

ANNUAL REPORT 2008



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INTRODUCTION FROM THE CHANCELLOR



**Emeritus Professor
Tim Beaglehole
Chancellor**

2008 was a year of many successes, changes and challenges for Victoria University. It is my pleasure to introduce the 2008 Annual Report, focusing on the work of the University Council.

+ STRATEGIC PLAN

The Council is responsible for the strategic direction of the University and is ultimately accountable for the programmes of study, degrees and other qualifications that our students graduate with.

The environment in which we govern continued to change during 2008. Not only is the tertiary education sector undergoing significant reform but, like other businesses, households and institutions, we are operating with an uncertain economic outlook.

With this environment in mind, the Council approved a new Strategic Plan in 2008. This was an extensive process involving Council, staff and students. I would like to acknowledge and thank all Council members who invested a large amount of time, energy and thought into this process.

We are a research-intensive university with outstanding staff and students, and the University Council wants to secure this for the future. The Strategic Plan identified eight areas for which goals would be set: research, learning and teaching, the student experience, external relationships, capability, resources, public contribution and equity. Each of these goals has actions and measures so we can track our success.

One goal which is particularly relevant to our local, national and international communities is in the area of public contribution. We want to ensure our research and knowledge are shared with the public in a way that enriches New Zealand's culture, society and economy. Victoria University's staff and students are well placed to contribute to the opportunities and challenges in the world today and we will continue to encourage and support staff in their role as the critic and conscience of society.

Victoria University is committed to providing all graduates with four key attributes for life: leadership skills, communication skills and the ability to think creatively and critically. All goals in the Strategic Plan are focused on ensuring Victoria's success in producing such graduates and supporting excellence in research and teaching.

+ CAPITAL INVESTMENT

To encourage and foster academic excellence, Victoria needs top-quality facilities. Previous annual reports have referred to the huge pressure which growth over the past seven years has had on the University's facilities. In 2007, the University Council approved considerable expenditure on capital works and 2008 was an exciting year as two major projects neared completion.

Te Puni Village student accommodation, a project to meet increased demand for student accommodation, is almost complete and will open officially in early 2009. The Coastal Ecology Laboratory was near completion in December 2008 and replaces the original marine laboratory at Island Bay with a purpose-built three-floor building of research laboratories, academic and postgraduate office space.

During the year the University Council reviewed and approved numerous reports on other projects happening around campus. In May, the first sod was turned at the site of the Teaching and Research Building, due to be completed in 2010, which will provide specialised laboratories, postgraduate study space, as well as large teaching rooms for a more intensive focus on research, particularly in science and engineering. This building will complement other developments on the Kelburn Campus, including the 'Hub', a project to improve learning areas and social spaces as well as giving the Quad space and Library a long overdue refurbishment.

The University has been working closely with the Victoria University of Wellington Students' Association Trust on the Campus Hub redevelopment project, and they are recommending to their members that a \$12 million contribution be made to the project over 15 years.

+ LIFELONG ALUMNI

Throughout the year I was privileged to spend time with many of the friends of Victoria University. It was my pleasure to once again host the Chancellor's Dinner in 2008 and acknowledge and thank our research partners, advisers to faculty boards and friends.

We also celebrated students' successes. More than 3,000 students graduated in nine ceremonies in 2008 and I had the pleasure of congratulating them as they crossed the stage. I also had the privilege of conferring four honorary doctorates in 2008 to Colin James, Richard Nunns, David Mullan and Bernard Spolsky and welcoming new Hunter Fellow Mark Tume, who generously dedicated many years and brought considerable expertise and experience to the Victoria University Foundation.

A special highlight of 2008 was the 75th anniversary of Weir House—the University-owned Halls of Residence. As a former warden of Weir House, it was a delight to welcome back more than 200 former residents for a weekend of activities and fond memories.

+ UNIVERSITY COUNCIL

During 2008 there were a number of changes to the University Council. We farewelled Te Mākao Bowkett, Mr Christopher Bishop, Mr Gowan Pickering and Mr Joel Cosgrove and welcomed four new members: Mr Jordan King, Mr Charles Finny, Ms Helen Sutch and Ms Brenda Pilott.

Finally, I would like to acknowledge the commitment of the Council Officers during a very full year. Thank you all for your expertise and effort; I look forward to working with you in 2009.



Emeritus Professor Tim Beaglehole
Chancellor

THE UNIVERSITY COUNCIL



Victoria College was founded by an Act of Parliament in 1897, the year of Queen Victoria's Diamond Jubilee celebrations, and with four founding professors. Many years on, Victoria University of Wellington is a thriving community of more than 20,000 students and 2,000 staff located at four campuses around Wellington. Despite the change in scale and size, the University remains committed to the values on which it was established, and these in turn guide the Victoria University Council.

ROLE OF THE COUNCIL

The powers, functions and duties of the Council are set out in the Education Act 1989. A statutory function of the Council is to appoint the Vice-Chancellor and to monitor and evaluate the Vice-Chancellor's performance. The statutory recurring functions of the Council are to prepare and submit an Investment Plan, to ensure that the institution is managed in accordance with that Plan and to determine policies to implement that Plan, and to determine, subject to the State Sector Act 1988, the policies of the institution in relation to the management of its affairs and to undertake planning relating to the institution's long-term strategic direction. The Council also adopts an annual report and financial statements and sets tuition fees.

The day-to-day management of the University is the responsibility of the Vice-Chancellor. The State Sector Act 1988 designates the Vice-Chancellor as the employer. Further information is held at www.victoria.ac.nz/council

⊕ COUNCIL MEMBERSHIP FOR 2008

Officers		
CHANCELLOR	Emeritus Professor Tim Beaglehole	
PRO CHANCELLOR	Ian McKinnon QSO, JP	
CHAIR, FINANCE COMMITTEE	James Ogden	
VICE-CHANCELLOR	Professor Pat Walsh	
Members		
APPOINTED BY THE MINISTER OF EDUCATION	Mary Bruce Patricia McKelvey CNZM MBE James Ogden Shaan Stevens	February 2007–February 2011 February 2007–February 2011 February 2007–February 2011 February 2005–January 2009
VICE-CHANCELLOR	Professor Pat Walsh	January 2005–
ELECTED BY ACADEMIC STAFF	Professor Charles Daugherty ONZM Associate Professor Dolores Janiewski Professor Paul Morris	2005–2008 2007–2010 2005–2008
ELECTED BY GENERAL STAFF	Kevin Duggan	2007–2010
APPOINTED BY THE EXECUTIVE OF THE STUDENTS' ASSOCIATION	Christopher Bishop Joel Cosgrove Jordan King	October 2007–September 2008 2008 October 2008–September 2009
ELECTED BY THE COURT OF CONVOCATION	Rosemary Barrington Emeritus Professor Tim Beaglehole Fleur Fitzsimons Ian McKinnon QSO, JP Dr Jock Phillips	2005–2008 2007–2010 2007–2010 2007–2010 2005–2008
CO-OPTED BY THE UNIVERSITY COUNCIL	Charles Finny Helen Sutch	August 2008–August 2010 August 2008–August 2010
APPOINTED BY THE UNIVERSITY COUNCIL—in consultation with the New Zealand Council of Trade Unions	Te Mākao Bowkett Brenda Pilott	February 2004–April 2008 May 2008–April 2012
APPOINTED BY THE UNIVERSITY COUNCIL—in consultation with Business New Zealand	Gowan Pickering	May 2004–December 2008

⊕ COMMITTEES OF THE COUNCIL

The Council has established specific committees to consider issues under approved Terms of Reference.

In 2008 these committees were:

- + Audit and Risk Committee
- + Course Statutes Committee
- + Disciplinary Appeals Committee
- + Finance Committee
- + Governance Committee
- + Honorary Degrees and Hunter Fellowships Committee
- + Vice-Chancellor's Performance Review Committee

THE YEAR IN REVIEW



Professor Pat Walsh
Vice-Chancellor

Success means many different things to different people, particularly in an organisation as big and diverse as Victoria University. With outstanding commitment from staff, Victoria established values, a mission and goals in 2008 that will define our activities and aspirations over the next five years.

Our new Strategic Plan 2009–2014 is supported by three significant planning initiatives which focus on teaching, learning and research. They are *Pathways to Success*, the *Research Strategy* and the *Internationalisation Strategy*. *Pathways to Success* drives Victoria's strategy seeking to improve all students' experiences with learning and teaching, and the quality of their degrees, diplomas or certificates. Whether they are graduating in English or engineering, Victoria University's aim is to help students develop four important attributes: leadership, communication skills and creative and critical thinking.

We are actively working on initiatives in degree structures, the quality of teaching and learning and a students' first-year experience to ensure all our undergraduates are developing these attributes, whether it is through the courses they take towards their degree, or extra-curricular activities.

We are committed to being a research-led university and last year we began implementing a new research strategy to support and foster research excellence by students and staff. The *Research Strategy 2007–2012* outlines initiatives for improving research performance in a range of areas. In 2008, we completed eight research reviews of schools and research institutes and increased our external research funding by 25 percent which reflects improved performance in the Foundation for Research, Science and Technology and Marsden funding rounds. In 2008, Victoria graduates gained 30 percent of all New Zealand Vice-Chancellors' Committee graduate scholarship funding.

Victoria also developed an *Internationalisation Strategy* in 2008. International standing within the international community of scholars is imperative to our ongoing success. Victoria's staff and students

learn from and contribute to a global pool of knowledge. Our strategy sets a strong foundation for Victoria's international aspirations and actions, and identifies areas that are distinctively Victoria. Our work in this area was again recognised in 2008 with an Education New Zealand Excellence Award for Innovation in an International Programme.

In 2009, Victoria will focus further on equity initiatives to support our goals and values in this area and from this develop an equity strategy for the University. Underpinning all planning and decision-making is Victoria University's commitment to the Treaty of Waitangi. We are committed to fostering research excellence and learning success by Māori and contribution to Mātauranga Māori (Māori knowledge) scholarship across disciplines.

I thank Victoria's staff for the ideas and dedication they brought to this process. I believe the considerable thought and work put into the Strategic Plan and other planning initiatives will build a stronger foundation for Victoria University's staff and students.

+ THE TERTIARY ENVIRONMENT

The tertiary education sector in New Zealand, and indeed worldwide, is rapidly changing. Past annual reports have discussed some of the steps Victoria has taken to establish a planning framework to position Victoria in the new tertiary education environment. Victoria must balance expectations to act as an agent for economic transformation and social mobility, to uphold academic standards and to maintain traditional roles such as being a critic and conscience of society.

The Government's funding model for universities changed in 2008 from a system in which funding was based on the total number of students to one in which universities negotiate funding with the Tertiary Education Commission (TEC). However, the real value of funding per student decreased and has done so steadily over the last decade. In spite of this, Victoria University strives to maintain the highest possible standards of teaching and research. It will be increasingly difficult to compete in the international market, and the benefits a university education delivers to New Zealand will be compromised if this situation persists. Victoria University looks forward to working with the new Government to make progress on these issues.

+ STAFF AND STUDENTS

The achievements of Victoria's students, which are outlined over the following pages, are numerous and significant. I would like to particularly highlight the success of Jeffrey Azzato, Rebecca Prebble, Jessica Lai, Andrew Durant, Jessica Kerr and Simon Kellett, who were each awarded William Georgetti Scholarships out of a possible nationwide pool of 12, and James McNamara, who received a prestigious Woolf Fisher Scholarship to complete a PhD in Classics at Cambridge University.

Likewise, staff achievements abound over the following pages. A number of staff were awarded significant amounts of external research funding, demonstrating the quality and capability of Victoria's researchers. Victoria also excelled in teaching and learning. Dr Sean Weaver, from the School of Geography, Environment and Earth Sciences, and Dr Marc Wilson, from the School of Psychology, received National Tertiary Teaching Excellence Awards in 2008.

+ EXTERNAL RELATIONSHIPS

Our capital city location affords us many opportunities to connect with the community, business and the public sector, as an institution and on an individual level.

Victoria University Chancellor, Emeritus Professor Tim Beaglehole, and Professor Jim Johnston, from the School of Chemical and Physical Sciences were awarded 'Wellys', the informal name of the Wellingtonian of the Year awards, for their services to education, and science and technology respectively. Other significant staff honours and appointments are listed further in this report.

As Vice-Chancellor, I have met with many organisations Victoria University worked closely with during 2008. Our links and partnerships in the communities we work with are essential to Victoria's ongoing success. I made presentations to the Wellington Chamber of Commerce, regional Rotary groups, Wellington City Council and Grow Wellington, and met with government and business representatives in Wellington.

In a capped funding environment, the philanthropic support of graduates and friends of Victoria is very important. The Victoria University of Wellington Foundation was established in 1990 as an independent charitable trust to raise funds for priority projects at Victoria that cannot be funded from the University budget. It enables the University to undertake projects—such as new scholarships for students, new research programmes for staff or new positions that can attract top international academics—that would otherwise not be possible.

Of particular note in 2008 was a commitment of \$1 million from United Kingdom-based Professor Ian Swingland for the University's Centre for Biodiversity and Restoration Ecology. The Foundation also welcomed the change in charitable tax law introduced by the Government in April this year, which removed the \$1,890 limit on charitable donations eligible for a tax rebate and replaced it only with the annual taxable income of the donor. This now gives New Zealand one of the most favourable tax regimes for donors in the world.

Victoria University would be all the poorer, not only in a financial sense, but in the quality of academic achievement and student success, without the support of its graduates and friends. I thank donors for their generosity.

I have also been fortunate in 2008 to participate in and speak at many inaugural lectures, book launches, awards ceremonies, seminars and conferences. It is always a pleasure to be involved in the breadth of Victoria University activities and I would like to thank staff for their hard work in quite a challenging climate this year. I am continually impressed and very proud of the achievements of the University's staff and their commitment to students and to their discipline.

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

Professor Pat Walsh
Vice-Chancellor

HIGHLIGHTS OF 2008

RESEARCH

Victoria University is committed to being a research-led institution, developing and rewarding research excellence and creating new knowledge that has major social, economic and scholarly impact.

✚ EXTERNAL FUNDING

The quality and capability of Victoria's researchers secured the University a significant amount of funding from major national research funds in 2008. Overall, external research funding earned by the University increased by 25 percent from 2007.

The University received more than \$15 million in the Foundation for Research, Science and Technology (FRST) main 2007/2008 investment round. Victoria succeeded in securing funding for five of its six bids.

Associate Professor of Physics Andy Edgar received \$3.87 million to design and develop new materials for radiation imaging and detection. Dr Richard Tilley, also from the School of Chemical and Physical Sciences, received \$1.8 million to produce and commercialise strongly magnetic nanoparticles for bionanotechnology applications.

Dr Ben Ruck and Emeritus Professor Joe Trodahl, from the School of Chemical and Physical Sciences, received \$3.3 million to work on technology in the high-value 'spintronics' industry—a rapidly emerging technology in which electronic devices control not only the flow and storage of electrons but also their intrinsic magnetic nature.

Climate change research fellow Professor Martin Manning, from the School of Government, and Associate Professor Ralph Chapman, from the School of Geography, Environment and Earth Sciences, were awarded \$2.4 million to develop integrative methods that merge information on climate-related changes and risks with socio-economic information. Professor Paul Callaghan, Dr Robin Dykstra and Mark Hunter, all based in the MacDiarmid Institute, also received \$3.68 million in FRST funding to further develop nuclear magnetic resonance technologies.

In a major achievement for Victoria University's Law Faculty, Māmari Stephens was awarded a \$593,000 FRST grant to produce New Zealand's first Māori language legal dictionary. The project aims to provide access to a robust vocabulary that supports all New Zealanders to exercise their right to use te reo Māori in their dealings with the legal system.

Professor Val Lindsay, from the School of Marketing and International Business, received \$700,000 for leading a research project into building a sustainable competitive advantage for New Zealand service firms in Asia.

Researchers from the School of Chemical and Physical Sciences, Associate Professor Gerald Smith and Dr Peter Roberts, received \$600,000 to identify the anti-fungal properties of selected harakeke fibres. Colleagues Dr Thomas Borrmann and Professor Jim Johnston received \$375,000 from the FRST International Investment Opportunities Fund to develop a new water cartridge filtration technology.

The University also received a short-term FRST grant for Dr April Henderson, Associate Professor Tagaloatele Peggy Fairbairn-Dunlop from Va'aomanu Pasifika and for Associate Professor James Liu and Professor Colleen Ward from the School of Psychology for the project 'Youth Voices, Youth Choices'.

Victoria's researchers were also successful in the Marsden funding round. Software research, fertility in mammals, the role of eye movements in eyewitness identifications and hearing through someone else's ears are just four of the Victoria University research topics out of 16 awarded funding of \$6.53 million in the prestigious, and very competitive, Marsden funding round in 2008.

Associate Professor of Anthropology Jeff Sissons received a \$365,000 Marsden grant to study Polynesian iconoclasm. Asian Studies Institute director Dr Stephen Epstein was awarded \$295,000 to research globalisation and national identity in the 21st century relating to Korea and its neighbours.

Associate Professor Tim Little, from the School of Geography, Environment and Earth Sciences, was awarded a full Marsden grant of \$895,000 to study how Earth's youngest ultra-deep (high-pressure)

rocks arrived at the Earth's surface, and Professor of Psychology Susan Schenk was awarded \$915,000 to research ecstasy abuse and brain behaviour.

Three of the University's up-and-coming researchers, Dr Matthew Gerrie from the School of Psychology, Dr Paul Teal from the School of Chemical and Physical Sciences and Dr Alex Potanian from the School of Mathematics, Statistics and Computer Science did especially well, each receiving Marsden Fast-Start research grants of \$300,000 for their research projects.

Victoria University received more than \$750,000 in the annual Health Research Council of New Zealand (HRC) funding round. Dr Ausaga Faasalele Tanuvasa, in the Health Services Research Centre, will explore Samoan women's attitudes towards antenatal and midwifery care. Historian Evan Roberts received funding for research into long-term health changes in New Zealand from 1850 to 2008, focusing on the differences between Māori and Pākehā. He is also part of a team that was awarded a Marsden grant worth \$365,000 in September 2008 to measure 150 years of health and wellbeing in New Zealand over the next three years. Dr Mattie Timmer, from the School of Chemical and Physical Sciences, will work on immunologically active drugs to combat cancer.

Sera Tapu-Tā'ala, specialist diabetes nurse and Master's student in the Graduate School of Nursing, Midwifery and Health, won an HRC scholarship to support her research on how Samoan people with insulin-dependent type-two diabetes come to terms with their therapy.

A team of researchers from the Graduate School of Nursing, Midwifery and Health, led by Dr Katherine Nelson, was awarded a grant of \$64,969 from the Tertiary Education Commission's Building Research Capacity in Strategic Areas fund for a project investigating the role of emergency departments in the management of chronic illness.

The Centre for Building Performance Research in the Faculty of Architecture and Design, in conjunction with BRANZ, secured approximately \$1.45 million in funding for the Building Energy End-use study. The funding will be spread over six years and was provided by the Department of Building and Housing, FRST, Building Research and the Energy Efficiency Conservation Authority. Led by Teaching and Research Fellow Nigel Isaacs, researchers will undertake a detailed study into the energy use of non-domestic buildings.

A research project, led by the Law Faculty in conjunction with the Crown Law Office, into New Zealand's early legal history has received another two years' funding from the New Zealand Law Foundation.

+ RESEARCH SUCCESSES

Many of Victoria's staff and students were recognised for their talent and academic ability in 2008.

Criminology Professor John Pratt received one of only two prestigious James Cook Research Fellowships awarded in 2008. James Cook Fellowships are widely regarded as New Zealand's most prestigious research fellowships and provide researchers with two years to focus solely on their research without additional teaching or administrative work. Professor Pratt will look at the difference in levels of imprisonment in Scandinavian countries from those of Australia, New Zealand and England.

Professor Paul Callaghan, after nearly 40 years of research in the field of nuclear magnetic resonance, received the inaugural Dan Walls Medal for international recognition in physics research from the New Zealand Institute of Physics.

Dr Joanna Kidman (Te Arawa, Te Aupōuri), a Senior Lecturer in Education at Victoria, was awarded a Fulbright New Zealand Senior Scholar Award for a multinational research project on indigenous children's motivation in the classroom. Senior Lecturer Jenny Horsley from the Faculty of Education was awarded the inaugural Fulbright-CERT Scholar Award in Education Research for the 2009 academic year.

Associate Professor John Psathas in the New Zealand School of Music and Dr Kate McMillan in the Political Science and International Relations programme both received Fulbright Awards for professional development at overseas universities. Dr Jon Johansson, also from the Political Science and International Relations programme, was awarded a Fulbright Visiting Scholar Award in New Zealand Studies to be taken up at Georgetown University in 2009, and he will be joined by Associate Professor Danny Keenan from the School of Māori Studies who received the same award.

Dr Irina Elgort, from the University Teaching Development Centre, was awarded the prestigious 2007 Christopher Brumfit thesis award for her research into second language acquisition and

Professor Kim Sterelny was recognised as a leading philosopher in the field of cognitive science when awarded the Jean-Nicod Prize for 2008.

Scientist Alex Pyne, Project Manager at the Antarctic Research Centre, was awarded one of four Royal Society of New Zealand Science and Technology Medals for 2008.

Mathematics Professor Rod Downey was made a Fellow of the Association of Computing Machinery, the world's longest-standing society of its type. Professor Downey is only the second New Zealander to be honoured with this fellowship.

Victoria University Research Excellence Awards were presented to Professor Sekhar Bandyopadhyay, History; Dr Jackie Cumming, Health Services Research Centre; Professor Rod Downey, Mathematics; Dr Jan Jordan, Criminology; Dr Sarah Leggott, Spanish; Professor Arthur Pomeroy, Classics; and Professor Susan Schenk, Psychology.

Early Career Researcher Excellence Awards were presented to Dr Nicole Moreham, Law; Dr David Ackerley, Biology; Dr Todd Bridgman, Management; Dr Wayne Linklater, Biology; and Dr Jim Vess, Psychology.

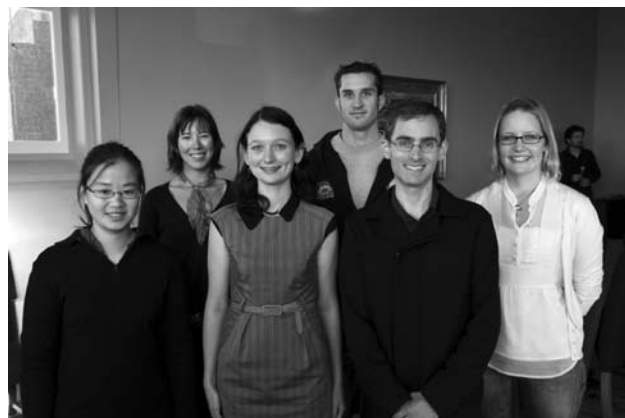
⊕ STUDENT SUCCESS

In 2008 Victoria University gained 30 percent of all New Zealand Vice-Chancellors' Committee (NZVCC) graduate funding—a significant achievement considering the quality and quantity of applicants from other New Zealand universities. The NZVCC awards some of the most prestigious and generous scholarships available to graduates, including the Woolf Fisher and William Georgetti Scholarships.

Student James McNamara, who completed an MA with Distinction in Classics in 2008, won an aforementioned Woolf Fisher Scholarship to complete a PhD in Classics at Cambridge University. Joe Sheppard, who also completed an MA with Distinction in Classics in 2008, was awarded a Fulbright Scholarship to study for a PhD in Classics in the United States of America.

Six of 12 William Georgetti Scholarships were awarded to Victoria students Jeffrey Azzato, Rebecca Prebble, Jessica Lai, Andrew Durant, Jessica Kerr and Simon Kellett in 2008. These scholarships recognise, support and reward excellence, often enabling students to further their studies overseas. Pamela Bell and Daniel Bassett won Todd Foundation Awards for Excellence.

Amanda Rohloff was awarded an L B Wood Travelling Scholarship to assist with her study in the United Kingdom. The annual scholarship assists scholars with the costs associated with studying in Britain.



From left to right: Jessica Lai, Pamela Bell, Rebecca Prebble, Daniel Bassett, Jeffrey Azzato & Jessica Kerr

Bronwyn Wood, Adam Day, Matthew Weaver, Phillip Wong, Theresa Vaughan, Rebecca Bednarek and Emma Dangerfield all received Top Doctoral Achiever Scholarships from the Tertiary Education Commission (TEC). Awarded to New Zealand's best and brightest, these prestigious scholarships assist with the completion of PhDs that will see New Zealand prosper through advancements in areas including medicine, industry and organisational management. Chelsea Payne, a Victoria graduate currently at Oxford University, was also awarded a scholarship.

The Enterprise Scholarships offered by TEC are also highly sought-after national awards supporting postgraduate research. Lauren Fletcher, Philipp Schorch, Nicole Walters, Benjamin Kepka, Anna Win and Jozsef Ekhart were awarded these scholarships during 2008.

Fulbright New Zealand Scholarships are prestigious international scholarships and provide significant financial support for young researchers to study in the United States of America. Political Science honours graduate Sean McGirr was awarded a Fulbright-Ministry of Research, Science and Technology Graduate Award and the Sir Wallace Rowling Memorial Award, to complete a PhD in Political Science at the University of Michigan.

Fellow student Dmitri Schebarchov was also a recipient of a Fulbright-Ministry of Research, Science and Technology Graduate Award for research into metal nanoparticles and their applications in nano-devices, which he will undertake at the University of Tennessee.

Luke Di Somma and Law alumna Jessica Kerr received Fulbright New Zealand General Graduate Awards. Luke will travel to New York to complete a Master of Fine Arts degree and Jessica will complete a Master of Laws degree at Yale University.

Four students were awarded 2009 Claude McCarthy Fellowships in 2008. Aliitasi Tavila will address cultural barriers that hinder healthy eating in the Samoan community; Olivia Warwick will research community-based adaptation to climate change in Vanuatu; Nicholas Henry will look at social movements in the Asia-Pacific and global civil society; and Michael Dudding will research New Zealand architects abroad during the 1950s. Sarah Gaitanos, from the Stout Research Centre, was also awarded a Claude McCarthy Fellowship to complete a biography of former New Zealand Symphony Orchestra violinist Clare Galambos-Winter.

Another six Victoria students were presented with generous scholarships from Freemasons New Zealand by Governor-General Hon Anand Satyanand.

