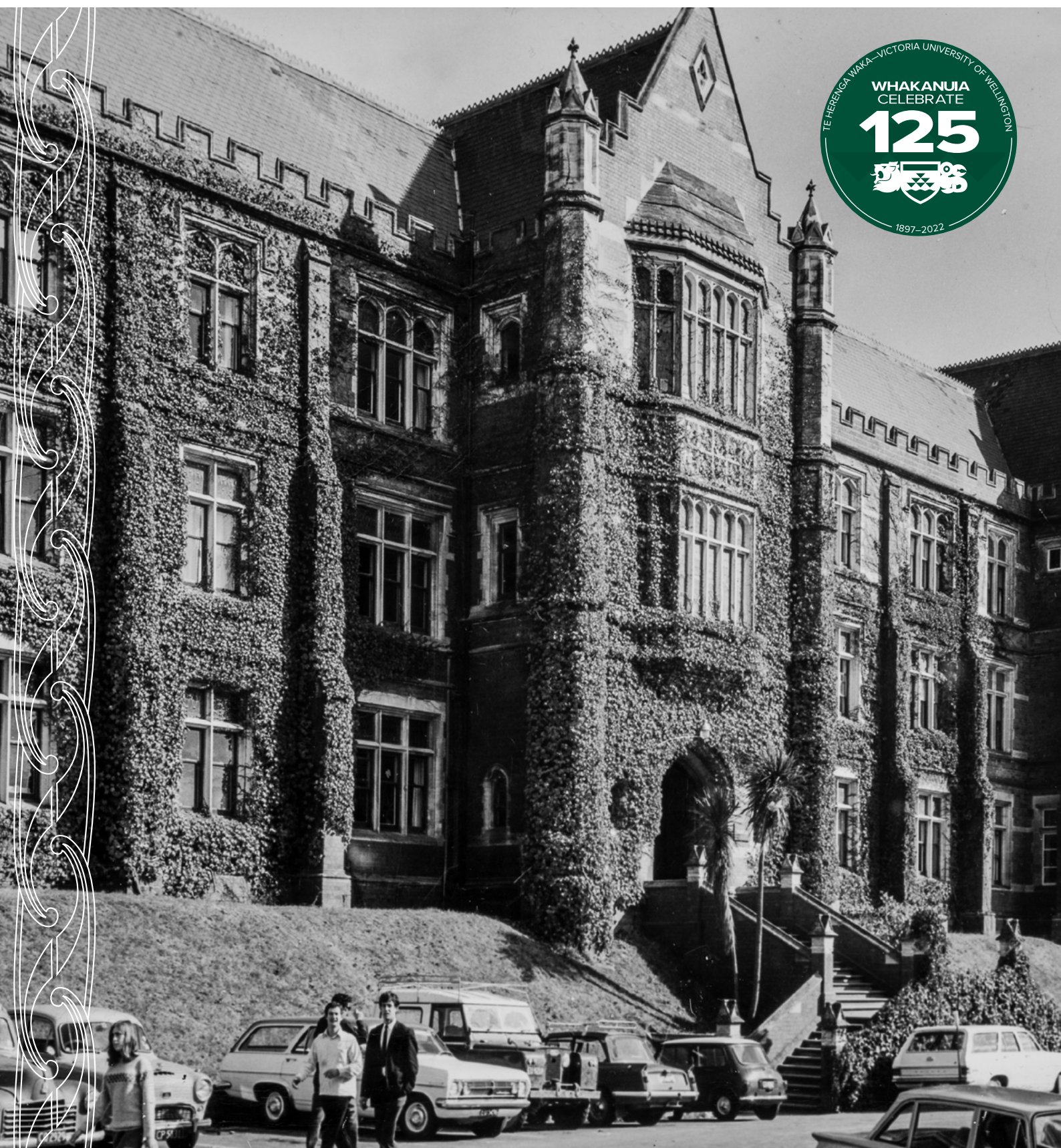
