

Telford

Rural Polytechnic

Te Whare Wanaka O Puerua



Annual Report 2009

**We wish to sincerely acknowledge the generous donations in 2009 by the following
Community funders and sponsors:**

Salvation Army Edmund Sanderson Jeff Farm

Combined Rural Traders

FarmSafe - Joint Venture™

MISSION STATEMENT

Telford Rural Polytechnic will be a national leader in the delivery of quality applied education and training for the primary sector and the local leader for community education.

VALUES

We hold as important the values of: equity, respect and dignity; the achievement of openly declared goals; excellence in education in an environment conducive to learning and staff development; recognition of staff and students as individuals; client servicing with excellence; accountability and responsibility; educational leadership and service to society.

ROLES

Telford Rural Polytechnic has four major roles in achieving its mission.

- 1. It will be a cornerstone provider of land related training in order to support the economic and social development of rural communities. It will consult with national and local leaders of rural organisations, members of the community, Iwi and Pacifica to determine needs and how best to meet those needs.**
- 2. It will build on the established specialised programmes delivered at Telford and nationally and will ensure new requirements are met.**
- 3. It will seek opportunities to meet national needs where its educational and organisational resources can be effectively utilised.**
- 4. It will be the cornerstone provider of community education in support of the economic, social and cultural development of the Clutha District.**

INTRODUCTION

THE COUNCIL (as at year-end)

Chair	David Yardley
Deputy Chair	Murray Brass
Chair of Finance Committee	Justin Geddes
Chair of EEO/EEEdO Committee	Maureen Wylie
Appointed by the Minister	Murray Brass
	David Yardley
	Justin Geddes
	Lesley Brook
Chief Executive Officer	Jonathan Walmisley
Appointed by Ngai Tahu	Maureen Wylie
Appointed by Telford Farm Board	Mike Elliot
Appointed by Employers Association	Trevor Hall
Nominated by NZ Council of Trade Unions	Martin Dodge
Elected by Academic Staff	Lisa Biginato
Elected by General Staff	Debra Hollows
Appointed by Students' Association	Hayden Tapp
Co-opted by Council	Barry Mackenzie

OFFICERS OF COUNCIL

Auditors	Controller and Auditor-General through Audit New Zealand Polson Higgs (FarmSafe)
Solicitors	Janet Copeland Law Gallaway Cook Allan Fitzherbert Rowe (FarmSafe)

MANAGEMENT TEAM

Chief Executive Officer	Jonathan Walmisley
Director of Finance and Administration	Stewart MacDonell
Director Academic Operations	Lynne Johnston
Director of Telford Farms	Ian Knowles

**ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009**

Contents	Page
▪ Chairperson's Annual Report for 2009	6
▪ Chief Executive Officer's Annual Report for 2009	7
▪ Statement of Responsibility	9
▪ Report of the Auditor-General	10
▪ Statement of Accounting Policies	12
▪ Financial Statements	17
▪ Performance	29
▪ Scholarship and Bursaries	42

ABBREVIATIONS USED IN THIS DOCUMENT:

CEO	Chief Executive Officer
EEdO	Equal Education Opportunity
EEO	Equal Employment Opportunity
EFTS	Equivalent Full Time Student
FTE	Full Time Equivalent (Staff)
GST	Goods and Services Tax
IFRS	International Financial Reporting Services
ITO	Industry Training Organisation
ITP	Institutes of Technology and Polytechnics
ITPNZ	Institutes of Technology and Polytechnics of New Zealand
ITPQ	Institution of Technology Polytechnic Quality
MoE	Ministry of Education
QMS	Quality Management System
PAC	Programme Advisory Committee
PTEs	Private Training Establishments
SDR	Student Data Return
STAR	Secondary Tertiary Alignment Resource
TAMU	Tertiary Advisory Monitoring Unit
TEC	Tertiary Education Commission
Telford	Telford Rural Polytechnic
TSD	Tertiary Students with Disabilities

CHAIRPERSON'S ANNUAL REPORT FOR 2009



It is my pleasure to present the 2009 Chairman's report on Telford Rural Polytechnic.

For a number of years now I have reported on the difficulties that the Institution of Telford has faced with ongoing reform and change in the Polytechnic sector. 2009 has seen these reforms intensify and the consequent risks to the Institution grow.

The new Government of late 2008 heralded some major changes for the Tertiary Education Sector when it put all of its expenditure activities under the spotlight in an attempt to rein in a ballooning government deficit. The Polytechnic sector in particular came under significant scrutiny because some of its activities had for some time been viewed by the new Government as not providing the best educational outcome for the dollars spent.

Although Telford's current training activities are somewhat guaranteed under its Investment Plan which lasts until the end of 2010 it is the funding strategy that is progressively being revealed for 2011 and beyond that will require a significant shift in Telford's training activities that is the cause of major concern.

Telford, New Zealand's smallest Polytechnic is delivering nationwide specialist land based industry training. Over the past seven to eight years it has grown its off-campus training activities significantly in response to industry and student demands and this growth has added considerably to the strong viability demonstrated by the institution during those years. The off-campus activity largely comprised compliance and short award skills training at levels 1-3.

The Tertiary Education Strategy document released during 2009 is the governments blue print for tertiary education for the next 3-5 years. It prioritises training at level 4 and above for 2011 and beyond. Funding for compliance training ceased during 2009, funding of short award training that doesn't result in a national qualification will cease at the end of 2010 and funding from 2011 onwards of level 1-3 courses will be at a reduced rate.

All of these changes will severely curtail Telford's off-campus delivery and greatly reduce the financial viability of the Institution beyond 2010. Without off-campus training, which makes up about 75% of our equivalent full time students, Telford lacks the critical mass to be financially viable. It is because of this unacceptable risk that the Council has been compelled to look at amalgamation options. In December it made the unprecedented decision to move to a full business case study of a possible merger with Lincoln University.

This business case study will be undertaken during 2010.

There can be no doubt the challenges facing Telford moving forward are huge as it strives to find the best position from which it can deliver sub degree training to the labour force of the land based industries which are so vital to the wellbeing of this nation.

Enrolments during 2009 in our on campus certificate and diploma courses continued at high levels necessitating the commissioning of increased classroom resource and hostel accommodation. Both of these have greatly enhanced the campus facilities.

2009 was another successful year both academically and financially and the institution remains well resourced as it moves into 2010. Council continued throughout 2009 to monitor progress on restoration of quality assurance of our courses and noted the significant improvements made in this area.

Council composition has remained largely unchanged throughout the year with the only departure being the student representative. I wish to thank my fellow councillors for their support and dedication throughout the year.

I also wish to thank Telford Farms for their significant contribution towards student training and their demonstration of quality farming practices. Telford Farms do much to enhance the credibility of the Polytechnic with the farming sector.

To CEO, Jonathan Walmisley, his Management team and all Polytechnic and Farm staff I congratulate you on another successful year. It is your dedication and commitment to the Institution that provides it with such a good result and sets apart the Telford experience – thank you.

Finally I wish to publicly acknowledge the valuable support of our sponsors, supporters and friends throughout 2009, it is greatly appreciated.

A handwritten signature in dark ink, appearing to read 'D. Yardley', written in a cursive style. The signature is positioned above the printed name of the chairperson.

D YARDLEY
CHAIRPERSON

CHIEF EXECUTIVE OFFICER'S ANNUAL REPORT FOR 2009



2009 was another good year for Telford Rural Polytechnic across a range of important outcomes including student pass rates and satisfaction improved industry stakeholder relationships and the approval of a range of qualifications to meet industry identified needs.

Academic Delivery

Telford's on campus full time activity remains high. However future growth is unlikely as more providers offer programmes. The high demand is due to Telford's recognition nationally within the rural communities and to Telford's extensive support of rural studies in secondary schools.

The demand for Telford's land based training remains high. The demand has been validated through extensive consultation with rural representative groups and individuals. It is clear that industry expects Telford to deliver training across the country in specialist and low volume areas and to take a leadership role, within the Polytechnic sector.

Over the last four years Telford Rural Polytechnic has developed a business model which has resulted in the Polytechnic's forte being our ability to respond quickly to demands, delivering close to an individual's place of work or residence, and in a manner that is suitable for the learner's needs. This results in programmes of short duration, which are relevant, value for money and contribute to the up-skilling of the workforce. The delivery throughout New Zealand predominantly uses our own tutors, however Telford also uses specialist contractors where appropriate.

High pass rates and student satisfaction, overall 78% and 88.4% respectively were excellent achievements. It is clear that pass rates are a function of age and whether an individual is in work. For those in work, changes in circumstances occur regularly and hence qualification pass rates are lower than those in full time study; in part this is countered by age where more mature students seem to be more motivated than those who have just left school at 16/17 years of age.

2009 saw the recruitment of dedicated Quality Assurance staff. This had an almost immediate impact with a number of new qualifications being subjected to a rigorous assurance process and then being externally approved. Academic Audit carried out in December has resulted in a recommendation for Quality Assured Status to be awarded once some actions are completed in early 2010; this result will be a true reflection of Telford's commitment to quality.

Performance

Telford went into this year with reduced funding to reflect funding transferred to other ITPs for their delivery of agriculture training – regrettably not all transferred funding was used for agriculture training. The reduced funding resulted in stakeholder demand for training not being met, we delivered 101% of funded training and still could not meet demand.

In 2009 Telford enrolled students to achieve 1126 EFTS. This achievement demonstrates that a small, specialist Polytechnic, can be successful if allowed to deliver training in a manner required by industry stakeholders.

2009 saw a major improvement in teaching facilities. A new classroom complex of two teaching spaces, a resource centre and offices was completed. An indoor equine arena is under construction. This will enable students to be riding all year.

Telford Farm

Telford Farm is our home and in our endeavours to meet demand it is easy to overlook the importance of having a best practice farm on which the Polytechnic's tutors gain the knowledge and experience so important in delivering quality relevant training.

Telford has commercial scale forestry, sheep, beef, deer and dairy units which all strive to be best practice and operate in the top quartile of farms. All Telford farm units are involved in a collection of research activities. Projects extend from technology transfer of current knowledge in agricultural science through to new research such as alternative cattle wintering systems and greenhouse gas emissions.

