officers of other organisations with whom Ara may transact.

During the period, the following people were members of organisations that have entered into transactions with Ara as part of its normal operations.

	Purchases Actual	Sales Actual	Accounts Payable Actual	Accounts Receivable Actual
	\$000	\$000	\$000	\$000
31 December 2021				
Board Members				
Canterbury Communications Trust	-	31	-	-
ChristchurchNZ Limited	6	-	-	-
Nurse Maude Association	16	-	-	-
Optimum Services Limited	32	-	2	-
Otago Polytechnic Limited	2	-	-	-
Primary ITO	130	11	-	1
Southern Institute of Technology Limited	169	-	1	-
Te Pūkenga New Zealand Institute of Skills and Technology	1	307	-	-
Tertiary Accord of New Zealand	-	8	-	-
The Open Polytechnic of New Zealand	-	47	-	13
Worldskills New Zealand	230	-	-	-

	Purchases Actual	Sales Actual	Accounts Payable Actual	Accounts Receivable Actual
	\$000	\$000	\$000	\$000
9 months ended 31 December 2020				
Board Members				
Brackenridge Estate Limited	-	1	-	-
Canterbury Communications Trust	-	28	-	-
ChristchurchNZ	55	-	-	-
Competenz	-	229	-	100
Nurse Maude	8	-	-	-
Optimum Services Ltd	23	-	5	-
Primary ITO	117	3	-	1
Southern Institute of Technology Ltd	165	1	-	-
Te Pūkenga New Zealand Institute of Skills and Technology	-	51	-	32
The Open Polytechnic of New Zealand	-	70	-	8

Notes to the Financial Statements

16 Related Party Transactions (continued)

Other Related Parties

Ara is a member of the Tertiary Accord of New Zealand (TANZ), a separate entity launched in early 2000 as an alliance between six of New Zealand's leading tertiary education institutes, to promote best practice in applied education. It was disestablished in March 2021.

During 2021, TANZ invoiced \$Nil Ara core fees and \$Nil eCampus project fees.

At 31 December 2020, neither Ara nor TANZ had monies owing to the other.

There were no other related party transactions.

Key Management Personnel Compensation

	FTE		Parent	
	2021 \$000	9 months ended 31 Dec 2020 \$000	2021 \$000	9 months ended 31 Dec 2020 \$000
Board Members				
Full-time equivalent members	8	8		
Board Member Fees			185	140
Executive Management Team, including the Chief Executive				
Full-time equivalent members	6	5		
Salaries and Other Short-term Employee Benefits			1,510	1,136
Total Executive Management Team Compensation			1,510	1,136
Total key management personnel compensation	14	13	1,695	1,276

Key management personnel includes all Board Members, the Chief Executive and Division Directors.

Remuneration

Board fees paid during the period were:

	Group	
	2021 \$000	9 months ended 31 Dec 2020 \$000
T Arseneau (Chairperson)	40	31
M Taite (Deputy Chairperson)	25	19
J Cartwright	20	15
N Lamont	20	15
M Geddes	20	15
A Leslie	20	15
M Bain	20	15
B Thompson	20	15
Total Board and Councillors' Remuneration	185	140

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

Notes to the Financial Statements

16 Related Party Transactions (continued)

Employee Remuneration

For the year ended 31 December 2021, the number of employees or former employees of Ara Institute of Canterbury Limited and its subsidiaries who received total remuneration in excess of \$100,000 are:

	Number of employees
340,001-350,000	1
250,001-260,000	1
230,001-240,000	1
200,001-210,000	1
180,001-190,000	1
170,001-180,000	1
160,001-170,000	2
150,001-160,000	4
140,001-150,000	4
130,001-140,000	11
120,001-130,000	10
110,001-120,000	23
100,001-110,000	53

Remuneration includes salary, retirement contributions and other sundry benefits received in the person's capacity as an employee.

During the period ended 31 December 2021, 17 employees received compensation and other benefits in relation to cessation totalling \$326,873.

Notes to the Financial Statements

16 Related Party Transactions (continued)

Directors' interests

Directors' have disclosed the following general interests for the period ended 31 December 2021 in accordance with Section 140 of the Companies Act 1993.

Director	Entity	Relationship
T Arseneau (Chairperson)	ChristchurchNZ	Chair and Director
	Christchurch Symphony Orchestra	Chair and Trustee (ceased 13/03/2021)
	J Ballantyne and Company Limited	Director
	Elder Family Trust	Trustee
	The Open Polytechnic of New Zealand Limited	Director
	Bras D'or Investments Limited	Shareholder
	Therese Arseneau Consulting Limited	Director and Shareholder
J Cartwright	Brackenridge Services Limited	Director
	Nurse Maude Association	Deputy Chair and Audit Committee member
	Canterbury Clinical Network	Independent Advisor
	Cartwright-Newton Family Trust	Trustee
	M J Limited	Director and Shareholder
	Jane C Limited	Director
N Lamont	Quality New Zealand Limited	Chair, Director and shareholder
	Quality New Zealand Education Limited	Director
	Conquest Training Limited	Director and shareholder
	Alliance Services Limited and Alliance NZ Limited	Chair and Director
	Arinui Limited	Director
	JFC Limited	Director
	Exterior Empowerment Limited (shell company)	Director and Shareholder
	New Zealand International Economic Advisory Service Limited (shell company)	Director and Shareholder
	Kidson Trust Advisory	Board member
	Kidson Trust Holdings Limited	Director and Chair
Dublin Street Charitable Trust	CEO	
M Taite (Deputy Chairperson)	Tuahiwi Education Ltd	Director and Shareholder
	Tuahiwi School Board of Trustees	Member
	Taite Family Trust	Trustee
	Inspire in Education Limited	Director
M Geddes	Te Pūkenga New Zealand Institute of Skills and Technology	Board Member
	Southern Institute of Technology Limited	Director
	Otago Polytechnic Limited	Director
	Te Pukenga Workbased Learning (WBL) Limited	Director
	Service IQ	Director
A Leslie	Primary ITO	Employee
	Authentic Education Limited	Director
	Greenhill Farm Trust	Trustee
M Bain	TSB Bank	Deputy Chair
	Northland Polytechnic Limited	Deputy Chair
	Central Region's Technical Advisory Services Limited	Chair
	Kerikeri Retirement Village Trust	Chair
	Southern Institute of Technology Limited	Director
	Optimum Services Limited	Director
	Oryx Technology Limited	Director
	M. I. Bain & Associates Limited (not active)	Director and Shareholder
	ESA Limited	Director
B Thompson	Metalcraft Engineering Company Limited	Director
	Avid Group Limited	Director and shareholder
	Cassem Holdings Limited	Director
	Ōtautahi Education Development Trust	Trustee
	B&S Thompson Family Trust	Trustee
	NZMEA	Director
	Mancan Foundation Limited	Director
	Te Pukenga Workbased Learning (WBL) Limited	Director
Canterbury Manufacture's Trust	Trustee	