Despite the overall downturn in international student numbers, Victoria's percentage of postgraduate students within the international student population continued to increase. International PhD enrolments have grown by more than 30 percent over the past year to exceed 250. Victoria University was the university-of-choice for four New Zealand International Doctoral Research Scholarship recipients in 2008.

During 2008, 47 of Victoria's postgraduate students were awarded Education New Zealand Postgraduate Study Abroad Awards, which represents 24 percent of the available funding. This funding enables students to spend up to six months overseas, typically conducting research or presenting at a conference.

LEARNING AND TEACHING

Learning and teaching lie at the heart of all university activities. Victoria University is committed to high-quality, research-led teaching, and to rewarding and celebrating learning and teaching excellence.

📌 LEARNING AND TEACHING SUCCESS

As a mark of their calibre, many of Victoria's staff, students and graduates received national and international awards in 2008. Victoria University again shone at the national Tertiary Teaching Excellence Awards, with Dr Sean Weaver, from the School of Geography, Environment and Earth Sciences, and Dr Marc Wilson, from the School of Psychology, receiving two of the nine awards for sustained excellence in teaching. Both were also invited to join the Ako Aotearoa Academy of Tertiary Teaching Excellence.

Victoria also acknowledged exceptional contributions to teaching through its own Teaching Excellence Awards. Four academic staff members were acknowledged for sustained excellence in teaching: Dr Rachel McKee, from the School of Linguistics and Applied Language Studies; Senior Lecturer Sara Kindon, from the School of Geography, Environment and Earth Sciences; Associate Professor Chris Marshall, from the School of Art History, Classics and Religious Studies; and Senior Lecturer Elizabeth Stanley, from the School of Social and Cultural Studies.

Programme Director Margaret Lamont, from the School of Educational Psychology and Pedagogy, received an award for excellence in research-led teaching, and Dr Howard Lukefahr, from the School of Chemical and Physical Sciences, received his award for excellence in teaching innovation.

Dr Jean Anderson, from the School of Languages and Culture, received the John Dunmore Medal for outstanding contribution to knowledge of French in the Pacific.

Victoria's students were also acknowledged in 2008 for national and international excellence.

Four Victoria PhD students received half the prizes on offer at the ninth International Conference on Magnetic Resonance. Kate Washburn was awarded the prestigious overall Giulio Cesare Borgia prize for the young investigator most likely to achieve scientific leadership, Lauren Bucaw and Mark Hunter won young investigator poster prizes and Megan Halse the lecture prize.

Interior Architecture student Nazia Kachwalla received a BeST gold award from the Designers' Institute of New Zealand, the industry benchmark for excellence, in the spatial design student category. Recent design graduate Brad Knewstubb won an international design award for the innovative wind turbine he designed in 2007 as part of his Honours year in the Bachelor of Industrial Design, and architecture student David Chisholm won an international award based on five months of voting for his design of a waterfront house. The designs of another four Victoria University architecture students were selected among the best projects in the 2008 New Zealand Institute of Architects' Graphisoft Student Design Awards.

Enrolments in the University's Foundation Studies programme, based on the Karori Campus, increased by 50 percent in 2008. This growth primarily reflects an increase in the number of Chinese students in the programme and also an increase in the number of local students of refugee background who are funded by TEC for this programme. Enrolments in the University's English Proficiency Programme also increased in 2008.

+ INNOVATION IN TEACHING AND LEARNING

Teaching and learning excellence reaches beyond Victoria's Wellington campuses. Victoria's campus in Ho Chi Minh City, Vietnam, in partnership with the University of Economics, continued to grow in 2008, with more than 100 students enrolled to study either English language courses or BCA degree courses. In 2008, 18 scholarships were awarded to top-achieving students to enter the programme, more than twice the number awarded last year.

Many initiatives in teaching and learning at Victoria are being advanced through the Pathways to Success project. In 2008, clear curriculum statements were established for all the majors at the University. The statements link the learning goals of each major to the University graduate attributes of creative and



Vice-Chancellor Professor Pat Walsh congratulates first-year students in Vietnam

critical thinking, communication and leadership. The next step in the project is to foster innovation in teaching and learning.

For this purpose, four large 100-level courses have been chosen from three faculties. The teaching teams in these courses are working with a support team from the Teaching and Development Centre, Student Learning Support and the Library in order to develop and monitor new ways of providing effective learning opportunities to a large and diverse group of students, many of whom are new to the University. The innovations will be applied and evaluated in 2009.

The way students study and the structure around how their degrees are awarded was also considered in the Faculty of Architecture and Design in 2008. From this process, a new design degree was created called the Bachelor of Design Innovation. The Faculty is following international trends in restructuring its degrees to the three-year Bachelor's plus two-year Master's model.

In the Faculty of Science, a new two-year Master's in Cognitive and Behavioural Neuroscience was implemented and initial enrolments represent a promising start to this endeavour. A new School of Engineering and Computer Science within the Faculty of Engineering was established, reflecting the growth in engineering and computer science programmes. A new School of Mathematics, Statistics and Operations Research was established in the Faculty of Science.

The Bachelor of Business Information Systems, a new four-year professionally oriented degree for information systems roles, commenced in 2008 and approximately 45 students enrolled in the first year of the programme.

In the humanities, the International Institute of Modern Letters launched its new PhD programme, the first programme of its kind in New Zealand. The New Zealand Centre for Literary Translation—an innovative and exciting centre that will host a core group of translators from the Asian and European Languages department at Victoria, as well as national and international experts—was launched in March.

Victoria's MBA programme received international accreditation from the UK-based Association for MBAs (AMBA) in 2008. Accreditation places Victoria in the top tier of MBA programmes worldwide and assures the quality of teaching, theory and practice offered in Victoria's programmes is verified to be at the highest international standards.

The Faculty of Education redesigned the existing graduate diploma of teaching qualifications in 2008 and will introduce a one-year graduate diploma qualification for early childhood teaching in 2009. The Faculty also restructured into three Schools: the Schools of Education Psychology and Pedagogy, Education Policy and Implementation and Te Kura Māori.

Victoria's Centre for Continuing Education and Executive Development (CEED) provided more than 200 professional and executive development programmes in 2008 with the support of Faculties and academic staff around Victoria University. Highlights of 2008 include delivering a multi-year leadership programme with Victoria's Management School for Industrial Research Limited; facilitating a cultural awareness programme with Te Kawa a Māori for Contact Energy; and running seminars on managing high growth and new ventures for entrepreneurs with Professor Mark Ahn, the Professor of Science and Technology Entrepreneurship. CEED also provides opportunity for lifelong learning for the public. The popular study tours—prepared for with a series of lectures and conducted with academics—were run in Egypt, Russia, Antarctica and the Pacific in 2008.

STUDENT EXPERIENCE

Victoria University views students as lifelong members of the University—from the point they first hear about Victoria to their interactions with the University as alumni.

Victoria is committed to providing an inclusive and supportive environment for higher learning through outstanding academic, social and cultural experiences that equip students to make a significant contribution to local, national and international communities.

In 2008, more than 200 Victoria School Leavers' Scholarships for Academic Excellence scholarships were offered to the brightest and best first-year students coming to Victoria—all recipients had their NCEA Level 2 certificate endorsed with Excellence or had achieved at an equivalent level in an alternative qualification. All out-of-town students awarded the scholarships were also guaranteed a place in a Hall of Residence.

When arriving at Victoria, students now have the option of joining two extra-curricular leadership development programmes introduced in 2008, the first programmes of such a type in New Zealand. The Victoria International Leadership Development Programme (VILP) is an academically oriented programme with a focus on global issues, cross-cultural communication, sustainability and international leadership skills. The Victoria Plus Award is focused on community work, leadership and employability skills. Students receive a certificate on completion of the programmes and acknowledgement on their academic transcript alongside formal qualifications.

Both programmes have received more than 400 registrations in their first year. These distinctive initiatives are designed to address Victoria's graduate attribute of leadership, with the option of focusing on cross-cultural and global issues or social responsibility and employability skills through service to the Victoria University and wider Wellington community. Students participate in seminars, speaker events and experiential activities and submit reflective feedback.

Feedback from students is an important part of the ongoing process of improving their experience at Victoria. Initiatives in 2008 included redevelopment of the student feedback reporting systems used by the University Teaching Development Centre (UTDC) to help staff and managers improve the

quality of courses and teaching. In addition, Victoria participated in the 2008 Australasian Survey of Student Engagement (AUSSE) to better understand how students are engaging in their studies at Victoria, and to ensure that experience is on par nationally and internationally.

Other student-focused initiatives in 2008 included a collaborative project between the Library and Student Learning Support Services to provide students with a help desk at Victoria's main library on the Kelburn Campus; and the development of a reduce-harm strategy with mechanisms for identifying and helping students at risk through hazardous drinking. The Counselling Service implemented a mental health coordinator pilot project this year, after receiving funding from the Trinity Newman Foundation. Existing services continue to be popular—for example, Victoria CareerHub had more than 6,000 students logging on to search for jobs in 2008.

The demand for health services on campus is always high and 2008 was no exception. Over 800 patients are normally seen in a week, which would make Victoria's clinics some of the busiest in the city. To manage demand for urgent appointments, an improved nurse-led triage service was introduced this year to safely and effectively manage students who could not otherwise be offered doctors' appointments on the day. Capital Coast Health is also funding a specialist diabetic clinic on site at Kelburn Campus for students with diabetes.

The Disability Support Services team produced an excellent DVD—*Discover your Future*—for secondary school pupils with disabilities. Funded by the Trinity Newman Foundation, the DVD will be used by prospective students, their families and careers advisers, to help plan for the transition to tertiary education and for campus life at Victoria.

Victoria University takes pride in the experiences offered to its international students and their standard of care. In 2008, Victoria received an International Excellence Award from Education New Zealand for the third successive year. Having previously received awards in the marketing and student support categories, the University received the Innovation in an International Programme Excellence Award for our Ho Chi Minh City campus in Vietnam. Victoria offers students the first one and a half years of a Bachelor of Commerce and Administration degree at the campus and a number of English language programmes.

The high standard of care provided to international students when they arrive in Wellington was also

reaffirmed in 2008 when Victoria was formally audited on its compliance with the Government's Code of Practice for the Pastoral Care of International Students. The University was praised for a number of programmes to support students.

More than 120 adventurous students participated in semester or year-long exchanges abroad in 2008 with some financial support from Victoria and 12 new agreements (Memoranda of Understandings and Student Exchange Agreements) were signed with universities from around the world—giving students even more choice about where to study abroad as part of their Victoria University degrees. Around 50 other students received smaller grants from the University for short-term study abroad experiences led by Victoria's academic staff.



Olympic athlete Natasha Hind

Outside the parameters of academic achievement, Victoria's students achieved many successes in cultural, sporting and extra-curricular activities in 2008.

First-year student Natasha Hind was selected to compete in Beijing for the New Zealand Olympic swim team. Natasha also received the Victoria University Students' Association's 2008 Sportsperson of the Year award. Victor Vito, a law student at Victoria University, starred in New Zealand's rugby sevens team, and commerce student Alby Mathewson was selected for the All Blacks tour of Great Britain. The Victoria student cricket team won the New Zealand Universities' Cricket Championships, defeating the defending champions by a comfortable 103 runs, and three first-year students Josh Junior, Chris Jones and Matt Steven, won the university match racing sailing championships in Poland.

Victoria University has a long and proud history in debating and the Debating Society continued to achieve success internationally in 2008, ranking an admirable 19th among debating universities

in the world. The list of achievements in 2008 includes winning the Cambridge Union Intervarsity tournament, placing sixth and eighth in the Australasian Intervarsity Debating Championships and winning the Officers' Cup—the impromptu debating competition at the New Zealand University Games—for the tenth year in a row.



Australasian Intervarsity champions from 2007 (left) and 1980 (right); (l to r) Christopher Bishop, Stephen Whittington, Sayeqa Islam, Mary McCallum, Tim O'Brien, Paul Ridley-Smith

Daniel Watterson, Thomas Horder, Amelia Keene and Stephen Whittington, in the Law Faculty's moot team, defeated the reigning champions to take out the South-east Asian/Pacific leg of the European Law Students' Association World Trade Organisation moot court competition in Australia.

New Zealand School of Music student Amelia Berry, the youngest of the seven competitors, won the *Otago Daily Times* aria contest. Writer and Victoria University student Eleanor Catton was awarded the prestigious Adam Prize in Creative Writing for 2007 for her novel *The Rehearsal*, subsequently published by Victoria University of Wellington Press.

Victoria takes great pride in the achievements of alumni and the contributions they make to their professions, country and communities.

Highlights of 2008 include reunions held for alumni in New York, Singapore, Sydney, Kuala Lumpur, Munich and Christchurch. An enjoyable evening to celebrate past and present debating champions was held in Parliament mid-year and the Wellington-based Chinese Alumni Group, hosted by Deputy Vice-Chancellor David Mackay, also met in 2008.

An alumni-led reunion for Malaysian graduates of Victoria University of Wellington was held in June in Kuala Lumpur. Approximately 200 guests attended events over three days including a golf tournament, a welcome party, reunion dinner and farewell party. The reunion dinner was attended by the Vice-Chancellor and the New Zealand High Commissioner to Malaysia, His Excellency Mr David

Kersey, also a Victoria alumnus. The dinner featured the reunited three-piece band The Ghostriders, who met at Victoria University.

A special milestone in 2008 was the 75th anniversary of the University-owned Hall of Residence Weir House. More than 200 Weir alumni gathered over 14–16 November for campus tours, a debate, champagne breakfast, international-themed dinner and family picnic. *Weir Tales—Celebrating 75 Years*, a book written by former Wardens Leon and Jane Fulcher, was also launched over the weekend.

EXTERNAL RELATIONSHIPS

Victoria University's external relationships enable us to maximise our contributions to society, and enhance national and international recognition of the high-quality work of our staff and students.

A number of significant partnerships were formed in 2008 within New Zealand and internationally. Seven major collaborative projects that Victoria is involved with received funding from the Tertiary Education Commission. This marks the start of some exciting and unique projects with universities and institutions around New Zealand. Work has begun towards establishing a centre for research and study of Islamic and Muslim communities with Otago University, and on Engaging China—a project to establish a much-needed national platform for providing China-related knowledge and skills to New Zealand businesses and the public sector.

The Jessie Hetherington Centre for Education Research, based in the Faculty of Education, was awarded a Ministry of Education contract to design and develop a national professional learning programme for educational psychologists working with severe and challenging behaviour. This complements another contract the Faculty has with the Ministry for a longitudinal study on how NCEA relates to student motivation and achievement.

The School of Government and the Institute of Policy Studies continued their strategic partnership with the public service through the Emerging Issues Programme. In 2008, the results of the 'Better Connected Services for Kiwis' research project were presented to public sector chief executives. Victoria University is the only New Zealand university in the Australia New Zealand School of Government



School of Government researchers Derek Gill, Elizabeth Eppel and Bill Ryan

(ANZSoG), a network of governments and universities concerned with enhancing the capabilities of senior public sector employees across the two countries. In 2008, ANZSoG sent more than 70 of their case studies around the world via the journal of the European Case Clearing House led by Victoria University's Dr Richard Norman and Case Editor Janet Tyson.

The School of Design, in conjunction with Weta Workshop, purchased and installed a new rapid prototyping machine and digital router, and has delivered on significant prototyping contracts for Weta since the machine was installed in June.

Victoria's School of Māori Studies held a series of video conferences on the University marae in 2008 with universities in the United States of America, Canada and Australia as part of the Te Rere Ao Native Conversations—a postgraduate video conferencing programme with people from Native American studies programmes.

Internationally, five more co-funded PhD students arrived at Victoria in June 2008 after the establishment of an agreement with the Chilean Government's funding agency, CONICYT, in 2004. Victoria University partnered successfully with Massey University, the University of Limerick, City University in London and Rostock University for funding for a project entitled 'Novel Sensing Technologies and Instrumentation in Environmental Climate Change Monitoring'.

Advisory boards continued to provide valuable advice and strategic support to schools and research institutes across Victoria. New advisory boards were formed in 2008 for the Tourism Management programme in Victoria's Management School and the Engineering programme. The Centre for Accounting, Governance and Taxation Research (CAGTR) advisory board also officially became the advisory board for both CAGTR and the School of Accounting and Commercial Law.

CAPABILITY

It is the staff of Victoria who contribute to Victoria's success through outstanding leadership, scholarship, administration and relationships, and to the outstanding achievements of our students.

Victoria University values the work of all general and academic staff, and acknowledges staff in a number of ways. Outstanding staff were promoted to Professor, Reader/Associate Professor and Senior Lecturer in 2008. Professor Rowena Cullen, Information Management; Professor Pak Yoong, Information Management; Professor Maryanne Garry, Psychology; Professor John McClure, Psychology; Professor Martha Savage, Geography; and Professor Denis Sullivan, Physics, were all promoted to Professor in 2008.

Exceptional general staff were honoured at the annual staff awards. These awards recognise the commitment of staff and their achievements in the work they do for Victoria. In 2008, awards were given to Paul Marsden, from the School of Biological Sciences; Monoa Taepa, from Te Kawa a Maui; Kathy Samuel, from Te Herenga Waka Marae; and Roger Cliffe, from the School of Mathematics, Statistics and Computer Science. Team awards were given to Student Recruitment and Course Advice and early childhood education centre Kea House.

Victoria's staff, former and present, were also honoured nationally in the New Zealand Order of Merit Queen's Birthday Honours in 2008. Professor Martin Manning, inaugural Director of the Climate Change Research Institute, was made an Officer of the New Zealand Order of Merit for his services to climate change. Professor Gary Hawke, Associate Professor Tagaloatele Peggy Fairbairn-Dunlop and Gillian Ansell were made a Companion, an Officer and a Member of the New Zealand Order of Merit respectively.

Dr Anne Meade—a former lecturer in the Faculty of Education—was made a Companion of the New Zealand Order of Merit, John Martin—a former lecturer in the School of Government—was made a Companion of the Queen's Service Order and Professor Brian Brooks—Dean of Law from 1994 to 1999—was made an Officer of the New Zealand Order of Merit.

A number of key changes were made to the University's senior management in 2008. Victoria farewellled Pro Vice-Chancellor (Information

Technology) Professor Warwick Clegg and Director of the University's Teaching and Development Centre (UTDC) Professor Thomas Angelo, and prepared to farewell Deputy Vice-Chancellor David Mackay in early 2009.

The University welcomed back Professor Bob Buckle to the position of Pro Vice-Chancellor and Dean of Commerce and Administration after seven years in the New Zealand Treasury and two years as Chair of the Economic Committee of Asia-Pacific Economic Cooperation. Professor Penny Boumelha, formerly of the University of Adelaide, was appointed to the position of Deputy Vice-Chancellor (Academic) and will take up her position in 2009.

Professor David Bibby was appointed Pro Vice-Chancellor of Engineering and Professor John Hine as Dean of Engineering. Professor Gordon Holden was appointed Dean of Architecture and Design. Professor Paul Callaghan stepped down from the Directorship of the MacDiarmid Institute on 30 June 2008. His successor, Professor Richard Blaikie (University of Canterbury), was appointed as Director for a period of three years.

Victoria University is committed to building staff capability through professional development opportunities. In 2008, 19 staff participated in a new leadership programme aimed at mid-level managers who manage a small team of direct reports. The Management in Action Programme (MIAP) received positive feedback in its inaugural year. For the second year in a row the Leading People Programme (LPP), a programme designed to provide a range of development opportunities to all managers, was well received by its 20 participants.

The University continues to support the New Zealand Vice-Chancellors' Committee's New Zealand Women in Leadership Programme (NZWIL), a programme developed to enhance the leadership capacity of women academic staff in New Zealand universities, and the academic staff mentoring programme, Academic Mentoring@VUW continued this year with increased participation from 2007.

Attracting students who strive for and value excellence will also contribute to the culture of quality within Victoria University. In 2008, Student Recruitment and Course Advice held another successful Study at Vic Open Day for prospective students. In addition to this there were numerous school presentations, information evenings, Māori and Pacific campus open days, sponsorship of key national secondary school events and scholarship

workshop programmes. The Māori and Pacific Outreach programme continued to grow in 2008 and a successful careers advisers' conference was held on campus in March 2008.

Victoria University also launched a new marketing campaign, Get Amongst the Best, which features Victoria University students in a range of iconic Wellington settings. The campaign shows potential students that, at Victoria, our four campuses put them at the very centre of it all and create pathways to exciting and rewarding careers. Students who are studying at Victoria in Wellington are immersed in the creative and political centre of New Zealand and will meet an amazing cross-section of achievers.

RESOURCES

Academic excellence demands excellent facilities, outstanding administrative support and appropriate funding. Victoria University is committed to providing such a working environment while ensuring the long-term financial viability of the University through fiscal prudence.



Professor David Bibby, Pro Vice-Chancellor of Science, turning the first sod for the Teaching and Research Building

2008 was an exciting year for the development of Victoria University's campuses. A number of significant building works progressed in 2008 as part of the Campus Development Plan. Of note were the Te Puni Village Student Accommodation development and the enabling works of the Teaching and Research Building, both on the Kelburn Campus, and at the Coastal Ecology Laboratory at Island Bay. In addition, there has been a strong emphasis on robust assessment management planning to ensure that sustainable maintenance programmes are in place for all buildings. All projects are described in greater detail in the Statement of Resources in this Annual Report.

On a smaller scale was the refurbishment of the indoor training arena near Boyd-Wilson Park. The arena, with an artificial grass surface in 2008, is open to all University sporting codes.

The information technology area at Victoria University continued to grow at a rapid pace in 2008 and resulted in some significant enhancements and additions within Information Technology Services (ITS)—an ever increasingly important service for students and staff in the digital age.

A key focus in 2008 was infrastructure stability. Currently ITS manages nearly 6,000 desktop computers, supports more than 142 applications and numerous servers, which are expected to be up and available 24 hours, seven days a week. An enhanced IT governance structure has enabled ITS to better plan and manage IT resources and has provided sound guidance and direction for IT services.

Another highlight in 2008 was the introduction of a significantly enhanced wireless system for staff and students. In 2007, Victoria's wireless system averaged around 180 simultaneous connections per day. Near the end of 2008, ITS achieved just fewer than 1,000 simultaneous connections. Student email was moved to Microsoft Exchange labs, providing significant cost savings for the University and many enhanced features around collaboration, file storage and mail storage.

Disaster recovery work saw the automatic replication of databases and files from the Kelburn Campus to the Pipitea Campus, providing significant redundancy in the event of a major disaster in the Kelburn Campus computer room. This is only for the top 10 applications but does provide significantly enhanced recovery services from what the University has had.

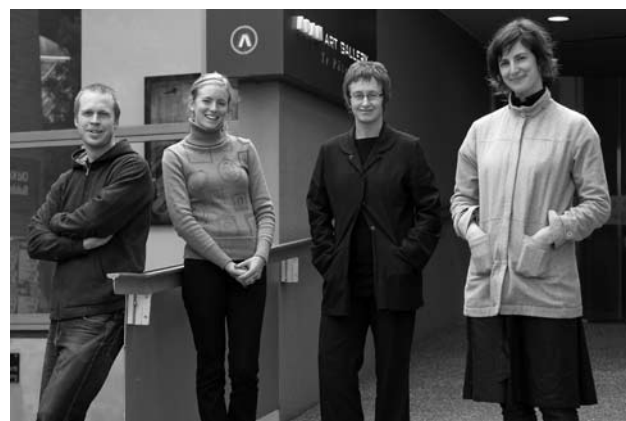
Like many other organisations, Victoria University is investing significantly in virtualisation software for our servers. Indications put savings at over 50 percent on replacing server hardware and increasing availability. The use of virtualisation will continue at a much higher pace in 2009.

In 2008, the Victoria Library was allocated funding from the Vice-Chancellor's strategic fund to build its research collection. A contestable funding process was established and successful bids included the School of Design for a collection of miniature designer chairs, the School of Law for the development of an electronic Māori Legal Archive and the School of Music for a wide range of scores, DVDs and other material. In 2008, the Library

also completed the retrospective digitisation of more than 1,200 Victoria PhD theses on an archive for Victoria's staff and students. The Library also established a Research and Learning Services team to strengthen its roles in research support, student support and collection development. A full declaration of the Library's resources is in the Statement of Resources in this Annual Report.

PUBLIC CONTRIBUTION

Victoria University's staff and students enrich New Zealand's culture and society and contribute to the understanding of issues through communicating and applying their scholarly expertise.



Adam Art Gallery staff from left to right: Anton Berndt, Thomasin Sleight, Christina Barton and Laura Preston

Victoria University makes a substantial contribution to New Zealand's cultural heritage and society. This public contribution is provided in numerous ways literally every day—from interviews with the media, to public lectures, conferences, seminars, school visits, board appointments and research luncheons.

The Adam Art Gallery, located on Victoria's Kelburn Campus, presented a variety of exhibitions in 2008. These were very well received by students and staff, many of whom have been involved with the gallery either as members of our volunteer programme or as contributors to the varied line-up of events that accompany each exhibition. Substantial collaborations with other organisations underpin the gallery's work. This year these included the Goethe Institute, Te Papa, the Alexander Turnbull Library, the Hocken Library, the Parliamentary Collections, Auckland Art Gallery, Instituto Camoes and Culture Ireland. The gallery has received substantial funding from Creative New Zealand, the Mondriaan Foundation, Culture Ireland and the Chartwell Trust, and has enjoyed a modest increase in its Friends Membership.

In 2008, the incumbent Chair of Malay Studies, Professor Dato' Dr Othman Yatim, completed his term at Victoria University. The overall objective of the Chair is to promote greater awareness and understanding in New Zealand of Malaysia and its peoples. In October, the Malay Chair was responsible for organising a very successful annual SAAD lecture. The 2008 speaker was His Royal Highness Dr Raja Nazrin Shah. Well-known Malaysian cartoonist Lat participated in the international Cartooning for Peace conference in November.

Seven staff celebrated their promotion to professorship with traditional inaugural lectures to give family, friends, colleagues and the community insight into their specialist areas of study. All inaugural lectures were well attended, two with audiences of more than 200 people. Inaugural lectures are a distinctive way in which members of the University and Wellington community can come together to hear from many of Victoria's leading scholars.

Dr Richard Millington worked with seven current and past students from the German Honours programme to exhibit English translations of five contemporary German children's books as part of the Goethe Institute display at the Wellington Central Public Library. The exhibition will travel to Christchurch and Auckland.