Telford Farm's involvement extends from representation on governance bodies such as steering committees and regional organisations to completing on-farm research and monitoring at Telford. We are partnered with a diverse array of industry good and research organisations including DairyNZ, Meat and Wool NZ, AgResearch and Sustainable Farming Fund. Telford's diversity of farms and farm staff means we can deliver on a large portfolio of research projects. At times we also make use of subcontractors to assist delivery and networking.

The Farm Board of Management and Farm Staff have been unstinting in their support of the Polytechnic and its staff and I thank them for that.

Tertiary Reforms

Early 2009 saw the TEC publish the recommendations of the Land Based Training Review, the recommendations were not totally accepted by industry stakeholders as many believed that the report did not accurately portray the content of the submissions, rather it was a reflection of Tertiary Strategy. The implementation of the report included a reduction in funding for regulatory and health and safety courses and short awards dedicated to skills training which were assessed to contribute to safety – an example of which is tractor operations. The impact of this funding will be felt in 2011.

TEC has signalled significant changes to funding and performance linked funding for 2011. The emphasis is for delivery of 40+ credit qualifications at higher level. Farming skills are predominantly at Level 3 and farmers need the training to increase production and this tends to be covered by a qualification of less than 40 credits. The push to shift funding from Levels 2-3 to higher level qualifications runs the risk of undermining agricultural production. The impact on Telford will be significant to the extent that Council in 2010 will need to refocus Telford into a smaller, more specialist provider.

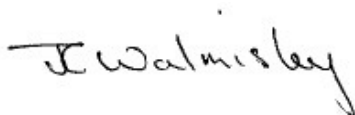
Summary

Telford Rural Polytechnic has continued to achieve a high standard of performance across a wide range of activities. This happens, not by accident, but because of the commitment and passion of our staff to ensure the delivery of relevant and efficient education and training to our students.

2009 brought its challenges and it is the way we worked through these that has enabled our success. However the uncertainty experienced during the last four years continues into 2010. Such uncertainty brings with it its own challenges at the time industry stakeholders are demanding a greater level of relevant training. Our long-term future will depend on identifying our place within the network of provision.

No Polytechnic can exist without support from its stakeholders. I acknowledge and thank industry groups, and other ITPs whose support over the year has helped the Polytechnic along the path taken to identify the Polytechnic's position within the Network of Provision.

I wish to thank all staff for the contribution they have made to another excellent year. Thank you also to Council Members and in particular Chair David Yardley for their vision, direction, commitment and support in 2009.

A handwritten signature in black ink, appearing to read 'J Walmisley', written in a cursive style.

J WALMISLEY
CHIEF EXECUTIVE OFFICER

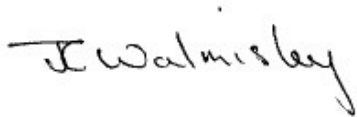
STATEMENT OF RESPONSIBILITY 2009 FINANCIAL STATEMENTS

1. The Council and management of Telford Rural Polytechnic accept responsibility for the preparation of the annual financial statements and the Statement of Service Performance and the judgements used in them;
2. The Council and management of Telford Rural Polytechnic accept responsibility 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. In the opinion of the Council and management of Telford Rural Polytechnic, the annual financial statements and the Statement of Service Performance for the financial year ending 31 December 2009 fairly reflect the financial position and operations of Telford Rural Polytechnic.

The financial statements were authorised for issue by the Council on 23 April 2010.



COUNCIL CHAIRPERSON
(Mr D. Yardley)



CHIEF EXECUTIVE OFFICER
(Mr J.C. Walmisley)



DIRECTOR FINANCE AND ADMINISTRATION
(Mr S.J. MacDonell)

Audit Report

To the readers of Telford Rural Polytechnic's financial statements and performance information for the year ended 31 December 2009

The Auditor-General is the auditor of Telford Rural Polytechnic (the Polytechnic). The Auditor-General has appointed me, Ian Lothian, using the staff and resources of Audit New Zealand, to carry out the audit on her behalf. The audit covers the financial statements and statement of service performance included in the annual report of the Polytechnic for the year ended 31 December 2009.

Unqualified opinion

In our opinion:

- the financial statements of the Polytechnic on pages 12 to 28:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the Polytechnic's financial position as at 31 December 2009; and
 - the results of its operations and cash flows for the year ended on that date.
- the performance information of the Polytechnic on pages 29 to 37 fairly reflects its service performance achievements measured against the performance targets adopted for the year ended on that date.

The audit was completed on 23 April 2010, and is the date at which our opinion is expressed.

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

Basis of opinion

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

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

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

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

Audit procedures generally include:

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

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

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

Responsibilities of the Council and the Auditor

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the Polytechnic as at 31 December 2009. They must also fairly reflect the results of its operations and cash flows for the year ended on that date. The Council is also responsible for preparing performance information that fairly reflects the service performance achievements for the year ended 31 December 2009. The Council's responsibilities arise from the Education Act 1989 and the Crown Entities Act 2004.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

Independence

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

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



Ian Lothian
Audit New Zealand
On behalf of the Auditor-General
Dunedin, New Zealand

ACCOUNTING POLICIES

THE REPORTING ENTITY

Telford Rural Polytechnic (Telford) is a Crown entity and is established under the Education Amendment Act 1990. It provides full-time and part-time tertiary education in New Zealand.

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and the requirements of the Crown Entities Act 2004 and the Education Act 1989.

The financial statements comply with Applicable Financial Reporting Standards, which include New Zealand equivalents to International Financial reporting Standards ('NZ IFRS'). Telford is a Public Benefit entity for the purpose of complying with generally accepted accounting practice in New Zealand.

The financial statements of the Polytechnic are for the year ended 31 December 2009. The financial statements were authorised for issue by the Council on 23 April 2010.

BASIS OF PREPARATION

The measurement base adopted by Telford is that of historical cost, except for certain assets included at deemed cost. Accrual accounting is used to match expenses and revenues. Reliance is placed on the fact that Telford is a going concern.

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

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Polytechnic is New Zealand dollars.

Standards, amendments and interpretations issued but not yet effective that have not been early adopted and which are relevant to the Polytechnic include:

- NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard. NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach to NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39. The new standard is required to be adopted for the year ended 31 December 2013. The Institute and group have not yet assessed the impact of the new standard and expects it will not be early adopted.

PARTICULAR ACCOUNTING POLICIES

The following accounting policies adopted in the accounts have a significant effect on the results and financial position.

1. BUDGET FIGURES

The budget figures are those approved by the Council on the 12 December 2008 for the financial year.

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

2. REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to Telford and the revenue can be reliably measured. Revenue is measured at fair value of consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised:

Government grants are recognised when eligibility to receive the grant has been established and it is recognised over the period in which the course is taught by reference to the stage of completion of the course as at the balance sheet date. Stage of completion is measured by reference to the days of course

completed as a percentage of total days for each course. Where funds have been received but not earned at balance date Revenue in Advance liability is recognised.

Student tuition fees – Revenue from student tuition fees is recognised over a period in which the course is taught by reference to the stage of completion of the course as at the balance sheet date. Stage of completion is measured by reference to the days of course completed as a percentage of total days for each course.

Interest – Revenue is recognised as the interest accrues (using the effective interest method) to the net carrying amount of the financial asset. Interest income on an impaired financial asset is recognised using the original effective interest rate.

3. FINANCIAL INSTRUMENTS

Telford is party to financial instruments as part of its normal operations. These financial instruments include cash and cash equivalents, investments, debtors and creditors. All financial instruments are recognised in the Balance Sheet, and all revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance. All financial instruments are shown at their fair value.

4. PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment owned by Telford at 1 April 1989 items were valued at net realisable value less accumulated depreciation, which is deemed to be the cost of these assets. Net realisable value was determined by Warwick Grimmer Ltd (registered valuers) as at 31 December 1990. Assets purchased since 1 April 1989 are valued at cost less accumulated depreciation. Only items or groups of items costing \$500 or more are reported as Property, Plant and Equipment.

Crown owned buildings were first recognised in 1995. They were included at depreciated replacement cost as determined by Quotable Value New Zealand at the time. This is considered deemed cost.

Crown owned buildings that are used by Telford are included as part of Telford's Property, Plant and Equipment. These were first recognised on 31 December 1995. Although legal title has not been transferred; Telford has assumed all the normal risks and rewards of ownership.

Telford Council have established Deemed Cost as the method for Asset Valuation. All other items of Property, Plant and Equipment are shown at cost, less accumulated depreciation and impairment losses.

Each building asset has been split into its major components of structure, fit out and services with the useful life of each component estimated. The remaining useful life was then calculated and a new depreciation rate calculated and applied to each component of the building asset.

The carrying values of plant and equipment other than those whose future economic benefit are not directly related to their ability to generate net cash are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of each asset. Gains and losses on disposals are included in the statement of financial performance.

5. CAPITAL WORK IN PROGRESS

Capital Work in Progress is valued on the basis of expenditure incurred and certified progress claim certificates up to balance sheet date. Work in progress is not depreciated.

6. DEPRECIATION

Depreciation is provided on a straight line basis on all Property, Plant and Equipment items so as to write off the cost (valuation) of the asset to estimated residual value over their useful lives. The cost of day to day servicing of Property, Plant and Equipment is recognised in the Statement of Financial Position as incurred.

Buildings	1.67 to 10.00%
Fixtures and Fittings	6.50 to 15.5%
Plant and Equipment	6.50 to 40.00%
Office Equipment	10.00 to 33.3%
Computers and Electronic Equipment	18.00 to 33.33%
Motor Vehicles	8.00 to 20.00%
Roading, Fences and Ground Development	3.00 to 6.50%
Sundry Saddlery and Equipment	24.00%

Buildings include Crown owned assets, which are depreciated according to their estimated remaining lifetime.

7. TRADE & OTHER RECEIVABLES

Receivables are initially measured at fair value and subsequently recognised at amortised cost less any provision for impairment. Impairment of a receivable is established when there is objective evidence that the Polytechnic will not be able to collect the amounts due according to the original terms of the receivable.