Notes to the Financial Statements

17 Financial Instrument Rules

Ara has a series of policies to manage the risks associated with financial instruments. Ara is risk averse and seeks to minimise exposure from its treasury activities. Ara has an established Board approved Financial Management Policy.

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. As the Parent only engages in non-speculative investment it is not exposed to undue price risk. The Group is exposed to equity securities price risk on its investments. This price risk arises due to market movements in listed securities. This price risk is managed by diversification of the investment portfolio.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Ara is not exposed to currency risk as it does not hold financial instruments denominated in foreign currencies.

Interest rate risk

The interest rates on Ara's investments are disclosed in note 6 and on Ara's lease liabilities in note 11. Ara has undertaken a sensitivity analysis of its exposure to interest rate risk on both investments and borrowings. If weighted average interest rates on bank deposits throughout 2021 had fluctuated by plus or minus 2% the effect would have been to increase/decrease the net surplus by \$1,534,311 as a result of higher/lower interest income on bank deposits.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowing issued at fixed rates exposes Ara to fair value interest rate risk. Ara has a Debt Management policy designed to ensure debt levels are sustainable and servicing costs are minimised.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose Ara to cash flow interest rate risk. Ara has a Debt Management policy designed to ensure debt levels are sustainable and servicing costs are minimised.

Credit risk

Credit risk is the risk that a third party will default on its obligation to Ara causing Ara to incur a loss. In the normal course of business, Ara is exposed to credit risk from cash and term deposits with banks and receivables. Where appropriate Ara undertakes credit checks on potential debtors before granting credit terms. Ara has no significant concentrations of credit risk in relation to debtors and other receivables. The Parent invests funds only in deposits with registered banks and its Financial Management Policy limits the amount of credit exposure to any one institution to 30% of total investment. The Group's exposure to credit risk on its investments is managed by diversification of the investment portfolio. The maximum credit exposure is best represented by the carrying amount in the statement of financial position.

Liquidity risk

Liquidity risk is the risk that Ara will encounter difficulty raising liquid funds to meet commitments as they fall due. Ara's Financial Management policy allows short term borrowing to be used to manage liquidity/working capital. Such borrowing takes cognisance of cash flow forecasting and any contingencies which may arise and does not exceed the maximum approved by the Minister of Education.

Concentration of risk

Apart from exposure to the institutions holding the Group's investments and borrowings, the Group is not exposed to any significant concentration of risk.

Notes to the Financial Statements

18 Financial Instrument Categories

Ara considers that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair values. The fair values and net fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- For investments in other companies where quoted market prices are not available and valuation techniques are not appropriate, Ara has determined fair value using cost less impairment.
- The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	Parent		Group	
	31 Dec 2021 \$000	9 months ended 31 Dec 2020 \$000	31 Dec 2021 \$000	9 months ended 31 Dec 2020 \$000
Financial assets mandatorily measured at fair value through surplus or deficit				
Managed Investment Portfolio	-	-	7,040	6,509
Total	-	-	7,040	6,509
Financial assets measured at Amortised Cost				
Cash & cash equivalents	11,462	7,635	12,460	9,192
Receivables	7,407	2,998	7,575	3,162
Bank Deposits Maturing within 12 months	58,800	62,200	63,184	65,736
Total Financial assets as Loans and Receivables	77,669	72,833	83,219	78,090
Financial liabilities measured at Amortised Cost				
Payables	6,129	5,736	6,324	5,902
Secured loans	-	-	11,058	11,618
Finance Leases	26,136	25,569	26,136	25,569
Total Financial Liabilities at Amortised Cost	32,265	31,305	43,518	43,089

For those instruments recognised at fair value in the Statement of Financial Position, fair values are determined according to the following hierarchy:

- 1 Quoted market price (Level 1) - Financial instruments with quoted prices for identical instruments in active markets.
- 2 Valuation technique using observable inputs (Level 2) - Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in active markets and financial instruments valued using models where all significant inputs are observable.
- 3 Valuation techniques with significant non-observable inputs (Level 3) - Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the Statement of Financial Position:

	Valuation Technique		
	Total Quoted Price \$000	Observable Inputs Price \$000	Significant Non-Observable Inputs Price \$000
31 December 2021 - Group Financial Assets			
Managed Investment Portfolio	7,040	-	-
31 December 2020 - Group Financial Assets			
Managed Investment Portfolio	6,509	-	-

There were no transfers between the different levels of the fair value hierarchy.

