

VICTORIA UNIVERSITY OF WELLINGTON

Annual Report

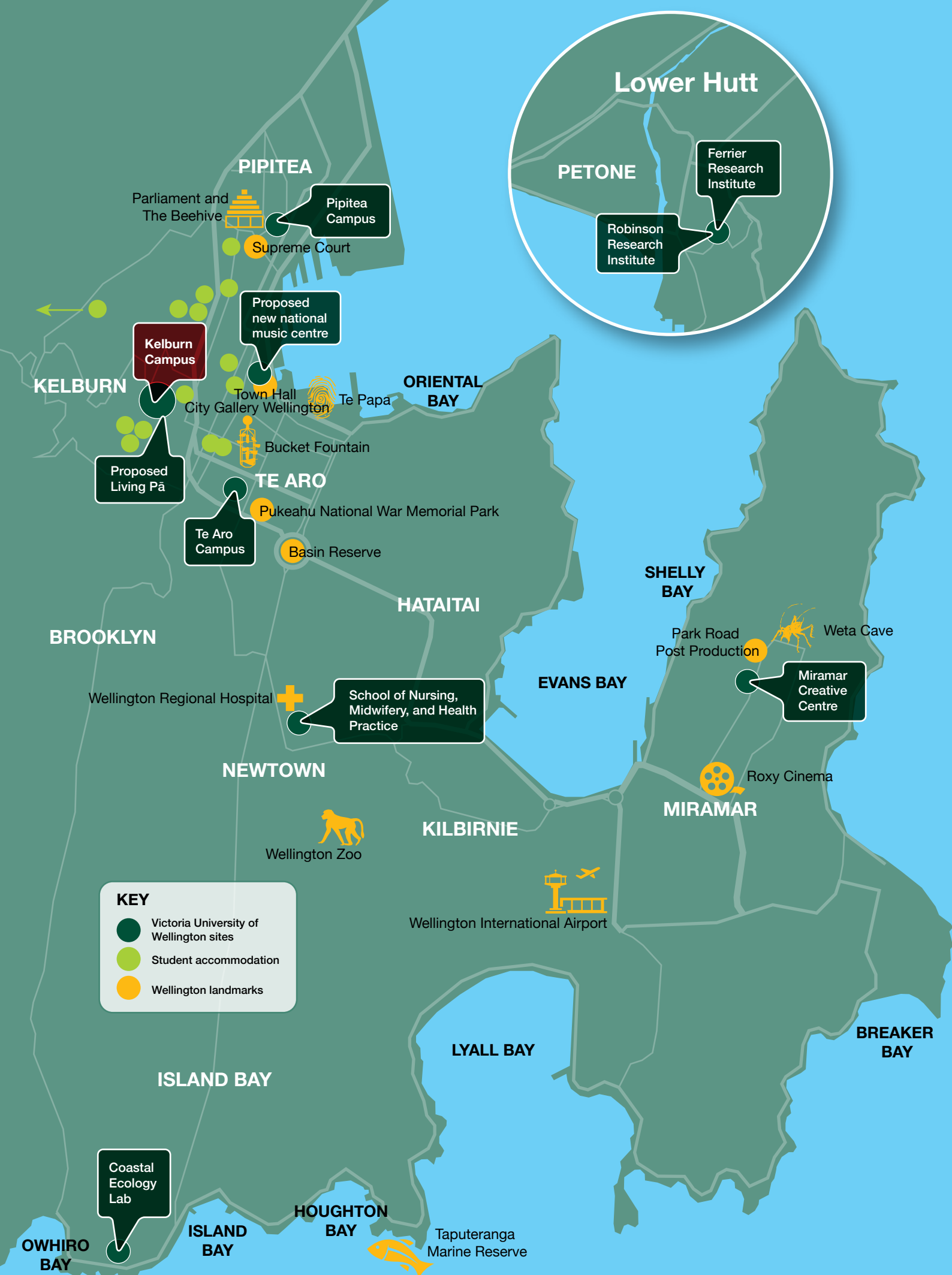
2019



CAPITAL THINKING.
GLOBALLY MINDED.
MAI I TE IHO KI TE PAE



VICTORIA UNIVERSITY OF
WELLINGTON
TE HERENGA WAKA



Contents

02

Interview with
the Chancellor

03

Interview with the
Vice-Chancellor

04

At a glance

06

Review

08

Statement
of Service
Performance

17

Student levies

19

Financial
overview

20

Financial
statements

21

Statement of
responsibility

27

Notes to the
financial
statements

43

Independent
auditor's report

47

Council

50

Senior
Leadership Team

The *Annual Report 2019* is published online at
www.wgtn.ac.nz/annualreports

Published by

Te Herenga Waka—Victoria University of Wellington
21 Kelburn Parade
PO Box 600
Wellington 6140
New Zealand

Telephone +64 4 472 1000

Fax +64 4 499 4601

ISSN 1171-2740 (Print)

ISSN 1174-8184 (Online)

April 2020



Interview with the Chancellor

What are the Council's top priorities?

Throughout 2019, Council members spent considerable time considering the University's strategic direction for the next five-year period. This work culminated in a new Strategic Plan we can all be proud of and a detailed roadmap to guide implementation. Ensuring the very high quality of our research and teaching is recognised in New Zealand and internationally is central to our long-term sustainability. To achieve this, the University is working hard to increase international recognition and, at home, to ensure our university is a leading choice for students. The challenge of prudently managing finances, while continuing to invest in facilities and courses we need in the future, has also been a focus.

What has been notable about 2019?

Many of our staff have been recognised through awards, accolades, and external grants/funding to support their work and ensure the University can continue to perform in our role as a civic university. Overall student numbers have increased but more slowly than we hoped due to fewer school leavers, a buoyant job market, and accommodation shortages in Wellington. The University achieved the 3% profit surplus sought by the Government despite significant, unavoidable cost pressures from issues such as insurance. We have pushed on with a significant maintenance programme and a number of visionary projects, including planning for our Living Pā and a national music centre in Wellington's Civic Square. During the year, Council ruled a line under the name change issue, opting to refresh the branding of the University and to adopt the new Māori name of Te Herenga Waka.

What came out of the refresh of the University's Strategic Plan?

The process to refresh the Strategic Plan was robust and rewarding, with many staff, students, and stakeholders taking the opportunity to consider our shared future. The new Strategic Plan is unreservedly ambitious, firmly linking the University to our location in Wellington and comprising strategies that span our research, teaching, and student experience. It articulates that we are a values-based, research-intensive university that works in partnership with our students, and it defines a number of attributes that matter to our staff, students, and communities. Having a roadmap to guide how and when we implement various projects is a new and positive initiative. The projects to be carried out first aim to grow and retain international and domestic students, improve research outcomes, and achieve equity and diversity goals.

What achievements stand out during 2019?

Being named the number one ranked university in New Zealand for intensity of high-quality research for the second consecutive time in the Performance-Based Research Fund process was a very proud moment. Many of our students achieved amazing things during the year, among them Council member Isabella Lenihan-Ikin who was awarded a Rhodes Scholarship and Victoria University of Wellington Students' Association (VUWSA) President Tamatha Paul who was elected a Wellington City Councillor in October. Staff achievements were numerous, with one stand-out being Professor James Renwick receiving the Prime Minister's Science Communication Prize for his work communicating about climate change. It was a privilege to host our Distinguished Alumni Awards event in November, and to honour six of our graduates who are making a significant contribution in their fields. It is pleasing to see sound growth in both enrolment and

retention rates of Māori and Pasifika students, which is a priority for the University.

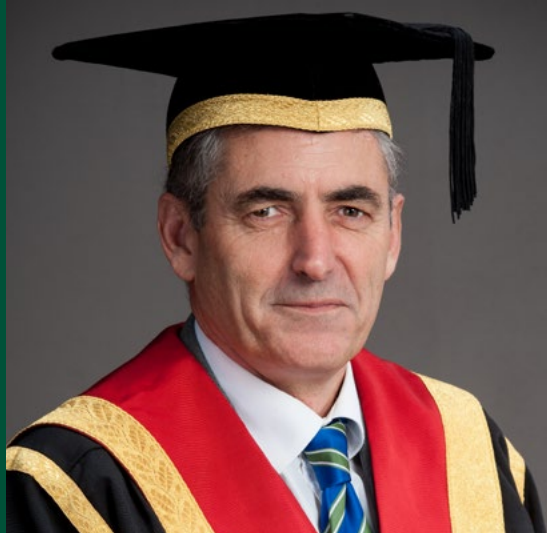
How is the University faring at present?

As we finalise this Annual Report, the world is dealing with one of the biggest crises in living memory, the COVID-19 pandemic, which has resulted in unprecedented moves to lockdown populations. It has led to the University shutting down and will significantly disrupt our work in 2020. It will also impact the University in the period ahead in terms of course delivery, campus life, and financial pressures. But now, more than ever, the critical role of universities in society is paramount in finding solutions to complex problems, producing research that makes a difference, acting as a critic and conscience, and cultivating creative, social, and intellectual capital. Our university has a proud history over 120 years. The Council, management, and staff will be doing everything possible to minimise the impact of the crisis and emerge with confidence in our future.

Who would you like to thank?

Vice-Chancellor Professor Grant Guilford, his Senior Leadership Team, management, and staff of the University work very hard and collectively do an outstanding job. I extend my sincere thanks on behalf of Council to all staff. Thanks also to the student leaders we interact with, to our alumni who engage with and support the University, and to all those who give up their time in voluntary roles on behalf of the University. I particularly acknowledge my Council colleagues who work hard to ensure the University is striving to do its best with a bright and sustainable future.

NEIL PAVIOUR-SMITH
BCA Wgtn
Chancellor



Interview with the Vice-Chancellor

What were the big successes and the big challenges of the year?

Topping the national research quality rankings for the second consecutive time set the tone for a successful year at the University. Other milestones include the launch of an ambitious plan to achieve net zero carbon emissions by 2030, the refresh of the University's Strategic Plan, and the announcement of our philanthropic campaign 'What if...'. Connecting with and contributing to our communities was a theme of the year—through our research and commentary, our partnerships and volunteering by students and staff. Although the University is in a sound financial position, we operate in an increasingly challenging environment with limited fee increases under the fee maxima regime and continued pressure on limited government funding. As such, we must continue to grow income to fund investment in critical people and infrastructure resources to ensure we efficiently and effectively realise our Strategic Plan. One aspect of meeting this challenge is our focus on improving our international reputation and distinctiveness, which this year included a refresh of our visual identity to emphasise our location in, and connection to, Wellington and our new Māori name, Te Herenga Waka.

What were some notable research highlights in 2019?

Confirmation that we have the largest proportion of academics conducting high-quality research out of all universities in New Zealand was a highlight of the year. In addition, we have had excellent results in external research funding—from investment through the Government's Marsden Fund and the Health Research Council of New Zealand to the Ministry of Business, Innovation and Employment's Endeavour Fund. Many of our staff have also been honoured with awards and accolades, including three of our researchers receiving Royal Society Research Honours.

How is the University focusing on employability and work-integrated learning?

Our focus on employability is at the core of our teaching and our efforts to ensure an outstanding student experience. Our degrees provide scope for exploration and emphasise creativity, critical thinking, and being a globally confident citizen, which equips our students for a future in which many of the jobs they will do have not yet been thought of. We also offer a wealth of opportunities to have work experience, through industry placements and internships, programmes such as our 'Alumni as Mentors' scheme, and the micro-credentials to better prepare students for the future of work.

What was done to support Māori and Pasifika achievement?

Māori and Pasifika student enrolments continue to grow as do our University-wide teams that provide culturally responsive support and enhance the retention and achievement of both groups of students. Other initiatives include building a comprehensive database of Māori alumni who can play an active role in university life and developing a Pasifika Staff Success Plan. The mātāuranga Māori research space gathered momentum during the year with the inaugural Mātāuranga Māori Research Fund round. Nearly half the applications to the Fund came from Māori academics. Our Taihonoa partnerships programme continued to evolve with a high number of Māori student internships and Summer Scholarships at places as diverse as GNS Science, Stats NZ, the State Services Commission, and Tuia Group.

What were the key actions in the area of student support and pastoral care in 2019?

Our partnership with students strengthened during the year with plans in place to create a forum where student leaders from across the University can meet regularly to discuss matters affecting students. We also partnered with students in the development of a new Sexual Harassment Response Policy, offered bystander and professional boundary training, ran a Piki Pilot for improved counselling services, launched 'YOU. The Student Wellbeing Survey', and held our first digital exams. The University increased its investment in pastoral care in its accommodation offerings to boost staffing levels and ensure residents have access to student support coordinators who are registered health professionals. In our first-year halls, we focused on providing targeted pastoral care that responds to the unique demands of managing a new shared living and academic environment.

Any final words?

Our people have continued to put an enormous effort into their work, ensuring the best possible outcomes for students and contributing at all levels to Wellington, New Zealand, and the Asia-Pacific region. I have been extremely proud of how our community came together during the year and demonstrated its inclusiveness and its values, most notably after the terrorist attacks of 15 March in Christchurch and during the School Strike for Climate in September, when we all marched together under a University banner. I want to thank everyone who is part of our community—staff, students, Council members, partners, stakeholders, alumni, and donors—for everything they do for our University.

PROFESSOR GRANT GUILFORD
Vice-Chancellor

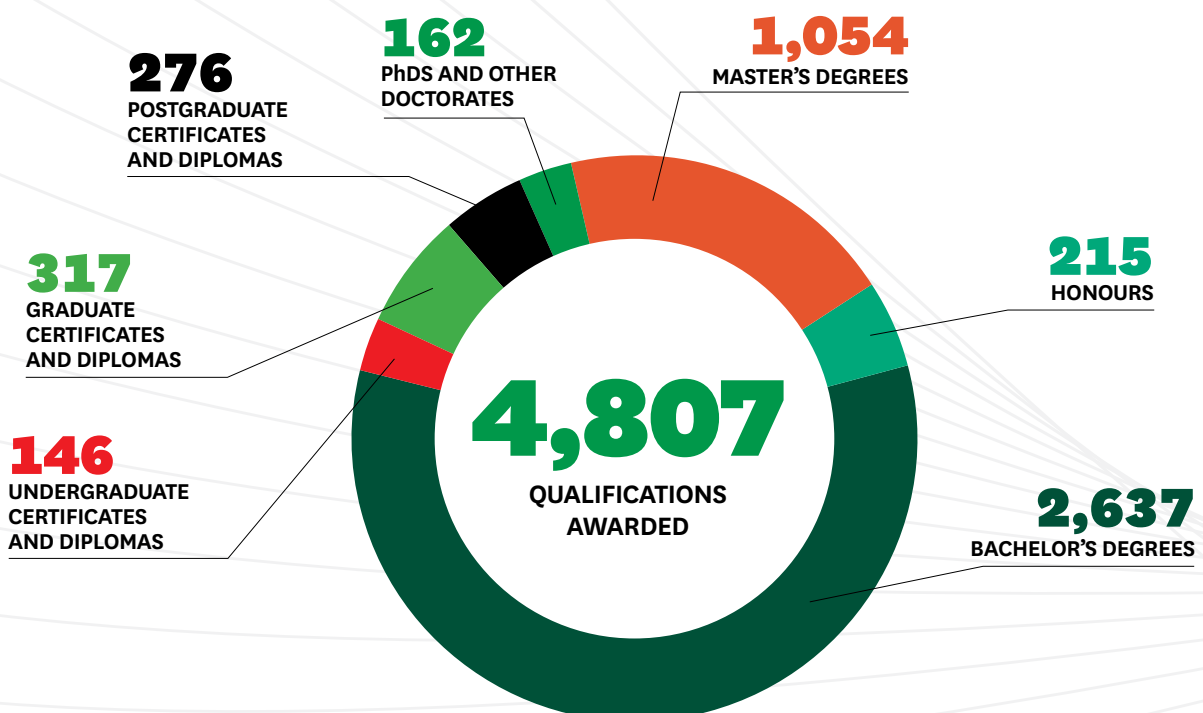
At a glance



*QS World University Rankings 2019.



**Equivalent Full-Time Students



\$24.7_M
INVESTED IN
SCHOLARSHIPS
BY THE UNIVERSITY

TOTAL REVENUE
\$507_M
TOTAL EXPENDITURE
\$501_M



88.2%

OF STUDENTS RATED THEIR
OVERALL SATISFACTION
WITH THE UNIVERSITY'S
SERVICES AND FACILITIES
AS 'GOOD' OR 'VERY GOOD'

2,178
PUBLICATIONS

BY ACADEMIC STAFF,
INCLUDING JOURNAL
ARTICLES, CHAPTERS,
BOOKS, AND
SCHOLARLY EDITIONS*

* Data calculated from the University's publications
database, retrieved February 2020.