8. INVENTORIES

Inventories are valued at the lower of cost (determined on a first in first out basis) and net realisable value. Materials other than for trading are regarded as having been issued at the time of payment and charged to the relevant expense account at the time.

9. INVESTMENTS

Investments are initially recognised at cost, being the fair value or the consideration given. In the case of an investment not at fair value through profit and loss, including acquisition charges associated with the investment. All investments are bank investments therefore they are classified at cost under Loans and Receivables.

10. GOODS AND SERVICES TAX (GST)

The Financial Statements are GST exclusive with the exception of accounts receivable and accounts payable, which are disclosed inclusively. When GST is not recoverable as input tax 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 statements of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

11. TAXATION

Telford is exempt from income tax.

12. LEASES

Operating lease payments, where the lessor effectively retains substantially all the risks and rewards of the leased items, are included in the determination of the operating profit in equal instalments over the lease term.

13. EMPLOYEE ENTITLEMENTS

Provision is made in respect of Telford's liability for annual leave. Annual leave has been calculated on an actual entitlement basis at current rates of pay. Sick leave has been assessed as per NZIAS 19 and the assessed liability has been taken up.

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

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

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

Telford recognises a liability and an expense for bonuses where it is contractually obliged to pay them or where there is a past practice that has created a constructive obligation.

14. COURSE DEVELOPMENT COSTS

Course Development Costs are expensed in the year they occur as Telford is spending similar amounts in development each year.

15. COST OF SERVICE STATEMENTS

The Cost of Service Statements, as reported in the Statement of Objectives and Service Performance, arrive at the net cost of services of the significant activities of Telford. These represent the cost of services less all non-public funding that can be allocated to these activities.

16. TELFORD FARM BOARD OF MANAGEMENT

Under the Telford Farm Training Institute Act 1964, the Telford Farm Board of Management is required to use the farms for the purposes of agricultural training. The financial relationship between the Telford Farm Board of Management and the Telford Rural Polytechnic is one in which each party recovers from the other all actual costs incurred between them. The exception is the provision of the lease of the Telford Farm Board of Management land and buildings to Telford Rural Polytechnic at a peppercorn rent.

17. JOINT VENTURE

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The Telford Rural Polytechnic has a one third interest in the Farmsafe joint venture. The Council's interest in the joint venture is accounted for using the proportionate interest method. Telford Rural Polytechnic recognises in its financial statements the assets it controls, the liabilities and expenses it incurs and the share of income that it earns from the joint venture.

18. OVERHEADS

All management and administration overheads are allocated based on EFTS.

19. INTANGIBLE ASSETS

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

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

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

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 period is recognised in the statement of financial performance.

The useful lives of associated amortisation rates of major classes of intangible assets have been estimated as follows:

Acquired computer software	3 years	33%
Developed computer software	4 years	25%

20. CASH & CASH EQUIVALENTS

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

21. TRADE & OTHER PAYABLES

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

22. PROVISIONS

Telford recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event and it is probable that an outflow of future economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating leases.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

23. COMMITMENTS

Expenses yet to be incurred on non-cancellable contracts that have been entered into on or before balance date are disclosed as commitments to the extent that there are equally unperformed obligations.

Cancellable commitments that have penalty or exit costs explicit in the agreement on exercising that option to cancel are included in the statement of commitments at the value of that penalty or exit cost.

24. CRITICAL ACCOUNTING ESTIMATES & ASSUMPTIONS

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

25. CHANGE IN ACCOUNTING POLICIES

There are no changes in accounting policies and all policies have been consistently applied during the financial year.



**STATEMENT OF COMPREHENSIVE INCOME
FOR YEAR ENDED 31 DECEMBER 2009**

	Note	2009 Actual \$	2009 Budget \$	2008 Actual \$
REVENUE				
Government Grants	(1)	9,591,936	9,411,242	9,658,543
Tuition Fees		755,931	573,019	848,986
Sales		1,224,893	1,137,104	930,371
Investment Income		625,819	640,000	871,571
Other Income		122,326	27,000	232,865
TOTAL OPERATING REVENUE		12,320,906	11,788,364	12,542,336
EXPENSES				
Materials & Services		5,967,908	5,342,947	5,708,246
Personnel	(1)	3,341,781	3,140,460	3,000,963
Accommodation Costs		868,445	892,807	710,453
General Expenses	(1)	911,941	829,830	738,930
Depreciation & Amortisation expense	(1)	397,197	320,000	340,312
TOTAL OPERATING EXPENSES		11,487,271	10,526,044	10,498,904
NET SURPLUS/(DEFICIT) FOR THE YEAR		833,635	1,262,321	2,043,432
Other Comprehensive Income		-	-	-
TOTAL COMPREHENSIVE INCOME		833,635	1,262,321	2,043,432

Explanations of major variances against budget are explained in Note 12.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009 Actual \$	2009 Budget \$	2008 Actual \$
BALANCE AT BEGINNING OF YEAR	13,621,629	13,125,166	11,193,197
Total Comprehensive Income	833,635	1,262,321	2,043,432
Capital Injection from TEC			385,000
EQUITY AT END OF YEAR	14,455,264	14,387,487	13,621,629

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

**BALANCE SHEET
AS AT 31 DECEMBER 2009**

	Note	2009 Actual \$	2009 Budget \$	2008 Actual \$
Public Equity		14,455,264	14,387,487	13,621,629
Represented By:				
Assets				
Current Assets				
Cash & Cash Equivalents	(2)	213,147	120,000	273,825
GST Refund		6,456		42,812
Inventories	(5)	40,465	30,000	37,719
Prepayments		90,571	7,376	14,918
Trade & Other Receivables	(4)	393,458	300,000	874,352
Other Financial Assets	(2) & (3)	9,784,724	10,059,140	9,682,172
Total Current Assets		10,528,821	10,516,516	10,925,798
Non Current Assets				
Property, Plant & Equipment	(6)	4,798,191	5,515,971	3,761,609
Capital Work in Progress		546,417		490,580
Intangible Assets	(7)			
Total Non Current Assets		5,344,608	5,515,971	4,252,189
Less Current Liabilities				
GST		6,147	30,000	27,484
Employee Entitlements	(9)	162,170	60,000	86,800
Trade & Other Payables	(2) & (8)	1,249,848	1,555,000	1,442,074
Total Current Liabilities		1,418,165	1,645,000	1,556,358
Working Capital		9,110,656	8,871,516	9,369,440
Net Assets Equal to Public Equity		14,455,264	14,387,487	13,621,629

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009 Actual \$	2009 Budget \$	2008 Actual \$
Cash Flows from Operating Activities			
Cash Was Provided From			
Grants, Course Fees, Sales Contract and Other Income	12,040,314	13,941,826	11,507,965
Interest Received	756,041	600,000	782,395
Dividend Received	1,700		
	12,798,055	14,541,826	12,290,360
Cash was Applied to			
Payments to Employees and Suppliers	11,270,309	12,959,505	11,127,811
	11,270,309	12,959,505	11,127,811
Net Cash Flows From Operating Activities	1,527,745	1,582,321	1,162,549
Cash Flows from Investing Activities			
Cash was Provided From:			
Sale of Property Plant and Equipment	3,745	21,500	73,467
	3,745	21,500	73,467
Cash was Applied to:			
Purchase of Fixed Assets	1,489,616	1,889,500	1,187,786
Purchase of Investments	102,552	(285,679)	510,736
	(1,592,168)	(1,603,821)	(1,698,522)
Net Cash Flows From Investing Activities	(1,588,423)	(1,582,321)	(1,625,055)
Financing Activities			
Cash was Provided from:			
Capital Injection	-	-	385,000
Net Cash Flows from Financing Activities	-	-	385,000
Net Increase/(Decrease) in Cash Held Plus	(60,678)	-	(77,506)
Opening Cash Brought Forward	273,825	120,000	351,331
Closing Cash	213,147	120,000	273,825
Cash at Bank Consists of:			
BNZ Auto call - 25	9,460		9,898
BNZ Cheque	46,700	119,400	45,877
BNZ Treasury	156,387		217,450
Cash on Hand	600	600	600
	213,147	120,000	273,825

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

**RECONCILIATION OF THE NET SURPLUS
FROM OPERATIONS WITH THE NET CASH FLOWS FROM OPERATING ACTIVITIES**

	2009 Actual \$	2009 Budget \$	2008 Actual \$
Surplus/(Deficit) from Operations	833,635	1,262,321	2,043,432
Plus (Less) non cash items			
Depreciation and amortisation	397,197	320,000	340,312
	1,230,832	1,582,321	2,383,744
Add/(less) items classified as investing or financing activities	(3,745)		
Plus (Less) movements in Working Capital Items			
(Increase)/ Decrease in Stock	(2,746)		(8,736)
(Increase)/ Decrease in Receivables	480,894		(251,976)
(Increase)/ Decrease in Prepaid Expenses	(75,653)		2,602
(Increase)/ Decrease in Net GST	15,018		(126,662)
Increase/(Decrease) in Employee Entitlements	75,371		31,197
Increase/(Decrease) in Payables	(192,226)		(867,620)
	300,658		(1,221,195)
Net Cash Flows from Operating Activities	1,527,745	1,582,321	1,162,549

**STATEMENT OF COMMITMENTS AND CONTINGENCIES
AS AT 31 DECEMBER 2009**

Contingencies

There are no contingent assets or liabilities.

Capital Commitments: Capital commitments are the aggregate amount of capital expenditure contracted for the acquisition of property, plant and equipment and intangible assets that have not been paid for or not recognised as a liability at the balance sheet date.

Non-cancellable operating lease commitments: Telford leases plant and equipment in the normal course of its business. The majority of these leases are for photocopiers and a motor vehicle.

Other non-cancellable commitments: Telford has no other non-cancellable contracts.