Notes to the Financial Statements

19 Capital Management

Ara's capital is its equity which comprise general funds, restricted reserves and revaluation reserves. Equity is represented by net assets. Ara manages its revenues, expenses, assets, liabilities, and general financial dealings prudently. Ara's equity is largely managed as a by-product of managing income, expenses, assets, and liabilities.

The objective of managing Ara's equity is to ensure Ara effectively achieves its goals and objectives for which it has been established, whilst remaining a going concern.

20 Assets Held for Sale

A non-current asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The asset is measured at the lower of its carrying amount and fair value less costs to sell. Write-downs of the asset are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised in the surplus or deficit up to the level of any impairment losses that have previously been recognised. A non-current asset is not depreciated or amortised while classified as held for sale.

	Parent		Group	
	2021 \$000	9 months ended 31 Dec 2020 \$000	2021 \$000	9 months ended 31 Dec 2020 \$000
Property Held for Sale	-	48	-	48
Total Assets Held for Sale Consist of:	-	48	-	48
Buildings - Institute	-	48	-	48
Total assets held for sale	-	48	-	48
Less liabilities held for sale	-	-	-	-
Total net assets held for sale	-	48	-	48

21 Reconciliation of movements in liabilities arising from financing activities

	Secured Loans \$000	Finance Leases \$000	Interest Rate Swaps \$000
Balance at 1 January 2021 - Group	11,618	25,569	399
Net Cash Flows	(560)	(2,403)	-
New Leases	-	1,597	-
Fair Value	-	-	(377)
Other Changes	-	1,373	-
Balance at 31 December 2021 - Group	11,058	26,136	22

	Secured Loans \$000	Finance Leases \$000	Interest Rate Swaps \$000
Balance at 1 January 2021 - Parent	-	25,569	-
Net Cash Flows	-	(2,403)	-
New Leases	-	1,597	-
Other Changes	-	1,373	-
Balance at 31 December 2021 - Parent	-	26,136	-

Notes to the Financial Statements

22 Variances to Budget

Statement of Comprehensive Revenue and Expenses

Domestic enrolments were 11% higher than budgeted. International enrolments were 27% under budget. Overall delivery was 8% over budget. As a result, Government Grant income was \$8.4m ahead of budget. Student Tuition Fees were \$1.6m ahead of budget as the increase in Domestic Fees was partly offset by the decline in International Fees.

Other Revenue was \$1.2m under budget. \$0.6m of this was across Facilities hire, Car Parking and Student Accommodation income, driven by unavailability during lockdown and generally lower demand following. A further \$0.2m was a flow on effect from lower international student numbers, primarily felt in low income from English language testing.

Employee Benefit Expenses were \$2.2m above budget, equating to 3% of budget. This was almost entirely in Teaching staffing costs, driven by higher student numbers. The 3% increase compares favourably to the 8% increase in teaching delivery.

Other expenses were \$2.1m below budget due to generally lower spending in some areas, mostly notably software, international marketing, events spending and printing/copying costs.

2021 spending in the Transformation space was impacted heavily by both Covid-19 and the late development and agreement around the individual projects. Largely this was due to the complexity in defining specific investment areas. Once we moved back into Covid-19 affected operations in August 2021 the Planning Office function that drives many of the Transformation Projects was reprioritised onto Covid-19 activities such as Contextualisation of the Government's Frameworks for Ara's operations, Business Continuity planning, Risk Assessments and Policy development.

Overall, the Net Deficit was \$10.8m ahead of budget for the period.

Statement of Financial Position

Overall, Cash and Cash equivalents and Other Financial Assets were \$9.9m greater than budget due to a better than forecasted cash flow.

Investment accounted for using the equity method is now zero. Ownership has passed to a separate entity within the Te Pukenga network.

Statement of Cash Flows

Movements in Cash Flows largely arise from the factors already noted above.

In addition to this, capital expenditure was lower than budgeted due to issues with timing of projects and ability to get supplies delivered due to supply chain issues during Covid.

Sale and Purchase of Investments figures are not budgeted in Parent. These figures are simply funds lodged to, and maturing from, Term Deposits.

Statement of Changes in Equity

Variances to Budget reflect the variances noted above.

Notes to the Financial Statements

23 The effects of COVID-19 on the Institute

The country went in lockdown at Alert Level 4 on 17 August 2021. Canterbury later moved down alert levels, eventually reaching Alert Level 2 on 7 September 2021. Canterbury remained in Alert level 2 until 2 December 2021 when the new COVID Protection Framework (colloquially known as the 'traffic light' system) was put in place. Canterbury started at the 'orange' setting and remained at that level to the end of the accounting period.

During the lockdown period, Ara closed all delivery sites. Most staff moved to a 'work from home' model and teaching was changed to on-line delivery. Ara later reverted back on an on-site model as alert levels changed.

The effect on our operations is reflected in these financial statements based on the information available to the date these financial statements are signed. At this time, it is difficult to determine the full on-going effect of COVID-19 and therefore some material uncertainties remain. There could also be other matters that affect Ara going forward.

The main impact on the Institute's financial statements due to COVID-19 is explained below:

Other Revenue

Due to the lockdown period, campus-based revenues such as car parking, room hireage, and student accommodation were impacted. There was also some residual effect on such incomes post-lockdown due to the generally lower levels of economic activity. The estimated impact during the accounting period was approximately \$1.2m.

Operating Expenses

Ara estimates an additional \$0.6m worth of costs due to the ongoing alert levels, primarily in additional cleaning and security costs.