As members of an institution tasked with being the critic and conscience of society, Victoria University staff were called upon frequently to comment during the 2008 election—particularly staff in the Political Science and International Relations programmes, and those in the School of Government. Professor Nigel Roberts and Lecturer Richard Arnold featured in the election night coverage on TV1 and Dr Jon Johansson on TV3. Dr Maria Bargh appeared on Māori TV on election night as a political commentator.

Scientist Dr Howard Lukefahr presented and developed the Radio New Zealand programme *Earthworks*, and Professors Geoff Whittle and Matt Visser gave the first regional public lectures to well over 100 people in Nelson and New Plymouth respectively for the Faculty of Science.

The first four-day Te Wāhanga Pūtaiao (science summer school), run by Dr Adele Whyte and past and present members from Te Rōpu Āwhina—a mentoring scheme for Māori and Pacific science students—was held on Pukemokimoki marae in Napier. More than 60 people, ranging in age from 5 to 75, learnt about the marine environment, DNA extraction and physics.



Dr Adele Whyte and a friend extracting DNA at Pukemokimoki marae

The opening of New Zealand's newest marine reserve in 2008, Taputeranga Marine Reserve in Island Bay, was in no small part due to the 14 years of determination of biologist Dr Jonathan Gardner and the Marine Reserve Coalition to see the reserve become a reality.

Design students partnered with the Museum of Wellington City and Sea in November to create a number of interactive digital exhibitions that retold stories about the history of Wellington.

Elections, appointments and inductions onto national or international bodies also reveal the high regard in which Victoria University's staff are held, and the breadth and depth of their academic activities. Dr Andrew Ladley, former Director of the Institute of Policy Studies, was appointed to a new team of mediation experts formed by the United Nations. Professors David Carnegie, Theatre, David Norton, English and Kim Sterelny, Philosophy were elected as Fellows of the New Zealand Academy of the Humanities. The Academy awards the title for distinguished academic achievement in research fields associated with the humanities, and the professors join an illustrious group of peers.

Professor Deborah Willis was appointed as the New Zealand representative on the University of the South Pacific Grants Committee—strengthening Victoria's ties with and support for our neighbours

in the Pacific. Senior Fellow Kevin Simpkins was appointed Deputy Chair of the Accounting Standards Review Board.

Dr Marc Wilson and Dr Sydney Shep were elected to the executive board of the National Academy for Tertiary Teaching Excellence. Public Policy Senior Lecturer Dr Chris Eichbaum was appointed to the Reserve Bank Board. The Director of the University's Roy McKenzie Centre for the Study of Families, Dr Jan Pryor, was appointed as Chief Commissioner to the Families Commission.

Professor of Science and Technology Entrepreneurship Mark Ahn was appointed as Chair of the Advisory Board of leading Californian biotechnology company ZyGEM Corporation Ltd. Associate Professor Ralph Chapman was appointed to a group of experts who will advise the government on transport fuels, renewable electricity and vehicle technologies, and Professor Richard Hill was appointed to the Waitangi Tribunal. Professor Keitha Dunstan continued to serve the public through her reappointment to the Securities Commission Board.

EQUITY

Victoria University is committed to providing an inclusive and representative environment for staff and students that is conducive to equity of opportunity for participation and success.

Victoria is committed to the values of respect and inclusion, ensuring fairness and social justice and making sure any barriers that stand in the way of under-represented groups are removed whether on the grounds of gender, ethnicity, disability, age, religious or political belief, sexual orientation or social or cultural background.

+ STUDENTS

The Tertiary Education Strategy calls on all New Zealand universities to increase the levels of achievement of under-represented groups, especially Māori and Pacific students. Victoria University is also committed to ensuring barriers for students with impairments are overcome and providing pathways to tertiary education for mature students. Victoria has made improvements to the recruitment, retention and achievement of these groups in 2008. Enrolment figures for 2008 show that there was a slight decrease in Māori student enrolments and a small increase in Pacific student enrolments.

Preparation, transition and mentoring programmes support students throughout their studies. Te Rōpu Āwhina whānau, a mentoring programme for Māori and Pacific students in the Faculties of Science, Engineering and Architecture and Design, was established in 1999 and has developed steadily since then. In 2008, members or mentors in Āwhina whānau received an Industrial Research Ltd PhD Scholarship, a Colmar Brunton Postgraduate Scholarship for Research, a FRST Te Tipu Pūtaiao Fellowship and a MacDiarmid Young Scientist of the Year Award. The Faculty of Commerce and Administration together with the Faculty of Humanities and Social Sciences developed a pilot programme called First Six Weeks to support new Māori and Pasifika students to the Faculty.

The Manaaki Pihipihanga mentoring programme supports Māori and Pacific students in Faculty of Commerce and Administration and the Faculty of Humanities and Social Sciences. This programme has been funded by TEC and has demonstrated its impact in terms of student retention and achievement.

Victoria University also provides opportunities for participation through equity grants, or financial support. Student Services administered a number of awards for students facing financial barriers in 2008. Fifty-six awards totalling \$84,500 were distributed to 12 international students, 13 postgraduate students and 31 undergraduate students. Tumu Awards for Māori and Pacific students were given to 66 students and totalled \$104,000. Postgraduate Tumu Awards totalling \$16,000 were distributed to nine students; these nine awards were also given through the Pacific Island Polynesian Education Foundation/ Victoria Hardship Awards.

The Disability Support Service (DSS) provides a number of services to enable students to participate fully in tertiary education and offers advice to staff on disability responsiveness and creating an inclusive environment. In 2008, 594 students registered with DSS, of which 554 were enrolled. This is an increase of 28 enrolled students from 2007. The service received an 87 percent level of overall satisfaction from students with the services provided by DSS staff. Eighty-four percent of students agreed or strongly agreed that DSS services were important in continuing their studies and 93 percent of students said they would recommend DSS to other students.

A key initiative in 2008 was a focus on increased staff engagement with the service. A positive response was received from both general and academic staff and there was a large increase in staff attendance in the disability awareness professional development programme. This programme focuses on fostering inclusive teaching, learning and service provision knowledge.

Another highlight in 2008 was the establishment of the bridging programme Certificate in Preparation for University Study. A partnership between Victoria University, Whitireia Community Polytechnic and the Wellington Institute of Technology, the programme will provide students with a good academic foundation, decision-making skills for their career paths and a realistic idea of what tertiary study involves. The initiative is funded through the TEC's Encouraging and Supporting Innovation Fund, and supported by Victoria's Centre for Continuing Education and Executive Development.

From a policy perspective, the Equity Advisory Group (EAG), which advises and assists the Vice-Chancellor with the planning and implementation of equity policies, continued to improve the quality of equity reporting and the level of communication between

groups operating equity initiatives across the University. A key task for 2009 for the EAG will be the development of the equity strategy to support the equity value, goals and associated actions and measures of success contained in the University's Strategic Plan.

+ STAFF

Victoria University's staff—like its students—represent a diverse cross-section of society. Victoria continued to offer a number of professional development programmes for staff in 2008, addressing mentoring, leadership, cultural matters and personal development.

In 2008, 70 staff members (35 pairs) participated in the Academic Mentoring@VUW programme—10 more pairs than in 2007. The voluntary programme provides opportunities for all staff to be paired with more senior/experienced staff to achieve professional and personal goals.

ToiHuaRewa, a pan-University Faculty equivalent to which all Māori academics may elect to become members, participated in a nationwide professional development programme led by the New Zealand Vice-Chancellors' Committee, Manu-Ao, in 2008. More than 50 staff participated in Te Hāpai programme in 2008, a course about the Treaty of Waitangi and Māori language and culture.

Six participants from Victoria University attended the New Zealand Women in Leadership programme developed by the New Zealand Vice-Chancellors' Committee in 2008. Women were also represented in two other management development programmes offered by the University. Nationally, Victoria University led other universities in terms of the number of women in senior academic roles, as highlighted in the results of the 2008 Census of Women's Participation by the Human Rights Commission.

ABOUT VICTORIA UNIVERSITY

+ EQUIVALENT FULL-TIME STUDENTS (EFTS)

Total Students			
2007		2008	
17 085	EFTS	16 609	
2.60%	Change	-2.80%	

Government-Funded Students			
2007		2008	
15 111	EFTS	14 976	
5.3%	Change	-0.9%	

Non-Government-Funded Students			
2007		2008	
1 974	EFTS	1 633	
-15.8%	Change	-17.3%	

Māori Students			
2007		2008	
1 407	EFTS	1 365	
1.6%	Change	-3.0%	

Pacific Students			
2007		2008	
775	EFTS	784	
12.0%	Change	1.2%	

*Government-Funded Students include domestic students, international students who have their fees paid for by Government including international PhD students. Non-Government-Funded Students are all other international students. 2007 figures have been restated on the same basis.

By Level			
	2007		2008
Undergraduate Students	14 428	EFTS	14 029
	84.4%	Percentage	84.5%
Postgraduate Students	2 657	EFTS	2 580
	15.6%	Percentage	15.5%

+ ENROLMENTS

Total Students		
2007		2008
21 889	Students	21 380
3.9%	Change	-2.3%

Domestic Students		
2007		2008
18 923	Students	18 615
7.1%	Change	-1.6%

International Students		
2007		2008
2 980	Students	2 765
-12.9%	Change	-7.2%

Māori Students		
2007		2008
1 769	Students	1 713
1.4%	Change	-3.2%

Pacific Students		
2007		2008
1 008	Students	1 024
15.7%	Change	1.6%

+ OTHER KEY FACTS

Degrees, Diplomas & Certificates Awarded		
2007		2008
5 496	Awards	5 751
3.25%	Change	4.64%

Space Occupied		
2007		2008
107 219	Square metres	105 540
-0.1%	Change	-1.6%

Full-Time Equivalent Staff		
2007		2008
1 985.5	Staff FTE	1 930.7
4.1%	Change	-2.8%

Victoria University of Wellington was created by its own Act of Parliament, which came into force on 1 January 1962. Prior to that, Victoria University College was a constituent part of the University of New Zealand. Founded by an Act of Parliament to celebrate the Diamond Jubilee of Queen Victoria in 1897, Victoria College commenced teaching and research in 1899. The original part of that building now known as Hunter was opened in 1906. On 1 January 2005, by Order in Council, the Wellington College of Education, which was established in 1880, was disestablished and incorporated into the University. On 1 January 2006, the New Zealand School of Music, a centre of musical excellence, was established as a joint venture between the University and Massey University, combining the musical programmes of both institutions.

Academic decisions and qualifications are the responsibility of the University and its seven Faculties. Teaching, learning and research are carried out by 27 Schools and a number of Institutes and Centres.

The University operates from several sites. The Kelburn Campus is the home of the Schools with interests in science, engineering and humanities and social sciences, and of the University's administration. The Te Aro Campus, on the southern fringe of the central business district, is the home of the Schools of Architecture and Design. The Pipitea Campus, close to Parliament and the courts, consists of the Government Buildings Historic Reserve and the neighbouring Rutherford House and the Wellington Railway Station West Wing. This campus is home of the University's Schools specialising in the study of law, government, commerce and administration and professional development. The Karori Campus is the home of the Schools specialising in teacher education, education studies and the University's Foundation Studies programme. The University also offers English language and commerce courses at its campus at the University of Economics' Campus in Ho Chi Minh City in Vietnam. The University also teaches an International Master of Business Administration programme in Hong Kong in association with the Asia-Pacific Institute of Business, of the Chinese University of Hong Kong.

✚ FACULTY ENROLMENTS AS AT OCTOBER 2008

	Architecture & Design	Commerce & Admin	Education	Humanities & Social Sciences	Law	Science*	Total**
	%	%	%	%	%	%	%
GENDER							
Female	40.7	48.8	87.8	60.4	58.3	48.2	56.1
Male	59.3	51.2	12.2	39.6	41.7	51.8	43.8
ETHNICITY							
Asian	19.3	32.0	6.4	10.4	10.9	17.2	16.5
Māori	8.0	7.2	12.8	8.3	10.6	5.6	7.9
Other	11.2	8.6	10.7	14.4	11.6	12.5	12.7
Pacific	2.2	5.1	8.9	4.9	4.1	2.6	4.7
Pākehā-European	59.3	47.1	61.2	62.0	62.8	62.1	58.2
Total	1 380	5 028	959	12 395	1 941	2 604	21 791

*The Faculty of Engineering enrolments are included in the Science Faculty figure.

**Faculty enrolments are higher than total enrolments as students may enrol in more than one Faculty, such as those studying towards a conjoint degree.

2008 FINANCIAL OVERVIEW

The Consolidated Group surplus for the 2008 year was \$9.9 million with the significant contributions coming from the University and the Research Trust. The Research Trust of the Victoria University of Wellington operates research grants and contracts for the University and any surpluses over direct costs and overheads are reinvested into University research.

For the University, the surplus was \$5.1 million which included interest of \$3.5 million. Interest income declined by \$1.1 million from 2007 due to the large capital investment programme and the abrupt decline in interest rates towards 2008 year end.

Following a record number of enrolments in 2007, Victoria University had a financially challenging year in 2008 as a result of a decrease in local student enrolments. As anticipated, international full-fee student numbers also declined in 2008, but at a lower rate than 2007.

The table of student equivalent full-time students (EFTS) below shows the variability of local student demand and the continuing fall in full-fee students from overseas. Local demand is mainly driven by school leavers, recent leavers who have deferred study or students returning to tertiary study. For the latter two groups the strength of the economy influences study decisions—a strong economy and high employment reduce the incentive to take time off for study. Potential students contemplating study in 2008 would have noted the strong employment market and the then very favourable conditions for travel. These conditions have changed in late 2008 and as a result Victoria may experience higher EFTS demand in 2009.

International numbers are starting to stabilise but the reductions in numbers from the peak demand year 2006 have reduced revenue and required matching decreases in costs.

The University has had to respond to the reduction in EFTS and interest income by focusing on costs across the University. At the same time, all opportunities for revenue enhancement are being explored.

Elsewhere in this report, the University is reporting positive developments including continued growth in science, engineering and architecture. These developments have introduced a range of financial challenges including the need for a much greater investment in physical and human resources. Physical accommodation is stretched, and the University has embarked on a series of large-scale developments to provide additional accommodation.

Despite the reduction in 2008 EFTS, the University is still experiencing great pressure on its physical infrastructure, particularly at the Kelburn Campus. The University drew up plans several years ago to increase teaching, research and student accommodation capacity. At the time the development plans were approved it was anticipated that the University would be required to borrow to complete the programme. The University sought and was granted Government approval to commence a borrowing programme. The University has negotiated a \$55 million short-term advances facility valid for three years with a provision to renegotiate the facility annually after the initial period.

Students—Equivalent full-time students (EFTS)—trend 2005—2008					
	2004	2005	2006	2007	2008
Government Funded	13 822	13 771	14 177	15 111	14 976
Full Fee	2 568	2 665	2 473	1 974	1 633
Total	16 390	16 436	16 650	17 085	16 609

In 2007, work started on a new \$50 million student accommodation complex adjacent to the Kelburn Campus, Te Puni Village which will provide an additional 389 beds in time for the first semester 2009. During 2008, consents were obtained and construction commenced for a new Teaching Learning and Research building adjacent to the Cotton building on the Kelburn Campus. This building will support the recent growth in science and engineering and Victoria's strategic goals to grow postgraduate enrolments and to partner with external research and commercial organisations.

The Tertiary Advisory and Monitoring Unit (TAMU) has established several financial measures they use to monitor the financial health of organisations in the tertiary sector. In the table below, ratios from the 2008 University accounts are compared with the minimum recommended levels established by TAMU.

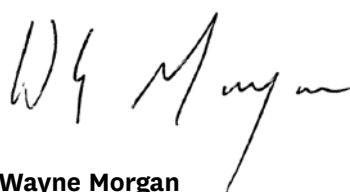
Measure	TAMU Minimum Targets	2008 Consolidated	2008 University
	%	%	%
Surplus ¹	3.0	3.3	1.8
Cash cover ²	8.0	18.3	4.0
Asset productivity ³	40.0	51.2	49.2
Return on assets ⁴	1.0	1.4	0.8

1 Surplus excluding unusual items as a percentage of total revenue

2 Liquid funds as a percentage of annual cash outgoings

3 Revenue over net assets

4 Surplus as a percentage of assets



Wayne Morgan
Chief Financial Officer

STATEMENT OF RESPONSIBILITY

The management of Victoria University accepts responsibility for:

- + the preparation of the annual financial statements and the judgements used in them
- + establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of Council and management of Victoria University the financial statements for the financial year ended 31 December 2008 fairly reflect the financial position and operations of Victoria University and the group.



Emeritus Professor Tim Beaglehole
Chancellor



Professor Pat Walsh
Vice-Chancellor

23 February 2009

AUDIT REPORT

for the year ended 31 December 2008



AUDIT REPORT**TO THE READERS OF
VICTORIA UNIVERSITY OF WELLINGTON AND GROUP'S
FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2008**

The Auditor-General is the auditor of Victoria University of Wellington (the University) and group. The Auditor-General has appointed me, Grant Taylor, using the staff and resources of Ernst & Young, to carry out the audit of the financial statements and statement of service performance of the University and group, on his behalf, for the year ended 31 December 2008.

Unqualified Opinion

In our opinion:

- ▶ the financial statements of the University and group on pages 31 to 82:
- ▶ comply with generally accepted accounting practice in New Zealand; and
- ▶ fairly reflect:
 - ▶ the University and group's financial position as at 31 December 2008; and
 - ▶ the results of operations and cash flows for the year ended on that date.
- ▶ the performance information of the University and group on pages 83 to 96 fairly reflects its service performance achievements measured against the performance targets adopted for the year ended on that date.

The audit was completed on 23 February 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 University and group as at 31 December 2008. They must also fairly reflect the results of 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 statement of service performance 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 the University or any of its subsidiaries.



Grant Taylor
Ernst & Young
On behalf of the Auditor-General
Wellington, New Zealand

Matters Relating to the Electronic Presentation of the Audited Financial Statements, Performance Information

This audit report relates to the financial statements and performance information of Victoria University of Wellington and group (VUW) for the year ended 31 December 2008 included on VUW's website. The Council is responsible for the maintenance and integrity of VUW's website. We have not been engaged to report on the integrity of VUW's website. We accept no responsibility for any changes that may have occurred to the financial statements and performance information since they were initially presented on the website.

The audit report refers only to the financial statements and performance information named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and performance information. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and performance information as well as the related audit report dated 23 February 2009 to confirm the information included in the audited financial statements and performance information presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

STATEMENT OF ACCOUNTING POLICIES

for the year ended 31 December 2008

⊕ THE REPORTING ENTITY

The financial statements of Victoria University of Wellington (the “University”) and Consolidated Group (the “Group”) for the year ended 31 December 2008 were authorised for issue in accordance with a resolution of the Victoria University of Wellington Council (the “University Council”) on 23 February 2009.

The University was created as a University and body corporate by the Universities Act 1961 and the Victoria University of Wellington Act 1961 and is domiciled in New Zealand.

The University and the Group are designated as public benefit entities for financial reporting purposes.

The University provides for the advancement of knowledge and the dissemination thereof by teaching and research by offering courses leading to a wide range of degrees, diplomas and certificates. It also makes research available to the wider community for mutual benefit, and provides research and scholarship for the purpose of informing the teaching of courses. These aspects are covered fully in the Statement of Service Performance. The University is located in Wellington and offers most courses and research from there.

The financial statements for the University only and the Consolidated Group financial statements are presented. The financial statements are presented as at and for the year ended 31 December 2008 for the University only and the Consolidated Group. Included in these financial statements are:

1. The **University** as the parent entity.
2. The **Consolidated Group** comprising the University together with:

Subsidiary Companies

- **Victoria Link Limited (“VLL”)** is a wholly-owned subsidiary of the University formed in April 1992. VLL is the University’s commercial interface with the business and government sectors and manages intellectual property development and consulting on behalf of the University.
- **Te Puni Village (“TPV”)** is a wholly-owned subsidiary of the University incorporated in December 2008. TPV provides accommodation for students studying at the University.
- **iPredict Limited (“iPredict”)** is a subsidiary of VLL incorporated in January 2008. iPredict operates a prediction market where people trade contracts or stocks on the likely outcome of a specific event. The University has a 75 percent direct interest in the company via its subsidiary VLL.
- **Prediction Clearing Limited (“PCL”)** is a wholly-owned subsidiary of the iPredict incorporated in July 2008. PCL acts as a trust account for holding clients’ funds while trading in the predictions market.

Joint Ventures

- **New Zealand School of Music Limited (“NZSM”)** is a joint initiative between Massey University and Victoria University of Wellington. NZSM was formed in January 2006 with each university holding a 50 percent share in the company. All existing full music degrees previously offered by either university are now awarded jointly as NZSM branded qualifications.
- **MacDiarmid Institute for Advanced Materials and Nanotechnology (the “Institute”)** is an unincorporated joint venture between Victoria University of Wellington, University of Canterbury, Massey University and University of Otago to undertake research on a project funded by the Tertiary Education Commission. The Institute was formed in July 2002 to collaborate on research in the field of advanced materials and nanotechnology. The Institute is proportionally included in the University’s results and financial position. The University has a 56 percent interest in the operations of the Institute.

Wholly Controlled and Consolidated Trusts

- **Victoria University of Wellington Foundation (“VUWF”)** is a controlled charitable trust incorporated in October 1990. VUWF raises funds from private parties for projects that promote academic excellence at the University.
- **Victoria University of Wellington Art Collection Funding Trust (“VUWACFT”)** is a controlled and charitable trust formed in December 2000. VUWACFT is established to provide funding for the acquisition, collection, care, management, exhibition and promotion of art collection.
- **Research Trust Victoria University of Wellington (“RTVUW”)** is a controlled charitable trust incorporated in September 2006. RTVUW was established to provide academic research that contributes to academic excellence.
- **VUW School of Government Trust (“VUWSGT”)** is a controlled and charitable trust incorporated in May 2007. VUWSGT was established to provide support to research, training and education in connection with public policy, public management, public administration and strategic studies.

Associates

- **Library Consortium of New Zealand Limited (“LCoNZ”)** is a collaborative venture formed in June 2004 between the libraries of AUT University, the University of Waikato, the University of Otago and the University. The University acquired 25 percent of the shareholding in LCoNZ upon incorporation.
- **Magritek Limited (“Magritek”)** is a collaboration formed in November 2004 between the University, Massey University and private shareholders. Magritek is a science and technology company creating innovative products in the field of Nuclear Magnetic Resonance (NMR). The University has a 24 percent direct interest in the company via its subsidiary VLL.
- **NZ Tertiary Education Consortium Limited (“NZTEC”)**. Victoria is a shareholder in NZTEC, a limited liability company formed for the purpose of providing education services to the Sultanate of Oman’s Ministry of Higher Education. Victoria acquired the 16.67 percent

share in March 2006. All six shareholders hold equal shares and equal voting rights in the company. As all shareholders in this company hold equal shareholding rights, we have deemed it appropriate to treat this entity as an associate.

⊕ BASIS OF PREPARATION

The financial statements have been prepared in accordance with generally accepted accounting practices in New Zealand (“NZ GAAP”) and the requirements of the Financial Reporting Act 1993 and the Crown Entities Act 2004. The financial statements have also been prepared on a historical cost basis, except for land, buildings and equity securities/debt security investments which have been measured at fair value.

The financial statements are presented in New Zealand Dollars and all values are rounded to the nearest thousand dollars (\$000).

⊕ STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with NZ GAAP. They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for Public Benefit Entities. All available or required Public Benefit Entity exemptions have been adopted.

⊕ SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statement includes separate financial statements for the University as an individual entity and the Group consisting of the University, its subsidiaries, joint ventures, controlled and consolidated trusts and associates.

Accounts Payable

Accounts payable are recognised upon receipt of the goods or when the service has been performed and are measured at the agreed purchase contract price, net of applicable trade and other discounts, being fair value of the transaction and then accounted for at amortised cost. Amounts owing are unsecured and are generally settled on 30-day terms.

Accounts Receivable

Accounts receivable are recognised and carried at original invoice amount less an allowance for any uncollectable amounts. The two categories of accounts receivable are:

- + trade receivables which are due for settlement in no more than 14 days
- + tuition fees receivables which are due for settlement prior to a course starting. However, in some cases, domestic students may opt for an instalment plan whereby regular payments are made to ensure all fees are paid in full by the completion of that course.

Collectability of trade receivables and tuition fees is reviewed on an ongoing basis. Debts that are known to be uncollectable are written off when identified. A provision is raised for any doubtful debts based on a review of all outstanding amounts at reporting date.

Basis of Consolidation

The Consolidated Group financial statements comprise the financial statements of the University, its subsidiaries, joint ventures, controlled and consolidated trusts and associates as at 31 December each year (the Group).

A subsidiary is an entity over which the University and Group have the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity. This is generally evident by holding in excess of 50 percent of the voting rights. Subsidiaries are fully consolidated from the date on which control is obtained by the Group and ceases to be consolidated from the date on which control is transferred out of the Group.

Minority interests not held by the Group are allocated their share of net profit after tax in the income statement and are presented within equity in the consolidated balance sheet, separately from parent shareholders' equity.

Joint ventures are entities over whose activities the University and Group have joint control, established by contractual agreement and requiring unanimous consent for strategic, financial and operating decisions. Joint ventures are accounted for using the proportionate method.

Controlled and consolidated trusts are those entities in which the University and Group have the power to govern the financial and operating

policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity. Controlled and consolidated trusts are fully consolidated from the date on which control is obtained by the Group and ceases to be consolidated from the date on which control is transferred out of the Group.

Associates are those entities in which the University and Group have significant influence, but not control over the financial and operating policies. This is generally evident by holding between 20 and 50 percent of the voting rights. Associates are accounted for using the equity method.

The financial statements of the subsidiaries, joint ventures, controlled and consolidated trusts and associates are prepared for the same reporting period as the University using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

In preparing the Group financial statements, all intercompany balances and transactions, income and expenses, profits and losses arising from intra-group transactions have been eliminated in full.

Bank Borrowing and Borrowing Costs

All borrowings are in relation to the specific large building projects. Borrowings are classified as current liabilities and recognised at amortised cost as each advance has a repayment date of a maximum of six months after the drawdown date (as per the 'NZ Dollar Short Term Advances Facility Agreement').