	2009 Actual \$	2008 Actual \$
Capital Commitments		
Property, Plant & Equipment (2009 Equine Indoor Arena, 2008 Balance of new hostel, car parks, classrooms and Equine Indoor Arena)	111,912	977,172
Non-cancellable operating lease commitments		
Not later than one year	26,387	29,247
Later than one year and not later than five years	57,657	27,868
Later than five years	-	-
Total non-cancellable operating lease commitments	84,044	57,115

**NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

1. REVENUES AND EXPENSES

	2009 Actual \$	2009 Budget \$	2008 Actual \$
(a) Operating Revenue			
Government Grants			
Operational Bulk Grant	8,879,401	8,718,771	9,470,971
Disabilities Special Supplementary Grant	37,151	37,151	37,151
Other Grants	675,384	655,320	150,421
Total Government Grants	9,591,936	9,411,242	9,658,543
(b) Net Gain on disposal of Property Plant and Equipment	3,745	-	6,854
Other Income	118,581	27,000	226,011
(c) Personnel			
Wages and Salaries	3,290,711	3,080,460	2,976,359
Employee Welfare expenses	51,070	60,000	24,604
Total Personnel Expenses	3,341,781	3,140,460	3,000,963
(d) General Expenses			
Fees to auditor:			
Audit fees for the financial statement audit – Audit NZ	38,000	48,000	34,000
Prior year additional Audit Fees - disbursements	2,382	-	3,315
Audit related fees for assurance and related services	38,126	10,000	2,583
Includes ITPQ Audit Fees (of \$33,401)			
Operating lease payments	20,382	20,000	17,209
Net foreign exchange losses	-	-	-
Net loss on disposal of property, plant and equipment	-	-	-
Other general expenses	861,595	751,830	681,823
Total General expenses	927,084	829,830	738,930
(e) Depreciation expense	397,197	320,000	338,305
Amortisation expense	-	-	2,007
Total Depreciation & Amortisation expense	397,197	320,000	340,312

2. CATEGORIES OF FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and financial liabilities in each of the NZ IAS 39 categories are as follows:

	2009 Actual \$	2009 Budget \$	2008 Actual \$
Loans and receivables			
Cash & Cash Equivalents	213,147	120,000	273,825
Trade & Other Receivables	393,458	300,000	874,352
Other Financial Assets	9,784,724	10,059,140	9,682,172
Financial Liabilities measured at amortised cost			
Trade & other payables	1,249,848	1,555,000	1,442,074

3. MATURITY ANALYSIS OF OTHER FINANCIAL ASSETS

(a) CURRENT	31 December 2009			31 December 2008		
	Effective Interest Rate	Maturity	Amount	Effective Interest Rate	Maturity	Amount
Deposits with banks	4.99%	3 Feb 10	778,342	8.30%	20 Jan 09	300,000
	5.00%	19 Mar 10	600,000	8.20%	20 Jan 09	500,000
	5.00%	19 Mar 10	700,000	8.00%	20 Mar 09	600,000
	4.75%	20 Apr 10	505,986	7.74%	29 Mar 09	500,000
	5.05%	20 Apr 10	700,000	7.75%	31 Mar 09	750,000
	5.00%	20 Apr 10	600,000	7.00%	20 Apr 09	300,000
	5.00%	20 May 10	400,000	8.40%	1 May 09	400,000
	4.75%	20 May 10	758,979	8.84%	30 May 09	500,000
	4.88%	20 Jun 10	800,000	8.83%	4 Jun 09	700,000
	4.60%	18 Jul 10	700,000	6.53%	19 Jun 09	1,200,000
	4.53%	20 Jul 10	809,134	8.51%	30 Jun 09	500,000
	4.55%	20 Aug 10	809,088	8.30%	31 Jul 09	1,400,000
	4.65%	28 Aug 10	15,000	6.75%	11 Aug 09	500,000
	5.10%	20 Sep 10	1,400,000	7.14%	20 Aug 09	700,000
				7.60%	16 Jan 09	15,000
		Call	8,128		Call	7,373
			9,584,657			8,782,373
Joint Venture (1/3)	3.14%	19 Jan 10	100,000	6.50%	15 Jan 09	150,000
	3.60%	11 Feb 10	50,000	5.93%	22 Jan 09	100,000
	4.60%	11 Mar 10	50,000	5.42%	29 Jan 09	100,000
		Fastsaver	67	6.00%	5 Mar 09	100,000
			200,067			450,000
Total Deposits with banks			9,784,724			9,322,373
FarmSafe Current Account				7.08%	5 Mar 09	359,799
			9,784,724			9,682,172

4. TRADE AND OTHER RECEIVABLES

	2009 Actual	2009 Budget	2008 Actual
	\$	\$	\$
Trade Debtors (current)	201,074	300,000	326,570
1-30 Days	16,843		10,896
31-60 Days	6,143		35,730
61-90 Days	73,310		44,277
FarmSafe Control Account	44,283		39,574
Receivables (MoE)	-	-	283,678
One third FarmSafe Trade Receivables	18,805		133,627
Total	393,458	300,000	874,352

The carrying amount of receivable approximates their fair value.

5. INVENTORIES

	2009 Actual \$	2009 Budget \$	2008 Actual \$
Honey	1,607	5,000	3,481
Memorabilia	12,530	5,000	11,203
Books	2,178	5,000	2,728
Kitchen	8,450	10,000	9,357
Horses	15,700	5,000	10,950
Total	40,465	30,000	37,719

6. PROPERTY PLANT AND EQUIPMENT

	Buildings Crown	Buildings Telford	Roading & Fencing	Furniture & Fittings	Plant & Equip	Office Equip	Saddlery	Motor Vehicles	Computer Hardware	TOTAL
Year ended 31 December 2008										
At 1 January 2008, net of accumulated depreciation	954,302	1,686,681	21,178	119,941	318,799	10,795	2,352	93,292	93,292	3,437,643
Additions		283,220		55,736	105,637		1,511	54,106	235,528	735,738
Disposals					(1,918)			(71,549)		(73,467)
Depreciation charge for the year	44,007	63,558	2,528	25,567	54,541	2,928	882	48,184	96,110	338,305
At 31 December 2008 net of accumulated depreciation	910,295	1,906,343	18,650	150,110	367,977	7,867	2,981	164,676	232,710	3,761,609
At 1 January 2008										
Cost of fair value	1,524,847	2,137,197	50,199	242,089	577,551	52,657	11,317	465,061	497,575	5,558,493
Accumulated depreciation and impairment	570,545	450,516	29,021	122,148	258,752	41,862	8,965	234,758	404,283	2,120,850
Net carrying amount	954,302	1,686,681	21,178	119,941	318,799	10,795	2,352	230,303	93,292	3,437,643
At 31 December 2008										
Cost of fair value	1,524,847	2,420,417	50,199	295,835	665,364	52,657	12,828	417,946	733,103	6,173,196
Accumulated depreciation and impairment	614,552	514,074	31,549	145,725	297,387	44,790	9,847	253,270	500,393	2,411,587
Net carrying amount	910,295	1,906,343	18,650	150,110	367,977	7,867	2,981	164,676	232,710	3,761,609
Year ended 31 December 2009										
At 1 January 2009, net of accumulated depreciation	910,295	1,906,343	18,650	150,110	367,977	7,867	2,981	164,676	232,710	3,761,609
Additions	-	1,035,208	-	124,970	171,528	1,273	846	47,977	51,976	1,433,778
Disposals at cost					5,444		421	26,536	48,697	81,098
Disposals accumulated depreciation					5,444		421	26,536	48,697	81,098
Depreciation charge for the year	44,007	75,076	1,976	35,840	73,300	2,789	1,334	53,028	109,847	397,197
At 31 December 2009 net of accumulated depreciation	866,288	2,854,961	16,674	239,240	477,719	6,351	2,493	159,625	174,839	4,798,190
At 1 January 2009										
Cost of fair value	1,524,847	2,420,417	50,199	295,835	665,364	52,657	12,828	417,946	733,103	6,173,196
Accumulated depreciation and impairment	614,552	514,074	31,549	145,725	297,387	44,790	9,847	253,270	500,393	2,411,587
Net carrying amount	910,295	1,906,343	18,650	150,110	367,977	7,867	2,981	164,676	232,710	3,761,609
At 31 December 2009										
Cost of fair value	1,524,847	3,455,625	50,199	420,805	831,448	53,930	13,253	439,387	736,382	7,525,876
Accumulated depreciation and impairment	658,559	600,664	33,525	181,565	353,729	47,579	10,760	279,762	561,543	2,727,686
Net carrying amount	866,288	2,854,961	16,674	239,240	477,719	6,351	2,493	159,625	174,839	4,798,190

7. INTANGIBLES

	2009 Actual \$	2008 Actual \$
Computer Software		
Year ended 31 December 2009		
At 1 January 2008, net of accumulated amortisation	-	2,007
Amortisation Charge for the year	-	2,007
At 31 December 2009 net of accumulated depreciation	-	-
At 1 January 2009		
Cost	41,960	41,960
Accumulated amortisation and impairment	41,960	39,953
Net carrying amount	-	2,007
At 31 December 2009		
Cost	41,960	41,960
Accumulated amortisation and impairment	41,960	41,960
Net carrying amount	-	-

For the year ended 31 December 2009, computer software has been capitalised at cost. These intangible assets have been assessed as having finite lives and are amortised using the straight-line method over a period of three years.

The additions to computer software represent intangible assets acquired separately.

The amortisation expense relating to intangible assets is included in the operating expenses of the income statement under depreciation and amortisation expense (2009 Nil, 2008 \$2,007).

8. TRADE AND OTHER PAYABLES

	2009 Actual \$	2009 Budget \$	2008 Actual \$
Trade payables	1,031,629	1,520,000	918,568
Payables (MoE)	10,401	-	234,074
Student Bonds	28,169	20,000	13,220
Student Fees	52,520	15,000	18,587
One third of FarmSafe Creditors	127,129	-	257,625
	1,249,848	1,555,000	1,442,074

Trade payables are non-interest bearing and are normally settled on 60-day terms, therefore the carrying value of trade payables approximates their fair value.