While having no effect on these financial statements, Ara has also considered the future effect of COVID-19 on the following areas:

Impairment of tangible and intangible assets

Ara does not expect any impairment to the value of its fixed or intangible assets arising from this event. Ara's assets are utilised to meet its educational objectives, and the ability of those assets to meet those objectives is not regarded as having been reduced.

Other

Consideration has also been given to:

Trade and Other Receivables: Ara assesses its Receivables on an ongoing basis to determine any possible impairment, and a provision for impairment is allowed for in the current balance. As a result of this event, Ara does not expect that Receivables as at the end of the accounting period are impaired beyond the provision already made.

Investments: All Parent entity investments are in Bank Deposits held with NZ Trading banks. One subsidiary holds a managed fund, which at balance date was valued at \$7041 million consisting of 61% of growth assets and 39% of defensive assets (note 6). The subsidiary has adopted a conservative approach to preserving the capital base of the portfolio. The subsidiary has considered whether the COVID-19 pandemic will require changes to the nature and types of investments held in the future. The subsidiary does not deem any changes to the types of investments held necessary. The subsidiary will continue to invest in accordance with its Statement of Investment Policy and Objectives.

24 Subsequent Events

There were no significant events after balance date. The effects of COVID-19 have been discussed in note 23.

Statement of Resources

as at 31 December 2021

Workforce

(Full-time Equivalent Staff)

	Allied	Management	Teaching	Total
Academic, Innovation and Research				
Female	74.4	0.6	257.9	332.9
Male	57.1		210.4	267.5
	131.5	0.6	468.3	600.4
Customer Experience and Engagement				
Female	154.5	1.0	0.2	155.8
Male	48.7			48.7
	203.3	1.0	0.2	204.5
Corporate Services				
Female	42.6			42.6
Male	70.8	0.9		71.7
	113.3	0.9	0.0	114.3
People and Culture				
Female	18.4	0.9		19.3
Male	3.9	0.2		4.1
	22.4	1.1	0.0	23.4
Executive				
Female	2.9			2.9
Male		1.8		1.8
	2.9	1.8	0.0	4.8
Total Gender				
Female	292.9	2.5	258.1	553.5
Male	180.5	2.9	210.4	393.8
Other/Gender Diverse	5.6	0.5	3.1	9.2
	479.0	5.9	471.6	956.5

*Note: This data is rounded to one decimal place.***Percentage by gender**

Female	61.1%	41.9%	54.7%	57.9%
Male	37.7%	49.8%	44.6%	41.2%
Other/Gender Diverse	1.2%	8.3%	0.7%	1.0%

Library Collection

	2021	2020	2019	2018
Printed books	37,781	34,020	35,335	42,498
Electronic books	82,029	58,396	56,420	42,312
Print serial titles	163	165	257	235
Electronic serial titles	50,645	74,995	73,986	28,951

Artworks Collection

	2021	2020	2019	2018
Number of artworks	509	503	454	398

Independent auditor's report

To the readers of Ara Institute of Canterbury Limited and group's financial statements for the period ended 31 December 2021

The Auditor-General is the auditor of Ara Institute of Canterbury Limited (the company) and group. The Auditor-General has appointed me, John Mackey, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the company and group on his behalf.

Opinion

We have audited:

- the financial statements of the company and group on pages 2 to 47, that comprise the statement of financial position as at 31 December 2021, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the period ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion:

- the financial statements of the company and group on pages 2 to 47, which have been prepared on a disestablishment basis:
 - present fairly, in all material respects:
 - the financial position as at 31 December 2021; and
 - the financial performance and cash flows for the period then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.

Our audit was completed on 29 April 2022. This is the date at which our opinion is expressed.

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

Emphasis of matter – The financial statements have been prepared on a disestablishment basis

Without modifying our opinion, we draw attention to the Basis of preparation Note 1.2 on page 10, which outlines that under the Education and Training Act 2020, the company will cease to exist by the close of 31 December 2022. The company therefore prepared its financial statements on a disestablishment basis. There have been no changes to the values of assets and liabilities as the operations of the company will be transferred to Te Pūkenga or one of its subsidiaries at their carrying value.

Basis for our opinion

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

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

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

Responsibilities of the Board of Directors for the financial statements

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

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

For the budget information reported in the financial statements and the statement of service performance, our procedures were limited to checking that the information agreed to the company and group's budget approved by the Board of Directors.

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages i to x, 1, 48 and 53 to 59, but does not include the financial statements, and our auditor's report thereon.

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

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

Independence

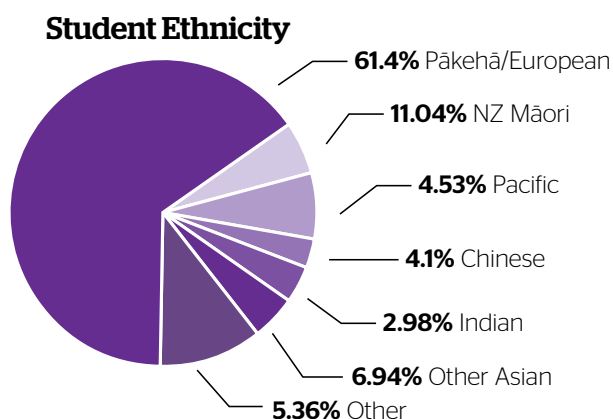
We are independent of the company and group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners issued by the New Zealand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

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



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

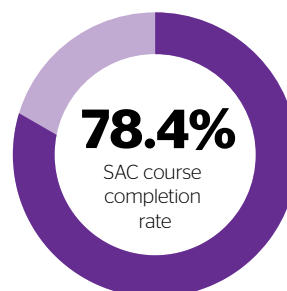
Equal Education Opportunities



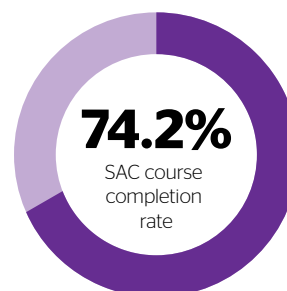
Note: Students may identify with more than one ethnicity.

