



Telford

Rural Polytechnic

Te Whare Wanaka O Puerua



Annual Report 2008

**We wish to sincerely acknowledge the generous donations in 2008 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 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/EEoO 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	Hamish McGregor/John Patterson
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 2008

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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 2008

It is my pleasure to present the 2008 Chairman's report on Telford Rural Polytechnic. 2008 has been a year of initial disappointment followed by consolidation for Telford with the difficult negotiation and subsequent approval by the Tertiary Education Commission (TEC) of our Investment Plan, the document that cements in place our activity and funding base for the next two years. The two year timeline aligns us with other Polytechnics which have been operating under three year Investment Plans through to the end of 2010.

Although the approval brings a little more certainty to the Institution after operating for the past 3 years on one year charters and plans it does however come at a cost. That cost being the reallocation of approximately 400 Equivalent Full Time Students of training to regional Polytechnics under the Tertiary Education reforms imposed by the previous Government. It is my belief that the land based industry stakeholders and students will not be better served by this reallocation.

During 2008 the TEC instigated a review of land based training to improve their knowledge and understanding of how to best meet land based industries training needs. Telford Council was very supportive of the review and made a strong submission based on consultation with industry as did the Telford Farm Board under separate cover. The outcome of the review is yet to be made known but it is hoped that it will endorse Telford's delivery and provide recognition that Telford is a specialist training provider with national reach within the tertiary education network.

It is our off campus training activities that have been affected by the reallocation of funding to regional Polytechnics and the fact that this has been permitted to occur during the land based training review and prior to the release of the review findings is grossly unfair to Telford and undermines the integrity of the review itself. Indeed a recent risk assessment of Telford identified changes in education policy as being the greatest risk to the health and welfare of the Institution.

Growth in our off campus training has been significant over the past 5 years and it now constitutes around 75% of our total delivery. This growth has occurred because of industry demands for improved skill sets among their employees and Telford along with our joint venture partners, has moved to meet that demand. This has resulted in off campus training becoming a significant part of our delivery mix and Telford would face an unviable future without it. This growth has not been without its challenges to both governance and management but it has

been hugely beneficial in delivering the Telford brand countrywide.

Enrolments in our on campus certificate and diploma courses reached record levels during 2008 and necessitated the construction of further accommodation on campus and the acquisition of an accommodation block in nearby Balclutha. This increase in enrolments continues into 2009 and has highlighted the need for additional classroom resource which will be addressed as the new season progresses.

An audit in late 2007 identified some deficiencies in our quality assurance requirements. Council viewed this matter with great concern and has worked hard with management throughout 2008 to ensure those deficiencies are rectified and we look forward to reinstatement of full quality assured status during 2009.

It is most pleasing to report that 2008 has been another successful year both academically and financially and the institution remains in a well resourced position as we move into difficult economic times where the skills and resourcefulness of our land based industry work force will play a key role in its eventual recovery.

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 contribution towards training and demonstration of farming practices to our students. Telford's 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 2008. It is greatly appreciated.



D YARDLEY
CHAIRPERSON

CHIEF EXECUTIVE OFFICER'S ANNUAL REPORT FOR 2008

2008 was an excellent year for Telford Rural Polytechnic across a range of important outcomes including student pass rates and satisfaction, and meeting industry stakeholder's needs. Regrettably the TEC Land Based Training Review was not complete in 2008, as a result Telford's position within the network of training provision in support of the Tertiary Education Strategy could not be defined. Efforts to identify Telford's role moving forward will continue in 2009.

Academic Delivery

Telford's on campus full time activity grew in 2008 and early indications for 2009 suggested further growth. This growth is due to Telford's increased 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, to take a leadership role, ensure consistency of training within the Polytechnic sector, and to deliver training where other Polytechnics do not.

Over the last four years Telford Rural Polytechnic has developed a business model which has resulted in the Polytechnic's forté 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 82.3% and 94.6% 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.

A fully revised Quality Management System was progressively introduced during the year. Bringing our QMS in line with the good practices evident at Telford and which are appropriate to a Polytechnic of our type and size has been a major

achievement. A Panel Visit to look at two of our programmes resulted in the disturbing outcome that these programmes may not be in line with stakeholder, student and local farmer expectations: this will need addressing early in 2009. Another step forward to ensuring high quality provision of training will be the appointment of a dedicated Quality Assurance Manager in early 2009.

Performance

Telford went into the year with large anticipated growth based on stakeholder identified needs. However Telford was capped to 1299 EFTS Student Component Funded EFTS and was not allowed to deliver in the upper South Island, Waikato and Taranaki – the regional ITPs taking over the responsibility and the funding. This had a devastating impact on the moral and capability of our National Network of tutors and support staff and as a result we could not meet our targets.

In 2008 Telford enrolled 8631 students to achieve 1303.5 EFTS. Our Student Component Funded target of 1299 was not met with 1200 EFTS achieved, however the on-campus delivery and delivery via correspondence saw an increase. This achievement demonstrates that a small, well focused Polytechnic can be successful.

Telford has built two 10-room hostel units during the year; this has met the increased demand for on-campus students and will result in less over crowding. The ability to look forward has been enhanced with the approval of a two year Investment Plan and work will start, in the new year, on a classroom complex of two teaching spaces, a resource centre and offices for six tutors. In addition the equine facilities will be improved with an indoor arena and an increase in stabling capacity.

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 to delivering quality relevant training.

Telford has commercial scale 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

2008 was dominated by the implementation of the Tertiary Education Reforms. The ITP Regionalisation Policy hit Telford hard as funding was transferred to three regional ITPs. The adverse results were a drop of agricultural training in their regions, the delivery was subcontracted so there was less funding at the coalface, little or no increased capability within the regional ITP, and the breakdown of Telford's national network of trainers. This trend will continue into 2009 with funding transferred to another three regional ITPs. Regrettably the consequence of this policy has been a reduction in training to the farming community.