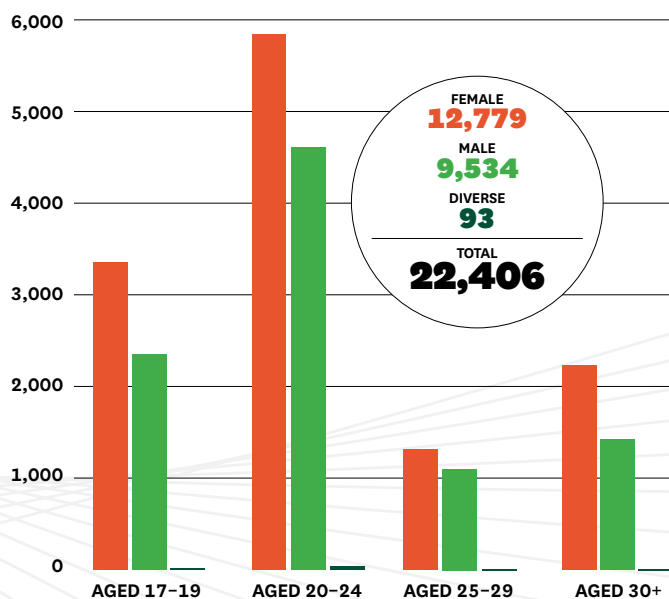
EQUIVALENT FULL-TIME STUDENTS

15,814 GOVERNMENT
FUNDED
2,047 FULL FEE



STUDENT DISTRIBUTION¹

Gender diverse numbers have been added for the first time in 2019.



2,340
STAFF
(FULL-TIME EQUIVALENT)

1,139
TEACHING AND RESEARCH STAFF

¹ Student distribution by headcount.

² International students include all students who are not New Zealand Citizens or Permanent Residents. This includes full-fee-paying international students as well as government-funded international PhD candidates.

Research is thriving

- **1st again** in research quality intensity (Performance-Based Research Fund)
- **Highest proportion** of top quality (A- and B-ranked) researchers in NZ
- **Strong growth** in research revenue and invention disclosures (measures of research relevance)
- **3 staff win medals** in the Royal Society Te Apārangi Research Honours
- Innovative research under way—**Green supercomputers** (and data centres)
- Mātauranga Māori Research Fund established
- Continued success in attracting External Research Income, with \$81.3m secured in 2019 and very positive feedback on the quality of our research proposals



Teaching and learning

- Teachers assessed as good or very good by students **(95%)**
- Commencing year course completion **(81.1%)**
- Graduates in employment, further study, and not seeking work **(96%)**
- Growth in student roll **(0.6%)**
- Expanded Trimester 3 offering—start a new degree, complete your degree faster, or take a course in a subject that interests you
- **New course offerings** such as communication, data science, intercultural communications, midwifery, Pasifika pathways, and award-winning curriculum in design thinking and sustainability



Engagement

- **Improved 60 places** in the QS World University Rankings in the past five years:
 - **Achieved highest 5 Stars Plus** in QS audit
 - **Very strong** in law, humanities, social sciences, and earth sciences
- Business School is one of fewer than 70 schools with **triple crown of commerce accreditations**
- **Partnerships are flourishing**, including with Māori (the Taihonoa programme) and in the Pacific
- Launched a major philanthropic campaign called 'What if...' , with a goal of raising \$150 million by 2022
- Won the "Benefitting Society" category of the 2019 International Green Gown Awards

Investing for the future

- **Visual identity refresh**, including changing our Māori name to Te Herenga Waka. This is also the name of our marae and means the mooring place of canoes



- Launched Wellington Te Herenga Waka scholarships to benefit Māori and Pasifika and low socio-economic and refugee students
- Refresh of **Strategic Plan** 2020–2024
- **Net zero carbon** by 2030 and -20% gross emissions
- Redevelopment of marae complex as a **Living Pā**
- **National music centre**—a bold and exciting collaboration



Statement of Service Performance 2019

For the year ended 31 December 2019

The Statement of Service Performance illustrates the progress made during 2019 towards achieving our vision.

As New Zealand's globally ranked capital city university, Victoria University of Wellington's vision is to be a world-leading capital city university and one of the great global-civic universities. A civic university is one that values close involvement with the social, cultural, and economic life of its city and region. This is the mandate upon which the University was founded more than 120 years ago, and it remains as important today.

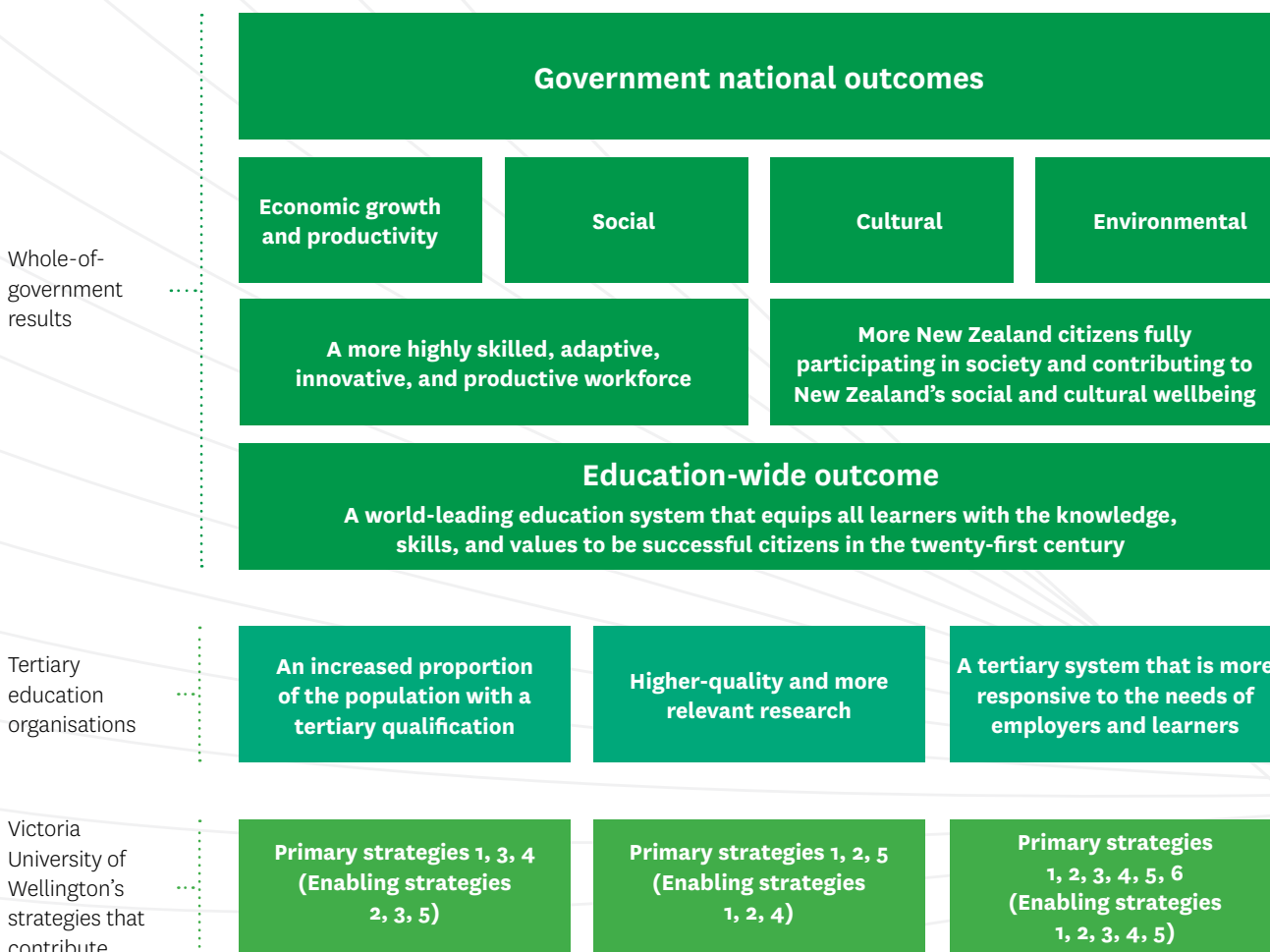
The vision the University has adopted will ensure the University can make a significant contribution to achieving the desired outcomes of the Tertiary Education Strategy (TES) and New Zealand's education vision. The TES sets out the Government's long-term strategic direction and current and medium-term priorities for tertiary education.

The University's Strategic Plan is designed to guide the University towards achieving this vision. The Strategic Plan drives all decision making and resource allocation across the University and focuses our activities and development of capability.

Our Outcomes and Performance Framework shows how our primary and enabling strategies align with, and respond to, what is expected of tertiary education organisations and the education-wide outcomes of a world-leading education system that equips learners with knowledge, skills, and values to be successful citizens in the twenty-first century.

The 2019 Statement of Service Performance has been prepared with reference to the University's Strategic Plan, as approved in 2014. This Plan underwent a refresh during 2019 and a new Plan comes into place from 2020. Key tenets of the existing Plan remain with modifications being largely refinements.

Outcomes and Performance Framework



The University's refreshed Strategic Plan can be found on our website: www.wgtn.ac.nz/about/governance/strategic-plan

The 2014–19 Strategic Plan set six primary strategies:

- adopt a distinctive academic emphasis (PS1)
- the quality and impact of our research (PS2)
- the quality of our teaching, learning, and student experience (PS3)
- our focus on inclusivity, with a particular emphasis on the success of Māori and Pasifika learners (PS4)
- our engagement with our alumni, benefactors, and communities (PS5)
- the depth of our intellectual influence in our region and beyond (PS6).

A cluster of **five enabling strategies** identifies key priorities:

- the employment of world-class scholars (ES1)
- the increased scale of the University (ES2)
- the effectiveness of its processes (ES3)
- the sustainability of its revenue (ES4)
- the communication of the quality of its research and teaching (ES5).

Our key outcomes

The Statement of Service Performance is organised around our three key outcomes—**Research, Teaching and Learning, and Engagement**. These outcomes broadly align with the five primary strategies in our Strategic Plan and with the characteristics of a university as defined in the Education Act 1989, namely “a university is characterised by a wide diversity of teaching and research, especially at a higher level ... and promotes community learning” (s1624(b)(iii)).

Excellence in research, teaching, and learning lies at the heart of our vision. Over the medium term, Victoria University of Wellington has an ambitious Learning and Teaching Strategy that signals the University's commitment to working in partnership with students to create and maintain an effective and inclusive learning and teaching environment, and a commitment to quality in design, delivery, and outcomes. Victoria University of Wellington invests significantly to make its student experience the best possible, from the initial contact in school and prior to university entry to the learning experience and after graduation.

Alongside this, the University's Research Strategy seeks to increase the quality, quantity, and intensity of our research; deliver greater diversity, impact, and scale; increase and diversify external research funding; and consolidate the University's current status as the first-ranked university for Performance-Based Research Funding (PBRF).

The Strategic Plan also signals our long-term commitment to working with the communities we serve, including our commitment to Māori as tangata whenua and Treaty of Waitangi partners; effective engagement with Māori and Pasifika learners, whānau, and communities; working with industry and innovation partners to increase the volume and effectiveness of commercial innovation; and growing the University's international links.

A complete list of all performance indicators can be found on pages 15–16.

Service Performance reporting

The University has elected to early adopt PBE FRS 48, a standard that establishes requirements for improved reporting of Service Performance information in order to meet the needs of users of general-purpose financial reports. The University considers this standard to align with its planned progress towards integrated reporting designed to improve the visibility and relevance of information about the University's activities for students, staff, alumni, government, funders, benefactors, the community, and other stakeholders.

Disclosure of judgements

In determining key Service Performance information for each outcome, management has used judgement based on indicators that align with the mission and annual activities of the University. While the University does have discretion over these, it seeks to maintain consistency across years where appropriate and to determine Service Performance information that is relevant, reliable, neutral, understandable, and complete. The University's desire to be a world-leading institution also guides the selection of measures that are based on externally validated information and likely to be comparable with national and international universities. In addition to the university-selected measures, the Tertiary Education Commission (TEC) requires inclusion of TEC-defined Educational Performance Indicators. These are provided on page 16 and commented on within.

Linkages between financial and non-financial information

A key concept introduced by PBE FRS 48 is that financial statements and Service Performance information are both important components of a public benefit entity's general purpose financial report. The two documents convey a coherent picture about the performance of the entity and are linked through the resources that have been applied to each of the three outcomes.

For example, to achieve high-quality research outcomes, the University relies on PBRF funding and external research income, as well as income from other sources. All these sources of funding are relevant to the University's ability to deliver key outcomes.

A university's performance objectives are long term and not meaningfully captured within single output categories. University research and teaching are closely interdependent (as required by the Education Act 1989) and the outcomes of university activities are not fully known within one year (for example, research results, graduate outcomes).

While noting these interdependencies, the University, using high-level assumptions, is able to estimate that in 2019, 41% of total operating expenses were attributable to research, 52% to teaching and learning, and 7% to engagement/community service. This was similar to the previous year and reflects the distinctive nature of a research-led university committed to the student experience, high-quality research, and serving its communities.

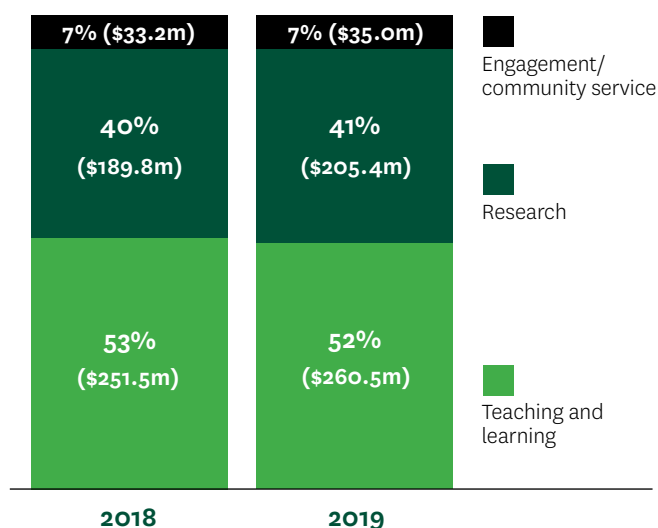
In determining this estimate of allocation of expenditure, the University has reviewed major operating expenses as reported in the financial statements. Where there is a clear allocation of cost to a particular output, these have been adopted. Where there is ambiguity (for example, related to the interdependencies described above), the University has exercised judgement

based on an underlying workload principle for academic staff involved in both teaching and research of 40–40–20 (that is, 40% research, 40% teaching, and 20% administration/service, with administration then allocated proportionally to teaching, research, and engagement/community service).

Costs not directly or solely attributable to teaching and learning or research, such as general administrative support or facilities management, have been apportioned on the same basis as academic salaries.

The following pages explore these outputs in greater detail, focusing on successes and challenges during 2019.

Estimated expenditure by output category



Research



See full list of Performance Indicators (including TEC Educational Performance Indicators) on pages 15–16.

Service Performance Information indicator

Approximately 50% of total revenue is sourced from either government funding, PBRF, or research-specific contracts. Of this, the University allocates \$100m to Research activities. The remainder of revenue has a non-government source (that is, direct tuition or commercial revenue).

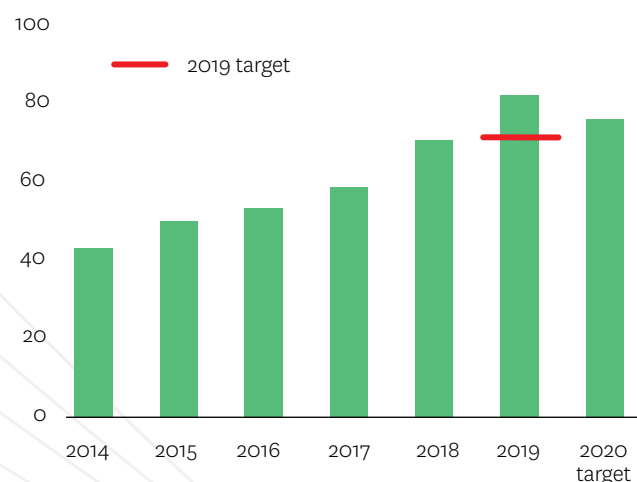
Progress made during 2019

The University once again topped the national research quality rankings, coming first in PBRF, the TEC's main measure of intensity of quality research.

The high quality of the University's research was also recognised through the Ministry of Business, Innovation and Employment (MBIE) annual assessment, with the University's entire work programme receiving green or gold status, meaning that all MBIE research contracts were performing satisfactorily or above expectations. This is a considerable achievement, with 17% of Victoria University of Wellington research contracts performing above expectations (gold status) compared with a national average of 9%.

External Research Income (ERI), as part of PBRF reporting requirements, was \$72.2m, a 15% increase from 2018 (\$63.0m). Continued strong success with contestable funds contributed to a \$5.2m increase to \$50.1m in contracted research revenue (\$44.9m in 2018) in the University Research Trust. Other research revenue streams within the University were \$22.1m (\$18.1m in 2018), including Wellington UniVentures (formerly Viclink) (\$6.7m) and the University Foundation (\$4.7m). Sub-contracted research,

External Research Income (\$m)



which is excluded from the figures above, increased to \$9.1m in 2019 (\$6.7m in 2018). This brings total ERI to \$81.3m (\$69.7m in 2018) against a target of \$70m. Results from the 2019/20 CoRE base funding round are expected in the second half of 2020.