9. EMPLOYEES ENTITLEMENTS

	2009 Actual \$	2009 Budget \$	2008 Actual \$
Employee Entitlements			
At 1 January	86,800	60,000	55,603
Additions during the year	244,707	60,000	114,691
Utilised during the year	169,337	60,000	83,494
At 31 December 2008	162,170	60,000	86,800

Employee Entitlements

A provision is recognised for post employment benefits payable to employees. Employees are entitled to annual leave pay.

Annual leave and sick leave entitlements expected to be settled within 12 months of the balance sheet date are measured at the current rates of pay and classified as current liabilities.

The provision is affected by number of assumptions including expected length of service, attrition rate, and salary increase.

10. RELATED PARTY INFORMATION AND KEY MANAGEMENT PERSONNEL

Related Party Information

Telford enters into numerous transactions with government departments and Crown agencies on an arm's length basis and where those parties are only acting in the course of their normal dealings. These transactions are not considered to be related party transactions.

Telford's CEO is a director in the Joint Venture and Telford receives management fees for his services of \$9,000 (GST exclusive) per annum.

Telford made the following related party transactions during the year:

	Joint Venture	AgNZ	AgITO	ASL*
	\$	\$	\$	\$
Amount Payable	-	154,682	-	128
Amount Receivable	67,500	4,972	-	-
Total Revenue	195,792	34,345	902	-
Total Expenditure	1,608	1,532,698	658	1,189
Total	264,900	1,726,697	1,560	1,317

* Agricultural Services Limited

	2009 Actual	2008 Actual
Key Management personnel compensation		
(Key management personnel include the CEO, Director of Finance and Administration and the Academic Director)		
Salaries and other short term employee benefits	394,039	389,288
Post-employment benefits	-	-
Total key management personnel compensation	394,039	389,288
Transaction with key management related parties	9,932	20,023

Telford Farm Board of Management

Telford has the use of land and buildings owned by the Telford Farm Board of Management valued at \$911,000 based on the 1995 valuation. The value of inter-entity transactions in 2009 was: Telford Income \$32,851 (2008 (\$122,998) Telford Expenditure \$145,528 (2008 \$126,116)

At balance date, Telford owed the Telford Farm Board Of Management \$25,065 (2008 \$24,423).

At balance date, Telford Farm Board Of Management owed Telford \$2,663 (2008 \$2,374).

The Telford Farm Board Of Management is a statutory body charged with operating the farms attached to the Polytechnic under the Telford Farm Training Institute Act 1964, and employs staff to carry this out and provide practical training and facilities for students.

There is a close business relationship between Telford Farm Board of Management and the Telford Council. The governing bodies of both organisations shared three members (J Walmisley, D Yardley and M Elliot) in common as at 31 December 2009.

There was no cross-subsidisation between the two organisations. All significant transactions between the Board and Telford are identified and appropriately charged.

11 FINANCIAL INSTRUMENTS

Credit Risk

Financial instruments, which potentially subject Telford to credit risk principally, consist of bank balances and term investments. Telford places cash and term investments with reputable financial institutions so as to limit the amount of credit exposure. Telford has a series of policies to manage risk associated with financial instruments and seeks to minimise exposure from financial instruments. (No more than 50% with one financial institution).

Telford monitors the credit quality of its debtors and the investment institutions that are counter parties to

its financial instruments and does not anticipate non-performance by the counter parties. Collateral or security is not required in the normal course of business.

Telford is not exposed to any concentrations of credit risk. Telford had investments with current interest rates of between 4.53% and 5.10% at balance date.

Currency Risk

Telford is not subject to exposure from foreign exchange fluctuations.

Liquidity Risk

There is no liquidity risk for Telford as Telford places cash and term investments with reputable financial institutions. All investments are held with registered banks.

Interest Rate Risk

Telford has no long-term debt on floating rates and, accordingly, has no exposure to interest rate risk. Telford's exposure to interest rate risk is limited to bank deposits.

Capital Management

Telford's capital is its equity which is represented by net assets. Telford has prudent policies for measuring revenues, expenses, assets, liabilities, investments and financial dealings to achieve its objectives while remaining a going concern.

12 MAJOR BUDGET VARIATIONS

Income is \$532,542 above budget due mainly to higher than budgeted tuition fees of \$182,912 which resulted from higher than budgeted Agriculture tuition fees and subcontractors tuition fees. Government Grants were higher than anticipated budgeted EFTS income from TEC of \$180,694. Sales income is also above budget due mainly to hostel income. Sundry income was above budget due to NZQA income from subcontractors.

Expenses are \$976,371 above budget. Materials and Services Costs are \$624,961 above budget mainly due to subcontractors' payments being higher than budgeted as a result of consumed EFTS being higher than budgeted. Personnel costs are \$201,321 above budget mainly due to more staff than budgeted being employed and the Annual leave accrual increasing by \$75,370. Depreciation is higher than budgeted due to the addition of two new hostels and two classrooms.

Statement of Financial Position

Investments are \$274,792 below budget mainly due to the below budget surplus.

13 COUNCIL AND COUNCIL COMMITTEE FEES AND EXPENSES

	FEES	EXPENSES	2009 TOTAL
L Brook	3,000	1,254	4,254
D Yardley	20,944	-	20,944
M Elliott	1,200	-	1,200
M Wylie	2,040	120	2,160
D Waugh (Academic Board only)	1,620	81	1,701
T Hall	1,920	-	1,920
B MacKenzie	2,400	138	2,538
M Dodge Time donated	2,040	112	2,152
J Geddes	2,400	406	2,806
M Brass Time donated	-	-	-
G Mayo Time donated (Academic Board only)	-	640	640
Total Fees and Expenses for 2009 were	37,564	2,751	40,315
Total Fees and Expenses for 2008 were	40,204	3,945	44,149

14 JOINT VENTURE

Telford has a joint venture with Agriculture NZ Ltd and Agriculture ITO to deliver Training to Farmers.

Telford is responsible for the administration of the Training Programmes. The profits are distributed equally among the joint venture partners.

	2009 Actual \$	2009 Budget \$	2008 Actual \$
Revenue	3,732,620	4,130,193	3,942,795
Expenses	3,080,419	3,274,385	3,351,505
Joint Venture Distribution to other partners	434,801	570,539	394,193
Telford share of surplus	217,400	285,269	197,097

The Financial Statements of the Joint Venture for the year ended 31 December 2009 have been audited.

	2009 Actual \$	2008 Actual \$
Summary of Assets and Liabilities		
Assets	1,115,349	2,679,503
Liabilities	463,148	1,995,719
Net Equity	652,201	683,784

15. EVENTS AFTER BALANCE DATE

In March 2010, Telford announced a proposal to merge with the Lincoln University. It is expected that, subject to Ministerial approval, the merger will be completed by the end of 2010.

SERVICE PERFORMANCE
OUTPUT CLASS: SCIENCE and APPLIED SCIENCE

(1) Objectives and Outcomes

To achieve the performance measures as specified in the following table:

Telford Programmes	2009		Actual 2009			2008	
	EFTS Target	EFTS Actual	% (3) Actual Satisfied	% Retention	% Pass	% Pass	EFTS Actual
Joint Venture (2)	120	99.87	87.00	100.00	82.00	86.30	127.5
National	483	528.92	100.00	96.53	81.56	82.00	492.0
Correspondence (1)	97	92.38	96.96	97.14	44.50	45.00	82.6
Campus Programmes	168	180.85	78.12	95.19	82.33	89.00	225.0
Totals	868	902.02	93.86	96.70	77.96	81.00	927.1

- (1) Based on courses completed in 2009
(2) Total Joint Venture EFTS was 299.61 of which two thirds are excluded from the table above as they accounted for by our Joint Venture Partners, (one third each partner).
(3) Those who scored ≥ 3 on a scale of 1 to 5.

	2009 Actual \$	2009 Target \$	2008 Actual \$
Quantity Measures			
EFTS	902	868	927.6
Financial Measures			
Public Funding/EFTS	9,844	10,045	9,474
Student Funding/EFTS	754	573	760
Direct Costs	6,879,560	6,633,667	6,497,449
Direct Costs/EFTS	7,627	7,642	7,008

(2) Cost of Services

	2009 Actual \$	2009 Budget \$	2008 Actual \$
DIRECT COSTS			
Materials and Services	5,315,846	4,893,527	5,043,761
Personnel	1,183,636	1,445,520	1,106,087
Accommodation Costs	59,753	39,847	60,357
General Expenses	305,182	254,773	287,244
Depreciation	-	-	-
	6,864,416	6,633,667	6,497,449
INDIRECT COSTS			
Accommodation Services*	961,748	841,740	932,688
Education Services	564,819	443,509	424,464
Overheads	1,954,194	1,690,361	1,759,768
	3,480,761	2,975,610	3,116,920
GROSS COST OF SERVICES	10,345,178	9,609,277	9,614,369
LESS RELATED REVENUE			
Sales	638,585	628,679	321,608
Other Income	34,167	8,600	112,604
Sponsorship & Donations	-	-	-
Course Fees	526,953	347,939	675,247
	1,199,706	985,218	1,109,459
NET COST OF SERVICES	9,145,472	8,624,059	8,504,910

Refer to Statement of Accounting Policies No. 15

**SERVICE PERFORMANCE
OUTPUT CLASS: ARTS AND PERFORMING ARTS**

(1) Objectives and Outcomes

To achieve the performance measures as specified in the following table:

Telford Programmes	2009		Actual 2009			2008	
	EFTS Target	EFTS Actual	% Satisfied	% Retention	% Pass	% Pass	EFTS Actual
Community Education***	18	15.74	N/A	N/A	N/A	N/A	18
On Campus	24	24.00	95.45	92.00	89.44	78.00	18
TOTAL	42	39.74	-	-	-	-	36

	2009 Actual \$	2009 Target \$	2008 Actual \$
Quantity Measures			
EFTS	40	42	36
Financial Measures			
Public Funding/EFTS	6,904	5,849	7,671
Student Funding/EFTS	1,888	1,797	961
Direct Costs	219,527	140,880	163,059
Direct Costs/EFTS	5,488	3,354	4,529