This chart shows the proportion of enrolled students in 2021 who identify with each ethnic group. Note that the sum adds to more than 100.0% due to students being able to identify with multiple ethnicities.

Māori students



Pacific students



Learning Services

Throughout 2021, Learning Services sought to continually improve and adapt service delivery and processes to meet the needs of Ara students across levels, campuses, in blended and distance learning, and particularly those at risk of not succeeding. Learning Services continued to respond quickly to the challenges of the evolving COVID-19 situation, offering significant remote-learning support for at-risk learners and providing resources for transitioning to online learning in MyAra. In 2021 Learning Services commenced production of new online learner support resources as part of a wider learner support technology transformation project.

Group engagements focused on class teaching (226 hours) and Booster/Resubmission workshops for struggling learners (35 hours) across all campuses. The daily Quick Questions, including those run in the Maori and Pacific study spaces, supported 216 learners (482 engagements) around a range of academic skills. The specific Maths Question and Answer sessions supported 210 learners (483 engagements), an increase in both learners and engagements over 2020. The class teaching remained focused on supporting the development of academic literacies in students at Foundation level and in their first year of study.

Ara's focus on early identification of students at risk and developing a consistent referral process resulted in 1127 learners having 3296 one-on-one interactions with Learning Services in 2021. Of this total, 138 learners identified as Māori. Pacific learner engagement with Learning Services also increased in 2021 to 88 learners supported, attributable to increases in Māori and Pacific Advisor staff resource.

Disability Services

In 2021, 1945 enrolled students self-identified as having a disability (1,734 in 2020) and 270 students registered with Disability Services. Of the students registered with Disability Services in 2021, 30% had a Specific Learning Disability, 11% had complex medical conditions, 15% had mental health difficulties and 8% of students had an autistic spectrum condition. The remaining students were made up of those with sensory and physical impairments. Overall, 61% of students seen by Disability Services fall into the Youth category and 15% were Māori (15% in 2020). In terms of Pacific Students, Disability Services saw five students in 2021 (same as 2020), equalling 1.8% of the total registered students. Disability Services continues to work hard to increase the number of students accessing our services

by contacting these students early and encouraging them to meet with us. This work will be further developed in 2022. Disability Services provided notetaking support for 107 students (compared to 85 in 2020), provided exam support to 140 students and NZSL interpreting support for eight deaf students.

In 2021 Disability Services continued to deliver mentoring services for students with complex mental health needs, those on the autistic spectrum, with ADHD and traumatic brain injury. The service provides students with skills in organisation and time management, anxiety management, managing coursework deadlines and negotiating the social environment of Ara. The service has grown in 2021 with 68 learners supported, versus 36 learners in the inaugural 2020 Semester 2 pilot.

Gender

	2019	2020	2021
Male students	46.4%	45.49%	43.85%
Female students	53.5%	54.31%	56.15%

Ara supports women in non-traditional vocations through scholarships, individual support and regular events that assist students to be successful learners and to build awareness of opportunities, career development skills, work experience, supportive networks and job acquisition. These sessions assist students to be prepared for vocations where they will be in the minority, to succeed in the learning environment and to transition into the workplace.

Ara offers this service to relevant students on all campuses.

Childcare

Ara endeavours to offer early learning education options through direct service provision and relationships with other operators. Ara operates an Early Learning Centre at the City Campus; there is also a privately-run Bilingual Centre (Te Waka Huruhurumanu ki Ōtautahi) on the City Campus; In Timaru the North Haven Childcare and Education Centre operate directly opposite the Campus. Ara assists Māori and Pacific students with childcare subsidies.

Eliminating Harassment

Information about harassment is included in student information and on the student website (MyAra). Ara is explicit that discrimination, harassment or intimidation are unacceptable and that the Harassment Prevention Procedure applies to all staff, students and visitors.

All students are also made aware of their rights and responsibilities during orientation to their programmes. They are also informed about how and where to seek support if they are experiencing or observing harassment.

Academic and support staff know who to contact to ensure Ara policy and process is adhered to. They are vigilant observers and quick to intervene to stop and manage unacceptable behaviour and ensure appropriate support is offered to victims.

Secondary-Tertiary Pathways

In 2021, Ara enrolled 568 students in Trades Academy provision, where students spend part of their week at Ara and part at their secondary school. This included students from Timaru, Oamaru, and the wider Christchurch area, and in a number of subject areas including retail, cookery, hospitality, hair and beauty, construction, engineering, digital technologies and sustainability and outdoor education.

Targeted Funding

In 2021, Ara delivered Targeted Funding to 57 students covering Intensive Literacy and Numeracy for adults and Intensive Literacy and Numeracy ESOL. An additional 55 students received education through the Refugee English Fund.

Adult and Community Education

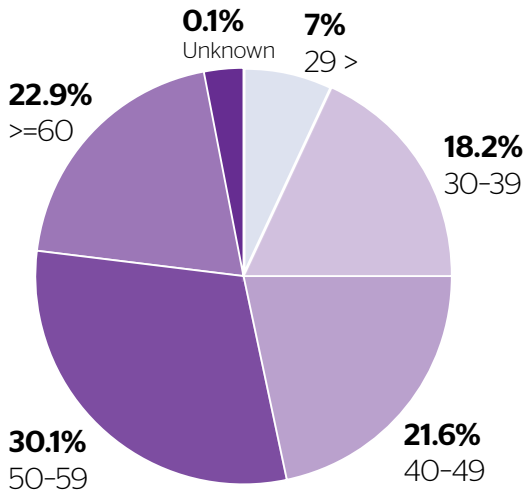
In 2021, 1031 students enrolled in Adult and Community Education (ACE) courses at Ara. This included courses in English language, computing, te reo Māori, Pacific language, and life skills for women through the Next Step Centre. ACE courses were delivered at five locations in the Canterbury takiwā.