Borrowing costs are capitalised for those costs incurred up to the date of use of the building. Borrowing costs incurred after the date of use of the building will be recognised as an expense when incurred.

Business Combinations

The purchase method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the combination. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Budget

The budget is set prior to the beginning of each year and is a requirement of the Crown Entities Act 2004. The budget for 2008 was approved by the University Council on 26 November 2007.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with a maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the Statement of Cash Flow, cash and cash equivalents consist of cash and cash equivalents as defined above.

Construction in Progress

Construction in progress represents the cost of unoccupied and incomplete building projects and other major capital works projects at reporting date. It also includes the costs of major information technology (IT) systems such as software, networks and audio visuals projects that had not been implemented as at reporting date and is stated on the basis of expenditure incurred and gross progress claim certificates up to balance date. Contract retentions for capital works are recorded as accounts payable. Construction in progress is not depreciated. Costs cease to be capitalised when all the activities substantially necessary to bring an asset to the location and condition for its intended use are complete. All feasibility costs are expensed as incurred.

Employee Entitlements

Provisions are recognised when the University has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

With the exception of annual leave, all other entitlements are valued by an independent actuary on an annual basis with the present obligation appearing on the Statement of Financial Position and movements in those provisions reflected in the Statements of Performance.

Liabilities in respect of employee entitlements that are expected to be paid or settled within 12 months of balance date are accrued at nominal amounts calculated on the basis of current salary rates. Liabilities in respect of employee entitlements that

are not expected to be paid or settled within that period are accrued at the present value of expected future payments using discounted rates as advised by the actuary.

- + **Annual leave** for all staff has been accrued based on employment contract/agreement entitlements using current rates of pay. This provision is stated as a current liability.
- + **Long service leave** has been accrued for qualifying general staff. The liability is equal to the present value of the estimated future cash flows as a result of employee service provided at balance date as assessed by an independent actuary. This provision is stated as a current liability if it is vested and a non-current liability if it is not.
- + **Retiring leave** for all eligible staff is equal to the present value of the estimated future cash flows as a result of employee service provided at balance date as assessed by an independent actuary. This provision is stated as a current liability if it is vested and a non-current liability if it is not.
- + **Sick leave** has been accrued for a small group of ex Wellington College of Education employees. The liability is expected to be settled within 12 months of the reporting date and is recognised in respect of employees' services up to the reporting date. The provision is stated as a current liability. No accrual is made for other University employees because the University has a policy of unlimited sick leave for all permanent staff.

Financial Instruments

Financial instruments comprise investments in equity and debt securities ("other investments"), trade and other receivables, derivatives such as forward exchange contracts, cash and cash equivalents, trade and other payables. These are classified in accordance with NZIAS 39 as set out in Note 8 to the financial statements.

Financial instruments are recognised in the Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. All purchases and sales of financial assets are initially measured at fair value on trade date, which includes transaction costs, when the related

contractual rights or obligations exist. Subsequent to initial recognition, financial assets at fair value through the Statement of Financial Performance are revalued to current fair value. Other financial assets are recognised at amortised cost. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Investments comprise equity and debt securities held in managed portfolios. All purchases of securities are initially measured at fair value on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition, financial assets are periodically revalued to the current fair value. Fair value movements are recognised in the Statement of Financial Performance.

The University and Group enter into derivative financial instruments such as foreign currency forward exchange contracts to manage foreign exchange risk on committed expenditure nominated in foreign currencies. Derivatives are initially recognised at fair value on the date a derivative contract is entered into. Subsequent to initial recognition, derivative financial instruments are re-measured to their fair value at each reporting date.

Revenue, costs and fair value movements in relation to all financial instruments are recognised in the Statement of Financial Performance.

Foreign Currency

Both the functional and presentation currency of the University and the Group is New Zealand Dollars (\$).

Foreign currency transactions are translated into New Zealand Dollars at the exchange rate prevailing at the date of the transaction. Amounts receivable and payable in foreign currency at reporting date are translated at the rates of exchange ruling on that date. Foreign currency balances have been converted into New Zealand Dollars using the exchange rate at the close of business on balance date. Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the Statement of Financial Performance. Foreign exchange gains and losses are recognised in the Statement of Financial Performance.

Goods and Service Tax (GST)

The financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable (excluding

accruals), which are stated as GST inclusive. Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Inland Revenue Department (IRD). The net amount of GST recoverable from, or payable to, the IRD is included as a current asset or liability in the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the IRD are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Intangible Assets

+ Software costs

IT computer software represents the cost to the University and Group of major IT systems that have been purchased, developed and implemented. These are capitalised at cost. Amortisation for IT computer software is calculated using a straight-line basis and the amortisation periods are 3-5 years. This expense is taken to the Statement of Financial Performance through the 'depreciation and amortisation' line item. Internally generated software is expensed as costs are incurred.

+ Development costs

Development expenditure incurred on an individual project (for example; for a university teaching course) is carried forward when it is probable that expected future economic benefits will flow to the entity. It can only be recognised as an intangible asset where it meets certain criteria set out in NZ IAS 38:

- it is identifiable
- it is probable that the future economic benefits that are attributable to the asset will flow to the entity
- the cost of the asset can be measured reliably.

Impairment of Capitalised Intangibles

All capitalised intangible assets are tested for impairment where an indicator of impairment exists and in the case of intangible assets with indefinite lives, an annual review is performed. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition ready for sale.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Lease Costs

All the University and Group leases are operating leases as the risks and rewards of ownership do not transfer to the lessee. Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Property, Plant and Equipment

Treatment for specific classes of property, plant and equipment:

- **Land, building structures, building services, building fit-outs and infrastructure assets.**

Following the initial recognition at cost, land and buildings are carried at a revalued amount less any subsequent accumulated depreciation on buildings and accumulated impairment losses.

Revaluations are performed at least once every three years by an independent registered valuer. The valuations are revised based on advice from an independent registered valuer during the intervening years to reflect any material movements in values. The method of valuation is fair value. All movements in revaluation are taken direct to the revaluation reserve within community equity. Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the balance sheet unless it reverses a revaluation decrease of the same asset previously recognised in the Statement of Financial Performance.

- **Leasehold improvements** are recorded at cost less accumulated depreciation and any accumulated impairment loss. Improvements are depreciated over the shorter of the unexpired period of the lease and the estimated useful life of the assets.

- **Works of art, classical antiquities, heritage collection and heritage musical instruments** are recorded at cost and, due to the nature of these heritage assets, no depreciation is charged.

- **Computing equipment, furniture and equipment, finance leased computer equipment, library collections in general use, musical equipment, marine vessel and vehicles** are recorded at cost less accumulated depreciation and any accumulated impairment loss.

+ Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating unit are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in the Statement of Financial Performance.

+ Fair value

Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

+ Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Statements of Financial Performance in the year the item is derecognised.

+ Depreciation

Depreciation of property, plant and equipment except for land, heritage collections, works of art, classical antiquities, heritage musical instruments and marae carvings, has been provided for on a straight-line basis at depreciation rates calculated to allocate the assets' cost or the revalued amounts less estimated residual value, over their estimated useful lives. Major depreciation periods are:

Building structures	3—70 years
Building services	10—30 years
Building fit-out	10—50 years
Infrastructure assets	5—50 years
Finance leased	
computer equipment	1—3 years
Leasehold improvements	20—51 years
Computing equipment*	3—5 years
Furniture & equipment*	3—15 years
Library collections	
—general use	3—10 years
Musical instruments	5—100 years
Vehicles	5 years
Marine vessel	14 years

* Assets purchased solely for specific research projects may be depreciated over the life of the project.

+ Property in the name of the Crown

Property in the name of the Crown and occupied by the University, for which the University has all the responsibilities of ownership (such as insurance and maintenance), and for which no rentals have been paid to the Crown, have been included as though they were assets of the University with effect from 1993. This is in accordance with the announced policy of Government that these assets would be transferred into the name of the University.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the University and Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

The University's revenue consists of:

+ Bequests and other monies held in trust

Bequests and donations received on trust for particular purposes are recorded as revenue on a cash received basis in the Statement of Financial Performance. These monies are not available for funding operating expenditure of the University.

+ Dividend

Dividend revenue is recognised when the shareholders' right to receive the payment is established.

+ Externally funded research

Externally funded research revenues are reflected in the Statement of Financial Position as research grants unexpended where fulfilment of any contractual obligation is yet to occur. When the contractual obligation has been fulfilled, externally funded research revenue is transferred as research support in the Statement of Financial Performance.

+ Fees and charges

Student fees and charges are recognised as revenue in advance upon enrolment in the Statement of Financial Position. Revenue from rendering services is recognised only when the University has a right to be compensated, it is probable that compensation will be received and the amount of revenue and the stage of completion of a transaction can be reliably measured.

+ Government grants

Government funding for students is recognised as revenue in advance upon receipt in the Statement of Financial Position. Revenue from rendering services is recognised only when the University has a right to be compensated, and the amount of revenue and the stage of completion of a transaction can be reliably measured.

Capital contributions from the Crown that are non-reciprocal in nature are recognised as other revenue in the Statement of Financial Performance in the year in which the group obtains control over them. Where there is a reciprocal arrangement and the contributions provide an increase in capabilities of the University to provide additional services to the community then the contribution is taken to the Statement of Movements in Equity.

Research related funding is accounted for on the same basis as externally funded research noted above.

+ Interest

Interest revenue is recognised on an accrual basis taking into account the interest rates applicable to the financial assets.

+ **Other revenue**

This represents contributions from external organisations and miscellaneous income not derived from core operations. Other revenue is recognised when the commitment is fulfilled or there is no liability to refund the amount.

+ **Sale of goods**

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

+ **Rendering of services**

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract at the balance sheet date.

+ **Rental income**

Rental income is recognised as it accrues over the period that the properties are leased to third parties.

Taxation

The IRD treats the University and Group, for the purposes of income tax, as a charitable organisation with the exception of Magritek Limited, iPredict Limited and Predictions Clearing Limited. For these entities, the consolidated entity adopts the taxes payable method.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rate and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

⊕ FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The University and Group's financial instruments comprise investments in equity and debt securities (other investments), derivatives such as forward exchange contracts, cash and cash equivalents. It also has various other financial assets and liabilities such as short-term borrowings, accounts receivables and accounts payables, which arise directly from its operations.

The main purpose of these financial instruments is to provide investment returns and raise finance for the Group's operations.

The main risks arising from the University and Group's financial instruments are interest rate risk, liquidity risk, foreign exchange risk and credit risk. The University Council reviews and agrees policies for managing each of these risks as summarised below. Compliance is monitored monthly and deviations from targets are reported to the Chief Financial Officer in the first instance.

Interest Rate Risk

No borrowing may be arranged until approval has been granted by the University Council and the Secretary of Education. The University received approval to arrange a revolving credit facility of up to \$55 million from the Secretary of Education on 26 September 2008.

Liquidity Risk

Funding commitments are monitored to ensure that there are cash reserves (or other liquid assets), or secured committed financing arrangements to cover a minimum of 120 percent of the forecast peak funding requirements at any one point in time of the University, for the next 12 months. Amendment of the funding targets may only be made with approval of the University Council.

Foreign Exchange Risk

The University and Group may not enter into any financing arrangement in any foreign currency unless approval is granted by the University Council and the Ministers of Education and Finance, where prescribed by the Crown Entities Act 2004.

Hedging of Foreign Currency Exposures

Individual expenses/receipts with an equivalent spot value of up to NZD 100,000 will be transacted at the spot rate on payment/receipt date. Foreign exchange risk for this class of transaction will be monitored but will be left unhedged.

Individual expenses/receipts with an equivalent spot value of over NZD 100,000 are economically hedged within 5 working days of commitment, provided there is reasonable certainty over the amount and timing of the exposure, and the term of the latest payment/receipt does not exceed 12 months. Details of all hedging for foreign currency risk management are reported to the University Council at the first monthly meeting following the transaction. Hedge accounting will not be applied.

The University and Group seek to limit its exposure to foreign currency risk by communicating its preference to transact in New Zealand dollars wherever practicable, to both suppliers and customers.

Credit Risk

The University and Group only transact with banks or financial institutions registered by the Reserve Bank of New Zealand that have been granted approved counterparty status by the University Council.

Short-term deposits are only placed with the major New Zealand trading banks registered by the Reserve Bank of New Zealand.

Counterparty limits are set to manage the University and Group's financial exposure to any one counterparty. The University and Group's financial exposure to any one counterparty will not exceed 33 percent of total funds. Amendment of counterparty limits may only be made when approval has been granted by the University Council.

Investments in debt and equity instruments are managed with the assistance of external specialists applying investment diversification which is in line with the Group's investment policies.

The University and Group also transact with its students. These transactions do not create a significant credit risk as students have no concentration of credit because of the low value and high volume of the transactions.

The University and Group also transact with the Crown. These transactions do not create a significant credit risk.

Capital Management Policy

The Group manages its exposure to key financial risks, including interest rate and credit risk, in accordance with its Treasury Statute. The objective of the statute is to support the delivery of the Group's financial targets whilst protecting future financial security. The Group also operates within

guidelines set by the Tertiary Advisory Monitoring Unit. The Group is also required to maintain financial ratios in accordance with bank covenants as outlined in the loan agreement dated 20 October 2008.

These are:

- + Interest coverage ratio of not less than 4:1.
- + Debt servicing ratio that debt is not greater than 25 percent of total tangible assets.

Significant Accounting Judgements and Estimates

In applying the Group's accounting policies, management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may impact on the Group. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

- + Valuation of land and building assets: management relies on the services of independent valuers to assess the carrying values of land and building assets.
- + Valuation of retirement, long service and sick leave entitlements: management rely on the services of an independent actuary to assess the carrying value of these employee entitlements.
- + Bad debt provisioning: where receivables are outstanding beyond the normal trading terms, the likelihood of recovery is assessed by management.

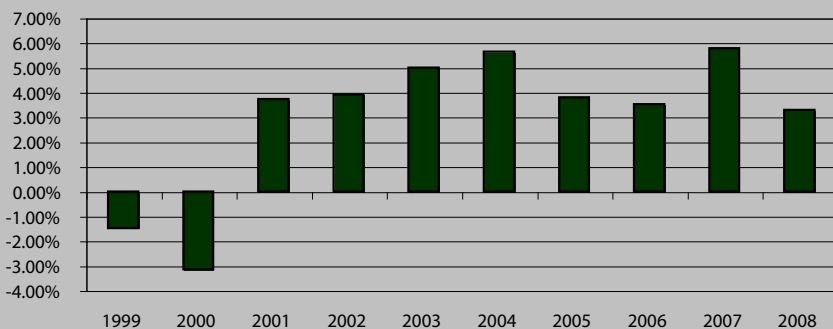
Changes in Accounting Policies

During the year, there have been no changes in accounting policies. All accounting policies have been applied on bases consistent over the two years presented.

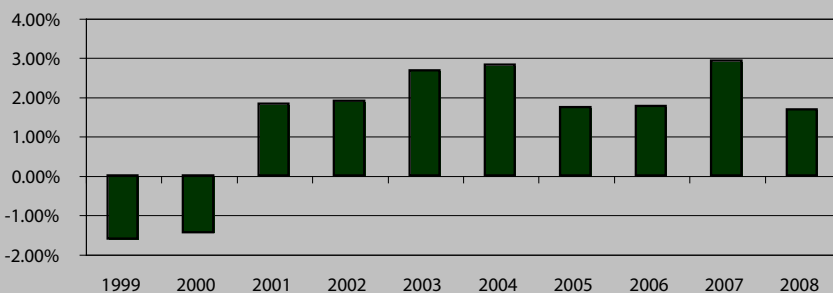
Standards and Interpretations Issued But Not Yet Effective

The University and Group have adopted and applied all applicable standards and interpretations issued but not yet effective that will impact the University and Group for recognition and measurement purposes.

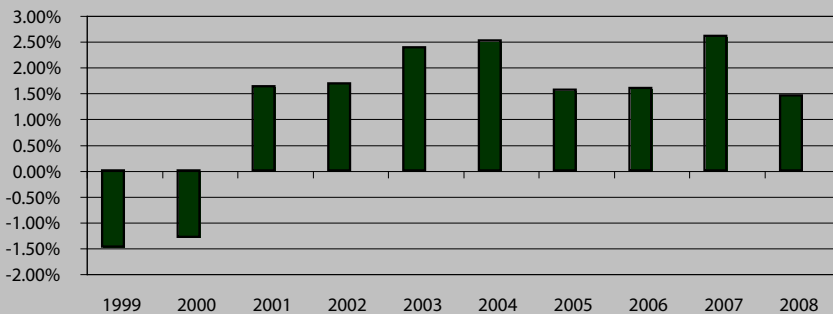
Consolidated Surplus* to Total Revenue



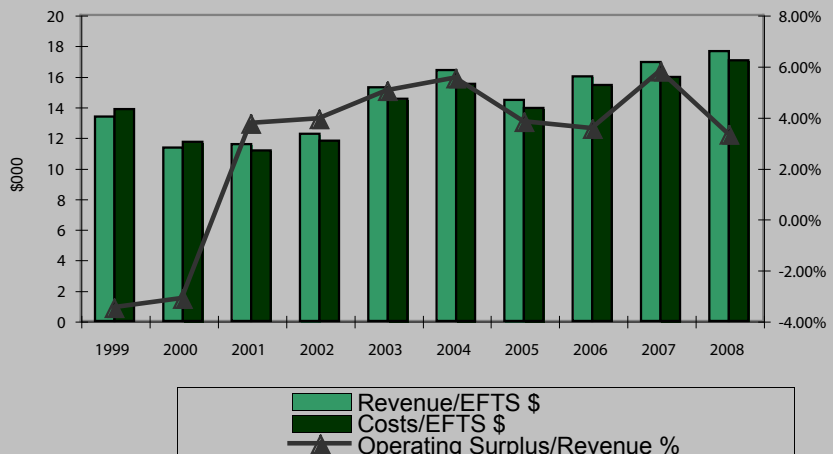
Consolidated Surplus* to Community Equity



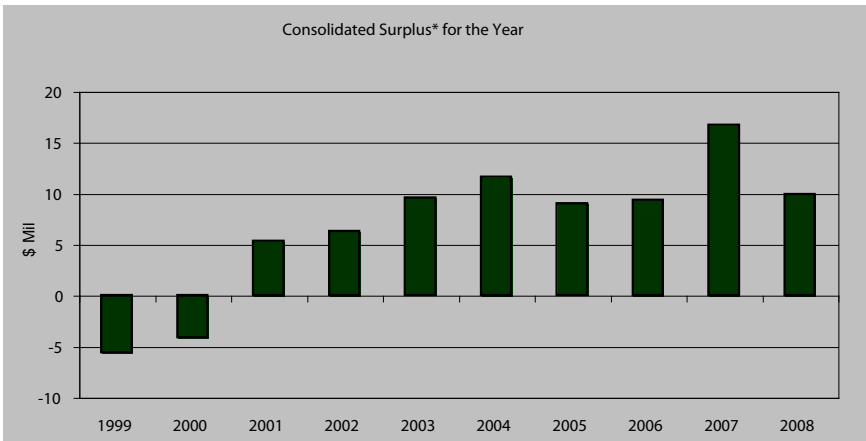
Consolidated Surplus* to Total Assets



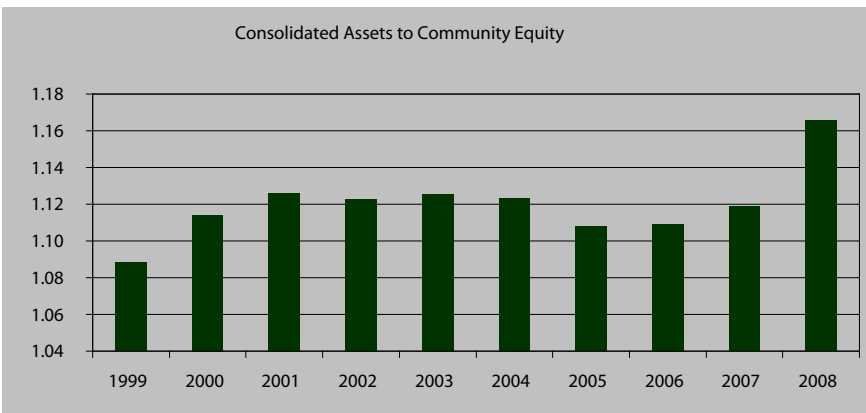
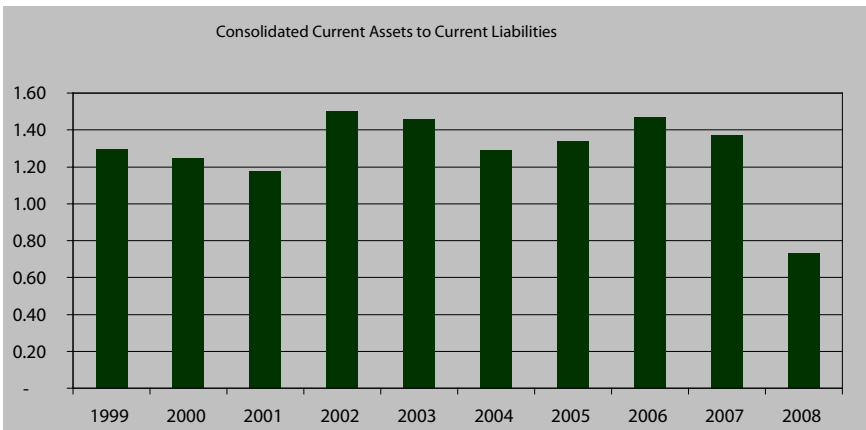
Consolidated Revenue, Costs and Surplus*



* Consolidated surplus is the total surplus for the year before material, unbudgeted and non-recurring items.



* Consolidated surplus is the total surplus for the year before material, unbudgeted and non-recurring items.



⊕ CONSOLIDATED TREND STATEMENT

	2004	2005	2006	2007	2008
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Financial Performance					
Total revenue	206 114	237 698	266 112	289 397	300 992
Surplus for the year before unusual items	11 621	9 010	9 371	16 728	9 900
Material, unbudgeted and non-recurring items	-	32 471	-	-	-
Surplus for the year	11 621	41 481	9 371	16 728	9 900
Financial Position					
Total current assets	53 590	61 654	67 734	76 663	63 487
Total non-current assets	408 995	515 982	521 900	565 560	622 251
Total assets	462 585	577 636	589 634	642 223	685 738
Total current liabilities	41 492	46 036	46 225	55 866	86 852
Total non-current liabilities	9 354	10 274	11 844	12 236	10 559
Total liabilities	50 846	56 310	58 069	68 102	97 411
Total community equity	411 739	521 326	531 565	574 121	588 327
Statistics					
Surplus before unusual items to community equity	2.82%	1.73%	1.76%	2.91%	1.68%
Surplus before unusual items to total assets	2.51%	1.56%	1.59%	2.60%	1.44%
Surplus before unusual items to total revenue	5.64%	3.79%	3.52%	5.78%	3.29%
Current assets to current liabilities	1.29	1.34	1.47	1.37	0.73
Assets to equity	1.12	1.11	1.11	1.12	1.17
Liabilities to equity	0.12	0.11	0.11	0.12	0.17

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 December 2008

	Note	Consolidated			University		
		31-Dec-08	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07	
		\$ 000	Budget \$ 000	\$ 000	\$ 000	Budget \$ 000	\$ 000
Revenue							
Government grants		134 383	134 337	126 756	131 716	131 452	124 209
Domestic tuition fees		59 156	62 895	56 216	58 264	62 127	55 198
International tuition fees		26 226	26 426	31 254	26 106	26 246	31 254
Research support		30 739	34 789	28 509	17 162	16 221	17 058
Commercial		19 986	16 421	21 477	18 354	18 620	19 643
Other student fees		14 008	11 407	11 007	14 021	11 841	11 016
Other revenue	1	13 017	9 573	12 883	9 385	5 618	9 585
		297 515	295 848	288 102	275 008	272 125	267 963
Interest earnings of controlled trusts		467	-	933	-	-	-
Fair value movements of financial assets in controlled trusts		(468)	-	(413)	-	-	-
Other earnings by controlled trusts (donations and dividends)		3 369	-	3 532	-	-	-
Share of retained surplus of associates	19	109	-	67	-	-	-
Total revenue		300 992	295 848	292 221	275 008	272 125	267 963
Expenditure							
People	2	168 731	162 915	157 933	158 831	154 729	150 325
Occupancy	3	21 634	20 898	19 787	19 593	20 162	18 655
Equipment		1 852	2 209	1 779	1 544	1 567	1 494
Information technology	4	7 912	8 145	8 597	7 565	8 054	8 412
Operating	5	61 375	64 789	60 105	52 847	51 367	50 518
Interest expense		-	-	-	21	200	-
Depreciation and amortisation	6	29 588	30 101	27 292	29 521	30 025	27 236
Total expenditure		291 092	289 057	275 493	269 922	266 104	256 640
Taxation	7	-	-	-	-	-	-
Surplus for the year		9 900	6 791	16 728	5 086	6 021	11 323
Attributed to:							
Members of the parent		10 033	6 791	16 728	5 086	6 021	11 323
Minority interest		(133)	-	-	-	-	-

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2008

	Note	Consolidated			University		
		31-Dec-08	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07	
		\$ 000	Budget \$ 000	\$ 000	\$ 000	Budget \$ 000	\$ 000
Surplus for the year		9 900	6 791	16 728	5 086	6 021	11 323
Increase in revaluation reserve	14	-	-	25 636	-	-	25 636
Total comprehensive revenue and expenses for the year		9 900	6 791	42 364	5 086	6 021	36 959
Attributed to:							
Members of the parent		10 033	6 791	42 364	5 086	6 021	36 959
Minority interest		(133)	-	-	-	-	-

⊕ STATEMENT OF MOVEMENTS IN EQUITY

for the year ended 31 December 2008

	Note	Consolidated			University		
		31-Dec-08	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-08	31-Dec-07
		\$ 000	Budget \$ 000	\$ 000	\$ 000	Budget \$ 000	\$ 000
Total comprehensive revenue and expenses for the year		9 900	6 791	42 364	5 086	6 021	36 959
Capital contribution from Government to the Victoria University administered MacDiarmid Institute	23	4 307	-	-	4 307	-	-
Community equity at start of the year		574 121	566 534	531 757	549 440	546 704	512 481
Community equity at end of the year		588 327	573 325	574 121	558 833	552 725	549 440
Attributed to:							
Equity holders of the parent		588 325	573 325	574 121	558 833	552 725	549 440
Minority interest		2	-	-	-	-	-