The TEC Land Based Training Review due for completion by July was still not finished at the year-end. The initial discussion document was very disappointing as it reiterated existing Policy rather than truly reflect industry needs – as a result it generated many strong comments from industry. We eagerly await its conclusion.

Summary

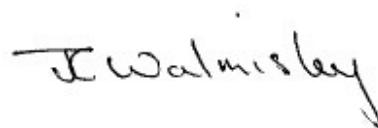
Telford Rural Polytechnic has continued to achieve a high standard of performance across a wide range of activities. This happens, not by accident, but because of the commitment and passion of our staff to ensure the delivery of relevant and efficient education and training to our students.

2008 brought its challenges and it is the way we worked through these that has enabled our success. However the uncertainty experienced the last three years continues into 2009. 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 2008.



J WALMISLEY
CHIEF EXECUTIVE OFFICER

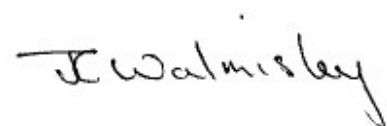
STATEMENT OF RESPONSIBILITY 2008 FINANCIAL STATEMENTS

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 2008 fairly reflect the financial position and operations of Telford Rural Polytechnic.

The financial statements were authorised for issue by the Council on 3 April 2009.



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 2008

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 of the financial statements and statement of service performance of the Polytechnic, on his behalf, for the year ended 31 December 2008.

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 2008; 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 3 April 2009, 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 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 2008. 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 2008. 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 Institute of Chartered Accountants of New Zealand.

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 2008. The financial statements were authorised for issue by the Council on 3 April 2009.

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 IAS 1 *Presentation of Financial Statements* (revised 2007) replaces NZ IAS 1 *Presentation of Financial Statements* (issued 2004) and is effective for reporting periods beginning on or after 1 January 2009. The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and to introduce a statement of comprehensive income. The Polytechnic expects it will apply the revised standard for the first time for the year ended 31 December 2009, and has yet to decide whether it will prepare a single statement of comprehensive income or a separate income statement followed by a statement of comprehensive income.
- NZ IAS 23 *Borrowing Costs* (revised 2007) replaces NZ IAS 23 *Borrowing costs* (issued 2004) and is effective for reporting periods commencing on or after 1 January 2009. The revised standard requires all borrowing costs to be capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. The Polytechnic intends to adopt this standard for the year ended 31 December 2009 and has not determined the potential impact of the new standard.

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 22 February 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 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 and, 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 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.

**INCOME STATEMENT
FOR YEAR ENDED 31 DECEMBER 2008**

	Note	2008 Actual \$	2008 Budget \$	2007 Actual \$
REVENUE				
Government Grants	(1)	9,658,543	9,246,175	9,014,338
Tuition Fees		848,986	738,070	704,962
Sales		930,371	773,343	920,236
Investment Income		871,571	580,000	627,932
Other Income		232,865	46,800	201,782
TOTAL OPERATING REVENUE		12,542,336	11,384,388	11,469,250
EXPENSES				
Materials & Services		5,708,246	5,797,448	4,861,567
Personnel	(1)	3,000,963	2,899,807	2,679,593
Accommodation Costs		710,453	598,820	823,158
General Expenses	(1)	738,930	832,570	625,691
Depreciation & Amortisation expense	(1)	340,312	340,000	305,166
TOTAL OPERATING EXPENSES		10,498,904	10,468,645	9,295,175
NET SURPLUS/(DEFICIT) FOR THE YEAR		2,043,432	915,743	2,174,075

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 Actual \$	2008 Budget \$	2007 Actual \$
EQUITY AT BEGINNING OF YEAR	11,193,197	9,838,993	9,019,122
Net Surplus/(Deficit) for the Year	2,043,432	915,743	2,174,075
TOTAL RECOGNISED REVENUES AND EXPENSES FOR THE YEAR	2,043,432	915,743	2,174,075
Capital Injection from TEC	385,000	-	-
EQUITY AT END OF YEAR	13,621,629	10,754,736	11,193,197

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

**BALANCE SHEET
AS AT 31 DECEMBER 2008**

	Note	2008 Actual \$	2008 Budget \$	2007 Actual \$
Public Equity		13,621,629	10,754,736	11,193,197
Represented By:				
Assets				
Current Assets				
Cash & Cash Equivalents	(2)	273,825	480,000	351,331
GST Refund		42,812	-	-
Inventories	(5)	37,719	25,000	28,983
Prepayments		14,918	7,376	17,520
Trade & Other Receivables	(4)	874,352	1,348,735	622,376
Other Financial Assets	(2) & (3)	9,682,172	6,597,066	9,171,436
Total Current Assets		10,925,798	8,458,177	10,191,646
Non Current Assets				
Property, Plant & Equipment	(6)	3,761,609	3,461,234	3,437,643
Capital Work in Progress		490,580	-	38,532
Intangible Assets	(7)	-	-	2,007
Total Non Current Assets		4,252,189	3,461,234	3,478,182
Less Current Liabilities				
GST		27,484	30,000	111,336
Employee Entitlements	(9)	86,800	60,000	55,603
Trade & Other Payables	(8)	1,442,074	1,074,675	2,309,692
Total Current Liabilities		1,556,358	1,164,675	2,476,631
Working Capital		9,369,440	7,293,502	7,715,015
Net Assets Equal to Public Equity		13,621,629	10,754,736	11,193,197