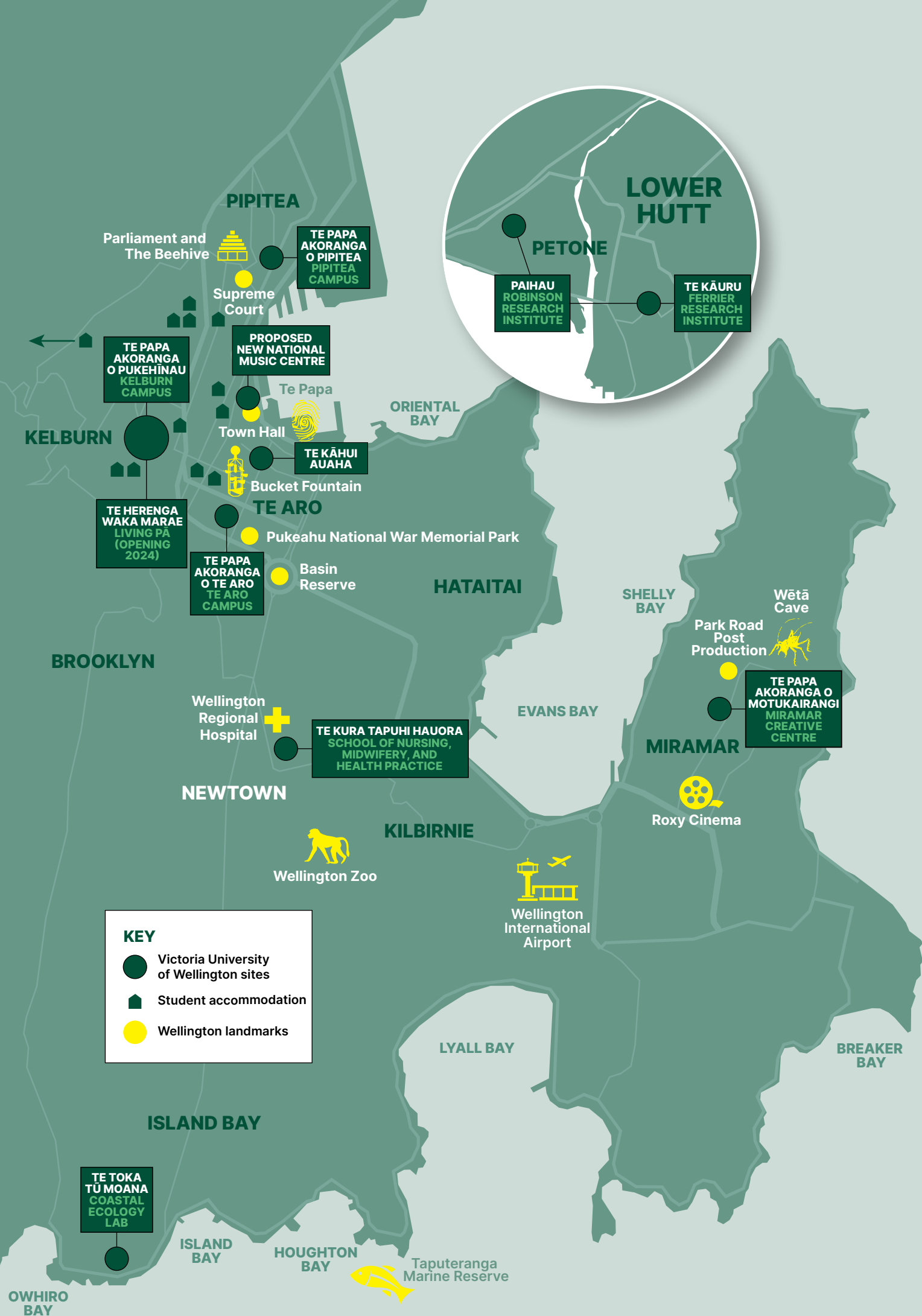