Māori and Pacific

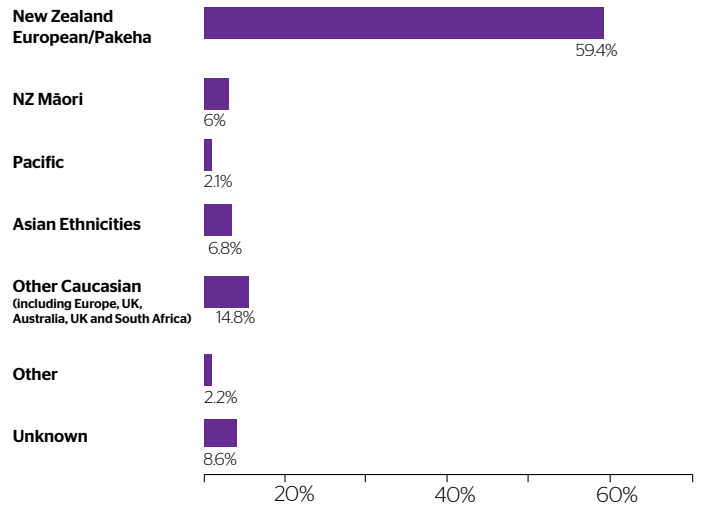
Increasing the participation and achievement of Māori and Pacific students remained a key focus for Ara during 2021. During the year, the Institute held a variety of events to welcome, support and celebrate Māori and Pacific students and their achievements. It also continued to maintain staff committed to the recruitment and pastoral support of Māori and Pacific students to support their journey. For further details on 2021 participation and achievement of Māori students, please refer to the Statement of Service Performance.

Equal Employment Opportunities

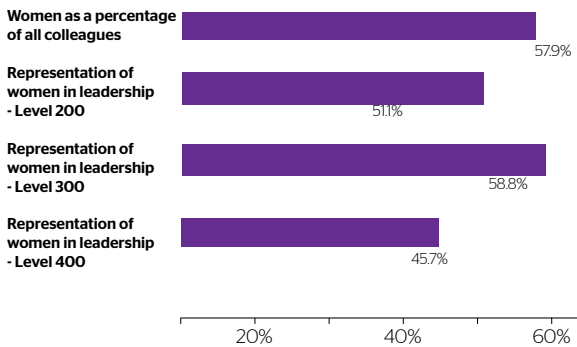
Age Profile



Ethnicity Profile



Women (Gender) at Ara Profile



NOTE: the ability of colleagues to identify themselves accurately (eg ethnicity, gender) is restricted due to limitations of our HRIS system

Colleague Diversity and Inclusion

Diversity and Inclusion is one of the seven key elements of the People and Culture Strategic Framework and is incorporated into the Ara-wide Strategic Focus Areas and Priorities. In 2020 Te Kahui Manukura endorsed the establishment of the Diversity and Inclusion Working Group (DIWG) and approved their Terms of Reference. This group of talented people have drafted an Ara Diversity and Inclusion Strategy, with a vision to embrace diversity. All are included and belong. The purpose of the strategy focuses on facilitating and enabling an Ara community where people courageously challenge and remove barriers to inclusion and diversity so that we bring the Ara Values to life and transform lives.

Colleague Ethnic Demographics

The demographic representation, as we currently report it, demonstrates some shifts in our profile. Of note there is an increase in New Zealand Māori colleague representation (6% 2021 vs 5.6% 2020). The “Unknown” category has again shifted up to 8.6% (it was 6.8% in 2020). There is a slight decline in New Zealand European/Pakeha and an increase of 1.5% in other Caucasian (from 13.3% in 2020).

Colleague Age Demographics

Colleague demographics show a reducing trend of our aged workforce: 40+ is now at 74.7%, trending up from 68% last year. The under 29 age group demographic at Ara has declined by 7.4% since last year (11.4%).

Internally focused work on efficiencies of systems continue in the employee experience space. Once this work realises a smoother operation, the work can then focus on what Ara can do to market an employee proposition that has more appeal to a wider age demographic and is more inclusive of the younger market.

Colleague Gender Demographics

Work is underway on expanding the inclusivity of identification in regard to gender identification. Hence, the data represented here is restricted, but we have some statistics on those who identify themselves as women. The profile remains healthy overall with a 57.9% representation of women in Ara’s workforce and good representation in upper leadership positions: the subsidiary Board for Ara has a woman Chair and Deputy Chair, and six of the eight directors in total are female, 51.1% of Tier 2 executive colleagues are women and 58.8% of women hold level 300 roles.

Colleague Wellbeing

In a context of the COVID-19 global pandemic in which New Zealand government protective settings constrained the opportunity for physical connection with families overseas and at home, and the impact of the uncertainty generated with publication of the high-level Te Pūkenga proposed operating model, along with intermittent and, in the case of Tāmaki Makaurau, lengthy lockdowns impacting colleagues and learners across the motu, the wellbeing of the Ara community continued to be challenged. However, Ara's ongoing prioritisation of strategic focus and investment in wellbeing in 2021 has continued to realise the tangible benefits for colleagues hoped for in the previous year. Safety and wellbeing were woven into the Ara Strategic Focus Areas and Priorities and were reiterated with "Increase colleague engagement and wellbeing" stretch target survey scores agreed for the following year.