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 Actual \$	2008 Budget \$	2007 Actual \$
Cash Flows from Operating Activities			
Cash Was Provided From			
Grants, Course Fees, Sales Contract and Other Income	11,507,965	13,484,111	11,666,697
Interest Received	782,395	660,000	627,932
	12,290,360	14,144,111	12,294,629
Cash was Applied to			
Payments to Employees and Suppliers	11,127,811	12,873,368	9,124,032
	11,127,811	12,873,368	9,124,032
Net Cash Flows From Operating Activities	1,162,549	1,270,743	3,170,597
Cash Flows from Investing Activities			
Cash was Provided From:			
Sale of Property Plant and Equipment	73,467	5,500	765
	73,467	5,500	765
Cash was Applied to:			
Purchase of Fixed Assets	1,187,786	958,500	1,145,599
Purchase of Investments	510,736	317,743	1,884,545
Course Development Costs	(1,698,522)	(1,276,243)	(3,030,144)
Net Cash Flows From Investing Activities	(1,625,055)	(1,270,743)	(3,029,379)
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	(77,506)	-	141,218
Opening Cash Brought Forward	351,331	480,000	210,113
Closing Cash	273,825	480,000	351,331
Cash at Bank Consists of:			
BNZ Auto call - 25	9,898	-	5,123
BNZ Cheque	45,877	480,000	(458,424)
BNZ Treasury	217,450	-	804,032
Cash on Hand	600	-	600
	273,825	480,000	351,331

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**

	2008 Actual \$	2008 Budget \$	2007 Actual \$
Surplus/(Deficit) from Operations	2,043,432	930,743	2,173,310
Plus (Less) non cash items			-
Depreciation	340,312	340,000	305,166
	2,383,744	1,270,743	2,478,476
Plus (Less) movements in Working Capital Items			
(Increase)/ Decrease in Stock	(8,736)		(5,152)
(Increase)/ Decrease in Receivables	(251,976)		1,063,025
(Increase)/ Decrease in Prepaid Expenses	2,602		25,207
(Increase)/ Decrease in Net GST	(126,662)		(107,243)
Increase/(Decrease) in Employee Entitlements	31,197		(978)
Increase/(Decrease) in Payables	(867,620)		(282,738)
	(1,221,195)	-	692,121
Net Cash Flows from Operating Activities	1,162,549	1,270,743	3,170,597

**STATEMENT OF COMMITMENTS AND CONTINGENCIES
AS AT 31 DECEMBER 2008**

1. CONTINGENCIES

	2008 Actual \$	2007 Actual \$
Telford had a one third contingent asset for course fees from Joint Venture	-	51,667
Telford had a one third contingency liability with TEC	-	566,666

2. **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 entered into no non-cancellable contracts.

	2008 Actual \$	2007 Actual \$
Capital Commitments		
Property, Plant & Equipment (Balance of new hostel, car parks, classrooms and Equine Indoor Arena)	977,172	214,770
Intangible Assets	-	-
	977,172	214,770
Non-cancellable operating lease commitments		
Not later than one year	29,247	24,432
Later than one year and not later than five years	27,868	24,432
Later than five years	-	18,767
Total non-cancellable operating lease commitments	57,115	67,631

**NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

1. REVENUES AND EXPENSES

	2008 Actual \$	2008 Budget \$	2007 Actual \$
(a) Operating Revenue			
Government Grants			
Operational Bulk Grant	9,470,971	9,082,008	8,788,112
Disabilities Special Supplementary Grant	37,151	37,151	43,860
Other Grants	150,421	127,016	182,366
Total Government Grants	9,658,543	9,246,175	9,014,338
(b) Net Gain on disposal of Property Plant and Equipment	6,854	-	-
Other Income	226,011	46,800	201,782
	232,865	46,800	201,782
(c) Personnel			
Wages and Salaries	2,976,359	2,870,107	2,659,006
Employee Welfare expenses	24,604	29,700	20,587
Total Personnel Expenses	3,000,963	2,899,807	2,679,593
(d) General Expenses			
Fees to auditor:			
Audit fees for the financial statement audit	34,000	48,000	30,770
Audit fees for NZ IFRS transition	-	-	6,000
Prior year additional Audit Fees	3,315		
Audit related fees for assurance and related services	2,583	10,000	5,900
Operating lease payments	17,209	20,000	20,831
Net foreign exchange losses	-	-	-
Net loss on disposal of property, plant and equipment	-	-	-
Other general expenses	681,823	754,570	562,190
Total General expenses	738,930	832,570	625,691
(e) Depreciation expense	338,305	340,000	297,219
Amortisation expense	2,007	-	7,947
Total Depreciation & Amortisation expense	340,312	340,000	305,166

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:

	2008 Actual \$	2008 Budget \$	2007 Actual \$
Loans and receivables			
Cash & Cash Equivalents	273,825	480,000	351,331
Trade & Other Receivables	874,352	1,348,735	622,376
Other Financial Assets	9,682,172	6,597,066	9,171,436
Financial Liabilities measured at amortised cost			
Trade & other payables	1,442,074	1,074,675	2,309,692