VICTORIA UNIVERSITY OF
WELLINGTON
TE HERENGA WAKA

ANNUAL REPORT 2022





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March 2023

The cover page: Photograph of the Hunter Building,
c. 1965–1966. Thought to be taken by
the first university photographer Merv King.



HE KUPU NĀ TE MANUKURA TACKLING THE BIG CHALLENGES



It has been a busy year, to say the least. And it is no mean feat that we were able to welcome many students back to campus and in-person learning this year, despite the unprecedented wave of COVID-19 in our Halls of Residence and the Parliamentary protests that impacted staff and students in the Pipitea campus.

The pressure on our staff has been real as they have met the challenges of dual mode teaching, the impact of inflation and rising costs, uncertainty around when borders would re-open, and the cumbersome nature of some of our processes. The University has continued to grapple with a challenging financial environment, lower-than-expected revenue, high inflation, and the ongoing effects of the COVID-19 pandemic. We know that many of our staff and students have faced financial difficulties during the year and I would like to thank everyone for the resilience and focus they have shown.

In 2022 we marked the 125th anniversary of this wonderful institution. Te Herenga Waka—Victoria University of Wellington has much to be proud of in its history, its present and its future. Building on our close connection to Wellington, I'm pleased to see our footprint visibly expanding across the region. The Living Pā will draw together mātauranga Māori and sustainable practices at the heart of the Kelburn campus and prove what can be done when we act on our values and tikanga. The National Music Centre that we are developing, together with New Zealand Symphony Orchestra (NZSO) and the Wellington City Council, will be a globally-renowned creative precinct that will attract and involve people across New Zealand.

As a responsible member of society, we are committed to playing a role in leaving behind a better world for future generations. We have supported and led various initiatives towards meeting our sustainability targets, including a successful partnership with independent cafes on campus to end the use of single-use plastic cups.

The success of the philanthropic "What If" campaign, which has raised more than \$157 million over the past 10 years, is another milestone achieved during the year.

These contributions will be applied to student scholarships and hardship support, as well as supporting research and major strategic projects.

We aim to transform lives through the experiences we offer, and it has been wonderful to witness the tremendous contributions that our students have made in a range of fields. A big question for me is the impact that our work can have on the world at large. Admento and Likiqum, two new companies launched with the support of Wellington UniVentures, our commercialisation arm, are visible examples of the application and relevance of the research that our staff and students undertake.

I would like to acknowledge the significant contribution made by all my colleagues on Council whose collective judgement, wisdom, and insights have helped us navigate 2022. I would also like to thank Professor Jennifer Windsor for her able leadership as Acting Vice-Chancellor for much of this year, including her efforts towards ensuring that the University was well positioned for new Vice-Chancellor Professor Nic Smith to start with us at the beginning of 2023.

John Allen
Chancellor

HE KUPU NĀ TE TUMU WHAKARAE LOOKING BACK AT 2022



Presenting this review for 2022—the University’s 125th year—is a good opportunity to reflect on our progress over the past year.

The quality and relevance of the research our staff undertake here at New Zealand’s number one university for intensity of high-quality research continues to be recognised in various ways, especially in major national and international awards, and in our external research income. This has included several staff receiving 2022 Research Honours Aotearoa Awards in fields as diverse as climate change, health, plate tectonics, sustainable energy, and equity in academia. Other staff were named Ngā Ahurei hou a Te Apārangi Fellows for their distinction in research and advancement of mātauranga Māori, humanities, technology, and science. Colleagues from across the University have received prestigious grants, enabling the University to finish the year with more than \$88 million in research revenue.

Our staff have consistently made significant efforts to address challenges our students have faced in teaching and learning as the impact of the COVID-19 pandemic continued to be felt in 2022. We have used this challenge as an opportunity to progress and strengthen our commitment to delivering education that transforms lives. The self-review that we undertook, as part of the sixth Academic Quality Audit, showcased the successful efforts undertaken by staff across the University to create an environment that enabled students to thrive despite the challenges presented by the pandemic, including dual course delivery methods. We have significantly advanced our technology platforms and ways of working to increase student success and satisfaction. This includes completing a multi-year, multi-pronged project that enhances admission processes, ensures students can access advice, course planning, and other services quickly and easily through one coordinated online system.

We have also introduced new systems that enhance the learning experience. For instance, we updated our web-based learning environment for all courses and introduced systematic learning design and professional support for course instructors. This work has been completed in conjunction with students as partners and formalised through a new Ngā Kīwai o te Kete—Student Engagement Framework.

More than 1,600 students and their families and whānau celebrated Graduation in December, at our first in-person ceremony since 2021. This was an important milestone for current students as well as alumni who completed their degrees during the pandemic.

Staff and students have been committed to creating an environment that is equitable, diverse, and inclusive. Towards ensuring this, another key milestone for us this year was completing a Tiriti self-review process to ensure our work across the University meets the eight principles in Te Tiriti o Waitangi statute. Implementation of some of the recommendations has commenced and all 32 recommendations will be implemented by 2025.