Community equity represented by:

	Note	Consolidated			University		
		Accumulated funds	Asset revaluation reserve	Total	Accumulated funds	Asset revaluation reserve	Total
		\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Balance as at 1 January 2007		232 306	299 451	531 757	213 030	299 451	512 481
Surplus/(deficit) for the year		16 728	-	16 728	11 323	-	11 323
Movement in revaluation reserves	14	-	25 636	25 636	-	25 636	25 636
Balance as at 31 December 2007		249 034	325 087	574 121	224 353	325 087	549 440
Surplus/(deficit) for the year		9 900	-	9 900	5 086	-	5 086
Capital contribution from Government	23	4 307	-	4 307	4 307	-	4 307
Balance as at 31 December 2008		263 240	325 087	588 327	233 746	325 087	558 833

STATEMENT OF FINANCIAL POSITION

for the year ended 31 December 2008

	Note	Consolidated			University		
		31-Dec-08	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-08	31-Dec-07
		\$ 000	Budget \$ 000	\$ 000	\$ 000	Budget \$ 000	\$ 000
Current assets							
Cash and cash equivalents	9	35 359	23 746	48 852	9 110	6 786	30 717
Investments	10	11 870	7 140	13 389	493		232
Accounts receivable and accruals	11	7 803	7 772	7 452	4 647	5 750	4 565
Pre-paid expenses		6 319	6 000	4 960	6 141	6 000	4 960
Taxation	7	3	-	-	-	-	-
Inventories		359	300	589	359	300	589
Other current assets	12	1 774	-	1 421	-	-	-
<i>Total current assets</i>		63 487	44 958	76 663	20 750	18 836	41 063
Non-current assets							
Property, plant and equipment	13	536 772	568 375	536 071	536 521	568 030	535 939
Intangibles	15	6 602	5 907	7 315	6 602	5 907	7 315
Construction in progress	16	77 566	43 621	21 365	77 560	43 530	21 357
Investments in subsidiaries	17	-	-	-	60	60	60
Investments in associates	19	1 311	-	809	541	774	541
Investment in joint ventures	23	-	-	-	250	250	250
<i>Total non-current assets</i>		622 251	617 903	565 560	621 534	618 551	565 462
Total assets		685 738	662 861	642 223	642 284	637 387	606 525
Current liabilities							
Accounts payable and accruals	20	29 280	27 125	24 736	26 978	26 000	23 412
Revenue in advance		11 806	8 668	11 864	4 224	5 000	6 302
Research grants unexpended		6 217	2 000	7 182	2 217	2 000	3 182
Borrowings	25	25 000	25 162	-	25 000	25 162	-
Provision for annual leave	21	11 720	12 581	12 008	11 667	12 500	11 900
Provision for sick leave	21	45	-	76	45	-	76
Provision for retiring and long service leave		2 765	-	2 539	2 765	-	2 172
Derivative financial liabilities	8	19	-	-	19	-	-
<i>Total current liabilities</i>		86 852	75 536	58 405	72 915	70 662	47 044
Non-current liabilities							
Provision for retiring and long service leave	21	10 559	14 000	9 697	10 536	14 000	10 041
Total liabilities		97 411	89 536	68 102	83 451	84 662	57 085
Total net assets		588 327	573 325	574 121	558 833	552 725	549 440
<i>Represented by:</i>							
Community equity		263 238	250 058	249 034	233 746	229 458	224 353
Reserves	14	325 087	323 267	325 087	325 087	323 267	325 087
Minority interest		2	-	-	-	-	-
Community equity		588 327	573 325	574 121	558 833	552 725	549 440

STATEMENT OF CASH FLOWS

for the year ended 31 December 2008

	Note	Consolidated			University	
		31-Dec-08	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
		\$ 000	Budget \$ 000	\$ 000	\$ 000	Budget \$ 000
Operating activities						
<i>Cash was provided from:</i>						
Government grants		134 516	134 337	126 775	131 771	131 452
Tuition fees and other income		157 028	161 296	162 590	136 755	139 071
Dividends/donations from controlled trusts		3 487	-	3 532	-	-
Interest received		5 314	-	6 533	3 648	1 400
		300 345	295 633	299 430	272 174	271 923
<i>Cash was applied to:</i>						
Employees and suppliers		(258 006)	(256 697)	(243 893)	(237 226)	(233 579)
Interest paid		-	-	-	(21)	-
		(258 006)	(256 697)	(243 893)	(237 247)	(233 579)
Net cash flows from operating	26	42 339	38 936	55 537	34 927	38 344
Investing activities						
<i>Cash was provided from:</i>						
Sales of property, plant and equipment		253	-	311	239	-
Sales of investments		1 779	-	-	-	-
Loan repayment from associate		300	-	-	-	-
		2 332	-	311	239	-
<i>Cash was applied to:</i>						
Purchase of property, plant and equipment		(83 671)	(79 666)	(41 853)	(83 548)	(79 700)
Purchase of intangible assets		(2 272)	(1 780)	(3 514)	(2 272)	(1 547)
Purchase of investments		(1 528)	(152)	(8 356)	(261)	-
		(87 471)	(81 598)	(53 723)	(86 081)	(81 247)
Net cash flows from investing		(85 139)	(81 598)	(53 412)	(85 842)	(81 247)

	Note	Consolidated			University		
		31-Dec-08	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07	
		\$ 000	Budget \$ 000	\$ 000	\$ 000	Budget \$ 000	\$ 000
Financing activities							
<i>Cash was provided from:</i>							
Bank borrowings		25 000	-	-	25 000	24 962	-
Funds from Government for capital projects		4 307	-	-	4 307	-	-
Advance from intercompany		-	-	-	5 000	-	-
		29 307	-	-	34 307	24 962	-
<i>Cash was applied to:</i>							
Repayment of intercompany advance		-	-	-	(5 000)	-	-
		-	-	-	(5 000)	-	-
Net cash flows from financing		29 307	-	-	29 307	24 962	-
Effect of exchange rate fluctuations on cash held		-			-	-	
Net cash flows for the year		(13 493)	(42 662)	2 125	(21 608)	(17 941)	457
Add cash at start of year		48 852	41 247	46 727	30 717	24 727	30 260
Cash at end of the year	9	35 359	(1 415)	48 852	9 110	6 786	30 717

⊕ STATEMENT OF COMMITMENTS AND CONTINGENCIES

as at 31 December 2008

Commitments (Consolidated and University)

Property, plant and equipment commitments

Detailed below are those projects for which firm commitments have been made at 31 December 2008.

Commitments include planned maintenance costs expended in the year incurred and capital expenditure projects.

Contracted projects

	Projected contract cost 31-Dec-08	Expended to date 31-Dec-08	Future commitment 31-Dec-08
	\$ 000	\$ 000	\$ 000
Cotton Building	553	212	341
Teaching Learning Research facility	11 502	10 002	1 500
Te Puni Village—student accommodation	45 578	43 341	2 237
Engineering labs	849	316	533
Weir House seismic strengthening	775	305	470
Memorial Theatre upgrade	1 991	183	1 808
Old Kirk L4 alterations	151	88	63
Laby south and Cotton north glazing upgrade	385	16	369
Total contracted projects	61 784	54 463	7 321

	Projected contract cost 31-Dec-07	Expended to date 31-Dec-07	Future commitment 31-Dec-07
	\$ 000	\$ 000	\$ 000
Total contracted projects	46 742	12 679	34 063

Non-cancellable leases and other commitments—Group as lessee

The Group has entered into commercial leases on certain land and buildings (remaining terms of between 5.5 to 77 years), equipment (average term of 3 years) with no renewal option included in the contracts. There are no restrictions placed upon the lessee by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases as follows:

	Land	Buildings	Equipment	Maintenance	31-Dec-08	31-Dec-07
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Due not later than one year	29	3 824	1 292	9 053	14 198	9 942
Due between one and two years	10	3 815	336	2 490	6 651	9 826
Due between two and five years	9	11 446	-	1 066	12 521	13 023
Due later than five years	162	9 399	-	-	9 561	14 012
Total minimum lease payments	210	28 484	1 628	12 609	42 931	46 803

Contingencies (Consolidated and University)

Liability: The University has entered into various arrangements with student accommodation providers whereby the University has guaranteed a minimum level of occupancy. An approximate charge of \$6,000 (2007: \$6,000) per bed per annum is payable upon falling below the guaranteed occupancy rate. The maximum contingent liability, should no students be placed in the contracted accommodation facilities, is \$12.5 million (2007: \$10.1 million) over the remaining term of the contracts, however as at 31 December 2008 there is no liability (31 December 2007: \$Nil).

⊕ NOTES TO THE FINANCIAL STATEMENTS

Note 1 Other revenue (Consolidated and University)

Other revenue includes:

	Consolidated		University	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
	\$ 000	\$ 000	\$ 000	\$ 000
Donations received	435	1 737	501	1 865
Interest received	4 803	5 498	3 486	4 551
Gain on sale of property, plant and equipment	92	32	64	32
Dividends from associates	-	-	30	30
Sponsorship and scholarships	2 642	2 847	284	307
Sundry income	5 045	2 769	5 020	2 800
Total other revenue	13 017	12 883	9 385	9 585

The interest amount is predominantly the income from cash which is surplus to immediate requirements and which has been invested at call or on short-term deposits. In the 2008 year interest rates have been between 3.50 percent and 8.25 percent (2007: 7.25 percent to 8.25 percent).

Note 2 People (Consolidated and University)

People costs include:

	Consolidated		University	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
	\$ 000	\$ 000	\$ 000	\$ 000
Salaries	157 413	148 467	148 095	141 242
Contractors	4 215	3 999	3 688	3 751
Changes in provisions—retiring leave and long service leave	1 107	383	1 126	385
ACC levies	960	674	918	640
Super—employer contribution	4 160	3 564	4 125	3 530
Other	876	842	879	777
	168 731	157 933	158 831	150 325

Note 3 Occupancy (Consolidated and University)

Occupancy expenses include:

	Consolidated		University	
	31-Dec-08 \$ 000	31-Dec-07 \$ 000	31-Dec-08 \$ 000	31-Dec-07 \$ 000
Rental property leases	5 399	4 073	5 340	3 844
Utilities	3 776	3 535	3 692	3 504
Construction	1 855	1 294	1 855	1 294
General maintenance	4 738	3 316	3 475	3 040
Security	634	658	634	658
Cleaning	2 603	3 018	2 592	3 018
Rates	443	299	443	299
Other	2 186	3 594	1 562	2 998
	21 634	19 787	19 593	18 655

Note 4 Information technology (Consolidated and University)

Information technology expenses include:

	Consolidated		University	
	31-Dec-08 \$ 000	31-Dec-07 \$ 000	31-Dec-08 \$ 000	31-Dec-07 \$ 000
Leased equipment	2 848	3 068	2 811	3 032
Annual licences	2 550	3 036	2 438	3 035
Internet charges	464	372	451	356
Telephone charges	1 082	932	1 024	872
Repairs and maintenance	764	416	744	416
Other	204	773	97	701
	7 912	8 597	7 565	8 412

Note 5 Operating (Consolidated and University)

Operating expenses include:

	Consolidated		University	
	31-Dec-08 \$ 000	31-Dec-07 \$ 000	31-Dec-08 \$ 000	31-Dec-07 \$ 000
Audit fees: Ernst & Young	195	208	150	177
Fees for other service fees: Ernst & Young	11	17	11	17
Internal audit and other fees to other providers	183	123	183	123
Foreign exchange losses	12	65	15	53
Losses on sale of property, plant and equipment	15	3	15	3
Bad debts written off	234	29	247	27
Increase/(decrease) to provision for doubtful debts	(129)	399	(39)	296
Professional and consultancy fees	8 004	7 197	3 489	4 209
Sponsorship and donations	809	244	777	169
Advertising	1 736	1 685	1 672	1 634
Catering and food	2 872	2 200	2 738	2 141
Grants and scholarships	16 872	20 359	19 164	16 886
Cost of goods sold	2 068	2 111	2 064	2 111
Office costs	4 618	4 963	4 423	4 804
Travel and accommodation	8 443	5 662	4 616	4 395
Other course related expenses	5 466	4 677	4 687	4 236
Other non-payroll—staff-related expenses	3 602	4 162	3 499	4 265
Other	6 364	6 001	5 136	4 972
	61 375	60 105	52 847	50 518

Note 6 Depreciation and amortisation (Consolidated and University)

Depreciation

	Note	Consolidated		University	
		31-Dec-08 \$ 000	31-Dec-07 \$ 000	31-Dec-08 \$ 000	31-Dec-07 \$ 000
Building structure and fit-outs		10 001	10 083	10 001	10 083
Infrastructure		648	492	648	492
Leasehold improvements		910	823	910	823
Computing equipment and networks		3 756	3 267	3 735	3 229
Furniture and equipment		5 017	4 366	4 971	4 348
Vehicles		255	259	255	259
Collections in use		6 464	5 667	6 464	5 667
Total depreciation	12	27 051	24 957	26 984	24 901
Amortisation					
Intangibles—computer software	14	2 537	2 335	2 537	2 335
Total depreciation and amortisation		29 588	27 292	29 521	27 236

Note 7 Income tax (Consolidated and University)

A reconciliation of income tax expense applicable to accounting profit before income tax at a statutory income tax rate to income tax expense at the effective income tax rate for the years ended 31 December 2008 and 2007 as follows:

	Consolidated		University	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
	\$000	\$000	\$000	\$000
Accounting profit before tax	9 900	16 728	5 086	11 323
At statutory income tax rate of 30% (2007: 33%)	2 970	5 520	1 526	3 737
Income and expenditure exempt for income tax purposes	(3 129)	(5 520)	(1 526)	(3 737)
Tax losses not recognised	159	-	-	-
Taxation to pay	-	-	-	-
Effective income tax rate:	-	-	-	-

The Group has New Zealand tax losses available to carry forward of \$530,968 which has a tax effect of \$159,290 subject to shareholder continuity being maintained as required by New Zealand tax legislation (2007: \$Nil).

The Group has no unrecognised deductible temporary differences (tax effect of \$Nil); (2007: \$Nil and tax effect of \$Nil).

Deferred tax assets arising from losses of \$159,290 (2007: \$Nil) and temporary differences of \$Nil (2007: \$Nil) are not recognised due to it not being probable that future taxable profits in the subsidiary will be derived.

	Consolidated		University	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
	\$000	\$000	\$000	\$000
Imputation Credit Account				
Balance at beginning of the year	-	-	-	-
Interest withholding tax 30%	3	-	-	-
Balance at end of the year	3	-	-	-

Note 8 Financial instruments (Consolidated and University)

Exposure to credit, interest rate and currency risks arise in the normal course of the University's business. To manage and limit the effects of the financial risks, the Council has approved policies, guidelines and authorised the use of various financial instruments. The University does not enter into or trade financial instruments, including derivative financial instruments for speculative purposes. The University's approach to managing financial instruments and associated risks are accordance with the Treasury Statute approved by Council (viewable at www.victoria.ac.nz/policy).

The Group's principal financial instruments comprise the following:

	Note	Assets at fair value through the Statement of Financial Performance	Assets held to maturity	Loans and receivables	Assets available for sale	Liabilities at fair value through the Statement of Financial Performance	Other liabilities at amortised cost
		\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Group: 2008							
Cash and cash equivalents	9	-	-	35 359	-	-	-
Investments	10	11 344	-	280	246	-	-
Accounts receivable	11	-	-	7 803	-	-	-
Other current assets	12	-	-	1 774	-	-	-
Accounts payable excluding employee entitlements	18	-	-	-	-	-	(25 639)
Borrowings	25	-	-	-	-	-	(25 000)
Derivatives		-	-	-	-	(19)	-
Group: 2007							
Cash and cash equivalents	9	-	-	48 852	-	-	-
Investments	10	13 157	-	132	100	-	-
Accounts receivable	11	-	-	7 452	-	-	-
Other current assets	12	-	-	1 421	-	-	-
Accounts payable excluding employee entitlements	18	-	-	-	-	-	(21 114)
Derivatives		12	-	-	-	-	-
University: 2008							
Cash and cash equivalents	9	9 110	-	-	-	-	-
Investments	10	-	-	247	246	-	-
Accounts receivable	11	-	-	4 647	-	-	-
Accounts payable excluding employee entitlements	18	-	-	-	-	-	(23 371)
Borrowings	25	-	-	-	-	-	(25 000)
Derivatives		-	-	-	-	(19)	-
University: 2007							
Cash and cash equivalents	9	30 717	-	-	-	-	-
Investments	10	-	-	132	100	-	-
Accounts receivable	11	-	-	4 565	-	-	-
Accounts payable excluding employee entitlements	18	-	-	-	-	-	(19 801)
Derivatives		12	-	-	-	-	-

All assets at fair value through the Statement of Financial Performance are designated as such at initial recognition.

All financial liabilities are expected to be paid in 0 to 6 months.

The main risks arising from the Group's financial instruments are credit risk and foreign currency risk.

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instruments are disclosed in the Statement of Accounting Policies.

a) Foreign currency risk

The Group has transactional currency exposures arising from sales and purchases by the operating entity in currencies other than the functional currency. The University regularly monitors its exposure to overseas currency fluctuations. Wherever possible the University transacts in the functional currency including the setting of fees for international students. The University purchases library items and scientific equipment from overseas, giving rise to an exposure to currency fluctuations, but in the case of ordering major items of equipment (over \$100,000) policy requires the University to hedge the purchase where the committed payment date is known and is within 12 months of order date. The forward currency contracts must be in the same currency as the hedged item. This exposure is not considered to be significant. Hedge accounting is not applied.

At balance date, there was no significant exposure to foreign currency risk from balances recorded in the accounts payable ledger that required hedging.

The notional or principal contract amounts of foreign exchange instruments outstanding at balance date are:

	Consolidated		University	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
	\$ 000	\$ 000	\$ 000	\$ 000
Forward foreign exchange contracts (notional value)	1 092	207	1 092	207
Fair value of forward foreign exchange contracts	(19)	12	(19)	12

The sensitivity to foreign exchange movement is considered to be immaterial.

b) Market interest rate risk

The Group's exposure to market interest rates relates primarily to the Group's investment in short-term deposits (refer to Notes 1 and 8). The Group is also exposed to fluctuations in interest rates in relation to its bank borrowings.

The following sensitivity analysis is based on the interest rate risk exposure in existence at balance date:

	Higher/(lower) Consolidated		Higher/(lower) University	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
	\$ 000	\$ 000	\$ 000	\$ 000
Deposits				
+1% increase in interest rates	291	465	69	302
-1% increase in interest rates	(291)	(465)	(69)	(302)
Bank borrowings				
+1% increase in interest rates	(250)	-	(250)	-
-1% increase in interest rates	250	-	250	-

c) Credit risk

Credit risk is the risk of the failure of a debtor or counterparty to honour its contractual obligation. Financial assets, which potentially subject the Group to concentration of credit risk, consist of cash, cash equivalents, investments and forward exchange contracts. In the case of cash and cash equivalents, the risk is managed by placing limited funds with only major New Zealand trading banks to ensure no concentration of credit risk for terms no longer than 91-day periods. Investments are placed with institutions which have a high credit rating and by limiting the amount that can be invested in any one institution. There is no concentration of credit risk in receivables due to its relatively low value at any given time. The total credit risk associated with financial assets is the fair value of the financial instrument.

d) Fair value of financial assets and liabilities

The following assumptions have been used to estimate the fair value of each class of financial instrument:

Bank deposits, receivables and payables: the carrying amounts of these balances are equivalent to their fair value because of their short maturity.

Derivative financial instruments: forward exchange contracts are marked to market using quoted market prices.

Independently managed fund investments: the fair value of these investments is based on current market interest rates and share prices as advised by independent investment managers, using bid prices at balance date.

Loans to and from subsidiary companies: the fair value of the loan is based on current market interest rates for a loan of similar terms and maturity.

For the financial assets and liabilities listed above, the carrying values approximate to the fair values as disclosed in the balance sheet.

e) Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves, borrowing facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Note 9 Cash and cash equivalents (Consolidated and University)

From time to time during the year, cash which was surplus to immediate requirements was invested at call or on short-term deposit. Short-term deposits involved investing for periods of up to three months during 2008. If required, these short-term deposits can be converted to cash overnight. The carrying amounts of cash and cash equivalents represent fair value.

Refer to Note 1 in respect of interest rates attributed to these investments.

	Consolidated		University	
	31-Dec-08 \$ 000	31-Dec-07 \$ 000	31-Dec-08 \$ 000	31-Dec-07 \$ 000
Cash at bank	6 242	2 314	2 245	552
At call	2 845	2 845	2 845	2 845
On short-term deposits	26 272	43 693	4 020	27 320
Total short-term deposits	29 117	46 538	6 865	30 165
	35 359	48 852	9 110	30 717
Comprising:				
Funds held by controlled trusts *	4 991	3 115	-	-
Funds held from bequests and donations (refer Note 24)	3 629	3 432	3 496	3 432
Funds available for University general use	26 739	42 305	5 614	27 285
	35 359	48 852	9 110	30 717

* Restrictions have been placed on the use of these funds by the donors so that the proceeds will be used for specific purposes. Until such time the University fulfils the donor's request, the funds are held in trust.

Note 10 Investments (Consolidated and University)

	Consolidated		University	
	31-Dec-08 \$ 000	31-Dec-07 \$ 000	31-Dec-08 \$ 000	31-Dec-07 \$ 000
Federated Superannuation Systems for Universities				
FSSU advances (loans and receivables)	147	132	147	132
Shares and convertible notes (available for sale)	7	7	7	7
Investment in companies				
New Zealand Synchrotron Group Limited (available for sale)	239	93	239	93
Loans to staff	133	-	-	-
Loans to subsidiaries	-	-	100	-
Loans to associates	-	300	-	-
Other investments				
Investments held by controlled trusts (at fair values through the Statement of Financial Performance)	11 344	12 857	-	-
	11 870	13 389	493	232

Federated Superannuation Systems for Universities

Since 1979 the University has been a trustee (in conjunction with the University of Auckland) in a registered superannuation scheme called Federated Superannuation Systems for Universities (FSSU) which does not form part of the Group. The underlying basis of this scheme is life insurance policies on the lives of the members of the scheme. As many of these policies were with UK resident insurers they are subject to the Foreign Investment Fund (FIF) tax regime that came into effect on 1 April 1993. The trustees are liable for the FIF tax in the first instance and have put arrangements in place to recover the tax advances when proceeds become available on maturity in accordance with the Trust Deed. Payments were first made in 1998, and by 31 December covered the tax years from April 1993 to March 2002. To cover such payments, the universities advanced funds to FSSU to settle the commitments until the life policies mature or until a member retires with interest charged at the Fringe Benefit Tax rate. Interest is accrued on these advances at market rates.

New Zealand Synchrotron Group Limited

The University acquired 9.04 percent shareholding in New Zealand Synchrotron Group Limited (NZSGL) in February 2007 at a cost of \$92,638 and an additional call in October 2008 at a cost of \$146,145. NZSGL has a 31 December balance date. NZSGL manages the collective investment in the Australian Synchrotron Company which promotes and advances knowledge in the field of synchrotron science.

Staff loans

Loans granted to the value of \$125,000 to enable selected staff members to purchase shares in an associate company. Loans are interest bearing and are payable on demand. Loans are unsecured.

Other investments

Other investments held by controlled trusts include investment in shares, managed funds, government stock and other fixed interest securities of various New Zealand and offshore entities. All other investments are recognised at fair value through the Statement of Financial Performance. By investing in these various entities, concentration of credit risk is minimised whilst maximising return in a manner consistent with the Group's investment policies.

	Consolidated	
	31-Dec-08	31-Dec-07
	\$ 000	\$ 000
Equity instruments	4 284	5 450
Fixed interest instruments	7 060	7 407
	11 344	12 857

Note 11 Accounts receivable (Consolidated and University)

	Consolidated		University	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
	\$ 000	\$ 000	\$ 000	\$ 000
Student and commercial	7 788	7 955	3 248	4 498
Less: Provision for doubtful debts (a)	(411)	(849)	(411)	(746)
	7 377	7 106	2 837	3 752
Related party receivables (c)				
Victoria University of Wellington Foundation	-	-	220	148
Victoria Link Limited	-	-	-	77
New Zealand School of Music Limited	426	346	426	346
Research Trust of Victoria University of Wellington	-	-	1 164	242
	426	346	1 810	813
Total accounts receivables	7 803	7 452	4 647	4 565

Where receivables are outstanding beyond the normal trading terms, the likelihood of the recovery of these receivables is assessed by management. Due to the large number of debtors, this assessment is based on supportable past collection history and historical write-off of bad debts. The provision made is predominantly against student debt and covers all debts over 91 days.

a) Movements in the provision for doubtful debts

	Consolidated	University
	\$ 000	\$ 000
Balance as at 1 January 2007	450	450
Charge for the year	399	296
Amounts written off	-	-
Balance as at 31 December 2007	849	746
Charge for the year	(129)	(39)
Amounts written off	(309)	(296)
Balance as at 31 December 2008	411	411

This provision provides coverage of all uncollectable student accounts receivable greater than 90 days as at 31 December 2008 and other specifically identified key items.

b) Ageing of non-related party receivables net of bad debt provisioning

	Consolidated		University	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
	\$ 000	\$ 000	\$ 000	\$ 000
Current	4 991	4 528	1 417	1 993
1 to 30 days	1 105	1 446	895	1 075
31 to 60 days	509	606	291	588
61 to 90 days	263	526	187	96
91 days+	509	-	47	-
	7 377	7 106	2 837	3 752

All debts greater than 14 days in age are considered to be past due. Accounts receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is minimised.

c) Related party receivables

For terms and conditions of related party receivables refer to Note 22.

d) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

The maximum exposure to credit risk is the fair value of the receivable. No collateral is held as security.