3. MATURITY ANALYSIS OF OTHER FINANCIAL ASSETS

(a) CURRENT

	31 December 2008			31 December 2007		
	Effective Interest Rate	Maturity	Amount	Effective Interest Rate	Maturity	Amount
Deposits with banks						
	8.30%	20 Jan 09	300,000	8.69%	21 Jan 08	850,000
	8.20%	20 Feb 09	500,000	8.60%	2 Feb 08	700,000
	8.00%	20 Mar 09	600,000	8.69%	20 Feb 08	600,000
	7.74%	29 Mar 09	500,000	8.67%	29 Feb 08	500,000
	7.75%	31 Mar 09	750,000	8.74%	20 Mar 08	800,000
	7.00%	20 Apr 09	300,000	8.81%	31 Mar 08	700,000
	8.40%	1 May 09	400,000	8.76%	18 Apr 08	1,000,000
	8.84%	30 May 09	500,000	8.73%	18 Apr 08	300,000
	8.83%	4 Jun 09	700,000	8.86%	30 Apr 08	500,000
	6.53%	19 Jun 09	1,200,000	8.83%	30 April 08	400,000
	8.51%	30 Jun 09	500,000	8.85%	20 May 08	500,000
	8.30%	31 Jul 09	1,400,000	8.76%	20 May 08	700,000
	6.75%	11 Aug 09	500,000	8.76%	20 May 08	400,000
	7.14%	20 Aug 09	700,000	8.86%	30 May 08	500,000
	7.60%	16 Jan 09	15,000	8.40%	17 Jun 08	15,000
		Call	7,373		Call	6,436
			8,872,373			8,471,436
Joint Venture (1/3)						
	6.50%	15 Jan 09	150,000	8.77%	21 Jan 08	100,000
	5.93%	22 Jan 09	100,000	8.72%	31 Jan 08	233,333
	5.42%	29 Jan 09	100,000	8.76%	7 Feb 08	33,333
	6.00%	5 Mar 09	100,000	8.79%	14 Feb 09	166,667
				8.75%	21 Feb 08	166,667
			450,000			700,000
Total Deposits with banks			9,322,373			9,171,436
FarmSafe Current Account	7.08%	5 Mar 09	359,799			
			9,682,172			9,171,436

4. TRADE AND OTHER RECEIVABLES

	2008 Actual	2008 Budget	2007 Actual
	\$	\$	\$
Trade Debtors (current)	326,570	148,735	440,502
1-30 Days	10,896		
31-60 Days	35,730		
61-90 Days	44,277		
FarmSafe Control Account	39,574	-	-
Receivables (MoE)	283,678	1,200,000	-
One third FarmSafe Trade Receivables	133,627	-	181,874
Total	874,352	1,348,735	622,376

The carrying amount of receivable approximates their fair value.

5. INVENTORIES

	2008 Actual \$	2008 Budget \$	2007 Actual \$
Honey	3,481	5,000	5,161
Memorabilia	11,203	5,000	6,399
Books	2,728	5,000	5,915
Kitchen	9,357	10,000	7,508
Horses	10,950	-	4,000
Total	37,719	25,000	28,983

6. PROPERTY PLANT AND EQUIPMENT

	Buildings Crown	Buildings Telford	Roading & Fencing	Furniture & Fittings	Plant & Equip	Office Equip	Saddlery	Library Books	Motor Vehicles	Computer Hardware	TOTAL
Year ended 31 December 2007											
At 1 January 2007, net of accumulated depreciation	996,409	971,927	23,706	88,661	264,832	10,851	2,378	25,203	98,032	106,759	2,588,758
Additions	-	775,129	-	53,150	98,423	7,432	1,000	6,738	174,438	61,735	1,178,045
Disposals	-	-	-	-	-	-	-	(31,941)	-	-	(31,941)
Depreciation charge for the year	42,107	60,375	2,528	21,870	44,456	-	1,026	-	42,167	75,202	297,219
At 31 December 2007 net of accumulated depreciation	954,302	1,686,681	21,178	119,941	318,799	10,795	2,352	-	230,303	93,292	3,437,643
At 1 January 2007											
Cost of fair value	1,524,847	1,362,068	50,199	188,939	479,128	45,225	10,317	36,848	290,623	435,840	4,424,034
Accumulated depreciation and impairment	528,438	390,141	26,493	100,278	214,296	34,374	7,939	11,645	192,591	329,081	1,835,276
Net carrying amount	996,409	971,927	23,706	88,661	264,832	10,851	2,378	25,203	98,032	106,759	2,588,758
At 31 December 2007											
Cost of fair value	1,524,847	2,137,197	50,199	242,089	577,551	52,657	11,317	-	456,061	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
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	-	230,303	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

7. INTANGIBLES

	2008 Actual \$	2007 Actual \$
Computer Software		
Year ended 31 December 2008		
At 1 January 2008, net of accumulated depreciation	2,007	9,954
Depreciation Charge for the year	2,007	7,947
At 31 December 2008 net of accumulated depreciation	-	2,007
At 1 January 2008		
Cost or fair value	41,960	41,960
Accumulated depreciation and impairment	39,953	32,006
Net carrying amount	2,007	9,954
At 31 December 2008		
Cost or fair value	41,960	41,960
Accumulated depreciation and impairment	41,960	39,953
Net carrying amount	-	2,007

For the year ended 31 December 2008, 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 of \$2,007 relating to intangible assets is included in the operating expenses of the income statement under depreciation and amortisation expense.

8. TRADE AND OTHER PAYABLES

	2008 Actual \$	2008 Budget \$	2007 Actual \$
Trade payables	918,568	1,059,675	1,246,161
Payables (MoE)	234,074	-	652,048
Student Bonds	13,220	-	9,931
Government Grants			89,260
Student Fees	18,587	15,000	53,118
One third of FarmSafe Creditors	257,625	-	259,174
	1,442,074	1,074,675	2,309,692

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

	2008 Actual \$	2008 Budget \$	2007 Actual \$
Employee Entitlements			
At 1 January	55,603	60,000	56,581
Additions during the year	114,691	60,000	100,765
Utilised during the year	83,494	60,000	101,743
At 31 December 2008	86,800	60,000	55,603

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	-	126,616	-	453
Amount Receivable	682	5,882	1,947	-
Total Revenue	243,471	14,207	16,937	-
Total Expenditure	548,620	1,334,957	-	983

	2008 Actual	2007 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	389,288	371,350
Post-employment benefits	-	-
Total key management personnel compensation	389,288	371,350
Transaction with key management related parties	20,023	33,457

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 2008 was:
Telford Income \$122,998 (2007 \$44,704) Telford Expenditure \$126,116 (2007 \$101,979)

At balance date, Telford owed the Telford Farm Board Of Management \$24,423.