The University was once again very successful in its bids for contestable research funding. Highlights included eight Victoria University of Wellington-led research projects receiving multi-year grants totalling \$24m from MBIE's Endeavour Fund. Many of the projects awarded reflect the University's commitment to, and expertise in, addressing sustainability issues. A further 19 University-led projects received more than \$12.5m from the Government's Marsden Fund to tackle issues such as climate change, renewable energy, #MeToo, gender-based violence, and saving the kākāpō from extinction.

The 2019 Distinctiveness Themes Activity Fund awarded seven grants across six of the eight multidisciplinary themes identified as part of the University's distinctive academic emphasis. The Distinctiveness Themes hosted regular seminar series, public panel discussions, brown bag lunches, speed-networking events, and visiting scholars, and supported multi-disciplinary research projects. Highlights of the year included 'Mataora: Encounters between medicine and the arts symposium'; 'Toitū te Ao—Sustainability Week', 9–13 September; and 'Creative Futures 2019' hosted in Miramar at the Roxy Cinema, Miramar Creative Centre, and Park Road Post-Production. This two-day event offered insights into new technologies and demonstrated their application to creativity, business, and our future daily lives.

The Distinctiveness Themes in their current form were wrapped up in 2019. Collectively, these activities have raised the profile of the University's distinctive academic strengths. They have made visible the University's research capabilities in key areas, improved connections to external stakeholders, and helped develop the inter- and multi-disciplinary approaches that underpin the larger-scale research programmes.

The Strategic Plan refresh of 2019 offered the opportunity to reconsider our current approach to fostering inter- and multi-disciplinarity in light of wider changes in the external research environment. External research results and progress are pleasing but it is recognised that the University is overly reliant on a relatively small proportion of academics, and on particular parts of the University, for success. The revised Strategic Plan developed during 2019 reflects the desire to scale up our research activities and raise ambitions, as well as reduce reliance on a small number of competitive grants.

Commencing research postgraduate Equivalent Full-Time Students (EFTS) fell from 111 to 99 against a target of 148. Commencing students are defined as those new to Victoria University of Wellington and are only a subset of new PhD students (many of whom had undertaken previous study at the University). The University remains committed to growth, but observes that there is a highly competitive market for high-quality PhD candidates and that these targets exist within the constraints of adequate space and resources, scholarships, and stipends. The University has embarked on a review of scholarships and stipends and made some headway in 2019 with the opening of the Maru building, which includes space for engineering research Master's and PhD candidates.

Overall, the proportion of research postgraduate students is now 6.5%, up from 6.4% in 2018. The proportion of taught postgraduate students also grew, from 12.1% to 12.3%. The total number of research degree completions grew from 524 to 538, including 165 PhD degree completions (up from 159 in 2018 and 132 in 2017).

Citations of University staff publications through Scopus (the database that indexes the most academic journals) matched 2018 results and were in line with 2019 targets. Under its revised Strategic Plan, the University is moving away from citations as a performance measure because they do not sufficiently capture the quality of publications, suffer from a time-tag between publication and results, and are increasingly being challenged as a measure that may drive behaviour not in keeping with the highest standards of research integrity. Instead, the University will track the number of publications in the top 25% of Scopus indexed journals.

The University's Research Development Office received the 2019 Professional Staff Excellence Team Award in recognition of its outstanding success over the past five years in securing and managing external research income.

In 2019, Wellington UniVentures (formerly Viclink) signed \$36m of new committed contract revenue for the University through its International Development and Knowledge Services activities. The number of new invention disclosures also continued to increase, from 46 in 2018 to 53 in 2019. Wellington UniVentures has had consistent year-on-year growth in invention disclosures, reflecting emphasis on active engagement with researchers and its aim to broaden the disciplines from which disclosures are submitted. This active engagement has also translated to an increase in commercial deals based on intellectual property derived from university research, with seven concluded in 2019, up from two in 2018.

Four Victoria University of Wellington staff were made Fellows of the Royal Society Te Apārangi: Professor Ronald Fischer, Director of the Mind, Body and Cultural Evolution Lab, from the School of Psychology; Professor Rewi Newnham, Geography Programme Director, from the School of Geography, Environment and Earth Sciences; Professor James Crampton, also from the School of Geography, Environment and Earth Sciences; and Professor Astrid an Huef, of the School of Mathematics and Statistics.

Changes were made to the Human Ethics Committee (HEC) subcommittee structure to better reflect national and international best practice in multi-disciplinary decision making and to ensure consistent levels of service and support. Two school-based subcommittees were folded into the HEC and Pipitea subcommittees respectively, and Research Office advisory and administrative support was expanded across both subcommittees.

The Mātauranga Māori Research Fund (MMRF) was initiated, providing grants on a competitive basis to advance the potential of mātauranga Māori and kaupapa Māori research. The MMRF supports the co-development of research with Māori communities and aims to develop researchers' capabilities in applying for contestable funding. Proposed projects in the inaugural round came from a wide range of disciplines led by researchers from across the University. Ultimately, eight of 15 proposed projects were supported with funds totalling \$255,623.

Teaching and Learning

PS1

PS3

PS4

ES1

ES2

ES3

ES4

See full list of Performance Indicators (including TEC Educational Performance Indicators) on pages 15–16.

Service Performance Information indicator

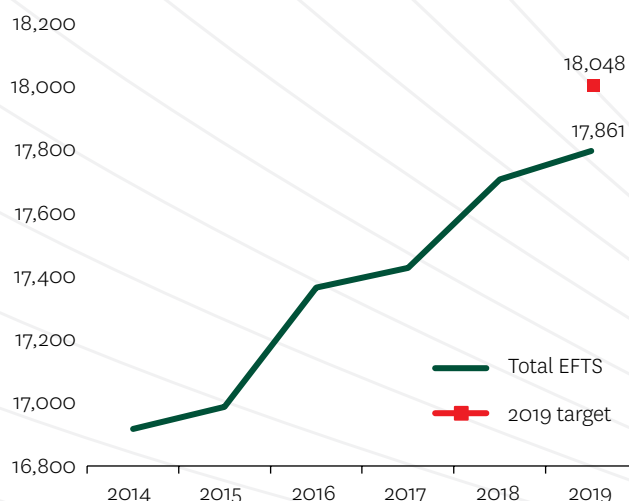
Approximately 50% of total revenue is sourced from either government funding, PBRF, or research-specific contracts. Of this, the University allocates \$155m to Teaching and Learning activities. The remainder of revenue has a non-government source (that is, direct tuition or commercial revenue). Of this, \$140m can be attributed to Teaching and Learning activities.

Progress made during 2019

The University continued to see growth in 2019, with new academic programmes and more EFTS. EFTS grew by 0.6% to a total of 17,861, but fell below the EFTS target of 18,048 for 2019, largely due to fewer enrolled school leavers.

The University expanded its academic offerings during the year, with several new approved programmes, including the Bachelor of Midwifery, Master of Communication, Master of Intercultural Communication, and Diploma in University Studies (Pasifika Pathways). The University's Academic Board approved the University's first three micro-credentials in November 2019, for offering from 2020.

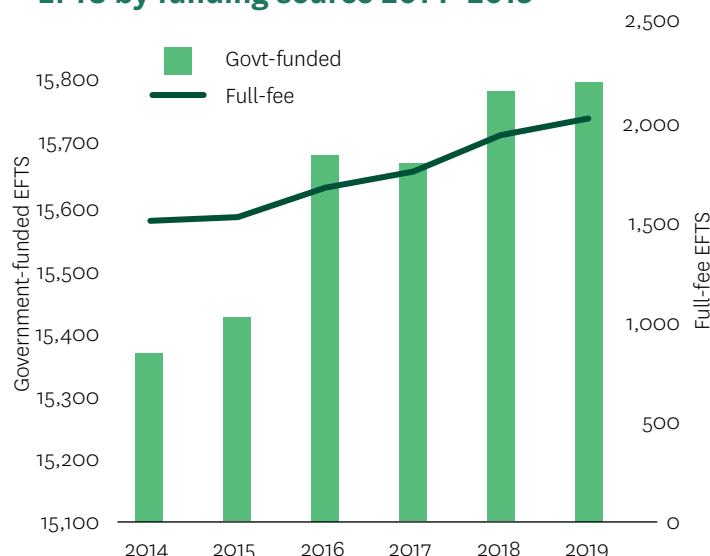
Total EFTS 2014–2019



Government-funded EFTS grew slightly from 15,799 in 2018 to 15,814, with growth in architecture and design, education, engineering, and the humanities and social sciences.

International full-fee-paying EFTS grew from 1,964 in 2018 to 2,047. International full-fee-paying students now represent 11.5% of total EFTS, up from 11.1% in 2018.

EFTS by funding source 2014–2019



The number of international students (including government-funded international PhD candidates) grew from 3,630 in 2018 to 3,697 in 2019, with enrolments from 116 countries. International students now constitute 16.5% of the total student body (headcount).

The number of commencing EFTS fell from 5,745 in 2018 to 5,638 in 2019, including 856 international full-fee EFTS. Māori commencing EFTS were slightly below 2018 (567 compared with 555), and below the University's ambitious target of 700. Overall, the number of Māori EFTS grew to 11.4% of the domestic student population, consistent with the target set for 2019. During 2019, the University introduced new Māori student support services (Āwhina). It is anticipated that these initiatives will continue to improve Māori student recruitment, retention, and success in 2020 and beyond.

Phase 2 of the Living Pā project continued, with core consultants contracted and engagement and consultation processes commenced on this important project. The Living Pā will transform 42–50 Kelburn Parade, drawing together mātauranga Māori and sustainability practice. The redevelopment is planned to meet the internationally recognised Living Building Challenge for sustainable development principles.

Pasifika commencing EFTS rose to 348 compared with 337 in 2018. Overall, the number of Pasifika EFTS grew to 6.1% of the domestic student population, falling slightly short of the target set for 2019 (6.3%). During 2019, the University introduced new targeted Pasifika student support services and received approval for a new pre-degree Diploma in University Studies (Pasifika Pathways). It is anticipated that these initiatives will assist with Pasifika student recruitment, retention, and success in 2020 and beyond.

Māori and Pasifika Educational Performance Indicators participation rates improved on 2018 for undergraduate (level 7) study, with both Māori and Pasifika exceeding targets, and Māori

also exceeding targets at postgraduate level. The University continues to enrol only small numbers of students in pre-degree-level study, but saw increases in Māori and Pasifika participation between 2018 and 2019.

First-year retention rates at undergraduate degree level exceeded 2019 targets for all students. Pasifika students, in particular, had a significantly improved first-year retention rate (77.4% in 2019 compared with 74.3% in 2018). However, course completion rates were slightly lower in 2019 than in 2018. The University continues to seek improvement.

A total of 995 courses and 667 teachers were evaluated in 2019, an increase over 2018. Student satisfaction improved, with 85% of courses and 95% of teachers assessed as good, very good, or excellent (both above target).

A series of digital exam pilots were successfully completed in 18 courses in Trimesters 1 and 2 during 2019. Findings from these pilots will support the potential rollout of digital exams across the University.

The quality of the student experience is measured through annual student surveys. This year, the proportion of students rating services and facilities as 'good' or 'very good' was 88.2%, slightly down from 2018 and falling short of a target of more than 90% or higher. The next phase of the University's Student Services Transformation Programme, along with a series of maintenance projects over the 2019–20 summer, are expected to improve satisfaction with services and facilities.

The University's graduates remain in demand, with 96% in employment, further study, and not seeking work in their first year post-graduation (on target and in line with 2018).

The University continued to participate in the national Enhancement Theme facilitated by the Academic Quality Agency for New Zealand Universities. A University steering group supported and monitored progress against the Enhancement Theme topic, 'Access, outcomes and opportunity for Māori students and for Pasifika students'. A highlight for the year was a student-led 'Hui Fono' exploring Māori and Pasifika student experiences and support with students and staff, held in August.

The University launched expanded Trimester 3 course offerings, commencing November. Trimester 3 EFTS in 2019 were 7.1% (75 EFTS) higher than in 2018; overall, Trimester 3 EFTS have increased by 27% (240 EFTS) since 2013.

Under a newly approved Equity, Diversity and Inclusion (EDI) Framework, 2019 saw a number of new initiatives, including a joint staff and student EDI steering committee; an EDI adviser to support staff; a standalone Sexual Harassment Response Policy

and procedures; new staff diversity data analytic reporting tools; a review of recruitment and academic promotion data and processes leading to the launch of unconscious bias guidance, online tools, and training; and a pilot of rainbow awareness training for Human Resources staff members.

An EDI Student Action Plan was also developed in partnership with Victoria University of Wellington Students' Association, incorporating a new position of Rainbow and Inclusion Adviser. Disability Services, to work in partnership with students to provide tailored assistance, with registrations increasing from 1,648 students in 2018 to 2,065 in 2019 (due in part to a change in approach to registration). An awareness-raising campaign focused on reporting sexual harassment and student support, and a new ACC specialist Sexual Assault Counsellor was employed. Training on responding to disclosures and appropriate professional behaviours was delivered to frontline staff and student leaders, complemented by a campaign focused on what it means to be an active, ethical bystander.

The Your Voice—Victoria Staff Survey programme of work resulted in several positive outputs for the University community. More broadly, the 'staff voice' has helped inform the new Strategic Plan, which is underpinned by the University core values. The important topic of embedding our values resulted in workshops to accelerate development of the University's capability to prevent and respond to bullying and abusive behaviour and sexual harassment. A community-wide response saw a broad mix of staff from across the University working together to help design a meaningful approach to stop such behaviours and harassment. This work is also supporting the new Sexual Harassment Response Policy. A further example is Te Rauawa—the new Employee Advisory and Resolution Service launched in August. Te Rauawa provides guidance and coaching to help staff manage issues they are concerned about and, with the permission of all people involved, can also provide an informal resolution service involving facilitated discussions or restorative processes.

The 2019 capital work programme was mostly achieved. Some projects were delayed due to seismic strengthening requirements, while the remaining works in the Rankine Brown building are progressing well. The new building Maru was completed in August and occupied from September. The building provides space for decants and research postgraduates.

Weathertightness remediation projects are largely on track and include replacement of the Cotton north and Laby west roofs, von Zedlitz roof and external cladding, and Robert Stout and Hunter Atrium. A value management exercise was completed for the multi-year refurbishment of Rutherford House. Two floors will be refurbished simultaneously to reduce escalation costs and the project will conclude two and a half years earlier in 2022.

Engagement

PS3

PS5

PS6

ES3

ES4

ES5

See full list of Performance Indicators (including TEC Educational Performance Indicators) on pages 15–16.

Progress made during 2019

The University adopted a new Te Tiriti O Waitangi Statute, honouring the Treaty of Waitangi as one of our distinctive attributes. The principles, as articulated in this Statute, enable Te Herenga Waka—Victoria University of Wellington to realise opportunities under Te Tiriti o Waitangi/Treaty of Waitangi to further advance the University and contribute to the betterment of New Zealand society.

The number of expert contributions on topical issues in New Zealand broadcast media exceeded the target, with 564 against a target of 425. High-profile topics commented on included climate change, free speech, local body elections, euthanasia legislation, mental health and wellbeing, water quality, discrimination, tolerance, and the March 2019 terrorist attack on Christchurch mosques. Overall, commentary is continuing to increase, with an observed shift away from broadcast channels to digital and print.

For the third year in a row, the University was honoured with a prestigious Australasian award for its sustainability leadership—this year for its sustainable design curriculum. The University's winning project was awarded top prize in the 'learning, teaching and skills' category for a curriculum developed by Tonya Sweet, Senior Lecturer in Design for Social Innovation at the University's School of Design Innovation (formerly School of Design). The curriculum focuses on teaching skills to apply 'design thinking' and creative approaches in navigating sustainability challenges.

In September 2019, the University announced its Zero Carbon Plan. The University's five-point emissions reduction plan, which aims to reduce gross emissions by a further 20 percent compared to 2017, includes introducing onsite solar power generation, moving heating away from natural gas, and an internal levy for air travel. Ambitious reforestation projects will support the University to reach net-zero carbon by 2030.

Open access makes research more readily available to society at large, increasing the potential for research impact beyond academia. In 2019, the University established a test environment giving academics the ability to deposit with ease their eligible research outputs in Figshare, a cloud-based open access repository. This functionality will go live for all University academic staff in 2020.

The University launched its first comprehensive philanthropic fundraising campaign at the Distinguished Alumni Awards event in November, with a goal of reaching \$150m by 2022. Funds raised in 2011–19 reached \$111.3m.

The University received \$700,000 in donations from its Foundation and an anonymous donor to pilot a new programme, the Wellington Te Herenga Waka scholarships. For the next three years, eight to 10 students a year will be supported with the aim of increasing the participation and success of Māori and Pasifika students as well as students from low socio-economic and refugee backgrounds. Additional funding has also been secured to increase postgraduate research stipends, with details and implementation dates to be determined in 2020.

An international board chaired by the Vice-Chancellor and a subcommittee of the Senior Leadership Team was established to oversee and lead the University's international activities, with a focus on the Asia-Pacific. An overarching international framework has been developed that brings together four plans: Engagement, Research, Students, and Reputation and Rankings. The University has appointed in-country engagement representatives in the United States and China. These are in addition to existing recruitment-focused resources in China and India. The teams are working to deliver research, student, and other outcomes for the University. Another resource is planned to cover South-East Asia, with a focus on Viet Nam. The International Framework Student Plan has been fully developed for the University and operationalised within Wellington University International (formally Vic International) teams. As part of the Plan, recruitment plans for key markets have been developed and will be available for faculties and other stakeholders.