Finally, I take this opportunity to thank all of those who have supported the University this year, members of the University Council and the more than 3,000 academic and professional staff who work tirelessly to make this institution as successful as it is. Even in fiscally constrained times and global uncertainty, tertiary education remains a fundamental pillar of healthy societies, and the University looks forward to Professor Nic Smith leading us into the future.

Professor Jennifer Windsor
Acting Vice-Chancellor



NGĀ MEA HIRAHIRA YEAR IN REVIEW

RESEARCH FOR TRANSFORMATIVE IMPACT

- Professors Claudia Geiringer, John Townend, and Bastiaan Kleijn were named 2022 Ngā Ahurei hou a Te Apārangi Fellows elected to the Academy of the Royal Society Te Apārangi for their distinction in research and advancement of mātauranga Māori, humanities, technology, and science.
- Dr Deborah Harris from the School of Nursing, Midwifery, and Health Practice was part of a team awarded the prestigious Prime Minister's Science Prize, recognising her work on neonatal hypoglycaemia and preventing brain damage in newborn babies.
- Professor Winston Seah was one of only three recipients of the James Cook Research Fellowship, for his research on designing new protocols for the Quantum Internet—a network of quantum computing devices, future generation 'supercomputers'.
- Five researchers received 2022 Research Honours Aotearoa Awards for their contributions across a wide range of fields from climate change and health to plate tectonics, sustainable energy, and equity in academia. They are Professor Colin Simpson, Professor Rod Badcock, Professor Rupert Sutherland, Dr Chris Cornwall, and Dr Tara McAllister.
- With a total external research revenue of over \$88 million, University researchers were successful in securing funding to address key questions of global relevance. The funding included over \$7 million from the Marsden Fund for 12 projects, and four out of the 12 Rutherford Discovery Fellowships awarded in 2022.
- The University welcomed the establishment of two new research centres, He Whenua Taurikura—The National Centre of Research Excellence for Preventing and Countering Violent Extremism and Te Hau Kori—Centre for Physical Activity and Wellbeing.





PREPARING STUDENTS FOR AN EXTRAORDINARY LIFE

- ▶ The University underwent an academic audit by the Academic Quality Agency (AQA) with the report now publicly available. This was part of AQA's Cycle 6 academic audit of all New Zealand universities.
- ▶ A new learning platform, Nuku, was launched, anchored by Canvas—a system that enables the delivery of online and blended learning, including content delivery, assessment, tracking of student progress, and engagement between lecturers and students.
- ▶ The University has recently completed a multi-year application and enrolment project, aimed at delivering a seamless experience for students. This includes the creation of Pūaha, a single student-facing portal, which is dynamically linked to Kurawai, our new Customer Relationship Management software.
- ▶ The teaching-intensive pathway continued to grow and become more diverse, with over 30 academics employed across seven faculties. Professor John Randal (Wellington School of Business and Government) and Professor Peter Addis (Te Kawa a Maui) were the first staff members appointed to the role of Professor (Teaching) on the pathway.
- ▶ The University continued to meet changing market trends with the introduction of new programmes including the Bachelor of Global Studies and the Master of Urban and Regional Planning, and majors in Artificial Intelligence and Space Science, all of which commence in 2023.
- ▶ Associate Professor Christian Schott and lecturer David Cox won 2022 Tertiary Teaching Excellence Awards in the Innovation in Learning, Teaching and Curriculum category.