1 Wellbeing Approach to COVID-19

Ara's communications to colleagues and learners from the Covid 19 Incident Management Team during 2021 were underpinned by themes of colleague and whānau safety and wellbeing.

With the appointment of Darren Mitchell as Acting Chief Executive in June 2021 and lockdown in August there was a heightened emphasis in all communication from him, the executive team and leaders across the organisation to "put your own oxygen mask on first" so that leaders had the change endurance to care for their teams and in doing so support tutors and learners to adapt to the demands of non-face to face learning and teaching delivery.

Union representative feedback included the appreciative comment that "the communication with us during this period has been exemplary". Ara appreciated the collaborative approach of union representatives to support for colleagues, particularly during lockdown.

The Capability teams from across Ara moved quickly to build confidence in tutoring colleagues who were less experienced in remote delivery so that they were able to continue to provide meaningful learning experiences and reduce the impact of the interruption to in-person delivery for learners wherever possible.

Leaders were encouraged to support their teams with regular wellbeing check-ins and to promote the use of Ara's Employee Assistance provider (EAP) for colleagues and their whānau where the pressure of work, care for young, and home schooling of school aged children was placing particular pressure on family dynamics. The increased utilisation of EAP services by colleagues was viewed as an essential investment in the wellbeing of Ara's people and the concomitant stability and resilience of the Ara workforce and ultimately the student experience.

2 Wellbeing Structure

Resourcing for safety and wellbeing at Ara was increased during 2021 with the appointment of the incumbent Manager to the role of Director Safety Health and Wellbeing and approval for appointments to three supporting roles.

The 2020 appointment of a Student Advisor, Wellbeing has been successful in ensuring the strategic alignment of colleague and learner wellbeing approaches.

The Wellbeing Action Group (WAG) has continued to champion wellbeing initiatives. Although somewhat constrained in the second half of the year members have continued to be the eyes and ears of the organisation and a contact point for knowledgeable information sharing for colleagues.

Ara supported the national Mental Health Awareness Week in September, and the Safety and Wellbeing team promoted the theme of Connecting for Wellbeing, supporting the establishment of a Community of Crafters. The emergence of connected community groups within Ara are opportunities for positive social interactions that have supported people to feel connected and secure and build meaningful relationships in the workplace.

The Wellbeing Action Group reported an increase in new members from Manawa, Woolston and Madras Campuses with a new focus on increasing engagement at Southern Campuses.

3 Wellbeing Workshops

In 2021 delivery of Wellbeing Workshops which were originally provided by external providers was largely provided in house by the Director Safety, Health and Wellbeing and workshops were available to colleagues in the third week of every month.

Around 40, mostly new colleagues, attended these workshops although communication channels continued to offer places to all colleagues who might like to refresh their knowledge and engagement with the Five Ways to Wellbeing and their intrinsic links to Te Whare Tapa Whā.

In addition, colleagues had the opportunity to attend two of the well-regarded Mental Health 101 workshops, onsite, during the year. These were facilitated by an external provider.

4 Colleague Wellbeing Survey

In September 2020, following postponement during the August lockdown, colleagues were invited to participate in the Ara Wellbeing survey alongside the Gallup Engagement Survey.

The Ara Wellbeing Survey is made up of questions designed to elicit the level of a colleague's individual wellbeing and the psychological safety they feel relative to their team, as well as their perception of the organisation's focus on psychological safety.

Results this year are almost identical to those of 2020. For the self-evaluation Who-5 Wellbeing survey tool, scores of 13/25 and above are considered to demonstrate an acceptable level of wellbeing. In 2020 and 2021, 67% and 66% of Ara participants respectively scored themselves within this range.

Responses to the section of the survey which relates to psychological safety within teams (using the psychological Safety Climate survey questions) demonstrated no significant change.

There was a slight increase in colleagues' perception of the focus that the organisation places on psychosocial safety with an increased total of mean scores across Ara from 37.18 in 2020 to 39.06 this year. This score lies within the average range for the scale.

Given the disruptive impact of the Covid lockdown on teaching delivery which added to tutors' workload and the challenges to normal operations, and of colleague interactions resulting from online modes, along with uncertainty for many colleagues about the forthcoming Te Pūkenga Operating Model, this may be considered a better-than-expected outcome.

Other wellbeing approaches that have continued:

5 Health and Wellness

In addition to access to influenza vaccinations for colleagues, the Ara Health Centre and Executive Director Treaty Partnerships and Director Safety Health and Wellbeing facilitated COVID-19 vaccination for the public, in an Ara carpark, and, for Māori and Pacific colleagues and learners and their whānau onsite, out of the Te Puna Wānaka whare. These initiatives were well received with 275 attendees at these clinics in total with 72 attendees being identifying as Māori and 21 as from the Pacific region.

A significant team of colleagues from the People and Capability, and Operations divisions, continue to be engaged in the development of, and systems to record compliance with, protocols and procedures associated with Ara's obligations under Covid 19 public health orders and legislation, and with the associated vaccination mandates. Fortunately estimates of colleague attrition resulting from opposition to the vaccine mandate and New Zealand's Traffic Light Protection Framework, based on the behaviour of the general New Zealand population at the time, were much higher than actual attrition and most colleagues have been willing to comply.

Access to physical wellbeing initiatives at reduced cost to colleagues, including discounted gym membership continued to be well received.

Support continues to be provided by the Health Centre and campus signage reflects the Ara Smokefree status.