At balance date, Telford Farm Board Of Management owed Telford \$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 2008.

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 6.00% and 8.84% 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 \$1,157,948 above budget due mainly to higher than budgeted tuition fees \$110,916 which resulted from FarmSafe and Subcontractor tuition fees. Sales were above budget by \$157,028 as a result of higher and number of students being accommodated on campus. Investment income was \$291,571 above budget as the result of higher investments and higher than budgeted interest rates.

Expenses are \$30,259 above budget. Personnel costs are \$101,156 above budget due to more staff being employed and higher budgeted than wage increases in some areas. Accommodation and General Expenses are above budget by \$111,633 and \$93,640 respectively while Materials and Services are \$89,202 below budget.

Property Plant and Equipment has increased by \$776,014 due to mainly the construction of two new hostels along with a meeting room and staff room.

Creditors' major variation with budget is mainly due to \$431,171 provision for MoE payment in regard to the 2006 EFTS dispute.

Investments are \$3,085,106 above budget due mainly to an under estimation in the budget.

13 COUNCIL AND COUNCIL COMMITTEE FEES AND EXPENSES

	FEES	EXPENSES	2008 TOTAL
L Brook	2,700	1,166	3,866
D Yardley	20,944	1,500	22,444
M Elliott	1,800		1,800
M Wylie	2,460	150	2,610
D Waugh (Academic Board only)	1,440	49	1,489
T Hall	2,280		2,280
B MacKenzie	4,080	234	4,314
M Dodge	1,980	48	2,028
J Geddes	2,520	348	2,868
M Brass Time donated	-	-	-
G Mayo Time donated (Academic Board only)		450	450
Total Fees and Expenses for 2008 were	40,204	3,945	44,149
Total Fees and Expenses for 2007 were	38,040	4,086	42,126

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.

	2008 Actual \$	2008 Budget \$	2007 Actual \$
Revenue	3,942,795	4,425,683	8,595,361
Expenses	3,351,505	3,214,697	5,019,686
Joint Venture Distribution to other partners	394,193	807,324	2,383,783
Telford share of surplus	197,097	403,662	1,191,892

The Financial Statements of the Joint Venture for the year ended 31 December 2008 have been audited.

	2008 Actual \$	2007 Actual \$
Summary of Assets and Liabilities		
Assets	2,679,503	3,007,231
Liabilities	1,995,719	781,556
Net Equity	683,784	2,225,675

15. EVENTS AFTER BALANCE DATE

There are no events after balance date (2007 Nil).

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	2008		Actual 2008			2007	
	EFTS Target	EFTS Actual	% (3) Actual Satisfied	% Retention	% Pass	% Pass	EFTS Actual
Joint Venture (2)	164	127.5	87	100	86.3	91	304.9
National	487	492.0	98.86	96	82	89	421.7
Correspondence (1)	75	82.6	97	97	45	44	63.1
Campus Programmes	225	225.0	90	92.5	89	80	133.2
Totals	951	927.1	94.1	96	81	85	922.9

- (1) Based on courses completed in 2008
(2) Total Joint Venture EFTS was 382.5 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.

	2008 Actual \$	2008 Target \$	2007 Actual \$
Financial Measures			
Public Funding/EFTS	9,474	10,379	9,521
Student Funding/EFTS	760	616	764
Direct Costs	6,497,449	6,700,014	5,667,223
Direct Costs/EFTS	7,008	7,045	6,140

(2) Cost of Services

	2008 Actual \$	2008 Budget \$	2007 Actual \$
DIRECT COSTS			
Materials and Services	5,043,761	5,062,154	4,401,770
Personnel	1,106,087	1,278,067	959,062
Accommodation Costs	60,357	60,320	56,375
General Expenses	287,244	299,473	250,016
Depreciation	-	-	-
	6,497,449	6,700,014	5,667,223
INDIRECT COSTS			
Accommodation Services*	932,688	735,814	770,156
Education Services	424,464	484,470	547,617
Overheads	1,759,768	1,618,246	1,551,615
	3,116,920	2,838,530	2,869,388
GROSS COST OF SERVICES	9,614,369	9,538,544	8,536,611
LESS RELATED REVENUE			
Sales	321,608	290,656	257,038
Other Income	112,604	19,400	66,168
Sponsorship & Donations	-	-	-
Course Fees	675,247	596,770	543,914
	1,109,459	906,826	867,121
NET COST OF SERVICES	8,504,910	8,631,718	7,669,491

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:

	2008		Actual 2008			2007	
Telford Programmes	EFTS Target	EFTS Actual	% Satisfied	% Retention	% Pass	% Pass	EFTS Actual
Community Education***	18	18	N/A	N/A	N/A	N/A	17.85
On Campus	20	18	79	84.2	78	100	35.9
TOTAL	38	36	-	-	-	-	53.6

	Actual 2008	Target 2008	Actual 2007
	\$	\$	\$
Financial Measures			
Public Funding/EFTS	7,671	6,465	5,114
Student Funding/EFTS	961	828	641
Direct Costs	163,059	255,060	131,873
Direct Costs/EFTS	4,529	6,712	2,442

(2) Cost of Services

	2008 Actual	2008 Budget	2007 Actual
	\$	\$	\$
DIRECT COSTS			
Materials and Services	30,511	95,400	32,444
Personnel	126,889	154,500	96,528
Accommodation Costs	1,860	2,400	1,313
General Expenses	3,799	2,760	1,588
	163,059	255,060	131,873
INDIRECT COSTS			
Accommodation Services*	-	-	-
Education Services	33,304	38,012	33,627
Overheads	138,074	126,970	95,279
	171,378	164,982	128,906
GROSS COST OF SERVICES	334,437	420,042	260,779
LESS RELATED REVENUE			
Sales	(2,218)	-	-
Other Income	6,211	-	1,122
Sponsorship & Donations	-	-	-
Course Fees	52,746	62,900	33,933
	56,739	62,900	35,055
NET COST OF SERVICES	277,698	357,142	225,724