(2) Cost of Services

	2009 Actual \$	2009 Budget \$	2008 Actual \$
DIRECT COSTS			
Materials and Services	53,320	31,800	30,511
Personnel	158,656	102,600	126,889
Accommodation Costs	2,297	2,460	1,860
General Expenses	5,254	4,020	3,799
	219,527	140,880	163,059
INDIRECT COSTS			
Accommodation Services*	-	-	-
Education Services	52,727	41,402	33,304
Overheads	182,427	157,798	138,074
	235,154	199,200	171,378
GROSS COST OF SERVICES	454,681	340,080	334,437
LESS RELATED REVENUE			
Sales	-	-	(2,218)
Other Income	18	-	6,211
Sponsorship & Donations	-	-	-
Course Fees	77,089	76,680	52,746
	77,107	76,680	56,739
NET COST OF SERVICES	377,574	263,400	277,698

Refer to Statement of Accounting Policies No. 15

**SERVICE PERFORMANCE
OUTPUT CLASS: DESIGNATED COURSES**

(1) Objectives and Outcomes

To achieve the performance measures as specified in the following table:

Telford Programmes	2009		Actual 2009			2008	
	EFTS Target	EFTS Actual	% Satisfied	% Retention	% Pass	% Pass	EFTS Actual
ITO	-	13.46	98.21	82.64	60.00	91.00	23.29
STAR (3)	54	58.44	91.11	98.60	99.51	99.50	46.53
Full Fees- Other	-	10.03	Included elsewhere				
TOTAL	54	81.93	92.43	95.61	92.11	97.00	85.15

- (3) This pass rate is based on the number units completed by students compared to the number of units in the programmes. Students may not have needed to do all of the units.

(2) Cost of Services

	2009 Actual \$	2009 Target \$	2008 Actual \$
Quantity Measures			
EFTS	72.0	54.0	85.2
Financial Measures			
Direct Costs	261,721	216,080	127,841
Direct Costs/EFTS	3,635	4,001	1,500
	2009 Actual \$	2009 Budget \$	2008 Actual \$
DIRECT COSTS			
Materials and Services	2,323	18,480	13,207
Personnel	236,238	166,640	107,429
Accommodation Costs	10,604	9,480	1,141
General Expenses	12,556	21,480	6,064
	261,721	216,080	127,841
INDIRECT COSTS			
Accommodation Services*	-	-	-
Education Services	95,450	74,949	82,058
Overheads	330,242	285,657	340,199
	425,692	360,606	422,257
GROSS COST OF SERVICES	687,413	576,686	550,098
LESS RELATED REVENUE			
Sales	-	-	-
Other Income	155	-	-
Course Fees	151,889	173,000	82,138
	152,044	173,000	82,138
NET COST OF SERVICES	535,369	403,686	467,960

Refer to Statement of Accounting Policies No. 15

TELFORD RURAL POLYTECHNIC STATEMENT OF OBJECTIVES AND SERVICE PERFORMANCE

Introduction

The Education Amendment Act 1990 requires tertiary education institutions to prepare and publish an annual report of operations. These external reports must conform to the generally accepted accounting practice.

The Polytechnic Council approved the 2009 Statement of Objectives prior to the beginning of the reporting period which detailed in advance the nature and scope of the significant activities to be undertaken in the period. This plan outlined the mission, the goals and significant objectives together with the performance measures against which performance should be judged which is reflected in the 2009-2010 Plan which was approved by TEC.

The section that follows details the objectives set and report the extent to which the desired results have been achieved. For each objective a performance measure has been identified allowing assessment of achievements in quantitative and qualitative terms.

The Polytechnic is committed to improving its planning processes and pursuing the objectives set in the Statement of Objectives, which is based on the Strategic Plan.

Programmes and Courses

The major output provided by the Polytechnic is education and training to students. Full-time short and part-time, prevocational, vocational and personal development courses are provided to Certificate and/or Diploma level.

Performance Measures

Quantity Quantity is shown as the number of students involved in programmes within the Polytechnic converted to Equivalent Full Time Student (EFTS) numbers.

Quality There are a number of systems in place to ensure the quality, relevance and effectiveness of the Polytechnic's programmes and operations.

(1) Staff Performance

Academic staff are recruited by local and/or national advertising of vacant positions and by international advertising when suitable staff are unobtainable in New Zealand. Position descriptions, person specifications and selection criteria ensure the best-qualified and experienced persons are appointed. Staff induction, faculty support and assistance with professional development enhance qualifications with the acquisition of teaching skills. Annual staff appraisal is undertaken and training and development plans are drawn up and actioned.

(2) Course and Programme Quality

All programmes and courses are approved by the Polytechnic's Academic Board to ensure identified needs are being met, the curriculum meets established standards, and adequate staffing and other services and resources are available.

Programme design must include student selection, admission and enrolment; course, staff and student evaluation processes; assessment; moderation and reporting. Course and programme planning includes a consistently applied philosophical basis, and a sound methodology for the selection of content, specification of unit standards or their equivalent, selected workplace components, teaching and learning strategies, assessment and moderation strategies and evaluation systems.

All nationally recognised programmes are accredited on behalf of the New Zealand Qualifications Authority by the Institutes of Technology and Polytechnics Quality (ITPQ) against established criteria and standards.

Programmes are reviewed and evaluated at least once every five years and actual delivery is closely monitored by faculty staff and managers.

Programme Advisory Committees are established for all major Polytechnic programmes, and these provide a forum for the involvement of industry/community interests in programme and course development, delivery, evaluation and assessment.

(3) Quality Assurance and Operations

Programmes are reviewed and moderated as per requirements of our QMS and expectations of our external stakeholders.

(4) Quality Assurance of Students Selected

Student selection policies ensure the quality and suitability of students selected and access, equity and fairness in the selection process.

(5) Other Quality Indicators

Statistics re programme completion and programme pass/success rates provide other indications as to the quality of service provided.

Location

The majority of programmes, are delivered nationally but are administered through the Telford campus. In response to community request, a growing number of short courses are offered in various community locations rather than from Polytechnic buildings.

Timelines

While a number of programmes involve study and/or training over more than one year, the reported EFTS are for those programmes taught during 2009.

Cost

The Polytechnic manages its costs by breaking them down to major course level. These are monitored on a monthly basis by comparing expenditure with budgeted expenditure.

(6) Strategic Planning Goals

The Polytechnic completes a strategic planning exercise on an annual basis. As part of the process the strategic goals of the Polytechnic are reviewed and adjusted as necessary.

LEARNER SUPPORT

Objective: To maximise Telford's support to the rural community through utilising its specialist skills in support of the Network of Provision via collaboration with industry and other TEOs.

Activity	2009/2010 Target	2009 Achievement
To promote agriculture and forestry as career choices.	<ul style="list-style-type: none"> With Telford Farm demonstrate best farming practice. 	<ul style="list-style-type: none"> Telford Farm are a Dairy NZ Project Farm and carries out research for AgResearch and Dairy NZ. Telford Farm has had a staff representative at the Meat and Wool NZ - "Outstanding in the Field," days throughout New Zealand; these days are aimed at High School aged students to encourage them into the rural sector.
Increased collaboration and cooperation with ITP and Wananga to enhance Network of Provision	<ul style="list-style-type: none"> Protocols developed which enhance network of provision with all appropriate ITP/Wananga by 2009. 	<ul style="list-style-type: none"> Government Policy changes removed "Regionalisation" hence removed imperative for new protocols. All existing protocols continued 2008-2009. Discussions with Wananga have increased understanding but no formal agreements achieved.
Develop relationships with Lincoln University and Massey University	<ul style="list-style-type: none"> Progression pathways to be formalised by 2009. Identify technology transfer opportunities 	<ul style="list-style-type: none"> Lincoln University was side tracked from discussions due to AgResearch merger talks. Restarted discussions end year. While no initiatives occurred directly between Lincoln and Telford Polytechnic, Lincoln and Telford Farms continued to grow their initiatives and relationship around technological initiatives and implementations.
Improved working relationships with relevant ITOs.	<ul style="list-style-type: none"> Progression to higher levels of learning identified. To ensure consistency of resources and suitability of National Qualifications for ITP delivery. 	<ul style="list-style-type: none"> During the review of Telford programmes, including the Telford Certificate in Agriculture L3 and Diploma in Rural Business L5, alignment with national agriculture qualifications occurred and progression to higher levels of learning were identified. AgITO/Telford/Taratahi – jointly developed NC Ag L3 (Work Ready) ITO resources used for ITO delivery Curriculum documents have been reformatted to include identification of pathways into national qualifications.
Enhanced Industry stakeholder consultation.	<ul style="list-style-type: none"> Industry approve Telford programmes To appropriately meet national industry needs To identify technology transfer opportunities. 	<ul style="list-style-type: none"> PAC have reviewed programmes considering industry feedback to ensure industry needs are met. A consultation log was started in 2009 to capture information from our stakeholders that is not otherwise captured. This is working well. Discussions with AgResearch resulted in them not identifying value in a relationship with Telford at this time.
Enhanced support for High School Rural Studies	<ul style="list-style-type: none"> Additional High Schools utilise Telford video conferencing Enhance professional development programmes for High School teachers moving into rural studies. Enhance Curriculum alignment so students can progress into ITO or ITP study at Levels 1-4 as appropriate. 	<ul style="list-style-type: none"> 44 high schools an increase of 2 schools from 2008 with 224 students participating. Telford Certificate in Farm Analysis, delivered to 50 teachers from 4 different sites. The review of core Telford qualifications, includes key pathways for moving students from 1 level to the next ensuring transparent articulation up through to level 5.

Objective: To increase opportunities for lifelong learning for the rural sector focused on productivity, environmental issues and sustainability.