6 Free Counselling Service for Colleagues

Ara continued to offer free and confidential counselling for colleagues via its external Employee Assistance Programme provider, OCP. During the October 2020 – October 2021 provider reporting period 129 colleagues and their immediate family accessed counselling sessions through OCP (up from 92 during 2020). The average number of sessions per attendee was close to two although several colleagues attended more than that. The increase in usage of this service is thought to be a result of the impact of separation from loved ones within New Zealand and overseas due to the global pandemic, uncertainty associated with the RoVE reforms and Te Pūkenga operating model change and changes in work priorities and team members as Ara accommodates matters associated with reprioritisation of work and contributions of time and effort to Te Pūkenga in order to ensure Ara plays its part in the design and successful implementation of the merger. Along with these drivers, communication around the availability and recommendations to use the counselling service has been a regular feature throughout the year and more people have availed themselves of that support.

7 Self-service resources

As well as the opportunity to attend in person and online wellbeing related workshops, colleagues are able to find pragmatic wellbeing knowledge and support resources through Ara's intranet, Waituhi. Links to information such as, Free Resources | All Right? from the New Zealand based public website and Mental Wellbeing, with links to Ara and Mental Health Foundation resources are easily accessed.

Future Focus

Ara continues to be committed to a diverse, inclusive and resilient workforce and those elements were key enablers of the institute's Strategic Focus Area of "high performing customer focused teams". Strong foundations of activity from 2020 put us in a good position to navigate the significant challenges in 2021. Despite the distraction that those challenges caused, there has been good progress on future focus activities in 2021.

Our draft Diversity and Inclusivity (DI) Strategy looks to reinforce our commitments to culture, people and communities.

Focus 1: Inclusive Culture - The Ara culture will be founded in our commitment to Te Tiriti O Waitangi and using Ara Values to guide our actions

Ara will:

- honour our commitment to the principles of Te Tiriti o Waitangi and the Ara Framework for Māori Achievement to inform our design, planning and implementation approaches to diversity and inclusion
- commit to generating a shared understanding of 'diversity and inclusion' for us at Ara
- use the Ara Values of Hono - Connect, Hihiri - Inspire and Aroha - Respect as the values that guide our decisions and actions to create an inclusive culture where all belong
- demonstrate our commitment to enhance the diversity and inclusion of the culture of Ara by translating that responsibility into actions

Focus 2: Leadership - Inclusive leadership will enable the organisational behaviour we want

The whole of Ara will:

- commit to leading inclusive thinking and behaviours within Ara, at all levels of the organisation
- show the Ara commitment to leading, through communicating and celebrating the Ara diversity and Inclusion stories and achievements.
- acknowledge that adequate resourcing will be a foundational enabler to build Ara's diversity and inclusion practices
- demonstrate the Ara commitment to diversity and inclusion by translating intent into action

Focus 3: Courageous Conversations - Raising our voices and highlighting issues will keep us honest and ensure we keep growing

The whole of Ara will:

- continue to grow our kaupapa of kindness, connection, and aroha to foster the social and emotional well-being of the Ara whānau
- engage with the structures and processes designed to facilitate courageous feedback about the efficacy of the system to promote and support diversity and inclusion
- commit to take action on diversity and inclusion issues that are highlighted
- continue to create a safe environment for colleagues to speak with honesty and be treated with respect and to listen to other perspectives with openness and kindness

Focus 4: Safe Environments - Inclusive physical and psychological environments will mean we can all participate authentically as part of the Ara whānau

The whole of Ara will:

- use inclusive principles, such as Human Centred Design and Universal Design, of spaces, processes, and systems to ensure diversity of thought to deliver equitable participation of our diverse community
- ensure that diverse identities are valued in key spaces throughout Ara campuses and communication channels
- support the creation of spaces and places that welcome the diverse identities and 'ways of being' of our Ara colleagues
- develop spaces that foster collegiality and connection
- continue to measure and improve psychological safety in our Ara teams

Focus 5: Systems and Processes - Refining our systems will ensure they are fit-for-purpose and can grow as needs evolve

The whole of Ara will:

- commit to system and process improvements through data informed approaches
- provide the pathways and support to grow organisational capability to ensure that employment processes are equitable and inclusive
- ensure that diverse voices are contributing to policy development and improvement, decision making and the generation of solutions.
- support the generation of systems that are practical and fit-for-purpose
- engage in a continual improvement approach to ensure systems are kept relevant and ensure equity

Focus 6: Growth and Capability - Growing colleague's knowledge and capability will be a pathway for growing inclusive practices

The whole of Ara will:

- provide Ara colleagues with the professional development opportunities necessary to increase their knowledge and awareness of diverse perspectives and grow their skills as effective inclusive practitioners
- engage with the idea of lifelong learning through fostering learning communities with our peers
- weave into our 'everyday', opportunities to use reflection to grow improvement in the ways we think and work - particularly in how open we are to others' realities and perspectives
- explore the ways in which including diverse perspectives and participation can inform decision making and the generation of solutions
- explore the ways in which we can link to diversity and inclusion learning communities beyond Ara to ensure the best possible outcomes as we grow

Focus 7: Celebration and Sharing - Sharing our stories and achievements will raise our awareness and enable us to keep learning from others' experiences

The whole of Ara will:

- celebrate the diversity of 'who we are' through developing, supporting and attending events that recognise our diversity and inclusion
- ensure colleagues have the resource and capacity to engage with networks and events that support their identity and/or extend their learning from the sharing of others' stories
- share our stories to help cement our sense of Ara community and whānau and grow our learning and understanding
- consider how each of us contribute to 'a sense of belonging', within our teams and Ara as a whole



Ara

Institute of Canterbury

Ara rau, taumata rau

Ara is proud to be a Smokefree institute

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