NGĀ MEA HIRAHIRA YEAR IN REVIEW

DEEPENING RELEVANCE AND IMPACT

- ▶ The University's 125th anniversary was marked with events and activities throughout the year, including the successful Whakanuia Celebrate 125—Heritage Open Day, which celebrated our rich history and connection to the capital city.
- ▶ Professor Beverley Lawton, director of Te Tātai Hauora o Hine—the National Centre for Women's Health Research Aotearoa, won the Innovation, Science & Health category in the 2021 Women of Influence Awards.
- ▶ Further consolidating its relationship with Wellington city, the University sponsored the Youth Award category at the Welly Awards ceremony and the New Thinking Award at the Wellington Gold Awards.
- ▶ An inaugural seminar series to honour the legacy and work of Emerita Professor Lydia Wevers was hosted by the Stout Research Centre, addressing themes that were central to the late Professor Wevers' work.
- ▶ Deputy Vice-Chancellor (Māori) Professor Rawinia Higgins (Ngāi Tūhoe) was appointed to the Board of the Reserve Bank of New Zealand.
- ▶ Master of Architecture (Professional) student Eloise Blewden was named Future Thinker of the Year 2022 by the New Zealand Green Building Council.
- ▶ An event held at Parliament celebrated the 50-year legacy of Professor Stephen Levine from the School of History, Philosophy, Political Science and International Relations.
- ▶ Books from Te Herenga Waka University Press received two awards in the prestigious 2022 Ockham New Zealand Book Awards.
- ▶ The University's Facilities Management team, along with the Kingfisher Group, was named Facilities Management team of the Year by the Facilities Management Association of New Zealand (FMANZ).
- ▶ \$14.4 million was received in philanthropic donations.
- ▶ The University continues to enhance its international profile with new educational partnerships and research collaborations confirmed with institutions in Vietnam, India, China, Switzerland, and the United States of America.



O TE TAU



GROWING OUR IHO

- ▶ Further to a detailed Tiriti self-review process undertaken in 2022, 32 recommendations were made towards ensuring that activities across the University meet the eight principles in Te Tiriti o Waitangi statute. Implementation of the recommendations will be completed by 2025.
- ▶ An event was organised by Te Hōhaietī o te Reo Māori (Te Reo Māori Society) and Ngāi Tauria (Victoria University Māori Students' Association) to celebrate the 50th Anniversary of Te Pētihana Māori with original members of the Te Reo Māori Society.
- ▶ Four hundred and thirty scholarships were awarded to tauria Māori. This equates to an investment of over \$718,000 towards Taihonoa scholarships and Summer Internships.
- ▶ The Te Herenga Waka Māori Postdoctoral Fellowship 2022 was launched to attract, retain, and employ early-career Māori postdoctoral research fellows into the University.
- ▶ Construction of the Living Pā continued, and a blog—He Pā Kaiao—was initiated to keep the community updated on key construction milestones, events, design, and construction team strategies and innovations.
- ▶ A specialisation in Māori Design and Environments was introduced as part of the Bachelor of Architectural Studies degree, enabling students to focus more deeply on mātauranga Māori.
- ▶ Over 300 staff members attended our Te Hāpai programmes—which include sessions on Te reo Māori, Tikanga, Te Tiriti o Waitangi and Applying Te Tiriti in the Workplace—this year.



HE WHAKARĀPOPOTOTANGA AT A GLANCE

=275th of the world's **18,000** universities*

TOP 1% of the world's universities **for 18 subjects**
and in the **top 2% of universities overall**

**In the world's top 100
for 10 subjects***

Development Studies, English Language and Literature,
Geography, Hospitality and Leisure Management, Law,
Library and Information Management, Linguistics,
Performing Arts, Politics and International Studies,
Psychology.

**Ranked number 12
globally**

for 'Climate Action' in the international Times Higher
Education (THE) University Impact Rankings 2022



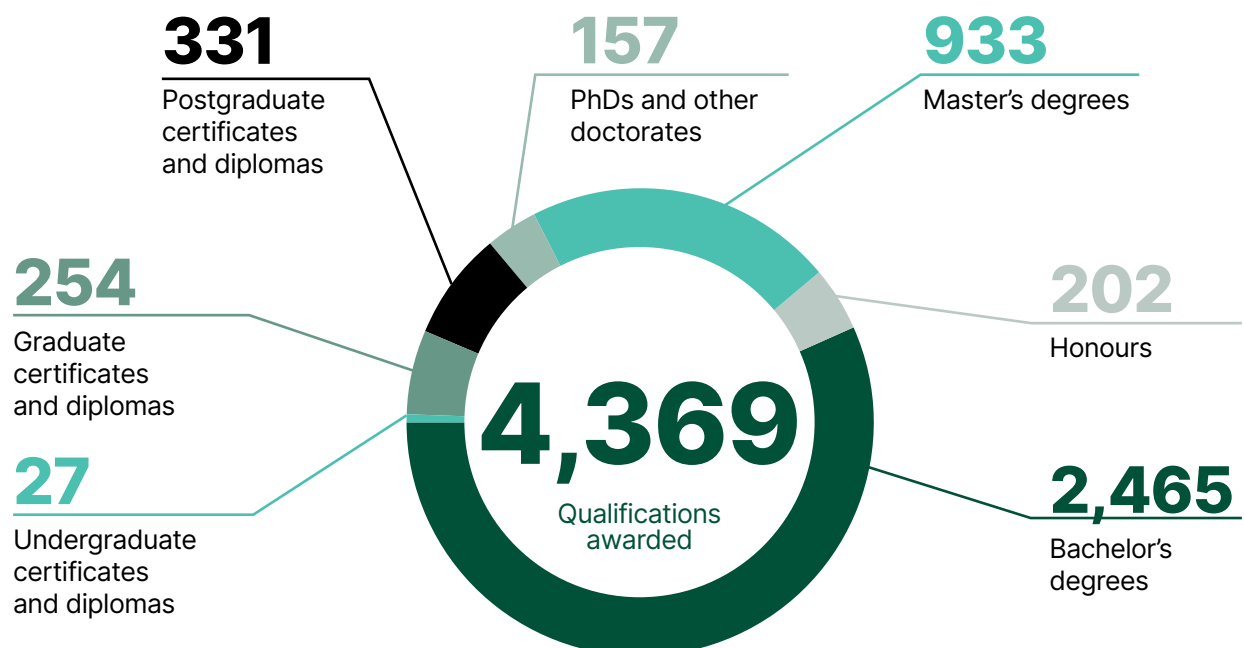
Māori EFTS**
1,902, an increase
of 25% since 2013