The Wellington Plus Programme (formerly VicPlus) is the University's service and leadership development programme. In 2019, 102 students completed the programme, exceeding target and 2018 results. The programme was awarded the 'Benefitting Society' category of the 2019 International Green Gown Awards and helped to organise a seventh year of Growing Graduates tree planting with Wellington City Council. More than 80 students, staff, and alumni planted 1,000 trees on Te Ahumairangi. Overall, students completed 11,780 hours of volunteering and 1,202 hours of training in 2019, volunteering for 104 community organisations, 22 clubs, and more than 30 services on campus.

A total of 86 students completed the Wellington International Leadership Programme (formerly Victoria International Leadership Programme). This self-directed programme is intended to aid students of all backgrounds to prepare for an international career. Following a record number of 118 completions in 2018, 2019 numbers were below target and planning is under way for a strategic review and refresh of this important programme along with the Wellington Plus Programme.

The University received offshore approval in 2019 to offer postgraduate Wellington Faculty of Health programmes in Samoa. These form part of the Growing our Own partnership initiative formed between the University and the National University of Samoa, with the intent of contributing to the health system of Samoa through research and health practice development.

The University held its Annual Symposium on Wellbeing. The theme this year was 'Living the Values in Tertiary Education' and it attracted 200 attendees, with 20% visitors from other tertiary institutions. Students and staff successfully collaborated on presentations.

The University made a number of formal submissions to external agencies on tertiary education and research issues, including feedback on: New Zealand's first prioritisation vehicle for health research (Ministry of Health, Health Research Council of New Zealand, and MBIE); the Australian and New Zealand Standard Research Classification Review (jointly overseen by the

Australian Bureau of Statistics, Stats NZ, the Australian Research Council, and MBIE); review of the Performance-Based Research Fund and the Draft Tertiary Education Strategy (Ministry of Education); the Draft Research, Science and Innovation Strategy (MBIE); and proposed changes to New Zealand's Catch-All Export Controls (Ministry of Foreign Affairs and Trade).

All performance indicators

STRATEGY	INDICATOR	2019 ACTUAL	2019 TARGET	2018 ACTUAL	2017 ACTUAL
RESEARCH (PAGE 10)					
PS1	Progress the development of the eight multi-disciplinary themes identified as part of our distinctive academic emphasis	Achieved	Objectives and milestones are achieved	Achieved	Achieved
PS2	External Research Income (\$m)	81.3	70	69.7	57.8
PS2	Citation impact (weighted) Web of Science—Category-normalised citation impact	1.18	1.22–1.27	1.36	1.29
PS2	Citation impact (weighted) Scopus—Field-weighted citation impact	1.35	1.33–1.36	1.35	1.33
PS2	Number of new invention disclosures	53	50	46	44
ES1	Number of annual Master's thesis completions	373	295	365	395
ES1	Number of annual PhD degree completions	165	150	159	132
ES2	Commencing research postgraduate EFTS	99	148	111	148
ES2	Taught postgraduate/Total EFTS	12.3	>2018 result	12.1	>2018 result
ES2	Research postgraduate/Total EFTS	6.5	>2018 result	6.4	>2018 result
TEACHING AND LEARNING (PAGE 12)					
PS3	Courses (%) assessed as ≥ good by students	85	80	82	83
PS3	Teachers (%) assessed as ≥ good by students	95	87	94	92
PS3	Graduates in employment, further study, and not seeking work first year post-graduation (%)	96	96	96	95.1
PS3	Proportion of students rating services and facilities as 'good' or 'very good' (%)	88.2	>90.0	89.9	86
PS4	Proportion of Māori students (%)	11.4	11.4	11.2	11.1
PS4	Proportion of Pasifika students (%)	6.1	6.3	5.9	5.9
PS4	Commencing Māori student EFTS	567	700	555	542
PS4	Commencing Pasifika student EFTS	348	370	337 ¹	306
PS4	Proportion of professors and associate professors who are female (%)	32.2	>2018 result	30.6	30.5
PS4	Proportion of academic staff who are Māori (%)	5.9	>2018 result	4.5 ²	4.8
PS4	Proportion of academic staff who are Pasifika (%)	1.9	>2018 result	1.8 ³	2.6
ES1	Proportion of the University salary budget allocated for training and development (%)	2.2	2.6	1.9	2.8
ES1	Implement the Your Voice—Victoria Staff Survey work programme	Achieved	Action Plan progressed	Achieved	Achieved
ES2	Total EFTS increase by 1.5% per annum	0.6	1.5% more EFTS than EOY 2018	1.7	0.4
ES2	Commencing total EFTS	5,638	5,760	5,631	5,406
ES2	Commencing full-fee EFTS (%)	856	799	895	799
ES2	Proportion of international students (headcount) (%)	16.5	>2018 result	16.7	>2018 result

¹ Commencing Pasifika EFTS recast to align with target (including full-fee-paying international Pasifika EFTS as well as previously stated Student Achievement Component-funded EFTS).

² 2018 revised (previously 4.3%).

³ 2018 revised (previously 1.9%).

STRATEGY	INDICATOR	2019 ACTUAL	2019 TARGET	2018 ACTUAL	2017 ACTUAL
ENGAGEMENT (PAGE 14)					
PS3	Number of students who achieved awards in extra-curricular programmes—Wellington Plus	102	100	97	105
PS3	Number of students who achieved awards in extra-curricular programmes—Wellington International Leadership Programme	86	100	118	90
PS5	Fundraising campaign (\$m)—as per accounting policy, includes all bequests, pledges, and cash donations	111.3	80+	97.4	65.2
PS6	A holistic engagement approach to countries and issues relevant to the Asia-Pacific region is developed that addresses global challenges where the University can have an impact	Country plans for key recruitment markets finalised	Country plans are finalised	In progress	In progress
ES3	Major capital projects delivered on time and to budget	Mostly achieved	Milestones and budgets met	In progress	In progress
ES4	Increase the amount of revenue from non-SAC ⁴ -funded sources (%)	6.5	>2018 result	13.7%	5.9%
ES5	Number of expert contributions on topical issues in New Zealand broadcast media	564	425	646	609
ES5	Number of inaugural professorial lectures	10	At least 10	10	11
ALL (PAGES 10–15)					
ES4	Real revenue growth (%)	4.0	Exceeds 3% on 2018	5.7	4.0
ES4	Revenue retained as surplus for reinvestment (%)	3.3	3.5	3.0	3.4

TEC-defined Educational Performance Indicators (EPIs)

EPI TYPE	DESCRIPTION	2019 PROVISIONAL	2019 TARGET	2018 ACTUAL	2017 ACTUAL
Participation	The proportion of total SAC-eligible EFTS enrolled at the tertiary education organisation (TEO) who are non-Māori, non-Pasifika at level 4–7 (non-degree) ⁵	68.7%	59.6%	70.8%	59.8%
Participation	The proportion of total SAC-eligible EFTS enrolled at the TEO who are Māori at level 4–7 (non-degree)	23.4%	30.5%	21.7%	30.7%
Participation	The proportion of total SAC-eligible EFTS enrolled at the TEO who are Pasifika at level 4–7 (non-degree)	14.2%	20.0%	8.8%	20.6%
Participation	The proportion of total SAC-eligible EFTS enrolled at the TEO who are non-Māori and non-Pasifika at level 7 degree	81.9%	82.0%	82.4%	82.6%
Participation	The proportion of total SAC-eligible EFTS enrolled at the TEO who are Māori at level 7 degree	12.5%	12.4%	12.2%	12.0%
Participation	The proportion of total SAC-eligible EFTS enrolled at the TEO who are Pasifika at level 7 degree	6.7%	6.6%	6.4%	6.4%
Participation	The proportion of total SAC-eligible EFTS enrolled at the TEO who are non-Māori and non-Pasifika at level 8–10	88.8%	88.4%	89.1%	88.7%
Participation	The proportion of total SAC-eligible EFTS enrolled at the TEO who are Māori at level 8–10	7.7%	7.8%	7.4%	7.6%
Participation	The proportion of total SAC-eligible EFTS enrolled at the TEO who are Pasifika at level 8–10	3.9%	4.3%	3.9%	4.0%
First-Year Retention	The first-year retention rate for non-Māori and non-Pasifika students at level 7 degree	80.3%	80.2%	79.6%	79.8%
First-Year Retention	The first-year retention rate for Māori students at level 7 degree	72.3%	71.0%	77.3%	69.9%
First-Year Retention	The first-year retention rate for Pasifika students at level 7 degree	77.4%	71.5%	74.3%	70.5%
Course Completion	The course completion rate for non-Māori and non-Pasifika students (SAC-eligible EFTS) at level 1–10	87.0%	88.9%	88.8%	88.8%
Course Completion	The course completion rate for Māori students (SAC-eligible EFTS) at level 1–10	78.5%	81.7%	80.6%	81.0%
Course Completion	The course completion rate for Pasifika students (SAC-eligible EFTS) at level 1–10	70.4%	75.2%	71.6%	73.6%
Research	The amount of External Research Income earned ⁶	\$72.2m	\$70.0m	\$63.0m	\$52.6m
International	The number of international student EFTS	2,047	2,065	1,964	1,776
Research	The number of research degrees completed	538	445	524	527

4 Student Achievement Component funding.

5 Participation rates for non-degree EFTS are subject to high variability due to small numbers.

6 PBRF definition, excluding sub-contracts to other New Zealand universities.

Student levies

The Student Services Levy and a separate Student Assistance Levy are paid by all students to contribute to development of an inclusive learning community. The Student Services Levy also improves services that can facilitate academic success and a positive student experience. A few services are fully funded by the Levy so they can be provided without individual user charge. Services that are partially funded by the Levy are provided to students at a heavily subsidised rate. Others are funded entirely from other sources.

Victoria University of Wellington staff work in partnership with the Advisory Committee on the Student Services Levy, an oversight body with student representatives that consults with the VUWSA executive and their executive subgroups—the Student Academic Committee (comprising faculty-based representatives) and the Student Equity and Diversity Committee (Māori and equity-based groups)—before presenting its recommendation on changes to the Levy. VUWSA also runs an independent survey of all students prior to considering any recommendation on changes.

The University works in partnership with students to ensure they have a say in how the Student Services Levy is spent. In 2019, VUWSA consulted on a proposed increase to the Levy with the VUWSA Executive, several VUWSA committees, and other student executive groups.

The Student Services Levy and Student Assistance Levy together made a surplus of \$91,594 in 2019. Annual carried forward Levy

surpluses and deficits are ring fenced and actively managed during the next financial year's Levy budgeting and planning processes.

In 2019, an internal student studying 25 points or more was charged \$790 for the Student Services Levy. A Student Assistance Levy of \$27.60 was paid by all students. The total Compulsory Student Service Fee per student in 2019 was \$817.60, which translates to \$888 per EFTS.

The revenue from the levies can be used only for those services that fall within the following government-specified categories:

Advocacy and legal advice

Advocacy services delivered by the University manage a range of resolution activities in relation to student complaints, disputes, appeals, pastoral (including accommodation) issues, and academic disputes. VUWSA is also contracted to deliver

SERVICE CATEGORY	2019 STUDENT SERVICES LEVY (SSL) REVENUE \$'000	2019 STUDENT ASSISTANCE LEVY (SAL) REVENUE \$'000	2019 REVENUE FROM OTHER SOURCES \$'000	TOTAL REVENUE \$'000	TOTAL COST (SSL RELATED AND SAL GRANTS) \$'000	NET SURPLUS/ (COST) \$'000
Advocacy and legal advice	941	–	–	941	1,014	(73)
Careers information, advice, and guidance	1,395	–	39	1,434	1,289	145
Counselling services and pastoral care	2,069	–	308	2,377	2,467	(90)
Employment information	811	–	15	826	766	60
Financial support and advice	694	498	4	1,196	1,161	35
Health services	3,729	–	2,355	6,084	5,781	303
Media	191	–	–	191	214	(23)
Childcare services	203	–	–	203	203	–
Clubs and societies	1,784	–	2	1,786	1,544	242
Sports, recreation, and cultural activities	1,479	–	620	2,099	2,606	(507)
Total	13,296	498	3,343	17,137	17,045	92

an independent advocacy service and train and support class representatives and faculty delegates to ensure students have a meaningful and independent voice at Victoria University of Wellington.

Careers information, advice, and guidance

Careers and Employment aims to increase the employability of the University's students by providing career and course advice and assessments, and helping students prepare job applications, CVs, and develop interview skills.

Counselling services and pastoral care

Support services include Student Counselling, Āwhina and Pasifika Student for Māori and Pasifika students, peer mentoring, and student support coordinators based in halls of residence. A range of welfare services, such as food bank delivery, are delivered by VUWSA.

Employment information

The University provides information on jobs through publications, career expos, employer and industry presentations, and an online service, CareerHub, which features study-related job vacancies.

Financial support and advice

The University's student finance advisers provide financial advice to students, administer the Hardship Fund, and teach financial literacy. The Student Assistance Levy contributes to the Hardship Fund (which has had a separate bank account since it was set up in 1991) and is available to assist students if they experience a short-term emergency or one-off immediate need.

Health services

The University's Student Health and Wellbeing centres operate from the Kelburn and Pipitea campuses and include Student Health and Student Counselling. Counselling services are also available at Te Aro campus. Disability Services works alongside students with temporary and ongoing impairments to ensure they are able to engage fully and achieve in their studies.

Media

VUWSA publishes the weekly magazine *Salient* and operates its website and radio station. *Salient* provides paid work opportunities and skills development for its contributors, who are all students.

Childcare services

University Kids Wellington provides childcare facilities for children of students.

Clubs and societies

The University has more than 150 clubs across political, cultural, sports, faith-based, and academic interests. Assistance is provided to clubs and societies through the provision of meeting rooms, activity spaces and resources, training programmes, and advice on club financial management.

Sports, recreation, and cultural activities

University Recreation (formerly Victoria Recreation) provides space and equipment for students to keep active. Sports leagues, tailored fitness and other programmes, recreational facilities, and venues for student events and activities are offered.

Financial overview

The operating surplus for the consolidated Group (excluding the University Foundation) was \$5.6m, which is 1.1% of revenue. The consolidated Group operating result (including all entities) generated a surplus of \$16.9m, equating to 3.3% of revenue. Revenues and the resulting surpluses were positive and largely in line with the Strategic Plan, which can be found on our website. For the third year in a row, Victoria University of Wellington's real revenue growth exceeded 4%, a significant achievement given that school leaver student numbers in New Zealand have been gradually declining on an annual basis. Domestic student

numbers for the University increased slightly compared with the previous year, short of the aspirational budget but ahead of government funding targets. There was pleasing growth in international student numbers, up 4.2%, and external research revenue, a key performance indicator strategically, grew by 16% from \$69.7m to \$81.3m. Wellington UniVentures (formerly Viclink), the University's entrepreneurial intellectual property development group, had a successful year developing prospective project opportunities for the future.

	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000
Financial performance					
Total operating revenue ¹	506,655	490,381	448,094	415,214	391,306
University surplus for the year	5,608	15,869	6,447	9,897	7,882
EBITDA	60,908	68,046	66,414	51,417	48,781
Surplus (including the Foundation)	16,939	14,985	13,450	14,098	18,405
Financial position					
Total current assets	168,859	148,396	146,103	102,239	99,485
Total non-current assets	989,068	912,449	904,731	829,788	763,942
Total assets	1,157,927	1,060,845	1,050,834	932,027	863,427
Total current liabilities	209,996	137,867	191,616	107,117	98,151
Total non-current liabilities	51,133	115,112	64,715	123,333	78,468
Total liabilities	261,129	252,979	256,331	230,450	176,619
Total community equity	896,798	807,866	794,503	701,577	686,808
Statistics					
University surplus to total revenue	1.1%	3.2%	1.4%	2.4%	2.0%
University surplus to total assets	0.5%	1.5%	0.6%	1.1%	0.9%
Current assets to current liabilities	80%	109%	76%	98%	101%
Assets to equity	129%	131%	132%	133%	126%

The Victoria University of Wellington Foundation (the fundraising arm of the University) earned \$16.3m from donations and investment returns. Funds raised through the generous engagement of alumni and civic supporters of the University are critical to help us invest in key initiatives and scholarships that support the realisation of the Strategic Plan. Total Foundation funds increased to \$70.2m at year end.

Net cash flow from operations at \$81.4m increased by \$10.0m from 2018, generating funds that, together with bank borrowings, are assisting the University to renew obsolete or outdated facilities and to proactively address critical maintenance and earthquake resilience requirements on university infrastructure. Over the past two years, the University has spent \$103.6m on capital expenditure, including \$8m on the new Maru building that opened in September 2019.

¹ These numbers are University Group (excluding the Foundation).