Activity	2009/2010 Target	2009 Achievement
Increase in ongoing engagement in education and training beyond first time opportunity.	<ul style="list-style-type: none"> Develop new training opportunities in areas of sustainability, environmental awareness, water quality and agriculture engineering/ technology Increase those students in-work who reengage in training. Move mix of training away from general subjects to more specialised subjects. 	<ul style="list-style-type: none"> The focus was on reviewing and consolidating the existing programmes. This will be revisited in 2010. Of the students enrolled in 2009, 37.24% undertook training while concurrently employed. Note: TEC has required us to reduce short course delivery; short courses would normally target those in work. This will have impacted on participation in training. Higher level of learning being more specialised; 49 students in 2008 and 47 students in 2009. Two new programmes: Stock and station and equine were developed in 2009 at Level 4+.
Validate that training is being taken up in the work place.	<ul style="list-style-type: none"> In house monitoring demonstrates >50% apply learning in work. ACC research shows changes to attitudes and/or reduction in value of first time claims. 	<ul style="list-style-type: none"> The 2009 Graduate destination survey indicated that 85% are in work and of those who are in work 33% are studying. 75% said their training was relevant. New agriculture entitlement claims from ACC have shown a continuing trend downwards over the last 5 years. The number of new claims has dropped from 5127 (2004/05) to 4233 (2008/09). The number of all new claims (mainly medical costs) has also dropped from 23545 to 18897 in the same period. A report carried out for FarmSafe concluded that "farmers do make changes on-farm following short workshops such as FarmSafe Plans."
Increase qualification completions through multiple module completion within Telford or with other TEI study being recognised.	<ul style="list-style-type: none"> Increase qualification completions by 1% annually. 	<ul style="list-style-type: none"> Not achieved - 82% in 2008 and 78% in 2009. Horticulture and Arboriculture we are showing an increase in higher qualifications. In Fire and Rescue through closer monitoring more individuals are returning to complete their qualification.

Objective : To enhance the academic achievements and skills levels of students.

Activity	2009/2010 Target	2009 Achievement
To increase the proportion of SAC EFTS at level 4 and level 5 of the total SAC EFTS.	8%	<ul style="list-style-type: none"> Not achieved 5.6% is the proportion of SCF EFTS at level 4 and 5 of the total SCF EFTS. Programmes offered but not taken up. Within the Farmgate L3 is the level of qualification.
Student surveys with programmes generating ≥0.33 EFTS or enrolling >10 EFTS reveal 80% average satisfaction that course meets their needs.	>80%	<ul style="list-style-type: none"> Achieved Student evaluations, greater than 3 on a five point scale, that course meets their needs – 83%
Full Time Study		
To increase number of students under 25 enrolled at Level ≥4 on full time study.	14	<ul style="list-style-type: none"> Diploma in Rural Business 2009 had 23 students under 25 years of age enrolled.
To maintain completion rates of students under 25 enrolled at Level ≥4 on full time study.	>90%	<ul style="list-style-type: none"> Not achieved - 86.9% up on the 2008 percentage of 82.35% 20 Diploma students under 25 years of age completed their Level ≥4 course of study
>90% of students identified as needing literacy/numeracy support pass their course.	>90%	<ul style="list-style-type: none"> Not achieved - 12 students required both literacy and numeracy with 6 students passing their Certificate in Agriculture, pass rate of 50%.
Build capability to effectively deliver literacy and numeracy.	<ul style="list-style-type: none"> Full Time learners are appropriately screened Full Time students identified as in need are provided support appropriate to their need Level 1-3 qualifications to 	<ul style="list-style-type: none"> Literacy/Numeracy assessment given to students within the first week of being at Telford. Purchased software programmes to enhance reading capability. Held workshop on the processes of identifying and supporting literacy needs. Underway.

	<p>have literacy/numeracy embedded in the qualification by 2011</p> <ul style="list-style-type: none"> • Tutors to be appropriately qualified by 2011 	<ul style="list-style-type: none"> • Literacy workshops – 6 days by 20 tutors • Numeracy workshops – half way through, have done 3 of 6 days by 20 tutors.
Telford full time graduates support rural sector.	<ul style="list-style-type: none"> • 75% of graduates reengage in training or employed in rural sector. • 75% of graduates state their qualification is relevant. 	<ul style="list-style-type: none"> • Graduate destination survey 2009 indicated that 85% are in work and of those who are in work 33% are studying. 75% said their training was relevant.
Part Time Study		
To improve qualification completion rates for those who are in work and/or study part time for a qualification. <ul style="list-style-type: none"> • ≥Level 4 • Levels 1-3 	<ul style="list-style-type: none"> • 60% • 65% 	<ul style="list-style-type: none"> • 75% • 90%
To identify and report qualifications not presently reported through SDR which are encompassed within another qualification or are completed through a combination of PT study at Telford or in combination with study at another TEI.	<ul style="list-style-type: none"> • Annual capture and reported in Annual Report. 	<ul style="list-style-type: none"> • A total of 375 students received National Certificates across 20 qualifications as an outcome of their enrolment in Telford qualifications which were not reported in the SDR

Objective : To maintain academic quality.

Activity	2009/2010 Target	2009 Achievement
Review policies and procedures on a triennial basis against Quality Standards and legal requirements.	<ul style="list-style-type: none"> • Triennial review 	<ul style="list-style-type: none"> • 55 policies out of 81 were reviewed in 2009.
Review courses in line with P & P for relevance and quality.	<ul style="list-style-type: none"> • Qualifications and programmes delivering > 10 EFTS reviewed each year. • Through Advisory Committees that courses are industry relevant • Monitor and maintain harmonisation with ITO, NZQA and TEC requirements. 	<ul style="list-style-type: none"> • AQRs were completed with actions drawn up and monitored by the Academic Board. • Each Programme Advisory Committee met 3 times in 2009, and Agriculture PAC met 6 times with extensive minutes taken and robust discussion. • Course reviews that occurred during 2009 had content checked against unit standards and certificates to ensure the latter were embedded where possible.
Show academic quality through external and internal academic audit and external and internal moderation.	<ul style="list-style-type: none"> • Annual Internal Audit findings are implemented. • Annual External ITO Moderation findings are implemented. • ITPQ External Audit. 	<ul style="list-style-type: none"> • 5 Internal Academic Audits were carried out in 2009. • A moderation plan was put in place for 2009 this was implemented and monitored by Academic Board. • ITPQ Audit in December 2009 will have its recommendations and actions requirements completed in 2010 against an agreed time frame.
Staff are provided with professional development and in house training.	<ul style="list-style-type: none"> • Ensure staff are provided and supported with relevant Professional Development each year 	<ul style="list-style-type: none"> • 283 training/workshop days were taken up by Telford staff in 2009.
Staff are satisfied with the support given and the environment.	<ul style="list-style-type: none"> • 80% 	<ul style="list-style-type: none"> • 84% of staff surveyed were satisfied ≥3 with the support given and the environment in which they work. 29% of staff surveyed rated ≥4

Objective: Remove barriers for targeted groups.

Activity	2009/2010 Target	2009 Achievement
Encourage Maori to study through Telford.	<ul style="list-style-type: none"> 5% → 7% annually 	<ul style="list-style-type: none"> Achieved - 10.7%
Maori students to achieve similar completion rates to all student groups.	<ul style="list-style-type: none"> % as for all students 	<ul style="list-style-type: none"> 86% of Maori students completed the course in which they were enrolled, compared to 82.9% across all student groups.

EQUAL EMPLOYMENT OPPORTUNITIES AND EQUAL EDUCATIONAL OPPORTUNITIES REPORT

Staff Matters

1. **Staff Equity** – The staff distribution at Telford is:

	%	%
General Staff (non academic)	74%	26%
All Staff	61%	39%

2. **Staff Recruitment** – During the year 2009 14 positions were filled with a total of 132 applicants. Successful applicants by gender were 3 males and 11 female. During 2009 there were 4 resignations and 10 new positions created.

3. **Staff Information** – All staff have access to Policies and Procedures and were active in the review of the QMS. Five general staff meetings were held for all staff. CEO communicates with staff through a regular report, and the Academic Director circulated a monthly report to Academic staff.

In addition a number of departmental meetings were held during the year. There was also a weekly informal staff meeting.

4. **Staff Satisfaction** – Staff satisfaction was measured during the year on aspects such as environment, interpersonal relationships and personal support. 84% of staff were satisfied (≥3 on a 5 scale), which includes that 29% were very satisfied (≥4).

5. **Professional Development** – A formative performance management system was implemented in 2009. This encouraged staff to undertake professional development by attending courses and conferences, both on campus and externally. Staff training included workshops and training on

- PIPTA Conference
- ASB Sheep & Beef Conference
- SIDE Conference
- Beekeepers Conference
- St John First Aid
- E-Learning Conference
- Hostel Conference
- Coping with Change
- Hamilton Field Days
- Maori Pronunciation
- Assessment and Moderation
- Literacy training
- SAEER Training
- IT Tertiary Conference
- FarmSafe IT Training
- Diploma Agribusiness Conference
- Judging Mystery Creek
- Telford Staff Team Building
- Appraisal Training
- Microsoft Technical Conference
- AKO Conference
- Supervisor Training
- ATC Practical
- Staff were encouraged to attend seminars, workshops and conferences appropriate to their field of interest at Telford.
- Fertilisers and Parasites Workshop
- Embedding Literacy Support Workshop
- IRD Workshop
- IMS Payroll Workshop
- HATA Conference
- Finance Managers Conference
- Advanced Nutrients
- CATE Conference
- Artificial Insemination
- FarmSafe Coordinators Workshop
- TEC Workshop
- National Bank Workshop
- Dairy NZ
- Retirement Workshop
- National Bank Young Farmers Club
- Otago Net Training
- GrowSafe
- Otago/Southland Ag Teaching
- Grassland Conference
- FarmSafe ATV
- Fire and Rescue workshops x 2

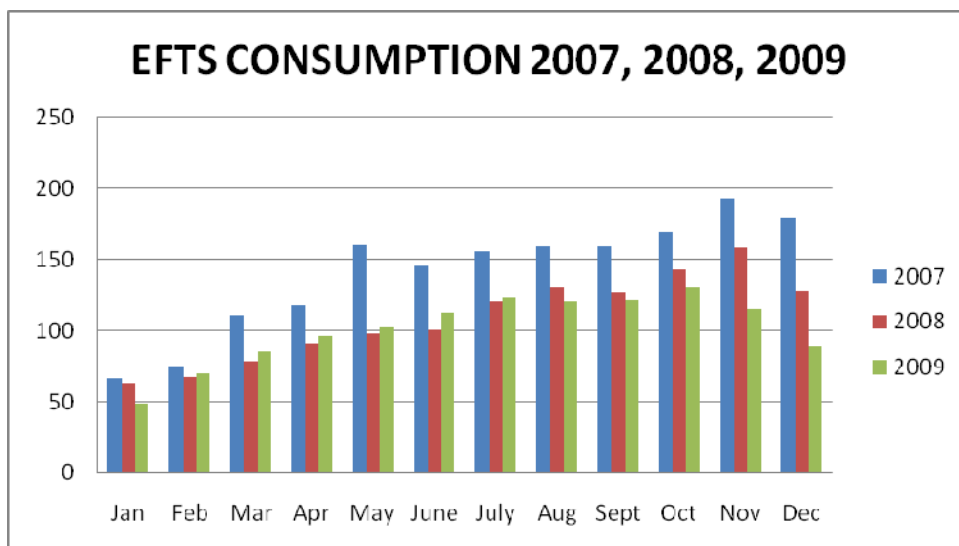
In 2009 283 workshops/training days, conferences were attended.