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	2008		Actual 2008			2007	
	EFTS Target	EFTS Actual	% Satisfied	% Retention	% Pass	% Pass	EFTS Actual
ITO	20	23.29	80	100	91	69	34.2
STAR (3)	45	46.53	100	96	99.5	99	56.0
Full Fees- Other	-	15.33	Included elsewhere			-	6
TOTAL	65	85.15	93.4	97.3	97	77	102.7

(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

	Actual 2008 \$	Target 2008 \$	Actual 2007 \$
Financial Measures			
Direct Costs	127,841	103,500	174,095
Direct Costs/EFTS	1,500	1,593	1,690

	2008 Actual \$	2008 Budget \$	2007 Actual \$
DIRECT COSTS			
Materials and Services	13,207	9,600	70,488
Personnel	107,429	84,240	94,456
Accommodation Costs	1,141	1,440	1,076
General Expenses	6,064	8,280	8,075
	127,841	103,560	174,095

INDIRECT COSTS			
Accommodation Services*	-	-	-
Education Services	82,058	93,658	84,440
Overheads	340,199	312,840	239,250
	422,257	406,498	323,690

GROSS COST OF SERVICES **550,098** **510,058** **497,785**

LESS RELATED REVENUE

Sales	-	-	-
Other Income	-	-	-
Course Fees	82,138	105,400	171,029
	82,138	105,400	171,029

NET COST OF SERVICES **467,960** **404,658** **326,756**

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 2008 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 2008-2009 Profile 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 2008.

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	2008 Target	2008 Achievement
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"> • Greater understanding between ITPs/Wanana but no formal protocols. Two new agreements with Regional ITP to transfer training in 2009.
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"> • Discussion underway with Lincoln University. • Telford Farm is involved in research.
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"> • ITO progression identified and advised to students. Discussion with primary industry ITOs in regard to the introduction of Diploma programmes in horticulture and forestry. Telford as part of PIPTA has discussed the option of a horticulture diploma with the HortITO. • Development of new Qualifications with AgITO underway. AgITO has developed a set of resources at levels two and three available for use within the polytechnic sector from late 2008. • Hosted the National Equine Moderation workshop at Telford late in 2008.
Enhanced industry stakeholder consultation.	<ul style="list-style-type: none"> • Industry approve Telford programmes • To identify national industry needs • To identify technology transfer opportunities 	<ul style="list-style-type: none"> • Programme Advisory Committee and Industry National Bodies strongly support Telford programmes as meeting industry needs. • A small number of relevant staff have attended three workshops regarding the new self evaluation processes where improving engagement with stakeholders has been a key focus. The intention is to developing and embed effective processes in 2010. • Telford Farm is participating in research activities to enable technology transfer through research. • Six successful workshops were run on pastures and soils, specifically focussing on using a technology/technologies to facilitate analysis.
Enhanced support for High School Rural Studies.	<ul style="list-style-type: none"> • Additional High Schools utilise Telford video conferencing in lieu of correspondence • Introduce 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"> • 42 schools in 2008 compared to 33 in 2007. • 45 High School Teachers enrolled on Telford programmes introduced for first time in 2008. • Telford programmes incorporate National Qualifications which have progression to higher Qualifications undertaken in work. Several meetings were facilitated with secondary teachers throughout the year and our High School's Programme Coordinator attended the secondary teachers HATA conference to discuss alignment.

Objective: To increase opportunities for life long learning for the rural sector focused on environmental issues and sustainability.

Activity	2008 Target	2008 Achievement
<p>Increase in ongoing engagement in education and training beyond first time opportunity.</p>	<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"> • Investigating content and support for environmental and technology programmes. In 2008. Concentrated on fully resourcing the Small Farming and the Horticulture correspondence programmes, and reviewing a significant portion of the assessment material across most programmes. • The push to encourage this has been circumscribed by the cap on funding. The market focus has continued to be the same as in previous years on the basis that it would be unwise to target a specific 'new' market only to find that we didn't have the capacity to deliver. • Telford is investigating the possibilities for more specialised programmes and will look to develop further options in 2009. In 2008 Telford delivered a small number of specialised courses in soils and fertilisers, within already approved programmes at higher levels, and developed resource material for specialised areas – pack-house hygiene, GlobalGap needs (international accreditations), harvesting equipment, chemical safety, and 'market trends for farm produce'. In addition Telford developed a range of resource packages for already accredited correspondence programmes that are intended for expansion to face-to-face workshops when accreditation is in place for appropriate courses.
<p>Validate that training is being taken up in the work place.</p>	<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"> • Analysis of data shows that approx 80% of enrolees are transferring skills directly back to place of work reflecting a significant change in attitude. • ACC claims statistics show a reduction in value of first time claims from 71.3 million in 2006/2007 to 70.4 million in 2007/2008.
<p>Increase qualification completions through multiple module completion with Telford or with other TEI study being recognised.</p>	<ul style="list-style-type: none"> • Increase qualification completions by 1% annually. 	<ul style="list-style-type: none"> • Achieved 81% in 2007 and 89% in 2008.
<p>Short Award/Programme rationalisation.</p>	<ul style="list-style-type: none"> • Reduce short programme delivery by 10% by 2010 where such programmes do not cross credit to larger qualifications or articulate to higher level qualifications. 	<ul style="list-style-type: none"> • All short courses and awards contribute to National Qualifications.

Objective: To enhance the academic achievements of students.