Financial statements

For the year ended 31 December 2019

Statement of responsibility	21
Statement of comprehensive revenue and expenses	22
Statement of financial position	23
Statement of changes in equity	24
Statement of cash flows	25
Reconciliation of surplus to net cash flow from operating activities	26
Notes to the financial statements	27
Independent auditor's report	43

Statement of responsibility

We are responsible for:

- the preparation of the annual financial statements and statement of service performance 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 our opinion, the financial statements and statement of service performance for the financial year ended 31 December 2019 fairly reflect the financial position and operations of Victoria University of Wellington and the Group.



NEIL PAVIOUR-SMITH

Chancellor

23 March 2020



PROFESSOR GRANT GUILFORD

Vice-Chancellor

23 March 2020

Statement of comprehensive revenue and expenses

For the year ended 31 December 2019

	NOTE	CONSOLIDATED			UNIVERSITY		
		ACTUAL 2019 \$'000	BUDGET 2019 \$'000	ACTUAL 2018 \$'000	ACTUAL 2019 \$'000	BUDGET 2019 \$'000	ACTUAL 2018 \$'000
Revenue							
Government funding		155,092	155,778	143,100	155,092	155,778	143,100
Performance-Based Research Fund (PBRF) funding		35,472	38,295	35,247	35,472	38,295	35,247
Domestic tuition		94,304	94,789	91,672	94,304	94,789	91,672
Full-fee tuition		45,576	46,167	43,087	45,576	46,167	43,087
Research		64,546	65,849	63,958	31,393	33,132	35,612
Commercial		14,696	15,149	15,883	13,002	13,372	14,396
Other revenue		96,969	70,134	97,434	77,098	55,716	64,139
Total operating revenue	2	506,655	486,161	490,381	451,937	437,249	427,253
Expenses							
People	3	266,437	248,646	247,891	251,353	234,733	235,004
Operating	4	139,014	130,802	130,675	103,211	96,393	102,337
Occupancy	4	40,296	37,625	43,769	38,662	36,741	42,949
Finance costs	5	3,637	3,491	2,729	4,258	4,220	3,447
Depreciation & amortisation	11,13	51,663	52,621	49,448	50,794	52,621	49,039
Total operating expenses		501,047	473,185	474,512	448,278	424,708	432,776
University surplus/(deficit)		5,608	12,976	15,869	3,659	12,541	(5,523)
Victoria University of Wellington Foundation							
Movement of net assets	6	11,331	1,701	(884)	–	–	–
Surplus/(deficit) (including the Foundation)		16,939	14,677	14,985	3,659	12,541	(5,523)
Other comprehensive revenue and expense							
Movements in revaluation reserve	11	72,224	–	(395)	68,499	–	(395)
Movements in cash flow hedge reserve		(231)	–	(975)	(231)	–	(975)
Total other comprehensive income		71,993	–	(1,370)	68,268	–	(1,370)
Total comprehensive income		88,932	14,677	13,615	71,927	12,541	(6,893)

The accompanying notes form part of these financial statements.

Statement of financial position

As at 31 December 2019

	NOTE	CONSOLIDATED			UNIVERSITY		
		ACTUAL 2019 \$'000	BUDGET 2019 \$'000	ACTUAL 2018 \$'000	ACTUAL 2019 \$'000	BUDGET 2019 \$'000	ACTUAL 2018 \$'000
Current assets							
Cash & cash equivalents	8	75,790	33,450	79,010	27,809	22,000	37,900
Investments & other financial assets	9	45,671	59,749	35,309	(1,875)	–	(1,645)
Accounts receivable & accruals	10	23,637	20,454	16,482	32,834	18,000	20,484
Pre-paid expenses		16,952	15,902	13,363	14,078	13,200	10,350
Other current assets		4,421	4,108	4,232	110	117	109
Loans to related parties		–	–	–	6,310	3,900	4,300
Non-current assets held for sale	12	2,388	–	–	2,388	–	–
Total current assets		168,859	133,663	148,396	81,654	57,217	71,498
Non-current assets							
Property, plant, & equipment	11	974,782	930,018	893,271	952,235	929,718	875,144
Intangibles	13	7,476	16,489	12,923	7,476	16,489	12,923
Investments in related parties	9,14	6,810	4,983	6,255	5,261	3,325	3,451
Total non-current assets		989,068	951,490	912,449	964,972	949,532	891,518
Total assets		1,157,927	1,085,153	1,060,845	1,046,626	1,006,749	963,016
Current liabilities							
Accounts payable & accruals	15	80,500	44,924	61,098	73,498	42,800	55,943
Revenue in advance	16	59,967	45,756	52,263	31,059	23,005	29,029
Related party borrowings	20	–	–	–	36,000	26,500	27,000
Employee entitlements	17	19,475	17,468	18,793	19,149	16,941	18,423
Deferred revenue—contractual obligation	18	3,944	–	3,593	3,944	–	3,593
Bank borrowings	19	46,000	75,000	2,010	46,000	75,000	–
Other current liabilities		110	303	110	110	303	110
Total current liabilities		209,996	183,451	137,867	209,760	184,549	134,098
Non-current liabilities							
Employee entitlements	17	24,940	20,858	19,809	24,940	20,858	19,809
Bank borrowings	19	26,000	47,000	95,000	26,000	47,000	95,000
Other non-current liabilities		193	445	303	193	–	303
Total non-current liabilities		51,133	68,303	115,112	51,133	67,858	115,112
Total liabilities		261,129	251,754	252,979	260,893	252,407	249,210
Net assets		896,798	833,399	807,866	785,733	754,342	713,806
Community equity							
Accumulated surplus		446,082	453,250	429,143	338,686	374,193	335,027
Other reserves		450,772	380,149	378,779	447,047	380,149	378,779
Non-controlling interest		(56)	–	(56)	–	–	–
Total community equity		896,798	833,399	807,866	785,733	754,342	713,806

The accompanying notes form part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2019

	NOTE	CONSOLIDATED			UNIVERSITY		
		ACTUAL 2019 \$'000	BUDGET 2019 \$'000	ACTUAL 2018 \$'000	ACTUAL 2019 \$'000	BUDGET 2019 \$'000	ACTUAL 2018 \$'000
Community equity at 1 January		807,866	818,722	794,503	713,806	741,801	720,699
Surplus/(deficit) for the year		16,939	14,677	14,985	3,659	12,541	(5,523)
Net share capital of non-controlling interest		–	–	(252)	–	–	–
Other comprehensive revenue and expense							
Increase/(decrease) in revaluation reserve	11	72,224	–	(395)	68,499	–	(395)
Decrease in cash flow hedge reserve		(231)	–	(975)	(231)	–	(975)
Community equity at 31 December	22	896,798	833,399	807,866	785,733	754,342	713,806
Community equity represented by:							
Accumulated surplus							
Opening balance		429,143	438,573	414,048	335,027	361,652	340,550
Surplus/(deficit) for the year		16,939	14,677	14,985	3,659	12,541	(5,523)
Transfer to non-controlling interest		–	–	110	–	–	–
Closing balance		446,082	453,250	429,143	338,686	374,193	335,027
Non-controlling interest							
Opening balance		(56)	–	306	–	–	–
Share capital		–	–	28	–	–	–
Transfer from accumulated surplus		–	–	(110)	–	–	–
Elimination of non-controlling interest at disposal		–	–	(280)	–	–	–
Closing balance		(56)	–	(56)	–	–	–
Asset revaluation reserve							
Opening balance		380,424	380,149	380,819	380,424	380,149	380,819
Increase/(decrease) in revaluation reserve	11	72,224	–	(395)	68,499	–	(395)
Closing balance		452,648	380,149	380,424	448,923	380,149	380,424
Cash flow hedge reserve							
Opening balance		(1,645)	–	(670)	(1,645)	–	(670)
Decrease in cash flow hedge reserve		(231)	–	(975)	(231)	–	(975)
Closing balance		(1,876)	–	(1,645)	(1,876)	–	(1,645)
Community equity at 31 December		896,798	833,399	807,866	785,733	754,342	713,806

The accompanying notes form part of these financial statements.

Statement of cash flows

For the year ended 31 December 2019

NOTE	CONSOLIDATED			UNIVERSITY		
	ACTUAL 2019 \$'000	BUDGET 2019 \$'000	ACTUAL 2018 \$'000	ACTUAL 2019 \$'000	BUDGET 2019 \$'000	ACTUAL 2018 \$'000
Cash flows from operating activities						
Government funding	155,552	155,778	145,164	155,552	155,778	145,164
PBRF revenue	35,472	38,295	35,247	35,472	38,295	35,247
Tuition fees	144,727	140,956	135,712	144,748	140,956	135,712
Research, commercial, & other revenue	173,618	141,747	162,505	104,672	97,073	106,309
Interest received	2,022	788	2,039	1,459	600	1,834
Dividends received	707	–	6	1	–	–
Cash donations	7,732	5,287	6,010	3,398	1,448	3,710
GST (net)	2,979	–	623	2,318	–	300
Payments to employees	(262,886)	(248,165)	(240,217)	(247,821)	(233,952)	(227,403)
Payments to suppliers	(174,924)	(167,627)	(173,022)	(140,744)	(129,728)	(143,772)
Interest paid	(3,637)	(3,491)	(2,729)	(4,258)	(4,220)	(3,447)
Net cash flow from operating activities	81,362	63,568	71,338	54,797	66,250	53,654
Cash flows from investing activities						
Receipts from sale of property, plant, equipment, & intangibles	1,625	–	27,729	1,707	–	27,729
Receipts from investments	–	3,311	3,573	–	–	–
Purchase of property, plant, equipment, & intangibles	(60,284)	(76,480)	(43,309)	(48,663)	(76,280)	(42,527)
Payments for investments	(803)	–	–	(1,812)	–	(127)
Net cash flow to investing activities	(59,462)	(73,169)	(12,007)	(48,768)	(76,280)	(14,925)
Cash flows from financing activities						
Proceeds from borrowings	–	42,401	15,000	9,000	42,401	15,000
Repayment of borrowings	(25,120)	(35,000)	(40,110)	(25,120)	(35,000)	(40,110)
Proceeds from related party borrowings	–	–	–	–	–	3,100
Finance lease payments	–	–	(790)	–	–	(790)
Net cash flow (to)/from financing activities	(25,120)	7,401	(25,900)	(16,120)	7,401	(22,800)
Net increase/(decrease) in cash & cash equivalents	(3,220)	(2,200)	33,431	(10,091)	(2,629)	15,929
Cash & cash equivalents at the beginning of the year	79,010	35,650	45,579	37,900	24,629	21,971
Cash, cash equivalents, & bank overdrafts at the end of the year	75,790	33,450	79,010	27,809	22,000	37,900

The accompanying notes form part of these financial statements.

Reconciliation of surplus to net cash flow from operating activities

For the year ended 31 December 2019

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000
Surplus/(deficit)	16,939	14,985	3,659	(5,523)
Add/(less) non-cash items				
Depreciation & amortisation	51,663	49,448	50,794	49,039
Other non-cash items	5,717	(17,422)	6,802	(134)
Total non-cash items	57,380	32,026	57,596	48,905
Add/(less) items classified as investing or financing activities				
Losses/(gains) on disposal of property, plant, & equipment	181	1,566	181	1,566
(Gains)/losses on investments held at fair value	(9,260)	6,128	–	–
Add/(less) changes in working capital items				
Increase in receivables	(7,158)	(2,926)	(19,179)	(8,015)
Increase in deferred revenue	352	391	352	391
(Increase) in prepayments	(3,589)	(2,176)	(3,728)	(1,903)
(Increase)/decrease in other current assets	(188)	(816)	(3)	7
Increase in accounts payable	13,187	9,740	8,030	7,899
Increase in employment provisions	5,814	2,561	5,859	2,429
Increase in revenue received in advance	7,704	9,859	2,030	7,898
Net cash flow from operating activities	81,362	71,338	54,797	53,654

The accompanying notes form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2019

1 Statement of accounting policies

THE REPORTING ENTITY

Victoria University of Wellington (the University) is a Tertiary Education Institution domiciled in New Zealand, and is governed by the Crown Entities Act 2004 and the Education Act 1989.

The primary purpose of the Consolidated Group (the Group) is to provide tertiary education services. This includes advancing knowledge by teaching and research, and offering courses leading to a range of degrees, diplomas, and certificates. It also makes research available to the wider community for mutual benefit, and provides research and scholarships for the purpose of informing the teaching of courses. These aspects are covered fully in the Statement of Service Performance.

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

The financial statements of the University and the Group for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Victoria University of Wellington Council (the University Council) on 23 March 2020.

BASIS OF PREPARATION

The accounting policies have been applied consistently to all periods presented. Significant accounting policies can be found in the specific notes to which they relate.

These financial statements are presented in accordance with Section 220 of the Education Act 1989, the Crown Entities Act 2004, and New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with PBE Standards and other applicable financial reporting standards, as appropriate for PBEs.

The financial statements are presented in New Zealand dollars, which is the presentation currency and the functional currency of all entities within the Group. All values are rounded to the nearest thousand dollars (\$'000). The measurement base applied is historical cost except where specifically identified.

All components in the financial statements are stated exclusive of GST, with the exception of receivables and payables, which include any GST invoiced. The University is exempt from income tax. However, there are some controlled entities and associates within the Group that are not exempt from income tax.

The Group financial statements are prepared on a consolidation basis, which involves adding together like-items of assets, liabilities, equity, revenue, expenses, and cash flows on a line-by-line basis. All significant intra-group balances, transactions, revenue, and expenses are eliminated on consolidation. The Group financial statements comprise the financial statements of the University, its controlled entities (including controlled trusts and subsidiary companies), and investments in associates and joint ventures as at 31 December each year. Investments in associates and joint ventures have been recognised at fair value through surplus or deficit.

The budget for 2019 was approved by the University Council on 14 October 2018.

Standards, amendments, and interpretations issued that are not yet effective and have not been early adopted

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

PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 Financial Instruments replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement and PBE IFRS 9 Financial Instruments and is effective for financial years beginning on or after 1 January 2022, with earlier adoption permitted. The main changes compared with PBE IPSAS 29 that are relevant to the University are:

- new Financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost
- a new impairment model for financial assets based on expected losses, which might result in the earlier recognition of impairment losses.

The University intends to adopt PBE IPSAS 41 for the 31 December 2022 financial year. The University has not yet assessed in detail the impact of the new standard.

PBE IPSAS 2 Statement of Cash Flows (amendment)

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and no-cash changes. This amendment is effective for annual periods beginning on or after 1 January 2021, with early adoption permitted. The University does not intend to early adopt the amendment.

Changes in accounting policy

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2021. The University has elected to early adopt this standard for the year ended 31 December 2019. The standard requires sufficient contextual information to be provided in the annual report to provide users with an understanding of why the University exists, what it intends to achieve in broad terms over the medium to long term and how it goes about this. The standard also requires the University to present information about what it has achieved during the financial year in working toward its broader aims and objectives. For further information, refer to the Statement of Service Performance on pages 8 to 16.

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 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.

- Management relies on the services of an independent valuer to assess on a regular basis the carrying values of land and building assets and the remaining useful lives (refer note 11).
- Asset impairment judgements will be made where there is reason to suggest that the carrying value of the assets has changed materially since the previous balance date (refer notes 11 and 13).
- Management relies on the services of an independent actuary to assess the carrying value of retirement and long service entitlements (refer note 17).
- Valuation of Level 3 investments (refer note 9).
- Stage of completion of research projects is regularly assessed to determine the carrying value of deferred revenue recognised.

The Statement of Service Performance requires judgement from management. Refer to page 9 for further disclosure.

2 Revenue

Revenue is measured at fair value. The Group's significant revenue items are explained below.

Government funding: This is recognised as revenue as the courses to which the funding relates are taught, unless there is an obligation to return the funds if the conditions of the funding are not met. If there is such an obligation, the funding is initially recorded as a deferred revenue liability and then recognised as revenue when the conditions of the funding are satisfied.

Performance-Based Research Fund funding: This is non-exchange in nature, and is measured based on the estimated funding entitlement at the commencement of the year plus or minus adjustments from the previous year.

Tuition fees: Domestic student tuition fees are considered non-exchange. Revenue is recognised when the course withdrawal date has passed, which is when the student is no longer entitled to a refund. International student tuition fees are accounted for as exchange transactions and recognised as revenue on a course percentage of completion basis.

Fees-free revenue: Fees-free revenue is considered non-exchange revenue and recognised when the course withdrawal date for an eligible student has passed. This funding is recognised as a part of domestic tuition, on the basis that receipts from the Tertiary Education Commission are for a payment on behalf of the student as specified in the relevant funding mechanism. The 2018 comparative figures for domestic tuition have been restated to increase by \$21.1m and government grants reduced by \$21.1m to reflect this policy.

Research revenue: For an exchange research contract, revenue is recognised on a percentage completion basis. The percentage of completion is measured with reference to the actual research expenditure incurred as a proportion to total expenditure expected to be incurred. For a non-exchange research contract, the total funding receivable under the contract is recognised as revenue immediately, unless there are substantive conditions in the contract. If there is a condition attached to the funding with performance and return obligations, the funds are recognised initially as a liability to the extent that the conditions remain unfulfilled. Revenue is then recognised when the conditions are satisfied.