Note 12 Other current assets (Consolidated and University)

	Consolidated		University	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
	\$ 000	\$ 000	\$ 000	\$ 000
Research—work in progress	1 774	1 421	-	-
Total other current assets	1 774	1 421	-	-

Note 13 Property, plant and equipment (Consolidated and University)

	Land and fit-outs		Infrastructure		Leasehold improvements		Computing equipment & networks		Furniture and equipment		Vehicles		Collections in use		Heritage collections		Total valuation/		
	Valuation	Valuation	Valuation	Valuation	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	
Cost or valuation	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	
Parent																			
As at 1 January 2007	93 517	347 388	6 861	9 696	23 605	39 261	1 620	28 405	11 088	561 441									
Additions	1 245	9 358	263	644	4 376	8 548	382	9 122	144	34 082									
Disposals	-	-	-	-	(6 939)	(4 590)	(558)	(1 219)	(129)	(13 435)									
Valuation movement	14 009	(8 763)	1 255	-	-	-	-	-	-	6 501									
Balance as at 31 December 2007	108 771	347 983	8 379	10 340	21 042	43 219	1 444	36 308	11 103	588 589									
Additions	-	5 718	8	719	4 998	7 145	65	9 278	57	27 988									
Disposals	-	-	-	-	(4)	(425)	(55)	(51)	-	(535)									
Reclassifications	-	-	-	-	3	(3)	-	-	-	-									
Balance as at 31 December 2008	108 771	353 701	8 387	11 059	26 039	49 936	1 454	45 535	11 160	616 042									
Group																			
As at 1 January 2007	93 517	347 388	6 861	9 696	23 753	39 396	1 620	28 405	11 088	561 724									
Additions	1 245	9 358	263	644	4 380	8 560	382	9 122	144	34 098									
Disposals	-	-	-	-	(6 939)	(4 598)	(558)	(1 219)	(129)	(13 443)									
Valuation movement	14 009	(8 763)	1 255	-	-	-	-	-	-	6 501									
Balance as at 31 December 2007	108 771	347 983	8 379	10 340	21 194	43 358	1 444	36 308	11 103	588 880									
Additions	-	5 718	8	719	4 998	7 291	76	9 278	57	28 145									
Disposals	-	-	-	-	(62)	(425)	(55)	(51)	-	(593)									
Reclassifications	-	-	-	-	3	(3)	-	-	-	-									
Balance as at 31 December 2008	108 771	353 701	8 387	11 059	26 133	50 221	1 465	45 535	11 160	616 432									

Cost or valuation	Land		Building structure and fit-outs		Infrastructure		Leasehold improvements		Computing equipment & networks		Furniture and equipment		Vehicles		Collections in use		Heritage collections		Total valuation/		
	Valuation	Valuation	Valuation	Valuation	Valuation	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	
\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	
Depreciation and impairment																					
Parent																					
As at 1 January 2007	-	9 785	547	1 643	15 362	17 798	813	14 134	-	-	-	-	-	-	-	-	-	-	-	60 082	
Depreciation for the year (Note 6)	-	10 083	492	822	3 229	4 349	259	5 667	-	-	-	-	-	-	-	-	-	-	-	24 901	
Disposals	-	-	-	-	(6 969)	(4 513)	(417)	(1 345)	-	-	-	-	-	-	-	-	-	-	-	(13 244)	
Valuation movement	-	(18 205)	(931)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(19 136)	
Transfer charge to NZSM	-	-	-	-	5	40	-	-	-	-	-	-	-	-	-	-	-	-	-	45	
Balance as at 31 December 2007	-	1 663	108	2 465	11 627	17 674	655	18 456	-	-	-	-	-	-	-	-	-	-	-	52 648	
Depreciation for the year (Note 6)	-	10 001	647	910	3 736	4 971	255	6 464	-	-	-	-	-	-	-	-	-	-	-	26 984	
Disposals	-	-	-	-	(5)	(103)	(43)	(2)	-	-	-	-	-	-	-	-	-	-	-	(153)	
Valuation movement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Reclassifications	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer charge to NZSM	-	-	-	-	3	36	-	-	-	-	-	-	-	-	-	-	-	-	-	39	
Balance as at 31 December 2008	-	11 664	755	3 375	15 361	22 578	867	24 918	-	-	-	-	-	-	-	-	-	-	-	79 518	
Group																					
As at 1 January 2007	-	9 784	547	1 643	15 457	17 822	813	14 134	-	-	-	-	-	-	-	-	-	-	-	60 200	
Depreciation for the year (Note 6)	-	10 083	492	822	3 267	4 367	259	5 667	-	-	-	-	-	-	-	-	-	-	-	24 957	
Disposals	-	-	-	-	(6 974)	(4 520)	(417)	(1 345)	-	-	-	-	-	-	-	-	-	-	-	(13 256)	
Valuation movement	-	(18 205)	(931)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(19 136)	
Transfer charge to NZSM	-	-	-	-	5	40	-	-	-	-	-	-	-	-	-	-	-	-	-	45	
Balance as at 31 December 2007	-	1 662	108	2 465	11 755	17 709	655	18 456	-	-	-	-	-	-	-	-	-	-	-	52 810	

Cost or valuation	Land and fit-outs		Infrastructure		Leasehold improvements		Computing equipment & networks		Furniture and equipment		Vehicles		Collections in use		Heritage collections		Total valuation/ Cost
	Valuation \$ 000	Valuation \$ 000	Valuation \$ 000	Valuation \$ 000	Cost \$ 000	Cost \$ 000	Cost \$ 000	Cost \$ 000	Cost \$ 000	Cost \$ 000	Cost \$ 000	Cost \$ 000	Cost \$ 000	Cost \$ 000	Cost \$ 000	Cost \$ 000	
Depreciation for the year (Note 6)	-	10 001	647	910	3 756	5 017	256	6 464	-	-	-	-	-	-	-	-	27 051
Disposals	-	-	-	-	(87)	(108)	(43)	(2)	-	-	-	-	-	-	-	-	(240)
Valuation movement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer charge to NZSM	-	-	-	-	3	36	-	-	-	-	-	-	-	-	-	-	39
Balance as at 31 December 2008	-	11 663	755	3 375	15 427	22 654	868	24 918	-	-	-	-	-	-	-	-	79 660

Carrying amounts	Land and fit-outs		Infrastructure		Leasehold improvements		Computing equipment & networks		Furniture and equipment		Vehicles		Collections in use		Heritage collections		Total valuation /Cost
	Valuation \$ 000	Valuation \$ 000	Valuation \$ 000	Valuation \$ 000	Cost \$ 000	Cost \$ 000	Cost \$ 000	Cost \$ 000	Cost \$ 000	Cost \$ 000	Cost \$ 000	Cost \$ 000	Cost \$ 000	Cost \$ 000	Cost \$ 000		
Parent																	
As at 1 January 2007	93 517	337 603	6 314	8 053	8 243	21 463	807	14 271	11 088	501 359							
At 31 December 2007	108 771	346 320	8 271	7 875	9 415	25 545	789	17 852	11 103	535 941							
At 31 December 2008	108 771	342 037	7 632	7 684	10 678	27 358	587	20 617	11 160	536 524							
Group																	
As at 1 January 2007	93 517	337 604	6 314	8 053	8 296	21 574	807	14 271	11 088	501 524							
At 31 December 2007	108 771	346 321	8 271	7 875	9 439	25 649	789	17 852	11 103	536 070							
At 31 December 2008	108 771	342 038	7 632	7 684	10 706	27 567	597	20 617	11 160	536 772							

Note 14 Asset revaluation reserve (Consolidated and University)

	Land Valuation \$ 000	Building structure and fit-outs Valuation \$ 000	Infrastructure Valuation \$ 000	Total Valuation \$ 000
Parent				
Opening balance as at 1 January 2007	84 048	208 861	6 542	299 451
Valuation movement	14 009	9 441	2 186	25 636
Balance as at 31 December 2007	98 057	218 302	8 728	325 087
Valuation movement	-	-	-	-
Balance as at 31 December 2008	98 057	218 302	8 728	325 087

Land, buildings and infrastructure assets were independently valued as at 31 October 2007 by Mr CW Nyberg and Mr MJ Bevin, registered valuers with DTZ Limited and members of the New Zealand Institute of Valuers.

Land

The valuation of land occupied by non-residential buildings (i.e. the campuses) takes into account various aspects including zoning, title implications, alternate uses, subdivision and development potential when arriving at valuation. The valuation of land occupied by residential properties uses a market approach which is the estimated price for the land should an exchange occur between a willing buyer and willing seller in an arm's length transaction.

Buildings

Non-residential buildings are for the purposes of this valuation deemed to be specialised assets. Specialised assets are valued using the optimised depreciated replacement cost which is based on the replacement construction costs which is intended to reflect current materials and technology which provided the same level of utility as present assets. Residential buildings are valued based on the market value which is the estimated price for the land should an exchange occur between a willing buyer and willing seller in an arm's length transaction. As part of the revaluation process, the independent valuer provides the Group with estimation of useful lives.

Infrastructure

Infrastructure assets include retaining walls, roading, paving, water supply, sewerage/drainage systems, gas systems, underground cabling and electricity systems. The valuation placed on the infrastructure assets was based on their optimised depreciated replacement cost. As part of the revaluation process, the independent valuer provides the Group with estimation of useful lives.

General

Under the Education Act 1989, the University is required to obtain the consent of the Ministry of Education to dispose of or sell assets where the value of those assets exceeds an amount determined by the Minister. There were no such disposals made in 2008 (2007: \$Nil).

The carrying amounts of all property, plant and equipment are reviewed on an ongoing basis. Any impairment in value is recognised immediately. No impairment losses were recorded during 2008 (2007: \$Nil).

Note 15 Intangible assets (Consolidated and University)

	Consolidated \$ 000	University \$ 000
	IT software	IT software
Balance as at 1 January 2007	11 575	11 575
Additions	3 607	3 607
Disposals	(334)	(334)
Balance as at 31 December 2007	14 848	14 848
Additions	1 823	1 823
Balance as at 31 December 2008	16 671	16 671
Depreciation and impairment		
Balance as at 1 January 2007	5 523	5 523
Amortisation for the year	2 335	2 335
Disposals	(325)	(325)
Balance as at 31 December 2007	7 533	7 533
Amortisation for the year	2 536	2 536
Balance as at 31 December 2008	10 069	10 069
Carrying amounts		
At 1 January 2007	6 052	6 052
At 31 December 2007	7 315	7 315
At 31 December 2008	6 602	6 602

Note 16 Construction in progress (Consolidated and University)

	Consolidated		University	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
	\$ 000	\$ 000	\$ 000	\$ 000
Campus development	11 120	2 455	11 120	2 455
Campus-wide utilities upgrade	1 141	459	1 141	459
Central services building	56	330	56	330
Cotton building	534	313	534	313
Fairlie Terrace	-	207	-	207
Heritage laboratory	10	334	10	334
Hunter building	862	-	862	-
IT equipment and infrastructure projects	2 021	1 522	2 021	1 522
Karori campus	112	99	112	99
Kirk building	81	343	81	343
Laby building	1 133	809	1 133	809
Marine laboratory Island Bay	5 037	763	5 037	763
New Zealand School of Music Limited	333	59	333	59
Railway west wing	23	95	23	95
Rankine Brown building	2 269	-	2 269	-
Security card system upgrade	191	382	191	382
Von Zedlitz building	21	83	21	83
Weir House and student accommodation	43 512	10 886	43 512	10 886
Fixed assets suspense	3 865	1 458	3 859	1 450
Other projects	5 245	768	5 245	768
Total construction in progress	77 566	21 365	77 560	21 357

Note 17 Investments in subsidiaries (Consolidated and University)

Investments in subsidiaries

	Consolidated		University	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
	\$ 000	\$ 000	\$ 000	\$ 000
Victoria Link Limited	-	-	60	60
Te Puni Village Limited	-	-	-	-
iPredict Limited (subsidiary of Victoria Link Limited)	-	-	-	-
Predictions Clearing Limited (subsidiary of iPredict Limited)	-	-	-	-
Total investments in subsidiaries	-	-	60	60

Name	Country of incorporation	% Equity interest	
		31-Dec-08	31-Dec-07
Victoria Link Limited	New Zealand	100	100
Te Puni Village Limited	New Zealand	100	-
iPredict Limited (subsidiary of Victoria Link Limited)	New Zealand	75	-
Predictions Clearing Limited (subsidiary of iPredict Limited)	New Zealand	75	-

Note 18 Investments in controlled trusts (Consolidated and University)

Investments in controlled trusts

(balances included in community equity)

	Consolidated		University	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
	\$ 000	\$ 000	\$ 000	\$ 000
Victoria University of Wellington Foundation	14 556	14 631	-	-
Research Trust of Victoria University of Wellington	9 389	4 766	-	-
Victoria University of Wellington Art Collection Funding Trust	1 356	1 301	-	-
VUW School of Government Trust	521	185	-	-
Total investments in controlled trusts	25 822	20 883	-	-

Name	Country of incorporation	% Equity interest	
		31-Dec-08	31-Dec-07
Victoria University of Wellington Foundation	New Zealand	100	100
Victoria University of Wellington Art Collection Funding Trust	New Zealand	100	100
Research Trust Victoria University of Wellington	New Zealand	100	100
VUW School of Government Trust	New Zealand	100	100

Note 19 Investments in associates (Consolidated and University)

a) Investments in associates

	Consolidated		University	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
	\$ 000	\$ 000	\$ 000	\$ 000
Share of associate's surplus	109	67	-	-
Share of associate's retained earnings	215	124	-	-
Cost of investment in associate	793	618	541	541
Share of gain from change in investment	194	-	-	-
Total investments in associates	1 311	809	541	541

Name	Country of incorporation	% Equity interest	
		31-Dec-08	31-Dec-07
Library Consortium of New Zealand Limited	New Zealand	25	25
Magritek Limited (via Victoria Link Limited)	New Zealand	24	33
NZ Tertiary Education Consortium Limited*	New Zealand	17	17

*The University acquired 16.66 percent shareholding in New Zealand Tertiary Education Consortium Limited (NZ TEC).

NZ TEC is still treated as an associate within the Group as the Group has a strong representation on the board. All associates have a 31 December balance date.

b) Extract from the associates' financial statements

	31-Dec-08	31-Dec-07
	\$ 000	\$ 000
Revenue	4 244	4 806
Net profit	466	391
Current assets	5 835	4 188
Non-current assets	546	231
Total assets	6 381	4 419
Current liabilities	887	308
Non-current liabilities	-	600
Total liabilities	887	908
Net assets/equity	5 494	3 511

Note 20 Accounts payable and accruals (Consolidated and University)

	Consolidated		University	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
	\$ 000	\$ 000	\$ 000	\$ 000
Accounts payable	8 686	6 441	7 822	6 132
Contract retentions	2 044	955	2 044	955
Deposits held on behalf of students	1 244	2 165	1 244	2 165
Employee entitlements	3 641	3 622	3 607	3 611
Goods and Services Tax	52	1 157	(178)	903
Other accruals	13 613	10 396	12 439	9 646
	29 280	24 736	26 978	23 412
Intercompany payables	-	-	-	-
Total accounts payable and accruals	29 280	24 736	26 978	23 412

a) Fair value

Due to the short-term nature of these payables (i.e. payable on demand) their carrying value is assumed to approximate their fair value.

b) Financial guarantees or collateral given

The Group has not given financial guarantees or collateral as security to any third party for any outstanding amount owing at balance date.

c) Related party receivables

For terms and conditions of related party receivables refer to Note 22.

**Note 21 Provisions for annual leave, sick leave, retiring and long service leave
(Consolidated and University)**

	Consolidated		University	
	31-Dec-08 \$ 000	31-Dec-07 \$ 000	31-Dec-08 \$ 000	31-Dec-07 \$ 000
a)				
Annual leave				
Balance at start of year	12 008	11 263	11 900	11 211
Leave taken	(10 342)	(8 850)	(10 277)	(8 850)
Increase in leave provision	10 054	9 595	10 044	9 539
Balance at end of the year	11 720	12 008	11 667	11 900
Sick leave				
Balance at start of year	76	56	76	56
Leave taken	(1 547)	(4)	(1 547)	(4)
Increase in leave provision	1 516	24	1 516	24
Balance at end of the year	45	76	45	76
b)				
Retiring leave				
Balance at start of year	11 724	11 371	11 724	11 371
Leave taken	(497)	(403)	(497)	(403)
Increase in leave provision	1 558	756	1 558	756
Balance at end of the year	12 785	11 724	12 785	11 724
Long service leave				
Balance at start of year	512	473	489	461
Leave taken	(73)	(18)	(73)	(18)
Increase in leave provision	100	57	100	57
Balance at end of the year	539	512	517	489
	13 324	12 236	13 302	12 213

The retiring, long service and sick leave was independently assessed as at 31 December 2008 by Mr G Lee, registered actuary with Aon Consulting New Zealand Limited and member of the New Zealand Society of Actuaries.

An actuarial valuation involves the projection, on a year by year basis, of the long service leave and retirement leave benefit payment, based on accrued services, in respect of current employees. These benefit payments are estimated in respect of their incidents according to assumed rates of death, disablement, resignation and retirement allowing for assumed rates of salary progression. Of these assumptions the discount, salary progression and resignation rates are the most important. The projected cash flow is then discounted back to valuation date at the valuation discounted rates.

Discount rates range from 5.59 percent for the first projected year dropping to 6.07 percent in 10 years and beyond (2007: 7.19 percent to 6.37 percent).

Salary projection allows for a 2.50 percent increase per year (2007: 3.00 percent).

Resignation rates vary with age and the length of service and are reflective of the experience of company superannuation schemes of New Zealand.

Note 22 Related party disclosure

a) Key management personnel

Key management personnel represent Council members and staff in key strategic positions.

Short-term benefits relate to meeting attendance fees, honoraria paid and salaries to Council members and key management personnel which includes salaries paid to Council members who are also staff members of the University (including the Vice-Chancellor and four other staff members on Council).

Post-employment benefits relate to the movement in cost of long-term benefits (accruing to members on Council and key management personnel).

	Consolidated and University	
	31-Dec-08	31-Dec-07
	\$ 000	\$ 000
Short-term benefits	3 942	3 381
Post-employment benefits	27	3
Other long-term benefits	-	-
Termination benefits	-	-
	3 969	3 384

Directors' fees paid to Directors of Victoria Link Limited totalled \$21,000 (31 December 2007: \$20,000).

For details of the nature and the amount of each major element of emoluments of each councillor of the University refer to the University Council note at the end of this report.

b) Related party transactions (Consolidated and University)

	Purchases \$ 000	Sales \$ 000	Net receivables \$ 000	Net payables \$ 000	Funding \$ 000
From Victoria University of Wellington to Victoria Link Limited					
31-Dec-08	-	1 676	-	-	-
31-Dec-07	-	436	77	-	-
From Victoria Link Limited to Magritek Limited					
31-Dec-08	2	9	-	-	300
31-Dec-07	5	-	-	-	-
From Victoria Link Limited to iPredict Limited					
31-Dec-08	198	-	-	-	405
31-Dec-07	-	-	-	-	-
From Victoria Link Limited to the Research Trust of Victoria University of Wellington					
31-Dec-08	10	79	-	-	-
31-Dec-07	-	-	-	-	-
From Victoria University of Wellington to The Research Trust of Victoria University of Wellington					
31-Dec-08	-	29 131	1 164	-	-
31-Dec-07	-	15 985	242	-	-
From Victoria University of Wellington to Magritek Limited					
31-Dec-08	3	6	1	-	-
31-Dec-07	5	6	-	-	-

	Purchases \$ 000	Sales \$ 000	Net receivables \$ 000	Net payables \$ 000	Funding \$ 000
From Victoria University of Wellington to Library Consortium of New Zealand					
Operating grant					
31-Dec-08	-	366	54	-	-
31-Dec-07	-	376	20	-	-
From Victoria University of Wellington to Victoria University of Wellington Foundation					
Operating grant					
31-Dec-08	-	-	220	-	423
31-Dec-07	-	-	148	-	377
From Victoria University of Wellington Foundation to Victoria University of Wellington					
Specific projects					
31-Dec-08	-	-	-	-	1 328
31-Dec-07	-	-	-	-	1 195
From The Research Trust of Victoria University of Wellington to Victoria University of Wellington Foundation					
31-Dec-08	-	-	-	-	(677)
31-Dec-07	-	-	40	-	(374)
From The Research Trust of Victoria University of Wellington to Magritek Limited					
31-Dec-08	159	-	-	-	-
31-Dec-07	65	2	-	-	-

No related party debts have been written off or forgiven during the period.

Terms and conditions of transactions with related parties

	31-Dec-08	31-Dec-08	31-Dec-07	31-Dec-07
	Purchases	Sales	Purchases	Sales
	\$ 000	\$ 000	\$ 000	\$ 000
VUW				
David Bibby is a board member of the Malaghan Institute of Medical Research (MIMR). During the year the transactions between each are as follows:	399	-	92	-
Mary Bruce is a trustee of the Hutt Valley High School Board of Trustees. During the year the transactions between each are as follows:	33	1	12	-
Mary Bruce is a trustee of the Eastern Hutt School Board of Trustees. During the year the transactions between each are as follows:	10	1	6	-
Robert Buckle is Principal Advisor of the New Zealand Treasury. During the year the transactions between each are as follows:	-	33	-	-
Sharman Buckle is the New Zealand Regional Manager of Lexis Nexis. During the year the transactions between each are as follows:	325	-	385	-
Charles Daugherty is a trustee of the Karori Wildlife Sanctuary Trust. During the year the transactions between each are as follows:	1	-	-	-
Charles Finny is the CEO and a board member and Pat Walsh is a board member of the Wellington Regional Chamber of Commerce. During the year the transactions between each are as follows:	1	-	3	-
Patricia McKelvey is the Chair of Career Services Rapuara. During the year the transactions between each are as follows:	2	1	3	-
Ian McKinnon is the Deputy Mayor/Councillor for the Wellington City Council. During the year the transactions between each are as follows:	980	55	734	-
Ian McKinnon is a member of the St James Theatre Trust. During the year the transactions between each are as follows:	-	-	8	-
James Ogden is a director of New Zealand Post Limited. During the year the transactions between each are as follows:	367	-	472	-
James Ogden is a director of Kiwibank Limited. During the year the transactions between each are as follows:	-	-	-	16
James Ogden is a director of Datamail Limited. During the year the transactions between each are as follows:	167	-	148	-
James Ogden is Chair of the Audit Committee of the Ministry of Social Development. During the year the transactions between each are as follows:	78	-	15	-
Jock Phillips is a board member of Fulbright New Zealand. During the year the transactions between each are as follows:	-	-	1	-

	31-Dec-08	31-Dec-08	31-Dec-07	31-Dec-07
	Purchases	Sales	Purchases	Sales
	\$ 000	\$ 000	\$ 000	\$ 000
Gowan Pickering is an advisory board member of Optimal Usability. During the year the transactions between each are as follows:	-	-	2	-
Brenda Pilott is the National Secretary of the New Zealand Public Service Association. During the year the transactions between each are as follows:	1	-	-	-
Neil Quigley is a trustee of Education New Zealand Trust. During the year the transactions between each are as follows:	87	-	86	-
Neil Quigley is the Chair of the New Zealand Tertiary Education Consortium. During the year the transactions between each are as follows:	-	5	-	-
Neil Quigley is the Chair of Wellington College Board of Trustees. During the year the transactions between each are as follows:	24	-	37	-
VLC				
David Bibby is a board member of the Malaghan Institute of Medical Research (MIMR). During the year the transactions between each are as follows:	108	1 388	-	786
Neil Quigley is the Chair of Wellington College Board of Trustees. During the year the transactions between each are as follows:	3	-	-	-
Neil Quigley is the Chair of the New Zealand Tertiary Education Consortium. During the year the transactions between each are as follows:	-	-	-	52
RTV				
David Bibby is a board member of the Malaghan Institute of Medical Research (MIMR). During the year the transactions between each are as follows:	49	-	30	-
Sharman Buckle is the New Zealand Regional Manager of Lexis Nexis. During the year the transactions between each are as follows:	2	-	-	-
James Ogden is a director of New Zealand Post Limited. During the year the transactions between each are as follows:	3	-	-	-
James Ogden is a director of Datamail Limited. During the year the transactions between each are as follows:	1	-	-	-
Gowan Pickering is the Associate Commissioner of the Commerce Commission. During the year the transactions between each are as follows:		1	-	-
Neil Quigley is a trustee of Education New Zealand Trust. During the year the transactions between each are as follows:	3	-	-	-

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms.

Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash.

Allowance for impairment loss on trade receivables

For the year ended 31 December 2008, the Group has not made any allowance for impairment loss relating to amounts owed by related parties as the payment history has been excellent (2007: nil). An impairment assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates to determine whether there is objective evidence that a related party receivable is impaired. When such objective evidence exists, the Group recognises an allowance for the impairment loss.

c) Loans from related party

At balance date 31 December 2007 the balance and carrying value of a loan from VLL to an associate was \$300,000. This loan was repaid in full on 15 February 2008 through the issue of equity in that associate.