Activity	2008 Target	2008 Achievement
To increase the proportion of SAC EFTS at level 4 and level 5 of the total SAC EFTS.	5%	<ul style="list-style-type: none"> Achieved 6.7%
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 86.45%
Full Time Study		
To increase number of students under 25 enrolled at Level =4 on full time study.	12	<ul style="list-style-type: none"> Achieved - 17 Students enrolled an increase of 5.
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 - 82.35%
>90% of students identified as needing literacy/numeracy support pass their course.	>90%	Not achieved - 13 students received literacy/numeracy support. 10 students achieved their qualification. The remaining 3 achieved a commendable number of unit standards.
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 have literacy/numeracy embedded in the qualification by 2010 Tutors to be appropriately qualified by 2010 	<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. Literacy strategy is in discussion with TEC for approval in 2009. Programmes identified. Awaiting approval of Literacy Strategy in 2009.
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"> 40 graduates out of 62 stated that they are still in the agriculture sector a percentage of 64.5%. 26% reengaged in training. Approximately 73% of graduate respondents believe their qualification was relevant to the rural sector and particularly beneficial to their current employment.
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% 60% 	<ul style="list-style-type: none"> 90% 88%
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"> 269 students received National Certificates across 18 qualifications as an outcome of their enrolment in Telford qualifications

Objective: To maintain academic quality.

Activity	2008 Target	2008 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"> • Whole QMS reviewed by external consultants in 2008.
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"> • FarmSafe Awareness, FarmSafe Plans, FarmSafe Chainsaws, FarmSafe Agrichemicals, FarmSafe ATVs, Motorbikes and Tractors, process started on Certificate in Agriculture, Certificate in Farm Management and Diploma in Rural Business. • 9 PAC meetings occurred in 2008. Programmes were approved as industry relevant. • Whilst there is close harmonisation with external agencies greater emphasis is needed to ensure programmes meet student expectations.
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 findings are implemented 	<ul style="list-style-type: none"> • Action Plans have been developed from four Internal Audits in 2008. Completion of actions has been monitored by Academic Board. • ITO Moderation findings have been followed through with assessment schedules, upgraded as per suggestions. • External Audit recommendations are being developed into Action Plans and monitored by the Academic Board and Council.
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"> • 105.51 workshops/training days/conferences were attended in 2008.
Staff are satisfied with the support given and the environment.	<ul style="list-style-type: none"> • 75% 	<ul style="list-style-type: none"> • 84% of staff were satisfied.

Objective: Remove barriers for targeted groups.

Activity	2008 Target	2008 Achievement
Encourage Maori to study through Telford.	<ul style="list-style-type: none"> • 5% ? 7% annually 	<ul style="list-style-type: none"> • Achieved - 12.1%
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"> • 79% of Maori Students completed the courses in which they were enrolled, compared to 84.3% across all student groups.

EQUAL EMPLOYMENT OPPORTUNITIES AND EQUAL EDUCATIONAL OPPORTUNITIES REPORT

Staff Matters

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

	%	%
	Female	Male
General Staff (non academic)	80.5%	19.5%
All Staff	67%	33%

2. **Staff Recruitment** – During the year 2008 15 positions were filled with a total of 36 applicants. Successful applicants by gender were 4 male and 11 female. During 2008 there were 11 resignations and four 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 32% were very satisfied (=4).

5. **Professional Development** – A formative performance management system was implemented in 2008. This encouraged staff professional development with staff attended courses and conferences, both on campus and externally. Staff training included workshops and training on

- | | |
|--|---------------------------------------|
| - PIPTA Conference | - Know Your Pastures |
| - ASB Sheep & Beef Conference | - International of Education Workshop |
| - SIDE Conference | - Take 2 Training |
| - Beekeepers Conference | - Kiwi Host Training |
| - St John First Aid | - FarmSafe Agrichem Course |
| - E-Learning Conference | - Microsoft Auckland Conference |
| - Hostel Conference | - Finance Managers Conference |
| - QMS Refresher with All Staff | - Internal Moderation |
| - Hamilton Field Days | - CATE Conference |
| - Employers Association | - ITPNZ Skills Strategy |
| - Dressage Course | - FarmSafe Coordinators Workshop |
| - Births/Deaths/Marriages Training | - VM Ware Training |
| - Halls of Residence Training | - Meat and Wool Beef Conference |
| - Excel Training | - HR Training |
| - IT Tertiary Conference | - Mail Merge Training |
| - VOS Training | - Ravensdown Fertiliser |
| - Teaching and Learning Workshop | - Archives Training |
| - Moderation Seminar | - Curriculum Alignment Forum |
| - Administration Professionalism Workshop | - GrowSafe |
| - NZ Fire Service Training | - Behaviour Management |
| - Payroll Kiwisaver | - Feed Smart |
| - ITP Marketing Conference | - Nutrient Budgeting |
| - Know Yours Soils | - Fire and Rescue workshops x 2 |
| - Staff were encouraged to attend seminars, workshops and conferences appropriate to their field of interest at Telford. | |

In 2008 105.51 workshops/training days, conferences were attended.