Other revenue: Revenue from other sources includes fees for accommodation and services provided to students of \$54.8m (2018: \$50.6m), sundry revenue of \$21.5m (2018: \$36.8m), progress payments on insurance claims of \$18.3m (2018: \$7.5m), proceeds from disposal of various fixed assets of \$0.4m (2018: \$0.3m), and interest earnings of \$2.0m (2018: \$2.2m). The interest amount is predominantly revenue from cash that is surplus to immediate requirements and that has been invested on call or on short-term deposits. In 2019, interest rates ranged from 1.00% to 3.26% (2018: 1.75% to 3.70%).

3 People expenses

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000
Salaries	241,434	228,037	226,961	215,771
Contractors	5,335	4,146	4,961	3,809
Entitlements	19,668	15,708	19,431	15,424
Total	266,437	247,891	251,353	235,004

Entitlements include contributions to KiwiSaver, UniSaver, and other defined contribution superannuation schemes, which are recognised as an expense when incurred.

4 Operating and occupancy

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000
The following items are included within operating & occupancy expenses:				
Audit fees: Ernst & Young	340	319	223	207
Property leases	16,264	17,530	15,849	17,517
IT leases	2,674	2,574	2,618	2,535
Losses on disposal of property, plant, & equipment	598	1,876	598	1,876
Information technology	5,716	5,992	5,325	5,716
Grants & scholarships	25,881	34,000	12,501	20,463
Insurance	6,999	4,028	6,634	3,856
Travel & accommodation	15,047	14,151	5,587	5,500

Operating lease payments (net of any operating lease incentive received) are recognised as an expense on a straight-line basis over the lease term. Operating lease incentives are recognised as a reduction in the lease expense over the term of the lease.

5 Finance costs

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000
Interest on borrowings	3,789	3,404	4,411	4,122
Finance charge on finance lease	–	40	–	40
Capitalised borrowing costs	(152)	(715)	(153)	(715)
	3,637	2,729	4,258	3,447

Borrowing costs are expensed when incurred. The portion of borrowing costs directly attributable to qualifying assets is capitalised up to the point the qualifying asset is commissioned for use.

6 Victoria University of Wellington Foundation

The movement of net assets for the Foundation includes investment (losses) / returns of \$9.3m (2018: (\$0.4m)) and donation revenue of \$7.0m (2018: \$4.5m).

7 Financial instruments

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000
FINANCIAL ASSETS				
Loans and receivables				
Cash & cash equivalents	75,790	79,010	27,809	37,900
Trade receivables	13,382	8,608	24,600	16,859
Loans to related parties	–	–	6,310	4,300
Other current assets	4,421	4,232	110	109
Total	93,593	91,850	58,829	59,168
At fair value through surplus or deficit				
Investments	53,787	43,533	–	–
Total	53,787	43,533	–	–
At fair value through other comprehensive revenue and expense— cash flow hedges				
Derivative financial instruments	(1,306)	(1,969)	(1,875)	(1,645)
Total	(1,306)	(1,969)	(1,875)	(1,645)
FINANCIAL LIABILITIES				
Financial liabilities at amortised cost				
Accounts payable	29,694	20,984	26,246	18,998
Bank borrowings	72,000	97,010	72,000	97,010
Related party borrowings	–	–	36,000	27,000
Total	101,694	117,994	134,246	143,008

Financial risk management objectives and policies: Unless otherwise stated, the carrying value equates to fair value for all financial assets and liabilities. Fair value is determined using quoted prices in active markets (where available) or other observable inputs. Where neither of these are available, then fair value is determined using observable price data and other relevant models used by market participants.

All purchases and sales of financial assets are recognised on the trade date (that is, the date the Group commits to purchase the asset). Purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or when the entity transfers substantially all the risks and rewards of the financial assets. If the entity neither retains nor transfers substantially all the risks and rewards, it derecognises the asset if it has transferred control of the assets.

Financial assets at fair value through surplus or deficit: The Group's investments in shares, managed funds, and fixed interest securities are classified as financial assets held for trading, with gains or losses recognised in surplus or deficit.

Financial liabilities: Financial liabilities measured at amortised cost include accounts payable and related party and bank borrowings. After initial recognition, these liabilities are subsequently measured at amortised cost using the effective interest rate method.

Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective-interest-rate method. Gains and losses are recognised within the surplus or deficit when the loans and receivables are derecognised or impaired. These are classified as current assets, except for those with maturities greater than 12 months after balance date, which are classified as non-current.

Impairment of loans and receivables is established when there is objective evidence the Group will not be able to collect amounts due. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). For other financial assets, impairment losses are recognised directly against the instrument's carrying amount.

(a) Market risk and sensitivity

Currency risk exposure arises on foreign-exchange sales and purchases (typically library items and scientific equipment) denominated in a foreign currency. Wherever possible, the University transacts in the functional currency, including the setting of fees for international students. The Group's policies require foreign currency forward-purchase contracts are used to limit the Group's exposure to movements in exchange rates on foreign-currency-denominated liabilities and purchase commitments above \$100,000, where the committed payment date is known and within 12 months. The Group entered into multiple foreign-exchange contracts during 2019 to mitigate any such risk, and held USD\$1.8m (2018: USD\$2.9m) of forward-exchange contracts at 31 December 2019 with a fair value of \$209k (2018: \$124k). These contracts are held to offset exchange rate risk on expected purchases in USD.

The Foundation holds \$37.0m of investments at fair value through surplus or deficit (2018: \$29.0m), which are invested in a range of foreign denominations and are exposed to foreign-exchange risk. A 10% movement in the New Zealand dollar against all currencies would give rise to a \$1.5m gain or loss that would equally impact equity (2018: \$1.2m).

Price risk arises as the fair value of shares in listed companies and units in managed funds will fluctuate as a result of changes in market prices. Market prices for a particular share may fluctuate due to factors specific to the individual share or its issuer, or factors affecting all shares traded in the market. This price risk is managed by diversification of the portfolio. A 10% movement in the market price of investments at fair value through surplus or deficit would give rise to a \$3.7m gain or loss that would equally impact equity (2018: \$2.9m).

Fair-value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group is exposed to fair-value interest rate risk due to the exposure created by borrowings and investments issued at fixed rates of interest.

Cash flow interest rate risk exposure arises due to the exposure on bank borrowings and investments issued at variable interest rates. Generally, the Group raises long-term borrowings at floating rates and enters interest swaps to manage the cash flow interest rate risk. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals, the difference between fixed-term contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts, and applies hedge accounting to ensure fair-value fluctuations on the interest rate portfolio are taken to other comprehensive revenue or expense. The fair value of interest rate swaps totals \$(1.9m) (2018: \$(1.7m)). The fixed interest rates of interest rate swaps vary from 2.5% to 3.4% (2018: 2.5% to 3.4%).

The following table demonstrates the potential effect of movements in interest rates on the University and Group's surplus or deficit and equity, if interest rates had been 1.5% higher or lower with all other variables held constant. The calculation effectively changes the actual average of the contracted borrowing rates for the year by 1.5%.

	CONSOLIDATED 2019	
	-150BPS \$'000	+150BPS \$'000
Potential effect of movement in interest rates	(1,100)	1,100

(b) Credit risk

Credit risk is the risk that a third party will default on its obligations to the Group, causing it to incur a loss. Due to the timing of its cash inflows and outflows, surplus cash is invested into term deposits, which gives rise to credit risk.

In the normal course of business, the Group is exposed to credit risk from cash and term deposits with banks, debtors, other receivables, government bonds, loans to subsidiaries, and derivative financial instrument assets. For each of these, the maximum credit exposure is best represented by their carrying amount.

The Group limits the amount of credit exposure to any one financial institution for term deposits to no more than the greater of \$40.0m or 40% of total investment held. The Group invests funds only with registered banks with high credit ratings and for a period not exceeding 365 days.

Investments held at fair value through surplus or deficit are predominantly managed by an external fund manager in a range of securities to diversify the risk.

The Group also transacts with its students. These transactions do not create a significant credit risk, as students have no concentration of credit because of the relatively low value of individual student transactions. The Group also transacts with the Crown. These transactions do not create a significant credit risk.

The Group holds no collateral or other enhancements for financial instruments that give rise to credit risk.

(c) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties in meeting financial liabilities as they fall due. The Group monitors and manages this risk in accordance with its Treasury Statute.

The Group's objective is to ensure there is access to cash, treasury investments, and committed bank funding at a future time when funds are required. The maturity profile of the total committed funding in respect to all external debt should be spread where practicable to reduce the concentration risk of having all or most of the University's committed funding maturing at the same time and at least 50% of committed funding facilities must expire more than two years beyond the reporting date. See note 19. The amount and expiry date of all bank loans, committed bank facilities, and term debt will not exceed the maximum amount and term of the Ministerial Consent to Borrow.

The Group's assessment of risk with respect to refinancing its debt is low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

The maturity profile of the Group's financial liabilities based on contractual undiscounted payments is such that, other than borrowings, all accounts payable are expected to be repaid within six months. Borrowings of \$46.0m will mature within 12 months and will need to be refinanced or repaid (2018: \$2.0m).

8 Cash and cash equivalents

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000
Cash at bank	1,281	6,386	(38)	817
Bank on-call deposits	49,829	53,990	12,467	29,633
Short-term deposits	24,680	18,634	15,380	7,450
Closing balance	75,790	79,010	27,809	37,900
Including:				
Funds held by controlled trusts	40,219	37,758	–	–

Cash and cash equivalents comprise cash at bank and on hand, and short-term deposits for a period not exceeding 180 days, which are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

Funds held by controlled trusts may have donor restrictions and will be used for specified purposes. When donor restrictions exist, the funds are held in trust until the University fulfils the donor's request.

9 Investments and other financial assets

Quantitative disclosure of fair-value measurement hierarchy for investments as at 31 December 2019:

	CONSOLIDATED			CONSOLIDATED		
	2019 \$'000 LEVEL 1	2019 \$'000 LEVEL 2	2019 \$'000 LEVEL 3	2018 \$'000 LEVEL 1	2018 \$'000 LEVEL 2	2018 \$'000 LEVEL 3
Investments	1,387	45,590	6,810	1,300	35,978	6,255
Derivatives—Forward foreign exchange	–	569	–	–	(324)	–
Derivatives—Interest rate swaps	–	(1,875)	–	–	(1,645)	–
Closing balance	1,387	44,284	6,810	1,300	34,009	6,255

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair-value hierarchy, described as follows, based on the lowest level input that is significant to the fair-value measurement as a whole.

Level 1: Fair value of investments in listed shares and fixed interest instruments obtained using quoted bid price at balance date.

Level 2: Fair value of investments in managed funds, obtained using closing unit prices as at balance date, published by the respective fund managers. The fair value of the forward foreign exchange contracts was determined by a present-value model with reference to current forward exchange rates for contracts with similar maturity profiles at balance date. The fair values of interest rate swaps have been determined by calculating the expected cash flows under the terms of the swaps and discounting these values to present value.

Level 3: Fair value of investments is determined using revenue-based multiples, being the best available market data at the time of valuation.

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair-value investments.

	CONSOLIDATED	
	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000
Opening balance	6,255	5,236
Sales	(531)	(684)
Purchases	–	1,026
Gain or losses recognised in surplus	1,086	677
Closing balance	6,810	6,255

The table below provides a sensitivity analysis for level 3 fair-value measurements.

	2019		2018	
	\$'000 +10%	\$'000 +10%	\$'000 +10%	\$'000 +10%
Investments—aggregate share price at year end	511	(511)	384	(384)
Joint venture—aggregate share price at year end	165	(165)	191	(191)
Associates—aggregate share price at year end	–	–	7	(7)
Change in fair value	676	(676)	582	(582)

Derivative financial instruments and hedge accounting

The Group does not hold or issue derivative financial instruments for trading purposes. The Group uses financial instruments to manage exposure to interest rate fluctuations and foreign exchange risks, and they are stated at fair value. For the purposes of hedge accounting, hedges are classified as cash flow hedges where they hedge exposure to variability for a forecast transaction. Interest rate swaps that meet the conditions for hedge accounting as cash flow hedges can have the effective portion of the gain or loss on the hedging instrument recognised directly in other comprehensive revenue and expense and the ineffective portion recognised in the net surplus/(deficit). Hedge accounting is discontinued when the hedging instrument expires, is sold, terminated, exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in the hedging reserve is kept in the reserve until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in other comprehensive revenue and expense is transferred to the net surplus/(deficit) for the year. For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are taken direct to the net surplus/(deficit) for the year.

10 Accounts receivable and accruals

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000
Receivables & accruals	23,921	16,600	33,056	20,622
Less: Provision for doubtful debts	(500)	(365)	(339)	(194)
Other	216	247	117	56
Closing balance	23,637	16,482	32,834	20,484
Ageing of receivables and accruals				
Not past due	19,064	12,737	31,542	19,330
Past due 1–30 days	816	895	320	235
Past due 31–60 days	522	657	374	391
Past due 61–90 days	724	315	165	254
Past due over 91 days not impaired	2,430	1,631	316	218
Past due over 91 days impaired	365	365	339	194
Total gross trade receivables	23,921	16,600	33,056	20,622

Accounts receivable are initially measured at fair value and subsequently measured at amortised cost using the effective-interest-rate method, less any provision for impairment.

11 Property, plant, and equipment

CONSOLIDATED	LAND \$'000	BUILDINGS & INFRA- STRUCTURE \$'000	COMPUTERS & NETWORKS \$'000	PLANT & EQUIPMENT \$'000	ART COLLECTION, HERITAGE, & LIBRARY \$'000	CAPITAL WORK IN PROGRESS \$'000	TOTAL \$'000
Cost and valuation							
Balance as at 1 January 2018	116,260	560,963	34,729	90,863	107,557	130,723	1,041,095
Additions	10,250	126,315	4,743	11,574	7,526	41,154	201,562
Disposals & reclassifications	(615)	(485)	(6,787)	(10,072)	(3,041)	(146,033)	(167,033)
Impairment	–	–	–	(100)	–	–	(100)
Valuation movement	–	(395)	–	–	–	–	(395)
Balance as at 31 December 2018	125,895	686,398	32,685	92,265	112,042	25,844	1,075,129
Additions	2,252	12,693	5,779	13,205	7,016	62,391	103,336
Disposals & reclassifications	(2,195)	(7,847)	(4,544)	(5,969)	¹ (40,904)	(43,707)	(105,166)
Impairment	–	–	–	(52)	–	–	(52)
Valuation movement	110,457	(82,288)	–	–	–	–	28,169
Balance as at 31 December 2019	236,409	608,956	33,920	99,449	78,154	44,528	1,101,416
Accumulated depreciation							
Balance as at 1 January 2018	–	10,115	23,314	52,370	70,320	–	156,119
Depreciation charge	–	21,722	5,305	9,875	7,496	–	44,398
Disposals	–	(18)	(6,672)	(8,928)	(3,041)	–	(18,659)
Valuation movement	–	–	–	–	–	–	–
Balance as at 31 December 2018	–	31,819	21,947	53,317	74,775	–	181,858
Depreciation charge	–	23,426	5,331	9,889	7,642	–	46,288
Disposals & reclassifications	–	(6,415)	(4,393)	(5,745)	¹ (40,904)	–	(57,457)
Valuation movement	–	(44,055)	–	–	–	–	(44,055)
Balance as at 31 December 2019	–	4,775	22,885	57,461	41,513	–	126,634
Net book value							
As at 1 January 2018	116,260	550,848	11,415	38,493	37,237	130,723	884,976
As at 31 December 2018	125,895	654,579	10,738	38,948	37,267	25,844	893,271
As at 31 December 2019	236,409	604,181	11,035	41,988	36,641	44,528	974,782

¹ At the end of accounting useful life assets are removed from the accounting asset register. While this impacts cost and valuation and accumulated depreciation there is no impact on net book value. The asset removal appears within the disposals and reclassifications line item.

UNIVERSITY	LAND \$'000	BUILDINGS & INFRA- STRUCTURE \$'000	COMPUTERS & NETWORKS \$'000	PLANT & EQUIPMENT \$'000	ART COLLECTION, HERITAGE, & LIBRARY \$'000	CAPITAL WORK IN PROGRESS \$'000	TOTAL \$'000
Cost and valuation							
Balance as at 1 January 2018	116,260	560,963	34,710	88,072	107,548	130,723	1,038,276
Additions	–	118,826	4,730	11,016	7,525	41,154	183,251
Disposals & reclassifications	(615)	(485)	(6,782)	(7,647)	(3,041)	(146,033)	(164,603)
Impairment	–	–	–	(100)	–	–	(100)
Valuation movement	–	(395)	–	–	–	–	(395)
Balance as at 31 December 2018	115,645	678,909	32,658	91,341	112,032	25,844	1,056,429
Additions	2,252	12,692	5,724	12,235	7,016	60,827	100,746
Disposals & reclassifications	(2,195)	(7,846)	(4,544)	(5,969)	¹ (40,904)	(42,682)	(104,140)
Impairment	–	–	–	(52)	–	–	(52)
Valuation movement	106,938	(82,363)	–	–	–	–	24,575
Balance as at 31 December 2019	222,640	601,392	33,838	97,555	78,144	43,989	1,077,558
Accumulated depreciation							
Balance as at 1 January 2018	–	10,115	23,294	49,796	70,320	–	153,525
Depreciation charge	–	21,722	5,297	9,474	7,496	–	43,989
Disposals & reclassifications	–	(18)	(6,667)	(6,503)	(3,041)	–	(16,229)
Valuation movement	–	–	–	–	–	–	–
Balance as at 31 December 2018	–	31,819	21,924	52,767	74,775	–	181,285
Depreciation charge	–	23,295	5,320	9,162	7,642	–	45,419
Disposals & reclassifications	–	(6,415)	(4,393)	(5,745)	¹ (40,904)	–	(57,457)
Valuation movement	–	(43,924)	–	–	–	–	(43,924)
Balance as at 31 December 2019	–	4,775	22,851	56,184	41,513	–	125,323
Net book value							
As at 1 January 2018	116,260	550,848	11,416	38,276	37,228	130,723	884,751
As at 31 December 2018	115,645	647,090	10,734	38,574	37,257	25,844	875,144
As at 31 December 2019	222,640	596,617	10,987	41,371	36,631	43,989	952,235

Capital work in progress: This is valued on a basis of expenditure incurred and certified gross progress claim certificates up to balance date. Work in progress is not depreciated, and includes borrowing costs on qualifying assets. The total costs of the project are transferred to the relevant asset class on completion and then depreciated accordingly.