Pasifika EFTS**
1,045, an increase
of 34% since 2013

*QS World University Rankings 2022

**Domestic Equivalent Full-Time Students





\$24.2M
invested in scholarships
by the University

Total revenue
\$494M
Total expenditure
\$510M



96%
of teachers were
assessed by students
as 'excellent', 'very good',
or 'good'

External research income
\$88.4M

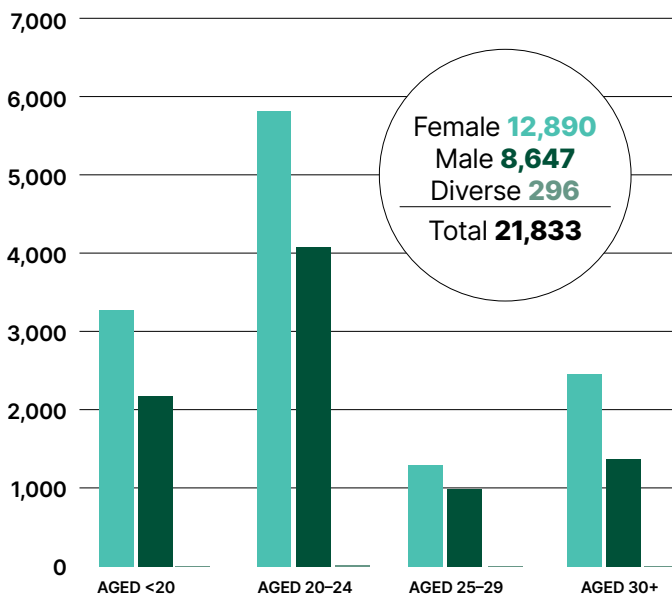
Equivalent full-time students

15,605 ***
government
funded

1,098 full fee

***15,596 SAC funded and 9 STAR funded

Student distribution¹



2,355
staff (full-time equivalent)
1,110
teaching and research staff

1 Student distribution by headcount

TE TAUĀKI WHAKAMAUNGA ATU STATEMENT OF SERVICE PERFORMANCE 2022

FOR THE YEAR ENDED 31 DECEMBER 2022



The Statement of Service Performance illustrates progress made during 2022 towards achieving our vision.

As New Zealand's globally ranked capital city university, Te Herenga Waka—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 125 years ago, and it remains as important today.

The vision the University has adopted will ensure the University can continue to 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 strategic objectives align with, and respond to, what is expected of tertiary education organisations and the 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 2022 Statement of Service Performance has been prepared with reference to the University's 2020–2024 Strategic Plan which can be found on our website: www.wgtn.ac.nz/about/governance/strategic-plan

The Strategic Plan identifies six inter-related strategies that will support the University to achieve its vision of being a world-leading capital city university and one of the great global-civic universities. The distinctive qualities of the University are leveraged in each of the six strategies:

S1: Ambitious research for transformative impact

S2: Education preparing students for an extraordinary life

S3: Engagement that deepens relevance, impact, and reputation

S4: Equitable outcomes for all

S5: Belonging to the Asia-Pacific region

S6: Transforming the way we work.