Note 23 Joint ventures

Investments in joint ventures

	Consolidated		University	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
	\$ 000	\$ 000	\$ 000	\$ 000
New Zealand School of Music Limited	-	-	973	510
MacDiarmid Institute for Advanced Materials and Nanotechnology	-	-	9 808	5 501
Total investments in joint ventures	-	-	10 781	6 011

Name	Country of incorporation	% Equity interest	
		31-Dec-08	31-Dec-07
New Zealand School of Music Limited	New Zealand	50	50
MacDiarmid Institute for Advanced Materials and Nanotechnology	New Zealand	56	56

a) MacDiarmid Institute for Advanced Materials and Nanotechnology

The University has a participating interest in MacDiarmid Institute for Advanced Materials and Nanotechnology. The joint venture is funded by the Crown via the Royal Society of New Zealand for the purposes of research into advanced materials and nanotechnology. The Group's assets and liabilities employed in the jointly controlled operation are included in the consolidated balance sheet, in accordance with the statement of accounting policies.

i) Joint venture details

	Consolidated and University	
	31-Dec-08	31-Dec-07
	\$ 000	\$ 000
Financial performance		
Revenue	2 543	2 759
Expenses	(2 543)	(2 759)
Net contribution to group operations	-	-
Financial position		
Current assets	4 886	2 735
Non-current assets	7 165	4 871
	12 051	7 606
Current liabilities	2 243	2 105
Net assets employed in the joint venture*	9 808	5 501

ii) Commitment relating to the joint venture

	Consolidated and University	
	31-Dec-08	31-Dec-07
	\$ 000	\$ 000
Share of capital commitments	-	-

*The movement in net assets employed amounts to \$4.3 million and is reflected as a capital contribution from Government. However, it is the University's view that the Crown is not the legal owner of the University.

b) New Zealand School of Music Limited

The University acquired 50 percent shareholding in New Zealand School of Music Limited (NZSM) on 1 January 2006 at a cost of \$250,000. NZSM has a 31 December balance date. NZSM provides educational products to students majoring in music. The University group's share of assets and liabilities employed in the jointly controlled operation is included in the consolidated balance sheet, in accordance with the statement of accounting policies.

i) Joint venture details

	Consolidated only	
	31-Dec-08	31-Dec-07
	\$ 000	\$ 000
Financial performance		
Revenue	3 838	3 606
Expenses	(3 376)	(3 274)
Net contribution/(deficit) to group operations	462	332
Financial position		
Current assets	1 820	1 280
Non-current assets	169	108
	1 989	1 388
Current liabilities	1 017	855
Non-current liabilities	-	23
Net assets employed in the joint venture	973	510

ii) Commitment relating to the joint venture

	Consolidated only	
	31-Dec-08	31-Dec-07
	\$ 000	\$ 000
Share of capital commitments	-	-

Note 24 Bequests and other monies held in trust

	31-Dec-08	31-Dec-07
Note	\$ 000	\$ 000
Bequests and donations		
Capital at start of the year	2 489	2 448
add further bequests and donations received during year	-	-
add income capitalised in accordance with the rules	45	41
Capital at end of the year	2 534	2 489
Bequests and donations		
Income not capitalised at start of the year	950	855
add income received during the year	-	-
less payments of awards, prizes, scholarships etc	(100)	(118)
add income not capitalised in accordance with the rules	251	213
Income not capitalised at end of the year	1 101	950
At the end of the year, assets were held as follows:		
Short-term deposits	3 565	3 325
Interest received (to be allocated at year-end)	-	-
Bank	64	107
8	3 629	3 432
Shares and convertible notes	6	6
Receivables	-	-
Total trust assets at end of the year	3 635	3 438

The University holds funds in respect of 107 bequests and donations. In the case of 104 of these bequests and donations, the rules provided for the awarding of a prize, scholarship or other award to students in specific areas of study within the University. Scholarship information is available on the web at www.vuw.ac.nz/home/study/scholarships.html

The conditions for the remaining three bequests provide for the holding of public lectures in particular subjects, the upkeep of a Museum of Geology and for other particular forms of expenditure for the furtherance of teaching and research by the University community.

While details vary significantly, the rules normally provide for the payment of prizes, scholarships etc to be made from income. For each bequest and donation there are rules which determine whether or not unspent income is to be capitalised in whole, in part or not at all. In addition, the University receives money for payment of sponsored awards, prizes or scholarships; the winners of these awards are normally selected by competition.

Due to the level of control exercised by the University, bequests and donations received on trust for particular purposes and administered by the University are included in the consolidated financial statements.

Note 25 Borrowings

The University has an unsecured borrowing facility with its “Bankers” with a maximum limit of \$55,000,000. Borrowings are for a period not exceeding 90 days. The facility expires in 2011. The interest rate is currently 6.50 percent and was rolled over on 16 January for a further 30 day term. Because of the short-term nature of the loan the fair value is considered to be equal to the carrying value. During the period covered by this report, there have been no defaults or breaches on the repayments of the loan.

Note 26 Reconciliation of surplus for the year with net cash flows from operating activities

	Consolidated		University	
	31-Dec-08 \$ 000	31-Dec-07 \$ 000	31-Dec-08 \$ 000	31-Dec-07 \$ 000
Surplus from the Statement of Financial Performance	9 900	16 728	5 086	11 323
Add/(less) changes in working capital items				
Decrease/(increase) in accounts receivable	(351)	131	(82)	(64)
Decrease/(increase) in inventories	230	(123)	230	(69)
Decrease/(increase) in pre-paid expenses	(1 359)	1 103	(1 181)	919
Decrease/(increase) in other assets	(353)	(69)	-	-
Increase/(decrease) in accounts payable	4 544	2 873	3 566	3 341
Increase/(decrease) in pre-paid revenue	(58)	1 872	(2 078)	1 611
Increase/(decrease) in research grants unexpended	(965)	4 198	(965)	198
Increase/(decrease) in annual leave provision	(288)	745	(233)	689
Increase/(decrease) in sick leave provision	(31)	20	(31)	20
Increase/(decrease) in retiring and long service leave provision	226	-	593	-
Net movements in working capital items	1 595	10 750	(181)	6 645
Add/(less) non-cash items				
Depreciation and amortisation	29 588	27 292	29 521	27 236
Unrealised investment (income)/loss	468	413	-	-
Unrealised derivative (income)/loss	19	-	19	-
Add/(less) movements in non-current assets and liabilities				
Net gain/(loss) on asset disposal	78	29	49	29
Net (surplus)/deficit of associate company	(109)	(67)	-	-
Interest payable accrual—included in accounts payable	(62)		(62)	
Retiring and long service leave provision	862	392	495	381
Net movements in non-cash items	30 844	28 059	30 022	27 646
Net cash inflow from operating activities	42 339	55 537	34 927	45 614

Note 27 Explanation of variances between budget and actual results

The Group and University do not consider any variance between the budget amounts and actual results as being material.

STATEMENT OF SERVICE PERFORMANCE

INTRODUCTION

The information in this Statement of Service Performance (SSP) focuses on how Victoria's 2008 outputs contribute towards the success of the medium-term strategy of the University and the desired outcomes of Government's Tertiary Education Strategy (TES).

The measures in this service performance information are set out in Victoria's *Annex to the Investment Plan*, a document which contains all of the Key Performance Indicators (KPI) of the *Investment Plan 2008-2010* plus additional measures needed in order to track progress towards successfully implementing the University's medium-term strategy. The *Investment Plan* sets out the commitment of the University in the use of government funding. Its measures and standards (KPIs) were set in the context of the operating environment, the Tertiary Education Commission (TEC) requirements and Victoria's strategic direction. Some of the measures relate directly to how Victoria can contribute to the achievement of the TES and to making the key shifts required of the university sub-sector; others are intended to track success towards the implementation of Victoria's own mission and commitments to quality.

“Guided by two timeless aspirations: excellence in teaching and learning, and excellence in research, Victoria will develop as a university with national and international distinction in innovation and future technologies while retaining an unyielding commitment to the strengths that emanate from the traditional areas of excellence in humanities, law, commerce and social science.”

Investment Plan 2008-2010

Investment plans with performance targets were introduced for the first time in 2007. This means that in 2008 we do not have a full set of historical or baseline data to provide a context for current and recent delivery against targets. In future the 2008 performance measures will provide this baseline

data and all ensuing measures and standards will then have a meaningful context that allows progress to be tracked and compared.

The quantitative indicators (KPIs) in this SSP which relate to student completion and attrition were agreed with the TEC as part of Victoria's *Investment Plan*. They relate directly to figures and methodology used by the TEC in 2007 to produce baseline monitoring reports (BMR) for all institutions in the tertiary sector. The TEC used 2006 data to produce these reports in June 2007. This was the first step in the TEC's intention to have common indicators in order to compare performance across the tertiary sector and within each sub-sector component, e.g. universities. To this end the universities and the TEC began working together during 2008 to agree a set of parameters, data collection methodology, standardisation and quality control mechanisms. In the future the TEC intends to judge institutions' performance based on agreed indicators that result from these discussions. For the first three-year term of investment plans, the TEC has indicated that tertiary institutions may use their own data sets to report on performance, and because these data sets may not correlate well with the early BMR work against which they purportedly measure achievement, the TEC will be applying light weight to these quantitative performance 'results'. Victoria has based its own data sets and analysis on the TEC methodology to produce quantitative data for this 2008 SSP. While all care has been taken in producing the information, the TEC methodologies are not always directly applicable to Victoria's internal data sources. Explanations are included where there is marked departure from the methodology used by the TEC. As the BMR process matures, difficulties faced in this initial period will fade.

This SSP groups measures in a way that covers the scope of Victoria's enterprise: Research, Learning and Teaching, Student Experience, External Relationships, Capability, Resources, Public Contribution and Equity.

1. RESEARCH

KPI

	2008 Measure	2008 Actual															
<p>Develop improved measures for tracking postgraduate enrolment and completion.</p>	<p>Improve timeliness of completion rates by 1%</p>	<p>PhD completion times improved by 0.6% in 2008. Masters' completion times were now below the target, although the actual number of completions improved significantly.</p> <p>The introduction of a Research Information Management System which tracks research degree candidature has provided Victoria with the tools for monitoring enrolments, progress and completions for doctorates and Masters-by-thesis degrees across the University. Regular reports draw attention to progression and completion issues for follow up. This improved quality of information will enhance timely completions and completion of thesis degrees. Masters and PhD thesis completions in 2008 (excluding suspensions) are given in the chart below. Information is expressed in days for ease of comparison from year to year.</p> <table border="1" data-bbox="635 338 847 1272"> <thead> <tr> <th></th> <th>2007</th> <th>2008</th> </tr> </thead> <tbody> <tr> <td>PhD completions</td> <td>59</td> <td>65</td> </tr> <tr> <td>Mean time to complete</td> <td>1 584 days</td> <td>1 575 days</td> </tr> <tr> <td>Masters completions</td> <td>108</td> <td>205</td> </tr> <tr> <td>Mean time to complete</td> <td>546 days</td> <td>579 days</td> </tr> </tbody> </table>		2007	2008	PhD completions	59	65	Mean time to complete	1 584 days	1 575 days	Masters completions	108	205	Mean time to complete	546 days	579 days
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<p>Increase government-funded postgraduate student enrolments.</p> <p>Implement 2007 Research Strategy.</p>	<p>15.2% of total government-funded EFTS</p> <p>Prepare for internal Performance-Based Research Fund (PBRF) round and implement research performance reviews</p>	<p>Postgraduate enrolments represent 16% of total government-funded EFTS.</p> <p>A full internal PBRF round is scheduled for the summer 2008–2009. By the end of 2008, reviews were completed for Anthropology, Business Law, Government, Languages and Cultures, Marketing, Nursing and Midwifery, Statistics and Vāāmaonu Pasifika. The review reports included not only an analysis of the overall performance of the programme but also a detailed assessment of the performance of each individual staff member. The key steps taken to date are the further development of each School's research strategy, a more rigorous approach to performance planning and development for staff identified by the review as underachieving. Of all academic staff at Victoria, 829 are PBRF eligible. In addition, 18 staff who were not PBRF eligible chose to participate, bringing the total to 847. The Research Office has received 639 evidence portfolios. One-hundred and thirty are deemed exempt for reasons such as sabbaticals or leaving Victoria; 78 are outstanding and are due by 11 February 2009.</p>															

KPI	2008 Measure	2008 Actual
<p>Implement University-wide research strategies and action plans focused on improving Victoria's average PBRF quality score.</p>	<p>Implementation of research strategies and action plans</p>	<p>A Faculty of Graduate Research has been established to provide one cohesive entity to ensure timely and effective recruitment, admission, funding, examination and graduation of postgraduate students.</p> <p>The Deputy Vice-Chancellor (Research) allocated discretionary funds to support a wide range of conferences, graduate student symposia, publications and research projects. In 2008 this fund had a value of \$1.3 million that it invested mainly in research into drug abuse, and biotechnology.</p> <p>All Schools have submitted research plans to the University Research Committee. Each Pro Vice-Chancellor reports to the Vice-Chancellor in writing on how these advance a coherent research strategy for each Faculty aligned with the Strategic Plan and the Investment Plan.</p>
<p>Invest in research centres that relate closely to interdisciplinary strengths.</p>	<p>Align research centre resourcing according to 'fit' with interdisciplinary strengths</p>	<p>All existing research centres are resourced according to 'fit' with interdisciplinary strengths, and appropriate review processes have been established. Examples of investment in interdisciplinary strengths are the Stout Research Centre, Climate Change and Institute of Policy Studies. This is intended to raise the profile of these important interdisciplinary centres. A foundation document for the China Research Centre (contributing to the interdisciplinary strength of international engagement and understanding), has been agreed with University of Otago and University of Canterbury. The formal launch of the Centre is scheduled to take place in April 2009 in conjunction with the international conference that is being organised. The first round of discussions with eight Chinese universities and national research institutes have been undertaken and it is anticipated that formal partnership agreements will be signed in January 2009. Establishment of the Centre's profile on the internet has also begun with the intention of making it live in February 2009.</p>

2. LEARNING AND TEACHING

KPI	2008 Measure	2008 Actual
Successful course completion rates for degree and graduate diploma qualifications for students aged under 25.	82% course completion	79% course completion
First-year qualification-level attrition for degree, graduate diploma and postgraduate qualifications for students aged under 25.	22% attrition	12% attrition
Successful course completion rates for degree and graduate diploma qualifications.	82% course completion	78% course completion
First-year qualification-level attrition for degree, graduate diploma and postgraduate qualifications.	27% attrition	22% attrition
Set up and run teaching and learning projects at 100 level, informed by research into good practice.	Scope and establish teaching and learning projects	This was partially achieved. A set of goals was established for curriculum development in 2009 of four first-year courses: Accounting (ACCY) 111, Biology (BIOL) 113, Advanced Materials (AMAT) 101 and Social and Cultural Studies (SACS) 111. A resource sheet of good practice has been drafted. Teaching and learning development will take place in all of these courses before they are taught in the second trimester of 2009.
Increase the proportion of international students to 12% of the total Victoria student population by 2010.	≥ 10%	12.9%
Increase proportion of international postgraduate students as a proportion of postgraduate students to 20% by 2010.	18%	19.2%

3. THE STUDENT EXPERIENCE

KPI	2008 Measure	2008 Actual
<p>Increase the awareness of the support available for students with disabilities and the inclusive environment at Victoria amongst prospective students with impairments and their support networks.</p> <p>Provide supervised, high-standard student accommodation on campus in 2009.</p> <p>Positive impact of student services on successful student completion.</p>	<p>5% increase in the number of prospective and current students with impairments registering with Disability Support Services over 2007 numbers</p> <p>Plans finalised, consent received and construction commenced</p> <p>81%</p>	<p>In 2008, there was a 7% increase in registration for students with impairments. Disability Funding is based on the total volume of EFTS agreed in the Investment Plan, a flat rate per student. It is not based on students identifying as having a disability. Victoria's enrolments of students with disabilities are increasing significantly. The range of disabilities that need to be supported can range from minor to severe and require different levels of resources. The flat rate does not recognise this.</p> <p>Construction of Te Puni Village, student accommodation, will be completed on time (18 months) and on budget. The village is due for occupation in February 2009 and will accommodate up to 375 students.</p> <p>This is gauged through responses to annual surveys covering various aspects of student support at Victoria: accommodation, career development and employment, counselling, crèche, disability support, financial support, Manaaki Pihipihinga, student health and learning support. The overall satisfaction rating with student services at Victoria is 95% either satisfied or very satisfied.</p>
<p>Expose students to international dimensions of teaching, learning and service as part of their overall experience of studying at Victoria.</p>	<p>The number of students including a study abroad experience increases to 180 (in head count)</p> <p>Programme successfully launched and 200 students registered in the Victoria International Leadership Programme</p>	<p>Numbers for 2008 increased this year to 126 students, compared to 101 for 2007 for semester or year-long exchanges abroad. An additional 57 students went on some form of shorter study abroad course, bringing the total number of students having some form of international mobility experience to 183 compared to 171 in 2007.</p> <p>The Victoria International Leadership Programme (VILP) was officially launched on 14 October by the Hon Phil Goff. It is an academically-oriented, extra-curricular programme for which students receive a certificate upon completion and acknowledgement on their transcripts. This distinctive internationalisation initiative is designed to address the need for our students to become more cross-culturally competent and globally aware. There are currently 460 students registered for the programme. Current VILP partners include the New Zealand Institute of International Affairs, Volunteer Service Abroad and the Asia: New Zealand Foundation.</p>

4. EXTERNAL RELATIONSHIPS

KPI	2008 Measure	2008 Actual
<p>Strengthen processes for reciprocal relationships between stakeholders and the University and ensure stakeholders are aware of the impact they have on activities at Victoria.</p>	<p>Stakeholder perception survey</p>	<p>During 2008 independent research company, Litmus, undertook a piece of stakeholder research to understand the perceptions of Victoria University and to inform the development of a stakeholder engagement programme. The research focused on Wellington-based business and industry stakeholders, students, secondary school staff and academics.</p> <p>The results indicate that Victoria University is seen as one of the best at providing a high-quality education but needs to take advantage of opportunities to be more visible in Wellington. Employing and retaining quality academics and producing best quality 'work ready' graduates are areas considered of most importance.</p> <p>A Stakeholder Engagement Plan has been developed for 2009. The plan outlines a range of activities which focus on engaging with business and industry and government.</p>
<p>Explore possibility of using the Wellington Regional Tertiary Cluster as a means of collaboration and consolidation of provision.</p>	<p>Support the restructure of the governance of Wellington Regional Tertiary Cluster</p>	<p>The Wellington Regional Tertiary Cluster ceased to exist early in 2008. However, based on strong relationships formed while the group was active, Victoria is involved in two significant initiatives encompassing various tertiary education providers in the Wellington region. One is a project encouraging Māori students into tertiary and the other is a Foundation Programme in Digital Engineering for students in the Wellington region. Victoria is now active in 'Grow Wellington', the business function of the Wellington Regional Strategy.</p>
<p>Strengthen links with the University of Otago for the establishment and development of a Centre for the Study of Islam and Muslim Cultures.</p>	<p>Pending the Encouraging and Supporting Innovation bid to the TEC, proceed with planning the Centre for the Study of Islam and Muslim Cultures</p>	<p>The Encouraging and Supporting Innovation bid was successful. The reporting project milestones to the TEC have been met and the project is progressing as agreed with the TEC.</p>
<p>Strengthen links with Massey University (Wellington) to facilitate postgraduate engineering provision in the Wellington region.</p>	<p>Continue discussions with Massey (Wellington)</p>	<p>The Deans of Engineering (Victoria and Massey) met several times during 2008 to identify areas where further collaboration could be beneficial to both institutions. These fruitful discussions resulted in several initiatives. One of Massey's professors will teach project management at Victoria in the first semester of 2009. He is also involved in Victoria's software engineering research group. The two universities have agreed in principle to the idea of co-supervision of PhD students. This is likely to happen in the areas of mechatronics and networking. A collaborative bid from academic staff at Victoria and Massey has been successful in gaining TEC/EU funding for the exchange of students and staff with three European universities.</p>

5. CAPABILITY

KPI	2008 Measure	2008 Actual
<p>Expand professional development programmes for early career academics so that they can confidently apply for senior roles.</p>	<p>Offer tailored programmes aligned with staff development assessments</p> <p>No target number was set</p>	<p>The University Teaching and Development Centre (UTDC) has moved away from generic workshops to tailored programmes directly aligned with staff performance development plans. An example is the series of Manu-Ao staff developments for Māori academics that attracted 82 attendees.</p>
<p>Offer research capability building support to boost research performance.</p>	<p>More than 50 staff attend research capability building programmes</p>	<p>The Office of Research and Postgraduate Studies (ORPS) provides workshops for academic staff new to supervision and research. Four 'orientation to supervision' workshops were offered in 2008 with 51 staff attending. Emerging researchers are supported through the New Researcher Grant scheme which awarded 29 grants in 2008.</p> <p>At the end of 2008 all Victoria researchers participated in an internal PBRF round for assessing research quality. ORPS also offered opportunities such as workshops for researchers to develop and improve their portfolios.</p>
<p>Align staff development, and promotions criteria and policies with the University's research and learning and teaching strategies.</p>	<p>Policies and criteria reviewed and approved and changes communicated</p>	<p>A new staff development policy came into effect on 1 May 2008. It supports the development of individual staff in ways that assist them to contribute to the achievement of strategic goals, meet Treaty obligations and the enhanced requirements for learning and teaching, and research capabilities.</p> <p>The University revised and started implementing a new general staff performance appraisal and career planning process in 2008.</p> <p>The academic promotions process was reviewed in May 2008 and an <i>Academic Promotions Booklet</i> was completed which incorporates guidelines, application forms and a timetable. The academic promotions process supports the University's strategic goals, particularly those relating to the quality of teaching, learning and research.</p> <p>Victoria communicates policy matters through a user-friendly website and a monthly planning and policy report that is considered by the senior management team, Heads of Schools and CSU directors and is published in the staff news sheet.</p> <p>All policies are communicated via a policy and planning website and regular planning and policy reports to the senior management team.</p>

KPI	2008 Measure	2008 Actual
Participate in the international community of scholars.	Encourage staff to research and study internationally	<p>Eighty-five staff had research and study leave grants to undertake work in over 34 countries and territories*.</p> <p>* Countries and territories where staff will work are Australia, Austria, Belgium, Canada, Chile, China, Denmark, Fiji, Finland, France, Germany, Greece, Guam, Holland, Hong Kong, India, Ireland, Israel, Italy, Japan, Korea, Malaysia, Peru, Russia, Singapore, Solomon Islands, South Africa, Spain, Sweden, Thailand, United Kingdom, United States of America, Vanuatu and Vietnam.</p>

6. RESOURCES

KPI	2008 Measure	2008 Actual
Victoria is committed to using its interdisciplinary strengths as a lens to examine its current portfolio of provision.	Plan to align resources in ways that support the future path of Victoria	A strategically oriented budget allocation model has been designed and is being used to realign budgets for 2009.
Develop robust data requirements and reporting framework for University-wide Māori and Pacific support initiatives.	Data requirements identified and reporting framework agreed	This will not be fully met due to difficulty in recruiting appropriately qualified staff knowledgeable in both student and staff activities. A University-wide reporting framework has been developed for 2009. Equity data requirements will be reviewed in 2009.
Work the interdisciplinary strengths into 'business as usual' at Victoria.	Award internal research grants according to relevance to the interdisciplinary strengths	In 2008, Victoria used 'support for one of the 10 interdisciplinary strengths' as a criterion for various types of internal research funding. The largest is the University Research Fund (URF). The Vice-Chancellor's Strategic Scholarships and the Discretionary Strategic Fund also award funds for growing interdisciplinary programmes that support one of Victoria's 10 interdisciplinary strengths. The URF is contestable with funding of up to \$50,000 to a successful applicant. It is typically used as seed funding for research programmes and projects.
Revenue from international students as a percentage of total student revenue.	16%	16.1%
Complete infrastructure projects needed due to shortages of student accommodation, teaching, learning and research spaces, and office accommodation.	Infrastructure projects completed subject to availability of resourcing	All infrastructure projects are on track and the loan application has been approved. These projects relate to the Teaching, Learning and Research (TLR) building, the Campus Hub project, the Coastal Ecology Laboratory, the Malaghan Institute, Rankine Brown and Laby building upgrades and external restoration of the Hunter building.

7. PUBLIC CONTRIBUTION

KPI	2008 Measure	2008 Actual
Demonstrate leadership in critical thinking and community service through maintaining membership of advisory bodies, working parties and governing boards and maintaining the level of advice to government, national and international bodies at the 2007 level.	<p>Government 194</p> <p>National bodies 466</p> <p>International bodies 505</p>	<p>Government 123</p> <p>National bodies 325</p> <p>International bodies 525</p> <p>This information is self-reported and naturally fluctuates from year to year subject to the needs of government and national and international bodies and the availability of staff.</p>
Develop and mature collaborative relationships with businesses that are aligned to the interdisciplinary strengths.	Identify and thoroughly research businesses with whom collaborative relationships can be developed which align with appropriate interdisciplinary strengths	<p>The University made significant progress towards building and strengthening collaborative relationships aligned to its interdisciplinary strengths. Existing relationships were enhanced and new relationships relevant to interdisciplinary strengths were either developed or planned. Magritek is a technology company in which the University has a minority interest. In 2008 the company secured equity investment from a strategic UK partner, Cryogenic Limited, which significantly improved the company's (and the University's) positioning in the Nuclear Magnetic Resonance market.</p> <p>The geothermal energy recovery project is a new application in the energy sector of our nano-structured calcium silicate platform. Once the technology is proven and calibrated, domestic and international relationships with a number of energy companies involved in geothermal energy production of the type that our technology suits will follow.</p> <p>Dairy industry relationships with ViaLactia Biosciences have been nurtured for a number of years. In 2008 research funding was secured for future projects in proteomics. This ensures that the business relationship will continue to mature.</p> <p>Design projects with Formway, Fisher & Paykel and Methven which involve collaborative relationships with a number of industry partners, are built around student research. The relationships have been steadily developing over recent years but have now reached a level of significance whereby a meaningful engagement with industrial design practitioners can be claimed.</p> <p>Negotiations have begun with 'Grow Wellington' the business arm of the Wellington Regional Strategy to connect high-growth businesses with appropriate interdisciplinary strengths, engaging with people at Victoria who have the right tools and knowledge that will help both parties to achieve their full potential.</p>

KPI	2008 Measure	2008 Actual
Finalise the Internationalisation Strategy and produce an implementation plan by the end of 2008.	Strategy taken through the consultation and approval processes and implementation plan developed	The University's new Internationalisation Strategy was approved by the senior management team (SMT) in September 2008 and received by Academic Board at its November meeting and by the Council at its December meeting. The Strategy provides a guiding framework for Victoria's ongoing development as an internationally focused university. It is aligned with the Investment and Strategic Plans, as well as taking account of the Government's Tertiary Education Strategy and International Education Agenda. As the first step in the implementation of the Strategy, Faculties and CSUs are carrying out a baseline survey of current international activities mapped against those goals and actions which are most significant for their Faculty or CSU. In each case, they are also identifying those goals of the Internationalisation Strategy which they will focus on in contributing to the implementation of the Strategy and prioritising intended internationalisation actions. This process (to be completed by March 2009) will thereby provide us with implementation plans for the Strategy for each part of the University.