Additions: The cost of an item of property, plant, and equipment is recognised as an asset if, and only if, it is probable future economic benefits or service potential associated with the item will flow to the Group and the cost of the item can be measured reliably. In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Measurement subsequent to initial recognition for non-revalued assets: Computers and network assets, plant and equipment assets, and library assets are measured after initial recognition at cost less accumulated depreciation and impairment. Art collections and heritage assets are measured after initial recognition at cost less accumulated impairment.

Disposals: Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in property revaluation reserves in respect of those assets are transferred to general funds within equity.

Depreciation: This is provided on a straight-line basis on all property, plant, and equipment other than land and heritage collections, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Heritage collections are not depreciated because they are maintained such that they have indefinite or sufficiently long useful lives that any depreciation is considered negligible.

Impairment: Property, plant, and equipment are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the

asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. If an asset's carrying amount exceeds its recoverable amount, the asset is considered to be impaired and the carrying amount is written-down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of an impairment loss is also recognised in the surplus or deficit. For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

CLASS OF ASSET DEPRECIATED	ESTIMATED USEFUL LIFE	DEPRECIATION RATES
Buildings & infrastructure	5–86 years	Straight line
Computers & networks	3–10 years	Straight line
Plant & equipment	2–25 years	Straight line
Library	2–100 years	Straight line

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Asset revaluation reserve

	CONSOLIDATED	
	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000
Land	216,569	106,112
Buildings & infrastructure	236,079	274,312
Closing balance	452,648	380,424

Land, buildings, and infrastructure are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value. Independent registered valuers undertake such revaluations every three years, unless there is reason to suggest that the values have changed materially in the intervening years, in which case a revaluation may be undertaken outside the three-year cycle. Property, plant, and equipment revaluation movements are accounted for on a class-of-asset basis. Land, buildings, and infrastructure assets were independently valued as at 1 December 2019 by Mr P. Todd, registered valuer with Darroch Limited and member of the New Zealand Institute of Valuers.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is recognised within the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

The valuation of land occupied by non-residential buildings (that is, the campuses) takes into account various aspects, including zoning, title implications, alternative uses, subdivision, and development potential. Land is measured at fair value, which is determined by reference to its highest and best use if vacant, in line with market-based evidence.

Non-residential buildings are, for the purposes of the valuation, deemed to be 'specialised assets'. Specialised assets are valued using the optimised depreciated replacement cost methodology that is based on the current gross replacement cost of the building less allowances for physical deterioration (including planned future seismic and asbestos remediation), earthquake damage, and optimisation for obsolescence and relative surplus capacity. Residential buildings and properties located in the Wellington CBD are valued based on the market value that is the estimated price for properties 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 provided the Group with an estimation of useful lives.

Under the Education Act 1989, the University is required to obtain prior 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 of Education.

The rate for capitalisation of borrowing costs was 3.9%.

Kaikoura earthquake: The University's property, plant, and equipment suffered damage as a result of a November 2016 earthquake. A structured work programme has been created to support both the claim process with our insurers, and any required remediation works. The programme is supported by both external consultant engineers and quantity surveyors and is sequentially structured. The initial focus has been on damage identification to the overall property portfolio, which will then progress to work remediation scope before then finalising the cost of remediation. Required activity within the programme will take a number of years to complete; we are nearing the end of the damage identification phase of the programme.

Damage has been identified to both buildings and infrastructure, and plant and equipment fixed asset categories. To date, other than the Rankine Brown building, no major structural damage to buildings has been identified.

As a result of the Kaikoura earthquake, the University has incorporated a fair-value adjustment within the movement in revaluation reserve of other comprehensive revenue and expense. The adjustment has been determined with reference to the damage identified to date, supported by insurance progress payments received.

12 Non-current assets held for sale

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000
Land & buildings held for sale	2,388	–	2,388	–

Land and buildings classified as non-current assets held for sale relate to property sales of surplus land going unconditional in 2020.

13 Intangibles

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000
Cost and valuation				
Opening balance	30,368	28,840	30,368	28,753
Additions	3,253	3,936	3,253	3,936
Disposals & reclassifications	(886)	(2,138)	(886)	(2,051)
Impairment	(7,976)	(270)	(7,976)	(270)
Closing balance	24,759	30,368	24,759	30,368
Accumulated amortisation				
Opening balance	17,445	14,321	17,445	14,295
Amortisation charge	5,375	5,050	5,375	5,050
Disposals & reclassifications	(3,341)	(1,926)	(3,341)	(1,900)
Impairment	(2,196)	–	(2,196)	–
Closing balance	17,283	17,445	17,283	17,445
Net book value	7,476	12,923	7,476	12,923

Intangible assets represent the Group's major IT systems and supporting processes that have been purchased, developed, and implemented. These are capitalised at cost. Subsequent to initial recognition, intangible assets are measured at cost less accumulated amortisation and impairment. Amortisation for intangible assets is calculated using a straight-line basis and the amortisation periods are three to five years, with the expense recognised in the surplus or deficit.

Impairment: Intangible assets initially measured at cost, or which are not yet available for use, are tested annually for impairment. Where the estimated useful life of the asset is deemed to be shorter than the originally recognised life, the reduction in useful life will result in an impairment loss being recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

14 Investments in related parties

NAME	PERCENTAGE CONTROLLED / OWNED	PRINCIPAL ACTIVITY
Controlled entities		
Controlled trusts		
Victoria University of Wellington Foundation	100%	Manages funds raised for the University
Research Trust of Victoria University of Wellington	100%	Conducts academic research
Victoria University of Wellington Art Collection Funding Trust	100%	Supports the University's art collection
Victoria University of Wellington School of Government Trust	100%	Manages funds raised for the University
Presbyterian Methodist Halls of Residence Trust	100%	Provides student accommodation
Subsidiary companies		
Te Puni Village Limited	100%	Provides student accommodation
Victoria Link Limited	100%	Commercialises research
iPredict Limited	100%	Non-trading
Predictions Clearing Limited	100%	Non-trading
Wetox Limited	100%	Develops waste-water-treatment technology
Boutiq Science Limited	84%	Provides nanoparticle solutions
New Zealand School of Music Limited	100%	Non-trading
General Cable Superconductors Limited	100%	Manufactures high temperature superconducting cable
All controlled entities have a 31 December balance date.		
Joint venture		
NZ Innovation Booster Limited Partnership	50%	Commercialises research

The Group recognises its share of the jointly controlled equity using the equity method of consolidation. The Group's share in 2019 is \$1.6m (2018: \$1.5m).

15 Accounts payable and accruals

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000
Accounts payable	13,052	7,486	9,604	5,500
Contract retentions	1,325	1,090	1,325	1,090
Deposits held on behalf of students	15,317	12,408	15,317	12,408
Other accruals	50,806	40,114	47,252	36,945
Closing balance	80,500	61,098	73,498	55,943

Short-term creditors and other short-term payables are initially recognised at fair value and subsequently measured at amortised cost using the effective-interest-rate method.

16 Revenue in advance

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000
Pre-paid tuition fees	18,778	14,767	18,338	14,192
Deferred revenue on research contracts	28,433	22,594	–	–
Other revenue in advance	12,756	14,902	12,721	14,837
Closing balance	59,967	52,263	31,059	29,029

17 Employee entitlements

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000
Current liabilities				
Annual leave	17,371	16,666	17,045	16,296
Retirement & long-service leave	2,104	2,127	2,104	2,127
Closing balance	19,475	18,793	19,149	18,423
Non-current liabilities				
Retirement & long-service leave	24,940	19,809	24,940	19,809
Closing balance	24,940	19,809	24,940	19,809

The retirement and long-service leave liabilities were independently assessed as at 31 December 2019 by Richard Beauchamp, an actuary with Deloitte.

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 incidence according to assumed rates of death, disablement, resignation, and retirement, allowing for assumed rates of salary progression. Of these assumptions, the discount, salary progression, retirement age, and resignation rates are the most important. The projected cash flow is then discounted back to the valuation date at the valuation discounted rates. The present obligation appears on the Statement of Financial Position and movements in those provisions are reflected in the Statement of Comprehensive Revenue and Expense.

The discount rate applied was a single rate of 1.39% (2018: 2.38%). The salary projections assume a 2.50% increase every year. Resignation rates vary with age and the length of service and are reflective of the experience of company superannuation schemes of New Zealand. No explicit allowance has been made for redundancy.

Employee entitlements 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.

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 is accrued based on employment contract/agreement entitlements using current rates of pay. Annual leave is classified as a current liability. Long-service leave has been accrued for qualifying general staff.

18 Deferred revenue—contractual obligation

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000
Opening balance	3,593	3,202	3,593	3,202
Research funding received	2,112	1,547	2,112	1,547
Research revenue recognised	(1,761)	(1,156)	(1,761)	(1,156)
Closing balance	3,944	3,593	3,944	3,593
Made up of				
Current portion	3,944	3,593	3,944	3,593

The University has an obligation, as a result of two research teams transferring into the University from Callaghan Innovation Limited, a Crown research institute. The University has committed to funding these two teams, which became the Robinson and Ferrier Institutes, during their establishment phase. This contractual obligation provision was assigned a fair value and a liability has been recognised.

19 Bank borrowings

The University has the following loan facility agreements.

NAME OF BANK	FACILITY LIMIT	TERM	TRANCHE A	TRANCHE B
Bank of New Zealand	\$75.0m	Split equally between 2 & 4 years	Limit \$37.5m Maturity January 2023	Limit \$37.5m Maturity October 2020
ASB Bank Limited	\$75.0m	Split equally between 2 & 4 years	Limited \$37.5m Maturity January 2022	Limit \$37.5m Maturity October 2020

These facilities were approved by the Secretary for Education for the purposes of funding the University's long-term capital development programme.

The facilities under the loan agreements are unsecured. The lending banks receive the benefit of various financial and other covenants under a Negative Pledge Deed.

As at 31 December 2019, \$72.0m (2018: \$95.0m) of the above facilities has been drawn down. It is made up of \$26.0m Tranche A and \$46.0m Tranche B. Interest rates on borrowings are reset for a period not exceeding 180 days.

Borrowings are initially recognised at the amount borrowed plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective-interest-rate method. Borrowings are classified as current liabilities unless the University has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Interest rate swaps with a total face value of \$50.0m are in place to hedge the \$72.0m of borrowings drawn down by the University at balance date (2018: \$60.0m face value of interest rate swaps to hedge \$95.0m of borrowings).

20 Related parties

Related party disclosures have not been made for transactions with related parties that are within a normal client/recipient relationship on terms and conditions no more or less favourable than those that are reasonable to expect the Group would have adopted in dealing with the party at arm's length in the same circumstances.

a) Transactions with key management personnel

Key management personnel represent Council members and staff in key strategic positions (including senior leaders reporting directly to the Vice-Chancellor).

Council remuneration includes meeting fees and honoraria paid to Council members, but excludes salaries paid to Council members who are also staff members of the University (including the Vice-Chancellor and two other staff members on Council). There are 12 members of Council.

	CONSOLIDATED	
	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000
Council members (3 FTE)*	245	245
Senior Leadership Team (13 FTE)	4,190	4,186
Total remuneration	4,435	4,431

*Due to the difficulty in determining the full-time equivalent for Council members, the full-time equivalent figure is taken as the total number of Council members who received compensation in their capacity as employees.

	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000
Directors' fees		
Victoria Link Limited	90	60

21 Commitments

Property, plant, and equipment

Projects for which firm commitments have been made are presented below. Commitments include planned maintenance costs and capital expenditure projects.

	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000
Buildings	51,174	79,601

Non-cancellable leases and other commitments—the Group as lessee

The University has entered into commercial leases on certain land and buildings (remaining terms of between one to 66 years) and equipment (average term of three 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 are as follows.

	CONSOLIDATED	
	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000
Due not later than 1 year	17,149	17,447
Due between 1–5 years	58,217	55,246
Due later than 5 years	162,852	121,359*
Total	238,218	194,052

*Due to an error, the 2018 comparatives have been restated from \$79,179.

Non-cancellable leases and other commitments—the Group as lessor

Property is leased under operating leases. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows.

	CONSOLIDATED	
	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000
Due not later than 1 year	500	667
Due between 1–5 years	1,602	1,694
Due later than 5 years	373	479
Total	2,475	2,840

No contingent rents have been recognised during the year.

22 Equity and capital management

Equity is the community's interest in the Group, measured as the difference between total assets and total liabilities. Equity is made up of the following components:

- accumulated surplus
- the cash flow hedging reserve, which reflects the revaluation of derivatives designated as cash flow hedges. It consists of the cumulative effective portion of net changes in the fair value of these derivatives
- the asset revaluation reserve, which reflects the revaluation of those property, plant, and equipment items that are measured at fair value after initial recognition
- the non-controlling interest is the portion of subsidiaries not 100% owned.

The Group's capital is its equity, which is represented by net assets. The Group is subject to the financial management and accountability provisions of the Education Act 1989, which includes restrictions in relation to disposing of assets or interests in assets, ability to mortgage or otherwise charge assets or interests in assets, granting leases of land or buildings or parts of buildings, and borrowing. The Group manages its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently, and in a manner that promotes the current and future interests of the community. The objective of managing the Group's equity is to ensure it effectively and efficiently achieves the goals and objectives for which it has been established, while remaining a going concern.

23 Events after balance date

On March 11, 2020, the World Health Organisation declared the outbreak of a coronavirus (COVID-19) pandemic. COVID-19 (novel coronavirus) and the associated travel restrictions will greatly impact the overall economy in New Zealand including the tertiary education sector. New Zealand currently has border restrictions in place as do many other countries, thereby severely disrupting global travel patterns. It is unclear when these restrictions will be removed or relaxed. As a result of this, the University anticipates a reduction in international students, particularly those from China. Domestic travel restrictions are also in place. Domestic student numbers may also be negatively impacted, and additional costs incurred as the University implements alternative delivery approaches.

The University is implementing strategies to reduce the overall impact of COVID-19.

The judgements and estimates made in preparing these financial statements were based on facts and circumstances as at 31 December 2019. There is potential for a significant multi-year material negative financial impact as a result of reduced revenue and/or increased costs. At this stage it is not possible to accurately estimate the likely financial impact on the University.

24 Explanations of major variances against budget

Explanations for major variations against the 2019 budget are as follows.

Statement of Comprehensive Revenue and Expense

- People costs were \$17.8m unfavourable to budget as a result of increased costs associated with external research contracts, higher than budget salary increases as a result of the settlement of the University's core employment collective agreements, higher than budget increases in the retirement and long-service leave liabilities as a result of the actuarial revaluation at 31 December 2019, higher than budget student accommodation costs, and other one-off personnel-related costs.
- Operating costs were \$8.2m unfavourable to budget primarily as a result of higher than budget costs associated with external research contracts, higher than budget student accommodation costs, and costs associated with process and system improvement projects.

Statement of Financial Position

- Cash and cash equivalents were \$42.3m higher than budget as a result of funds being held in short-term deposits rather than longer-term investments, additional insurance proceeds, and cash received from 2020 revenue being paid earlier than budgeted.
- Investments were \$14.1m lower than budget as a result of funds held in cash and short-term deposits rather than investments.
- Intangibles were \$9.0m lower than budget primarily due to lower than budget expenditure on intangible assets and the impairment of certain assets associated with process and system improvement projects.
- Property, plant, and equipment were \$44.8m higher than budget as a result of the 2019 revaluation of certain fixed assets.
- Accounts payable and accruals were \$35.6m higher than budget as a result of timing of payments.
- Revenue in advance was \$14.2m higher than budget as a result of 2020 revenue being paid earlier than budgeted.
- Bank borrowings were \$50.0m lower than budget as a result of higher cash received and lower than budget capital expenditure.
- Employee entitlements were \$6.1m higher than budget primarily due to a higher than budget increase in the retirement and long-service leave liabilities as a result of the actuarial revaluation at 31 December 2019.
- Other reserves were \$70.6m higher than budget as a result of the 2019 revaluation of land, buildings, and infrastructure.