These strategies draw on our heritage, position, iho (essence), and strategic context. The University's distinctiveness is further defined by a number of particular attributes that matter to our staff, students, and communities: Governing for the future; Living and making the Wellington vibe; Being Asia-Pacific globally minded; Thriving through creativity; Honouring Te Tiriti o Waitangi; Commitment to sustainability and wellbeing.

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 six strategies in our Strategic Plan and with the characteristics of a university as defined in the Education and Training Act 2020.

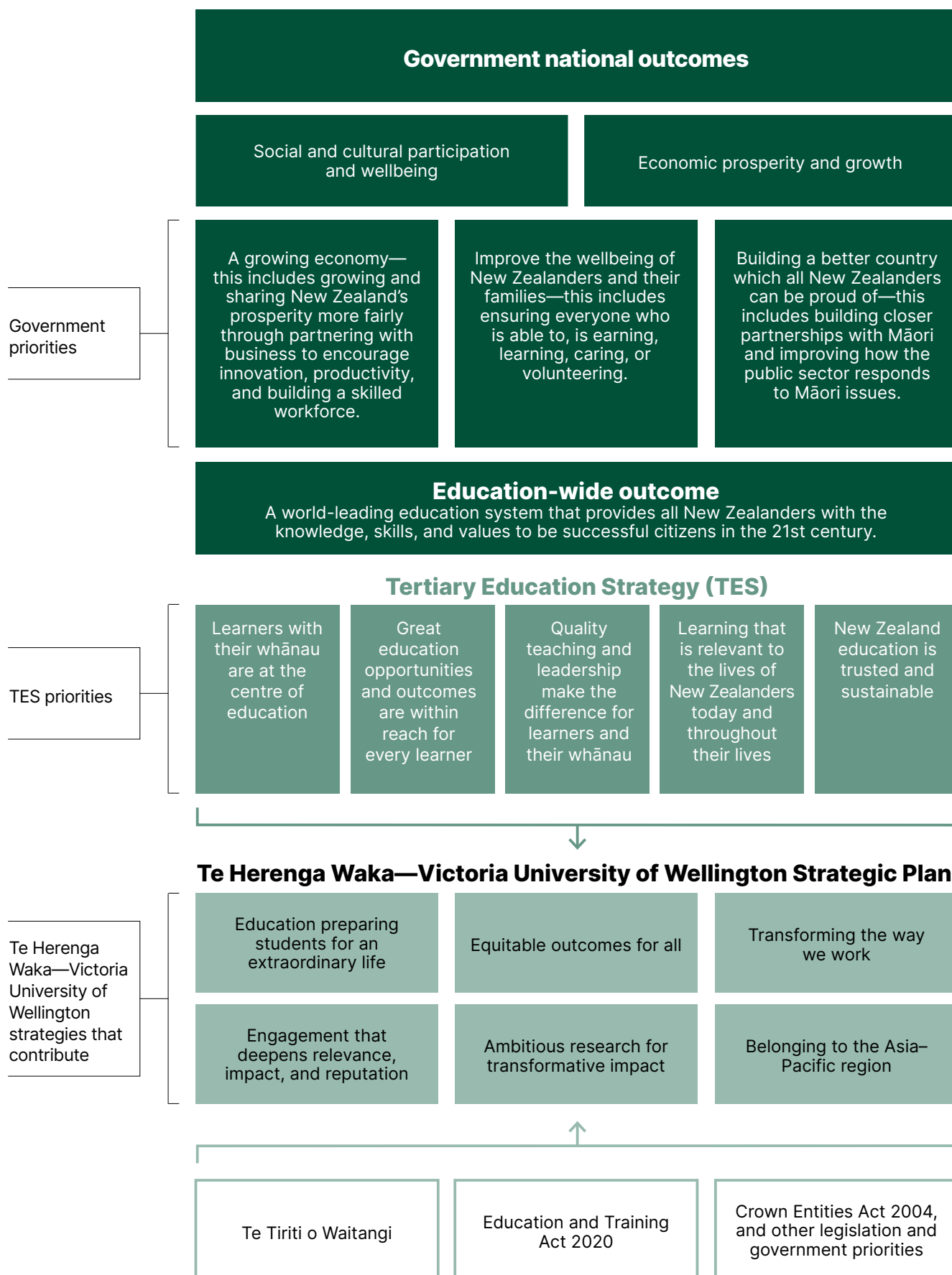
Excellence in research, learning, and teaching lie at the heart of our vision. Over the medium term, Te Herenga Waka—Victoria University of Wellington has an ambitious Learning and Teaching Strategy that signals the University's commitment to working in partnership with students to create and maintain 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.