Student Matters

6. Enrolment

	%	%	
By Gender	Female 32.7%	Male 67.3%	
By Ethnicity	% Maori 10.7%	% Pacific Island 0.5%	% Other 88.8%

7. **Enrolment Pattern** – Telford enrolment pattern is unique within the Polytechnic Sector with the start of the year not producing the majority of enrolments. Traditionally the majority of students are enrolled during the winter and spring when the rural sector is least busy. There were 8126 students enrolled in 2009. Controlling environments within the funding cap was a challenge with Telford achieving 101% of the funded target.



8. **Student National Delivery** – Telford delivers programmes throughout the country utilising its own tutors and contracted providers. Delivery by region shows the reach of the Telford's delivery and that Telford delivers face-to-face relevant programmes nationally.

9. **On Campus Student Support** - The Students enrolled at Telford have their educational physical and social needs met by a range of measures that are put in place by the Polytechnic.

- All on-campus students in the first week of the academic year are given a Literacy and Numeracy test which allows Telford to offer extra assistance if required to improved learning outcomes.
- Student profiles for on-campus students are gathered at the start of the year, and such factors as their gender and ethnicity, their interests and personal objectives, are considered in light of how Telford may best be of assistance to students' learning throughout the year.
- All Forestry and Apiculture students were enrolled in a St John first aid course with health and safety in the workplace being stressed in the course material for all students.
- 15 students received support through the Under 18 Targeted Training Grant.
- The Public Health Nurse visited the campus 12 times with 66 students making use of this service during the year, both medical and general counselling was offered to the students. The students also have 24-hour hostel supervisor cover and basic counselling is provided to students.
- Bursaries and Scholarships were given as per previous years. Telford has access to significant Scholarship and Bursary funds when considering the applicant numbers for full time programmes.
- A full fee scholarship funded by the Telford Farm for local area students was introduced during 2004, with a view to reducing barriers for attendance by local candidates for enrolment. There were 8 students in 2009 that had their fees paid for under this scheme.
- Student satisfaction of support services was 91.6%.

- **Student Support**
 - The President and Vice President of the Students Association were active in 2009 organising committee meetings and a number of events for students.
 - Literacy and Numeracy tutoring was available 20 hours per academic week.
 - Reader/writers were provided for all those students who required such assistance for assessments.
 - Lectures on Harassment and sexuality, bullying, drug and alcohol were provided for all students at the commencement of the academic year
 - The Hardship fund was available during 2009 and was utilised once.
 - Library facilities were provided for on and off campus students and these facilities are continually being upgraded. Off campus students can now access the library through the Telford Web-Site.
 - Tutor IT support was available after hours at 10 hours per academic week.
10. **Student Retention and Pass Rates** – Overall the retention and pass rates were high but down on previous years; this reflects the student profile, (mature) and type of programme, (short). In 2009 additional staff resources were provided to give correspondence students more support and this has not resulted in a continued improvement in completion rate. An area of concern is those in work studying for a qualification where changes in family or work circumstance results in a too high number exiting the qualification before completion.
 11. **Student Satisfaction** - The high number of satisfied students (93.6%) reflects the efforts put into the delivery of programmes. This is in part a function of the type of student (mature) and duration of course (short).
 12. **Modular Training Qualification Completion** – FarmSafe delivers modular training and reporting is against course completions. Those who return and do additional modules can obtain qualifications; some 149 individuals achieved a qualification which is not shown in the SDR return.
 13. **Qualifications Achievement (non SDR)** – Fire and Rescue and Forestry was delivered nationally in modular form. Over a period of time a number achieve a variety of qualifications. In 2009 30 National Certificates in level from Level 2 were achieved, these are not shown in the SDR return. 26 National Certificates for Equine and Apiculture on-campus students were also achieved.
 14. **Arboriculture/Horticulture** - Those studying towards Telford Certificates in Arboriculture and Horticulture. Through studying additional unit standards, achieve National Certificates in Arboriculture and Horticulture, 170 certificates were achieved.



GOVERNANCE AND ACCOUNTABILITY STATEMENT

1. **Role of Council** - The Council has overall responsibility and accountability for the proper direction and control of Telford activities. This responsibility includes areas of stewardship such as:
 - Formulating the strategic direction;
 - Managing principal risks facing Telford;
 - Administering various regulations and meeting legislative requirements of the law;
 - Ensuring the integrity of management control systems;
 - Safeguarding the public interest;
 - Ensuring effective succession of elected members;
 - Reporting to students and community.

STRUCTURE OF COUNCIL

2. **Council Operations** - The Council has appointed a Chief Executive Officer to be in charge of Council operations and delegates certain powers of management to him as required under Section 196 of the Education Act 1989. The CEO has in turn appointed senior managers to manage each of the Polytechnic's significant activities.
3. **Council Committees** - The Council has three standing committees to monitor and assist in the effective discharging of its specific responsibilities.

The Finance Committee monitors financial and financial risk management. It met 6 times in 2009. The Committee was chaired by Justin Geddes and its constitution is in accordance with the relevant policy.

The Polytechnic Academic Board reports to Council on its operations and advises Council on academic matters. It met 10 times in 2009. The CEO chairs the Academic Board and its composition is in accordance with the Education Act 1989.

The Equal Employment Opportunities/Equal Educational Opportunities reports to Council on its operations and advises Council of Student access and employment issues. It met twice in 2009. The committee is chaired by Maureen Wylie and comprises 2 staff and 2 council members.

GOVERNANCE PHILOSOPHY

4. **Constitution of Council** - The Council's constitutional requirements is specified under Section 171 of the Education Act 1989. Telford believes that its balance of membership of 13 councillors ensures that it is able to operate in the best interests of students and the district and to function independently of management.
5. **Communication/Reporting** - Council met bi-monthly in 2009, to monitor management activities and to ensure that the affairs of the Polytechnic were being conducted in accordance with legislative mandate and Council objectives. The Council also monitors whether staff adhere to the principles of 'good citizenship' and high standards of ethical behaviour.
6. **Division of Responsibility between Council and Management** - A key to the efficient running of the Polytechnic is that there is a clear division between the role of Council and that of Management. The Council concentrates on setting policy and strategy, and then reviews progress. Management is concerned with implementing Council policy and strategy.

While many of the Council's functions have been delegated, the overall responsibility for maintaining effective systems of internal control ultimately rests with the Council. Internal control includes the policies, systems and procedures established to provide measurable assurance that specific objectives of the Council will be achieved. Council and Management have acknowledged their responsibility.

7. **Internal Audit** - The Council has an internal audit function, which is responsible for monitoring the Polytechnic's systems of internal control and the quality and reliability of financial information reported to the Council. Contractors for Internal Audit projects operate independently of the management and report directly to the Finance Committee. This is separate from the internal quality management systems audit which is conducted by Management, and separate also from the external quality systems audit undertaken by ITPQ and of which Council is informed.

8. **Risk Management** - The Council acknowledges that it is ultimately responsible for the management of risks.
9. **Legislative Compliance** - The Council acknowledges its responsibility to ensure the organisation complies with all legislation. The Council has delegated responsibility to the CEO for the development and operation of a programme to systematically identify compliance issues and ensure that all staff are aware of legislative requirements that are particularly relevant to them.
10. **Ethics** - The Council regularly monitors whether staff maintain high standards of ethical behaviour and practice the principles of 'good corporate citizenship.'

Monitoring compliance and ethical standards is done through such means as monitoring trends in complaints and disciplinary actions, internal audit reports, or any reports or indications that show non-conformance with expected standards.

Good corporate citizenship involves this Polytechnic, including its employees, acknowledging that it is a member of one or more communities outside of itself, and making a commitment to act in a manner consistent with the social and accepted rights and responsibilities of all citizens of those communities.

PERFORMANCE

11. **Council Performance** – The feedback indicated that all members were satisfied with the performance of Council and made suggestions for special attention in 2010, including academic quality.

NETWORK OF PROVISION

12. Telford acknowledges that Business Links Programme funding in 2009 enabled the improvement of industry stakeholders in the rural sector related with feedback totally supportive of what Telford was doing.

FUTURE GOVERNANCE

13. Council acknowledges changes to the Constitution of Polytechnic Councils as a result of the Education (Polytechnics) Amendment Bill Act. These will be addressed in early 2010.

We wish to sincerely acknowledge the generous provision of scholarships and bursaries to enable students to study at Telford Rural Polytechnic in 2009:

Clutha District Council

Salvation Army Edmund Sanderson Jeff Farm

Dairy NZ

Bank of New Zealand

Wrightson Education Trust

Rotary Club of Dunedin

Clutha Veterinary Association

Healthy Soils Limited

Telford Gowrie Trust

FONZ (Farmers of New Zealand)

Reid Trust

Alliance Group Limited

Beeline Supplies

South Otago Farm Forestry Association

Ecroyd Bee Keeping Supplies Limited

Landcorp Farming Limited

Airborne Honey

Telford Farm Board of Management

NZ Honey Industry Trust

Meat and Wool New Zealand