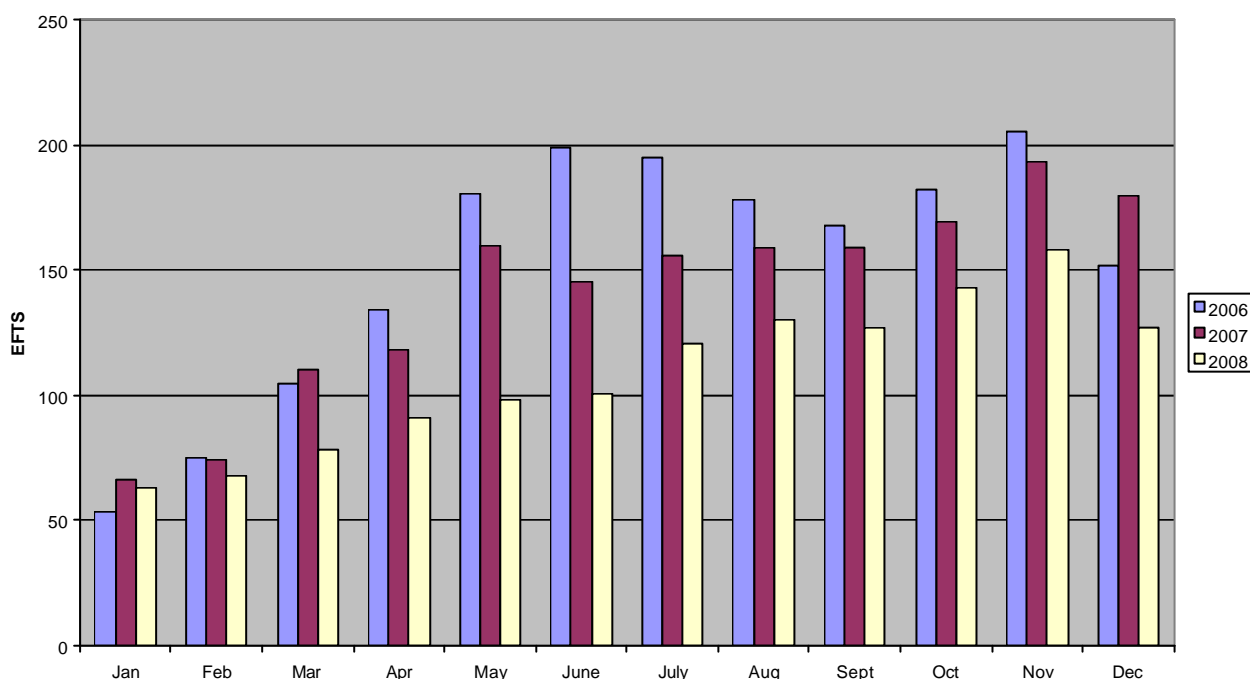
Student Matters

6. Enrolment

	%	%	
	Female	Male	
By Gender	34%	66%	
By Ethnicity	% Maori	% Pacific Island	% Other
	12.1%	0.7%	87.2%

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 8631 students enrolled in 2008.

EFTS CONSUMPTION 2006-2007-2008



8. **Student National Delivery** – Telford delivers programmes throughout the country utilising its own tutors and to a lesser extent contracted PTEs. 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 14 times with 103 student consultations during the year and she offered both medical and general counselling to 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 9 students in 2008 that had their fees paid for under this scheme.
 - Student satisfaction of support services was 80%.
 - Student Support
 - The President and Vice President of the Students Association were active in 2008 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 2008 and was utilised once.
 - Library facilities were provided for on and off campus students and these facilities are continually being upgraded.
 - 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; this reflects the student profile, (mature) and type of programme, (short). In 2008 additional staff resources were provided to give correspondence students more support and this has resulted in improved 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 (93.8%) 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. **FarmSafe Recognition** – FarmSafe has been identified by ACC as having the highest Brand recognition of any educational institute in the rural community with >90% identifying FarmSafe as an educational provider in a positive manner.
 13. **Validation of Training** – A study was carried out in the Manawatu/Wanganui/Wairarapa region in regard to the uptake of training from 2 programmes – FarmSafe Awareness and FarmSafe Plans. The result showed that Awareness resulted in 71% of attendees taking follow up action on their farms, and for Plans 63% of attendees taking a follow up action on their farms.
 14. **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 26 individuals achieved a qualification which is not shown in the SDR return.
 15. **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 2008 some 13 National Certificates in level from Level 2 were achieved, these are not shown in the SDR return.
 16. **Arboriculture/Horticulture** - Those studying towards Telford Certificates in Arboriculture and Horticulture. Through studying additional unit standards, achieve National Certificates in Arboriculture and Horticulture, 20 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 7 times in 2008. 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 9 times in 2008. 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 2008. 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 are 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 2008, 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** – During the year Council approved a self evaluation process. The feedback indicated that all members were satisfied with the performance of Council and made suggestions for special attention in 2009, including academic quality.
12. **Effectiveness** – Campus expenses are increasing in line with inflation. A worrying trend is the increased cost of developing teaching resources; however with small class sizes this is understandable.

NETWORK OF PROVISION

13. Telford acknowledges that Business Links Programme funding in 2008 enabled the identification of industry stakeholders in the rural sector and the development of working relationships with them. Feed back was totally supportive of what Telford was doing.
14. Telford acknowledges funding of \$150,000 from TEC, which enabled Telford to meet TEC requirements for data collection in 2008. It has enabled Telford to identify and meet the IT improvements needed to meet the reporting requirements of the Tertiary Education Strategy. Telford acknowledges funding of \$385,000, which has enabled the upgrade of IT Capability and Capacity.
15. The start of the year saw Telford continuing down a collaborative model with other ITPs and industry. The regionalisation policy interpretation by the TEC that regional ITP could "claim back" funding was unexpected and was forthcoming late in the Investment Plan process. Telford has voiced concern that this pre-empted the TEC Review of Training for the Land Based Sector announced in early 2008 for findings to inform the 2010 Plan. Telford is concerned that training will be lost to the agricultural sector and that if such a process continues it may adversely affect the future viability of the Polytechnic.
16. In 2008 Council raised concern with the TEC that without guidance and robust dialogue the Council cannot fulfil its function in an effective manner. The approval of a two year investment plan has gone a long way to alleviate this concern.

We wish to sincerely acknowledge the generous provision of scholarships and bursaries to enable students to study at Telford Rural Polytechnic in 2008:

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	Foliafeed/Healthy Soils
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	Rural Women of NZ - Southland