8. EQUITY

KPI	2008 Measure	2008 Actual
Enhance success of Māori and Pacific students at degree level through achievement of targets in the Investment Plan and through analysis of Māori and Pacific achievement at 100 and 200 levels.		In response to concerns about some areas of Māori and Pacific achievement, Victoria in 2008 developed a project, <i>Strengthening Pathways: Success for Māori and Pacific Students at Victoria</i> . It will identify, consolidate and further develop current best practice in order to improve retention and achievement of Māori and Pacific students. It will be implemented in 2009, and will focus on raising Māori and Pacific success rates at 100 level and increasing retention rates from the first year to the second year of study.
Proportion of EFTS for Māori students.	9%	8%
Proportion of EFTS for Pacific students.	5%	5%
Successful course completion rates for degree and graduate diploma qualifications for Māori students.	71%	71%

KPI	2008 Measure	2008 Actual
Successful course completion rates for degree and graduate diploma qualifications for Pacific students.	61%	56%
First-year qualification-level attrition for degree, graduate diploma and postgraduate qualifications for Māori students.	32%	32%
First-year qualification-level attrition for degree, graduate diploma and postgraduate qualifications for Pacific students.	31%	32%
Qualification-level completion rates for all degree, graduate diploma and postgraduate qualifications for Māori students (over a 5-year period).	34%	44%**
Qualification-level completion rates for all degree, graduate diploma and postgraduate qualifications for Pacific students (over a 5-year period).	30%	40%**
Improve Māori and Pacific success rates at 100 and 200 level.	Increase by 1%	
% Māori successful course completion rate at 100 level.	65%	62%
% Māori successful course completion rate at 200 level.	81%	77%
% Pacific successful course completion rate at 100 level.	59%	47%
% Pacific successful course completion rate at 200 level.	70%	64%

KPI	2008 Measure	2008 Actual
Enhance success of students with impairments.		
Successful course completion rates for degree and graduate diploma qualifications for students with impairments.	82%	71% Achievement can vary from year to year depending on students' disabilities.
Qualification-level completion rates for all degree, graduate diploma and postgraduate qualifications for students with impairments (over a 5-year period).	36%	55% ^{**}
First-year qualification-level attrition for degree, graduate diploma and postgraduate qualifications for students with impairments.	21%	26% Attrition levels vary from year to year depending on students' disabilities.

KPI	2008 Measure	2008 Actual
<p>Provide appropriate training and development opportunities that contribute to the equity aspirations of the University.</p>	<p>Offer a variety of programmes addressing mentoring, leadership, cultural matters and personal development</p>	<p>A variety of programmes and opportunities for development were available to staff in:</p> <ul style="list-style-type: none"> + Academic Mentoring@VUW, a voluntary programme, provides opportunities for all staff to be paired with more senior/experienced staff to achieve personal and professional goals. In 2008 the programme had two intakes with a total of 35 pairs participating. In 2007 there were 25 pairs in the two intakes. + Toi huarewa, a pan-University Faculty equivalent to which all Māori academics may elect to become members, and non-Māori academics teaching courses or undertaking research with a significant Māori content may be invited to be part of, hosted an inaugural research symposium showcasing Māori-related research, by Māori and/or about Māori, across a broad range of disciplines at Victoria. The purpose was to foster collegiality and encourage Māori research and researchers. + There were six participants, three general and three academic staff, from Victoria in the New Zealand Women in Leadership Programme developed by the New Zealand Vice-Chancellors' Committee to enhance the leadership capacity of women in New Zealand universities. + Toi huarewa has been participating in a nation-wide professional development programme, Manu-AO, a programme under the auspices of the New Zealand Vice-Chancellors' Committee. It is intended to support a culture of Māori scholarship within participating institutions. + The University offered Te Hāpai Programme (training in the Treaty of Waitangi and Māori language and culture). There were 53 participants in the programme through the language and culture courses which were offered 19 times during 2008. + A Management in Action Programme aimed at mid-level managers who manage a small team, was launched in 2008. There were 19 participants (17 women and two men) in the first programme. + The Leading People Programme was offered in 2008 with 20 participants equally divided between men and women. This compares with 2007 participation of 19 staff (13 men and six women). The programme is designed to assist the University in meeting its strategic goals through the development of management capacity.

KPI	2008 Measure	2008 Actual
		<p>Programmes available to students included:</p> <ul style="list-style-type: none"> + Manaaki Pihipihinga—Māori & Pacific Students Mentoring Programme is available to students in the Faculties of Commerce and Administration and Humanities and Social Sciences to facilitate academic achievement for Māori and Pacific students within the cultural framework of co-operative learning. + Te Rōpu Āwhina is a mentoring programme in the Faculties of Science, Engineering and Architecture and Design. Senior undergraduate and postgraduate Māori and Pacific students act as mentors and ensure students, especially those in their first year of study, receive the support they require in an effective way. + The Kaiwawao Māori Service aims to ensure all Māori students receive up-to-date information and assistance to participate and succeed at Victoria. + The Student Learning Support Services (SLSS) works with all students from first-year undergraduates to postgraduates. They aim to foster successful study and develop independent, active learners. SLSS has available both Māori Learning Advisers and Pacific Learning Advisers to support students and assist their ability to learn in a culturally appropriate manner. The SLSS also provides international students and students from non-English speaking backgrounds, mature students and postgraduate students with specifically designed support. + Māori and Pacific Community Outreach Programme He Ara Matauranga (A Path to Education)—a programme with nine low-decile schools in the Wellington region to increase the chance of participants going on to tertiary study.
<p>Increase the proportion of Māori and Pacific staff to 10% and 5% of all staff by 2014 by encouraging more self-reporting of ethnicity and effective recruitment mechanisms</p>	<p>6.5% and 2.5%</p>	<p>6.3% and 2.3%*</p>

* Ethnicity is self-reported by staff. In 2008, 1 238 staff self-reported their ethnicity. This was 55.2% of the total staff and a 23.3% increase on the 2007 numbers. Improvements to data collection through the use of Statistics New Zealand's level four ethnicity classifications, allowing up to two ethnicities for each staff member and the use of on-line self-reporting through the Human Resources system have contributed to this increase.

** The methodology Victoria used to calculate qualification-level degree completions over a 5-year period parallels but differs from that used by the TEC as a basis for the 2008 KPIs (see introduction to SSP). The discrepancy relates to students who do more than one degree. Under the TEC methodology a student who, in any one year, completes only one of the two or more degrees enrolled for is regarded as a 'non-completion'. Victoria does not measure in this way with the result that its completion rate is higher. It was not practicable to duplicate the TEC methodology in the time available.

STATEMENT OF RESOURCES

+ LIBRARY

Significant enabling works were undertaken during 2008 to prepare for the Library redevelopment and Campus Hub project at Kelburn.

A pilot test floor was created on level four of the Rankine Brown Library to provide a more creative and flexible space for learning. It has a variety of furniture styles, layouts, shelving, lighting designs and IT equipment to test different styles of study. Student and staff were given the opportunity to try out the different areas and study facilities, and to provide feedback that will be incorporated into the next stage of design for the Campus Hub and Library redevelopment.

Wai-te-ata Press moved into the refurbished space on level 0 of the Library during October 2008 and level 8 was vacated and refurbished to provide decant space. Half of level 8 will be used by the Library for staff and collections as required during the redevelopment and half will be used by other areas affected by the campus redevelopment framework. As a result, in 2008 part of the ITS team moved to level 8.

Off-site storage for the Library has been introduced to enable the continued growth of the collection for teaching and research. Approximately 300,000 periodical volumes have been moved to off-site storage in 2008. The Library also collaborated with Student Learning Support Services to provide a student learning support help desk in the Kelburn Library.

In 2008 the Library was granted additional capital funds to use for building its research collections (\$500,000). A Contestable Collection Fund process was introduced so that academic areas could bid for the funding. Thirty bids were received from across a wide range of academic areas for focused collection development which encompassed print, electronic and other media plus digitisation projects. The fund was 100 percent oversubscribed. Successful bids included the School of Design for a collection of miniature designer chairs; the School of Law for the development of an electronic Māori Legal Archive; and the School of Music for a wide range of scores, DVDs and other material.

The Library undertook a change proposal aiming to strengthen relationships between Library Services and Faculties, subject areas, research centres and institutes and central service units. Changes to focus, structures and roles will mean a more proactive Library approach to communication, student support, research skills support and collection development. The Research and Learning Services team was established on 1 September as a result of the change process.

The Library completed the retrospective digitisation of all Victoria PhD theses (approximately 1 200). Most of these are available publicly; the rest are available in a restricted research archive for Victoria staff and students.

⊕ FULL-TIME EQUIVALENT STAFF

	2003	2004	2005	2006	2007	2008
Professors	69.4	68.2	72.9	74.0	80.3	83.9
Readers/Assoc.Profs.	68.5	78.8	89.1	96.5	96.5	90.8
Senior Lecturers	228.7	243.1	285.5	279.0	283.4	285.5
Lecturers	169.8	178.0	220.7	216.7	219.9	205.7
Other academic staff	98.5	129.3	275.0	271.0	288.7	269.8
Total academic staff*	634.9	697.4	943.2	937.1	968.9	935.7
Academic support in Faculties**	241.2	242.2	331.6	359.8	367.1	345.9
Total staff in Faculties	876.1	939.6	1 274.8	1 296.9	1 336.0	1 281.6
Total central services	528.7	560.5	625.9	609.8	649.5	649.1
Total FTE staff	1 404.8	1 500.1	1 900.7	1 906.7	1 985.5	1 930.7

*Total academic staff covers tutors, assistant lecturers, visiting academics, part-time staff and teaching fellows who are not PBRF eligible.

**Academic support includes Faculty managers and technical, administrative and secretarial support staff within Schools and Faculties.

From 2001 to 2004, to calculate FTEs, permanent (full-time and part-time) and casual staff records were extracted from the payroll system and based on a snapshot at the end of the year. Full-time staff were counted as one FTE and casual staff as hours worked divided by standard hours. Since 2005, the figures have been calculated on an average of the payroll data at start and end of the year and the mid-points in Trimesters 1 and 2, reflecting the peak in staffing levels during the two main trimesters.

In 2001, Victoria University of Wellington signed a strategic alliance with the Wellington College of Education that saw the two organisations implement a series of service level agreements for the delivery of various administrative services. Under those agreements, central services staff from the College were progressively transferred to the employment of the University. On 1 January 2005, the College merged with the University and the College's academic staff and remaining administrative staff became University employees.

⊕ ENVIRONMENT

As a large organisation and a community leader, the University recognises the need to manage its environmental impacts. In 2008, Victoria took several more significant steps towards greater environmental sustainability.

The University is working on improving its performance across all areas of environmental impact. Some of the highlights include:

The electricity and natural gas consumption in the University buildings dropped by 220,000 kWh/yr—approximately the equivalent of 20 houses. During the electricity shortages over winter the University responded with electricity savings of 5.4 percent during the six-week campaign. Encouragingly, the University has continued to save electricity since then. This has been achieved primarily through improvements to the operation of the mechanical plant in the buildings and awareness campaigns amongst staff and students.

Vic Commute was planned and launched in 2008 to encourage staff and students to commute to university using a sustainable mode of transport. The plan was developed in partnership with Greater Wellington Regional Council and will be implemented in 2009. It includes working with the bus company to improve services, upgrades to bicycle facilities, the introduction of car-pooling and improving the safety of walkways to name a few of the initiatives. Air travel is still a significant source of carbon emissions for the University, which presents a great opportunity for savings that has yet to be developed further.

2008 has been a year of significant construction around the University. New buildings and refurbishments present a great opportunity to get it right first time to maximise the environmental benefits. All new construction now includes sustainability considerations as part of the design and construction process.

New recycling facilities were introduced to the Te Aro and Karori Campuses, which has helped increase the amount of waste which gets recycled from 31 to 37 percent. The total amount of waste going to landfill has dropped by 18 percent.

+ SPACE OCCUPIED

2008 saw the implementation of a number of large-scale capital projects which have arisen out of the Campus Development Plan. The most significant are the Te Puni Village Student Accommodation development, the Coastal Ecology Laboratory and the enabling works of the Teaching and Research building, and the Campus Hub Redevelopment. Planning towards the proposed New Zealand School of Music building in the Civic Square is also well advanced. In addition there has been a strong emphasis on robust asset management planning to ensure that sustainable maintenance programmes are in place for all buildings and plant.

TE PUNI VILLAGE STUDENT ACCOMMODATION

The objective of this development is to meet increased demand for student accommodation as well as enhancing the vitality of the Kelburn Campus.

The development, due for completion in January 2009, consists of three separate accommodation buildings which are linked by an amenities level containing dining, kitchen and social spaces. It offers 348 dormitory rooms, 29 studio rooms and six two-bed apartments and is situated on a steep site at the southern end of the Kelburn Campus.

This development is designed to withstand a major earthquake with minimal and readily repairable damage with the objective that the buildings could be used as an administrative facility while other University buildings were under repair, thus ensuring the University remains functional.

COASTAL ECOLOGY LABORATORY

This new facility replaces the original Marine Laboratory at Island Bay. It consists of three levels of research laboratories, academic and postgraduate office space.

TEACHING AND RESEARCH BUILDING

This building, due to be completed in 2010, will address postgraduate growth at Victoria and make way for a more intensive research focus, particularly in science and engineering.

The Teaching and Research building will be a four-storey building situated between Cotton and Laby buildings on Kelburn Campus. The ground floor will consist of six large teaching rooms and a café, the

upper floors containing specialised laboratories and postgraduate study space. The basement levels, containing car parking and storage, are currently under construction. The building is designed to be environmentally sustainable and is New Zealand's first multi-storey unbonded post-tensioned pre-cast concrete building which will provide enhanced seismic performance.

KELBURN CAMPUS HUB REDEVELOPMENT

The Hub is a key strategic project targeting enhanced informal learning areas and social spaces as well as refurbishing the Library and Quad spaces. The 2008 enabling works within the Rankine Brown Library on levels 0, 4 and 8 for the Kelburn Campus Hub Redevelopment are nearing completion.

As part of the Campus Hub development significant upgrades are also planned for the Student Union building, which include Victoria University of Wellington Students' Association (VUWSA) Trust funded projects and an upgrade of the Memorial Theatre.

Design work for the refurbishment of the Memorial Theatre is underway and the project is due to commence in 2009. This will create a dual-purpose space which can be used for lectures and theatre productions, allowing the Easterfield lecture theatre to be demolished in 2011 to make way for a new outdoor plaza development. The Mount Street Bar and Café is intended to become a clubs and society space, including meeting rooms, club lounge, offices and storage. The Union Hall is to be refurbished to create a vibrant and relaxing social space with an adjacent café/bar facility.

NEW ZEALAND SCHOOL OF MUSIC BUILDING

This proposal involves building a world class Music Facility in the Civic Square in central Wellington for the NZ School of Music, a joint venture between Victoria University and Massey University. The project brief has been prepared and a final budget will be confirmed in 2009.

FACULTY OF ENGINEERING FACILITIES

A suite of teaching laboratories has been developed in the Cotton building for the new engineering courses. Given Victoria's space constraints, this has involved a number of consequential relocations or refurbishments and work has progressed well, especially considering the extremely tight timeframes involved.

+ LAND

Hectares	2003	2004	2005	2006	2007	2008
Crown	8.8	8.8	11.8	11.8	11.8	12.9
University	9.7	9.7	9.7	9.7	9.7	10.1
Ground Lease Properties	0.3	0.3	0.3	0.3	0.3	0.3
Total	18.8	18.8	21.8	21.8	21.8	23.3

The land area owned and occupied by Victoria University has increased to approx 23.3 hectares due to an amendment of previously incorrect data and as a result of purchasing a property of 0.05 hectares in Fairlie Terrace to enable the Te Puni Accommodation Development to proceed.

+ SUMMARY OF NET USABLE SQUARE METRES OCCUPIED

	2003	2004	2005	2006	2007	2008
Administration	4 955	5 002	5 387	6 046	5 958	5 636
Architecture and Design	8 355	8 796	8 738	8 841	8 841	8 862
Commerce and Administration	5 894	7 180	7 376	7 279	7 190	7 354
Continuing Education	316	481	455	512	530	530
Education*			5 230	4 311	4 337	4 542
Humanities & Social Sciences	12 551	12 279	10 447	10 585	10 780	9 310
Information Technology Services	2 382	2 528	3 015	3 053	3 062	3 352
Law	1 725	1 793	1 655	1 643	1 694	1 694
Library	12 702	16 126	16 985	16 963	16 966	16 110
Miscellaneous	6 899	2 410	2 102	2 063	2 648	2 179
Science	17 519	18 277	18 375	18 434	18 203	19 087
Shared teaching	8 192	10 952	16 025	15 681	15 213	15 413
Student Services	2 114	2 321	2 469	2 588	2 622	2 689
Union and Recreation	7 447	7 957	7 878	7 422	7 341	7 402
Facilities Management	2 189	1 695	2 213	1 951	1 834	1 381
Total	93 240	97 797	108 351	107 372	107 219	105 540
New Zealand School of Music**						1 480
Rented to external parties	4 473	5 610	6 080	6 888	5 700	5 655

* Prior to 2005, Education was included in Humanities & Social Sciences and now includes Karori.

** Prior to 2008, New Zealand School of Music was included in Humanities & Social Sciences.

⊕ STUDENT LIVING ACCOMMODATION

Victoria University students were accommodated in Halls of Residence as follows:

Hall of Residence	Students in residence as at 31 March 2006	Students in residence as at 31 March 2007	Students in residence as at 31 March 2008
Everton Hall	191	191	191
Helen Lowry Hall	112	108	110
Southern Cross	88	89	Nil
St George and Annex	199	232	230
Stafford House	301	301	301
Te Kotahinga	68	66	90
Unicomm	524	524	525
University Hall*	202	161	131
Study Abroad Housing	Nil	Nil	28
VicCentral	104	104	Nil
Victoria House	185	180	181
Wai-te-ata Apartments	54	54	54
Weir House	315	315	313
Whānau Housing**	12	20	13
Total	2 355	2 345	2 167

*Houses at Landcross St, Salamanca Rd, Clermont Tce, Adams Tce.

**Includes Te Aro Mahana, previously reported separately.

The University operates Weir House, Whānau Housing, Wai-te-ata Apartments @ University Hall, University Hall and Te Kotahinga @ University Hall. Stafford House and Unicomm are privately owned, but the University has a formal agreement with them to ensure they accommodate Victoria University students only and meet University quality standards. Unicomm is operated by Campus Living Villages, an experienced student accommodation operator, on behalf of its owner, ING Real Estate Community Living Fund. The operator managing Southern Cross, Vic Central and St George encountered financial difficulties in 2007 and Southern Cross and Vic Central were withdrawn from University accommodation by the building owners. The University was able to take a one-year lease on the St George and the Annex to operate them as a student hall for 2008.

COUNCIL ACTIVITY IN 2008

⊕ COUNCIL MEETINGS ATTENDED AND PAYMENTS TO COUNCILLORS

Eight Council meetings were held in 2008. The payments listed below include attendance at Council workshops and committees as well as Council meetings. Council members can elect not to receive payments. The Vice-Chancellor, Professor Walsh, is not eligible to receive fee payments.

Member of Council	Council meeting attendance	Possible attendance	Payment (\$)
Rosemary Barrington	6	8	5 440
Tim Beaglehole	8	8	25 280
Christopher Bishop	3	5	2 240
Te Mākao Bowkett	2	3	640
Mary Bruce	5	8	3 200
Joel Cosgrove	7	8	4 480
Charles Daugherty	5	8	No fee paid
Kevin Duggan	7	8	6 080
Charles Finny	3	3	1 600
Fleur Fitzsimons	6	8	2 880
Dolores Janiewski	6	8	3 520
Jordan King	3	3	1 280
Patricia McKelvey	7	8	5 440
Ian McKinnon	8	8	14 400
Paul Morris	5	8	2 560
James Ogden	7	8	10 208
Jock Phillips	7	8	No fee paid
Gowan Pickering	6	8	5 120
Brenda Pilott	5	5	1 920
Shaan Stevens	6	8	3 200
Helen Sutch	3	3	1 600
Pat Walsh	8	8	Nil
Total			101 088.58

+ COUNCIL MEMBERS' DISCLOSURES OF INTERESTS

ROSEMARY BARRINGTON

TIM BEAGLEHOLE

FLEUR FITZSIMONS

DOLORES JANIEWSKI

PAUL MORRIS

HELEN SUTCH

- + Nothing to disclose

CHRISTOPHER BISHOP

- + Vice-President, New Zealand Schools' Debating Council Incorporated

MARY BRUCE

- + Trustee, Hutt Valley High School Board of Trustees

JOEL COSGROVE

- + President, Victoria University of Wellington Students' Association (VUWSA)

CHARLES DAUGHERTY

- + Trustee, Karori Wildlife Sanctuary Trust
- + Trustee, Convener, Research Trust of Victoria University of Wellington
- + Alternate Board Member, Victoria Link Limited

KEVIN DUGGAN

- + Chair, Trinity Newman Foundation

CHARLES FINNY

- + CEO, Board Member, Wellington Regional Chamber of Commerce
- + Board Member, International Business Forum
- + Chair, Local Government Forum
- + Member, Greater Wellington Regional Council Regional Transport Committee

JORDAN KING

- + Co-President, NZ Union of Students' Associations

PATRICIA MCKELVEY

- + Chair, The Correspondence School Board of Trustees
- + Chair/Director, Electra Ltd
- + Member, Social Security Appeal Authority until October 2008
- + Chair, Career Services Rapuara

IAN MCKINNON

- + Councillor/Deputy Mayor, Wellington City Council
- + Member, The Correspondence School Board of Trustees (until April 2008)
- + Member, St James Theatre Trust (until April 2008)

JAMES OGDEN

- + Director, New Zealand Post Limited
- + Director, Kiwibank Limited
- + Chairman, CCO & Trusts CCOP Sub-Committee, Wellington City Council
- + Director, Academic Colleges of New Zealand Limited
- + Director, Datamail Limited
- + Chairman, Audit Committee of Ministry of Social Development
- + Director, Motor Trade Association Group Investment Limited
- + Director, Vehicle Testing Group Limited
- + Director, AMP Capital Retirement Limited

JOCK PHILLIPS

- + Trustee, National Portrait Gallery
- + Board Member, Fulbright New Zealand

GOWAN PICKERING

- + Associate Commissioner, Commerce Commission
- + Director, Victoria Link Limited
- + Director, Fishserve Innovations NZ Limited
- + Trustee, Ambulance NZ Incorporated
- + Advisory Board Member, Optimal Useability
- + Advisory Board Member, Megabyte Limited
- + Director/Chairman, Assetta Holdings Limited
- + Director/Chairman, Unlimited Realities Limited
- + Director/Chairman, Visee 3D Limited
- + Director, Clocktower Games Limited
- + Trustee, Capital Primary Health Organisation

BRENDA PILOTT

- + National Secretary, NZ Public Service Association

SHAAN STEVENS

- + Chairman, Wellington Free Ambulance Society
- + Trustee, Wellington Free Ambulance Trust
- + Member, Salvation Army Red Shield Appeal Committee
- + Director, Guinness Gallagher group of companies
- + Director, NZ Carbon Securities Ltd
- + Director, Rangatira Developments Ltd, Gala Developments Ltd
- + Director, MB Solutions Ltd, I-Tractiv Ltd
- + Executive Manager, Hui Taumata Trust
- + Director/Trustee, Workforce Development Trust

PAT WALSH

- + Board Member, Wellington Regional Chamber of Commerce
- + Trustee, Dan Long Trust

THE UNIVERSITY MANAGEMENT

⊕ SENIOR MANAGEMENT TEAM AS AT 31 DECEMBER 2008

Vice-Chancellor

Professor Pat Walsh, MA *Cant*, PhD *Minn*

Deputy Vice-Chancellor

Professor David Mackay, PhD *Lond*, BA(Hons)

Deputy Vice-Chancellor (Research)

Professor Neil Quigley, MA *Cant*, PhD *Tor*

Pro Vice-Chancellor and Dean of Science, Pro Vice-Chancellor of Engineering and Architecture and Design

Professor David Bibby, BTech(Hons), PhD, DSc *Lough*

Pro Vice-Chancellor (International)

Professor Roberto Rabel, PhD *Duke*, BA(Hons)

Pro Vice-Chancellor (Māori)

Professor Piri Sciascia, BSc, BA *Otago*, Tohunga
Huarewa Massey, BA(Hons), DipTchg

Pro Vice-Chancellor and Dean of Education

Professor Dugald Scott, MA, BEdStuds DipTchg

Pro Vice-Chancellor (Government Relations) and Dean of Law

Professor A T H (Tony) Smith, LL.M *Cant*, LL.D *Camb*,
Barrister and Honorary Bencher (Middle Temple)

Pro Vice-Chancellor and Dean of Commerce and Administration

Professor Robert A Buckle, BCom, MCom (Hons) *Auck*

Pro Vice-Chancellor and Dean of Humanities and Social Sciences, Pro Vice-Chancellor (Equity)

Professor Deborah Willis, MA *Cant*, PhD, DipTchg

Director, Facilities Management

Jenny Bentley, BA *Auck*, DipTchg

Director, Human Resources

Annemarie de Castro, BA *Massey*, FHRINZ

Chief Financial Officer

Wayne Morgan, MBA *Cran*, BCA, CA

⊕ SMT DISCLOSURES OF INTERESTS

PROFESSOR PAT WALSH

+ (See Council members' disclosures of interest)

JENNY BENTLEY

+ Director, Te Puni Village Ltd
+ Member, Tertiary Education Facilities
Management Association (TEFMA)

PROFESSOR ROBERT A BUCKLE

+ Principal Advisor, The New Zealand Treasury
+ Chair, Asia-Pacific Economic Committee
+ Sharman Buckle, New Zealand Regional Manager,
Lexis Nexis

PROFESSOR DAVID MACKAY

+ Board Member, New Zealand School of Music
+ Chair, Art Collection Funding Trust
+ Chair, Art Collection Trust

WAYNE MORGAN

+ Director, Library Consortium of New Zealand
Limited
+ Director, Te Puni Village Ltd

PROFESSOR NEIL QUIGLEY

+ Chair, Victoria Link Limited
+ Director, Te Puni Village Limited
+ Chair, New Zealand Tertiary Education
Consortium
+ Trustee, Education New Zealand
+ Chair, Wellington College Board of Trustees
+ Trustee, Wellington College Foundation
+ Director, EQM Farming Limited

PROFESSOR ROBERTO RABEL

+ Trustee, Greater Mekong Sub-region Tertiary
Education Consortium

PROFESSOR DAVID BIBBY

ANNEMARIE DE CASTRO

PROFESSOR PIRI SCIASCIA

PROFESSOR DUGALD SCOTT

PROFESSOR TONY SMITH

PROFESSOR DEBORAH WILLIS

+ Nothing to disclose

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