Independent Auditor's Report

TO THE READERS OF THE VICTORIA UNIVERSITY OF WELLINGTON AND GROUP'S FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2019

The Auditor-General is the auditor of the 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.

Opinion

We have audited:

- the financial statements of the University and group on pages 22 to 42, that comprise the statement of financial position as at 31 December 2019, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the University and group on pages 8 to 16.

In our opinion:

- the financial statements of the University and group on pages 22 to 42:
 - present fairly, in all material respects:
 - the financial position as at 31 December 2019; and
 - the financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the statement of service performance of the University and group on pages 8 to 16 presents fairly, in all material respects, the University's service performance achievements measured against the proposed outcomes described in the investment plan for the year ended 31 December 2019.

Our audit was completed on 23rd March 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities relating to the financial statements and the statement of service performance, we comment on other information, and we explain our independence.

Basis for our opinion

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

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

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

Emphasis of Matter—COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 23 on page 42 which outline the possible effects to the University as a result of the COVID-19 pandemic. It is difficult to determine the full effect of it on the University at this time.

Key audit matters

Key audit matters are those that, in our professional judgement, were of most significance in our audit of the financial statements and statement of service performance for the current year. These matters were addressed in the context of our audit of the financial statements and statement of service performance as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Responsibilities of the auditor for the audit of the financial statements and statement of service performance* section of the audit report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements and statement of service performance. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements and statement of service performance.

Land and Buildings Valuation

WHY SIGNIFICANT	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>The recorded value of land and buildings is \$840.6m which represents 73% of the group's total assets and \$819.3m which represents 78% of the University's total assets.</p> <p>The highly judgemental and subjective nature of the valuations coupled with the significance to the financial statements results in land and buildings being an area of audit focus. The group last valued its properties in December 2017.</p> <p>Management engages an independent registered valuer to determine the fair value of these assets. Note 11 describes the methodology utilised by the valuer in arriving at the estimated fair values. The valuations require the exercise of significant judgment on behalf of the valuer. Key amongst these judgements are:</p> <ul style="list-style-type: none"> the appropriate valuation methodology to apply based on the valuer's assessment of how specialised the specific assets are; where replacement cost based valuation methods are applied, what a modern equivalent asset cost would be; an assessment of what the highest and best use of the land is; and assessment of remaining useful lives and depreciation method. <p>Management and the valuer have also exercised judgement in assessing the condition of the existing assets, in particular the impact of the seismic damage on the fair value of the University's buildings.</p>	<p>In obtaining our audit evidence we:</p> <ul style="list-style-type: none"> assessed the competence, qualifications, independence and objectivity of the external valuer; assessed the significant assumptions applied by the valuer including the valuation methods applied, replacement cost assumptions; asset condition assessments and the effect of optimisation on the overall value; assessed management's assumptions in relation to the cost of remediation for earthquake damage; considered data provided by the University to the independent valuer, for use as inputs to the valuations, on a sample basis to assess accuracy and completeness; considered the appropriateness of the recording of the valuation in the fixed asset register and its reconciliation to the general ledger; and assessed the adequacy of the related financial statement disclosures.

Student enrolment, Government grant revenue and academic results

WHY SIGNIFICANT	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>The core function of the University is to deliver tertiary education to students at a consistently high level of academic quality.</p> <p>The University recognised \$155.1m of Government funding, received through the Tertiary Education Commission (TEC), the quantum of which is in part based on equivalent full-time student enrolments (EFTS) and retention and achievement results.</p> <p>Specific rules impact the University's entitlement to revenue:</p> <ul style="list-style-type: none"> where enrolled students withdraw from courses of study; and based on the actual results for targeted student cohorts. <p>The University agrees the targets and funding mechanisms for these groups through its Investment Plan with the TEC and reports actual achievement in the statement of service performance. Due to the impacts on revenue and service performance reporting, we view the University's reporting of EFTS, retention and achievement results as well as the related revenue a key audit matter.</p>	<p>In obtaining our audit evidence we:</p> <ul style="list-style-type: none"> understood the University's key processes, systems and controls to support accurate EFTS calculations, the recognition of related Government grant revenue and student achievement performance information; tested on a sample basis the controls surrounding the Student Management System from which the reported retention and achievement data is extracted; tested a sample of student enrolments and withdrawals and their recognition within the Student Management System to assess whether EFTS numbers have been accurately reported; tested the reconciliation of reported student achievement performance, on a sample basis, to the Student Management System; and compared the University's actual EFTS results against target EFTS in the Investment Plan to assess whether revenue recognised in the statement of comprehensive revenue and expense was consistent with the agreed entitlement.

Responsibilities of the Council for the financial statements and the statement of service performance

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

The Council is also responsible on behalf of the University and group for preparing a statement of service performance that is fairly presented.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the statement of service performance, the Council is responsible on behalf of the University and group for assessing the University and group's ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Council intends to liquidate the University and group or to cease operations, or has no realistic alternative but to do so.

The Council's responsibilities arise from the Crown Entities Act 2004 and the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements and the statement of service performance

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

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

For the budget information reported in the financial statements and the statement of service performance, our procedures were limited to checking that the information agreed to:

- the University and group's Council approved budget for the financial statements; and
- the Investment Plan for the statement of service performance.

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

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

- We identify and assess the risks of material misstatement of the financial statements and the statement of service performance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University and group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University and group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the statement of service performance or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University and group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the statement of service performance, including the disclosures, and whether the financial statements and the statement of service performance represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements and the statement of service performance of the entities or business activities within the group to express an opinion on the consolidated financial statements and the consolidated statement of service performance. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Council is responsible for the other information. The other information comprises the information included on pages 1 to 7, 17 to 21 and 47 to 51 but does not include the financial statements and the statement of service performance, and our auditor's report thereon.

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

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

Independence

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

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



GRANT TAYLOR

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

Council 2019

Meetings and payments

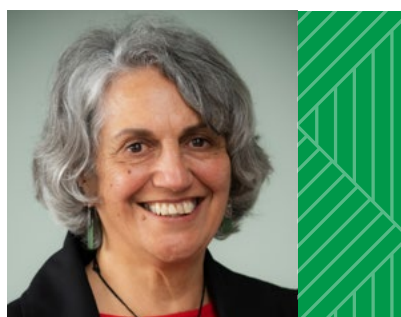
The payments to Council members listed below include attendance at Council and committee meetings during 2019. The Vice-Chancellor, Professor Grant Guilford, is not eligible to receive fee payments.

NAME	COUNCIL MEETINGS		COMMITTEE MEETINGS		PAYMENT (\$)
	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	
John Allen	8	8	7	7	20,000
Robyn Bargh	8	8	8	8	20,000
Grant Guilford	8	8	21	21	n/a
Traci Houpapa	8	7	4	2	20,000
Kate Hunter	8	7	4	4	20,000
Carwyn Jones	8	6	12	9	20,000
Alan Judge	8	8	7	7	20,000
Hugo Lawrence	8	8	4	3	20,000
Isabella Lenihan-Ikin	8	8	7	5	20,000
Neil Paviour-Smith	8	8	23	21	40,000
Farib Sos	8	8	4	4	20,000
Therese Walsh	8	7	21	14	25,000



John Allen

- Chief Executive Officer, New Zealand Racing Board
- Chair, Be. Accessible Charitable Trust
- Chair, New Zealand Police: Audit & Risk Committee
- Board Member, New Zealand Stroke Foundation



Robyn Bargh

- Director, Huia (NZ) Ltd
- Director, Māori Arts & Crafts Institute
- Chair, Māori Literature Trust
- Deputy Chair, Te Runanga O Ngāti Kea, Ngāti Tuara
- Affiliate Trustee, Te Arawa Group Holdings Ltd
- Trustee, Herewahine Trust
- Trustee, Puawai Trust
- Trustee, Hepora Raharuhi Whanau Trust



Grant Guilford

- Board Member, WlgNZ
- Trustee, VUW Foundation Board of Trustees
- Board Member, NZ-China Council
- Director, NZ School of Music
- Chair, WlgNZ—Risk and Audit Committee
- Chair, Universities New Zealand Committee on International Policy



Traci Houpapa

- Chair, W3 Wool Unleashed PGP
- Director, Primary Industry Training Organisation
- Chair, Our Land and Water National Science Challenge Kahui
- Director, Ontario Teachers' Pension Plan NZ Forestry Investments Limited
- Honorary Advisor, Asia New Zealand Foundation
- Deputy Crown Co-Chair, Waikato River Authority and Associated entities
- Chair, National Advisory Council on the Employment of Women
- Chair, Federation of Māori Authorities
- Director, Predator Free 2050 Limited
- Director/Chairman, Hineuru Property Limited
- Director/Chairman, Hineuru Holdings Limited
- Member, Oranga Tamariki Risk & Audit Committee
- Director, Traci Houpapa Consulting Group Limited
- Director, Te Puna Auaha Limited
- Director, Maximum Potential Management Consultants Limited
- Co-Chair, Australia NZ Leaders Forum Indigenous Business Sector Group
- Non-executive Director, New Zealand Treasury Board
- Director, New Zealand Trade & Enterprise
- Director, Te Arawa Group Holdings Limited
- Member, Ministry for Primary Industry Audit & Risk Committee



Kate Hunter

- Nothing to disclose



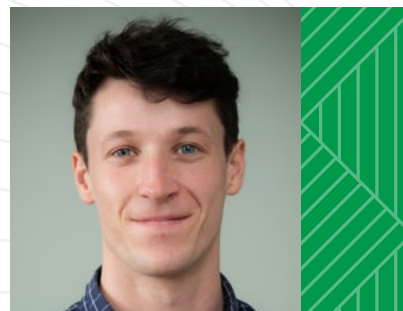
Carwyn Jones

- Nothing to disclose



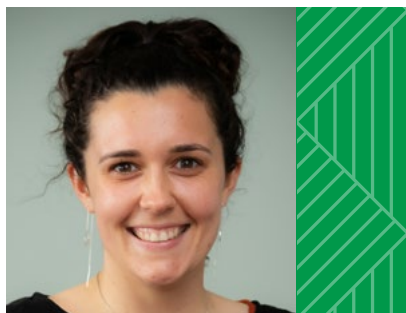
Alan Judge

- Chair/Shareholder, Aquatx Holdings Ltd
- Shareholder, Biotelliga Holdings Ltd
- Trustee, The City Gallery Wellington Foundation
- Trustee, The Dame Malvina Major Foundation
- Chair, Habit Group Holdings Limited



Hugo Lawrence

- Winter/Summer clerk, Chapman Tripp



Isabella Lenihan-Ikin

- Director, Active Citizenship Aotearoa
- Member, Committee on University Academic Programmes (CUAP)



Neil Paviour-Smith

- Managing Director, Forsyth Barr Ltd
- Director, Forsyth Barr Subsidiaries and Entities:
 - Forsyth Barr Cash Management Nominees Ltd
 - Forsyth Barr Custodians Ltd
 - Forsyth Barr Group Ltd
 - Forsyth Barr (Hamilton) Ltd
 - Forsyth Barr Investment Management Ltd
 - Leveraged Equities Finance Ltd
 - Forsyth Barr Asia Ltd (HK registered)
- Chair, New Zealand Regulatory Board (Chartered Accountants Australia and New Zealand)
- Director, The New Zealand Initiative Ltd
- Trustee/Chair, Wadestown School Board of Trustees
- Chancellor, Victoria University of Wellington
- Director, NZ Art Show Ltd
- Trustee, VUW Foundation Board of Trustees
- Member, State Services Commission Advisory Group on parameters for Chief Executive remuneration



Farib Sos

- Trustee, Asia Pacific Research Institute
- Executive Chair, Asia Forum Wellington
- Chapter Chair, NZ-ASEAN Business Council
- Council Member, NZ-Indonesia Council
- Trustee, Kandy Connection
- Trustee, VUW Foundation Board of Trustees
- Honorary Advisor (Ministerial apt), Asia New Zealand Foundation
- Board Member & Deputy Chair, The New Zealand Amateur Sport Association
- Member, Expert Advisory Panel (EAP) of the New Zealand Open Government Partnership (OGP)

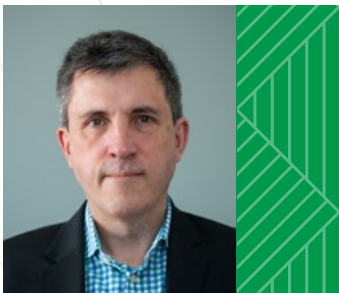


Dame Therese Walsh, DNZM

- Ambassador, Wellington Homeless Women's Trust
- Board Member, Antarctica NZ
- Chair, Air New Zealand Ltd
- Director, ASB Bank Ltd
- Director, On Being Bold Ltd
- Director, Therese Walsh Consulting Ltd
- Director, Contact Energy Ltd
- Member, Climate Change Commission selection panel

Senior Leadership Team

Disclosures – Senior Leadership Team 2019



Professor Stuart Brock

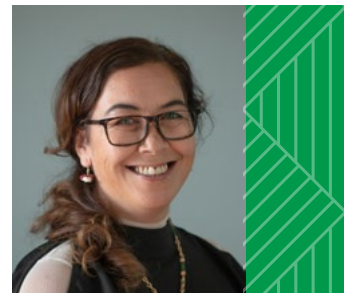
(Term began May 2019)

- CEO/member Australasian Association of Philosophy Board



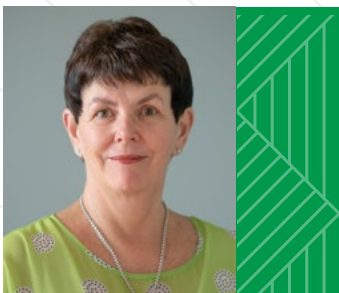
Professor David Harper

- Board member, MacDiarmid Institute Board
- Board member, Maurice Wilkins Centre
- Board member, New Zealanders Health Research
- Trustee, Victoria University of Wellington Research Trust
- Trustee, Malaghan Trust Board



Professor Rawinia Higgins

- Member, Waitangi Tribunal
- Deputy Chair, Māori Knowledge Development, PBRF Panel Review Panel, Tertiary Education Commission
- Board member, Ngā Pae o te Māramatanga, Centre of Research Excellence
- Chair, Te Taura Whiri i te Re Māori (Māori Language Commission)



Annemarie de Castro

- Director, Adams Properties (Blenheim) Ltd



Professor Mark Hickford

- Board member, Board of Institute of Judicial Studies
- Panel member, Michael and Suzanne Borrin Foundation Grants and Scholarships Committee
- Executive Committee member, New Zealand Council of Legal Education



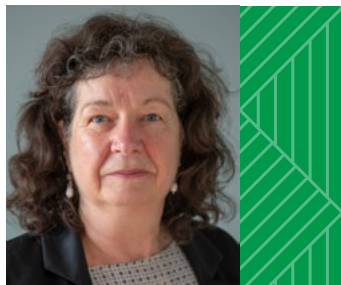
Professor Margaret Hyland

- Director, Victoria Link Ltd
- Board member, Return on Science Physical Sciences Investment Committee
- Board member, Eureka! Trust
- Board member, New Zealand Health Research Strategy Development Board
- Trustee, Research Trust of Victoria University of Wellington
- Director, Circus Material Science Limited
- Panel member, Crown Research Institute Review Panel



Professor Grant Guilford

- Board Member, WlgNZ
- Trustee, VUW Foundation Board of Trustees
- Board Member, NZ-China Council
- Director, NZ School of Music
- Chair, WlgNZ—Risk and Audit Committee
- Chair, Universities New Zealand Committee on International Policy



Professor Wendy Lerner

- Board member, Fulbright New Zealand
- President, Royal Society Te Apārangi
- Trustee, Antipode Foundation
- Trustee, Rutherford Foundation Trust
- Trustee, Royal Society of New Zealand Endowment Trust Fund
- International member, REF2021 Main Panel C: Social Sciences



Les Montgomery

- Director/shareholder, Bessmount Investments Ltd
- Director, Te Puni Village Ltd
- Trustee, Research Trust of Victoria University of Wellington
- Trustee, Victoria University of Wellington School of Government Trust
- Trustee, Fale Malae Trust

Nothing to disclose

Dr Lucy Baragwanath

(Term ended March 2019)

Professor Linda Trenberth

(Term ended March 2019)



Mark Loveard

- Director, Strategy 2 Results Ltd
- Director, Te Puni Village Ltd
- Director, Victoria Link Ltd



Professor Ian Williamson

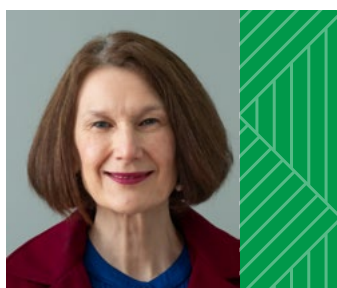
- Director, S3 Futures Ltd
- Board member, Insper Inspirational Advisory Board
- Director, Victoria Link Ltd



Blair McRae

(Term began March 2019)

- Nothing to disclose



Professor Jennifer Windsor

- Trustee, Victoria University of Wellington Art Gallery Collection Funding Trust
- Trustee, Victoria University of Wellington Art Gallery Collection Trust