The University's Research Strategy 2020–2024 builds on the existing culture of research excellence across Te Herenga Waka—Victoria University of Wellington as the highest ranked university for Performance-Based Research Funding (PBRF). The Strategy guides the University's efforts to increase the international recognition of our research, to build on our distinctive location in Aotearoa New Zealand's political and cultural capital, and to leverage the significant value that we gain from bringing mātauranga Māori to bear on both basic and applied research activity across all disciplines.

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 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 linkages.

A complete list of all performance indicators can be found on pages 17–18.

Outcomes and Performance Framework



Service performance reporting

Since 2019, the University has adopted 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. This standard aligns with the University's progress towards more integrated reporting of information about the University's activities.

COVID-19

COVID-19 continued to have an impact on our teaching, learning, research, and engagement activities during 2022. Restrictions under the COVID-19 Protection Framework were in force until September 2022, along with our own vaccine mandate policy January–April 2022. The University was particularly impacted by an outbreak of COVID-19 in the Wellington Region in February and March, concentrated in the Halls of Residence, with consequences on recruitment, student transition, and staff workload. The effect of the pandemic on the University's performance is noted, where relevant, in the following pages of the Statement of Service Performance (SSP). Performance indicators particularly impacted by this continued global pandemic in 2022 include student numbers, the composition of the student body, student and staff satisfaction, and international tuition fee revenue.

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. The University 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 (EPIs). These are provided on page 18 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 they 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 gained from other sources. All of these sources of funding are relevant to the University's ability to deliver key outcomes.

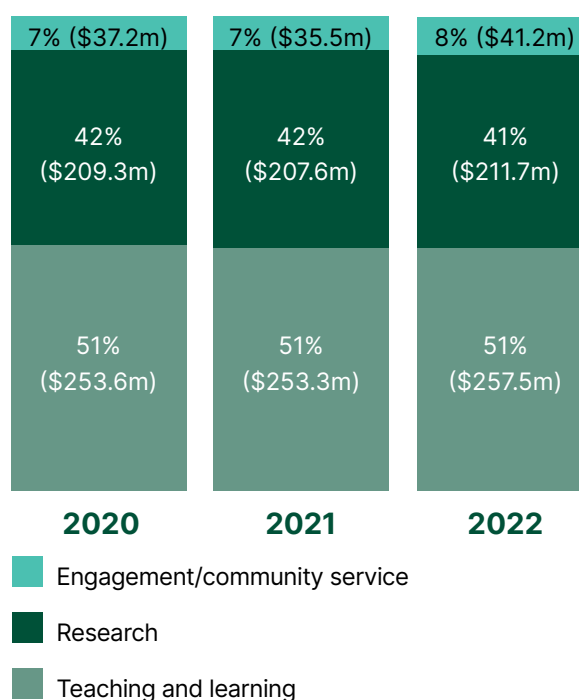
A University's performance objectives are long term and not meaningfully captured within singular output categories. University research and teaching are closely interdependent (as required by the Education and Training Act 2020) and the outcomes of university activities are not fully known within one year (e.g., research results, graduate outcomes).

While noting these interdependencies, the University, using high-level assumptions, is able to estimate that in 2022, 41.5% of total operating expenses was attributable to research, 50.5% to teaching and learning, and 8.0% to engagement/community service. This result 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 (e.g., 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 (i.e., 40% research, 40% teaching, and 20% administration, 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 2022.

Estimated expenditure by output category



RANGAHAU RESEARCH

S1

S3

S6

Service Performance Information indicator

Approximately 41% of total revenue is sourced from either government funding, the PBRF, or research-specific contracts. Of this, the University allocates \$119m to Research activities. The remainder of revenue has a non-government source, (i.e., direct tuition or commercial revenue).

See full list of Performance Indicators (including TEC Educational Performance Indicators) on pages 17–18.

Progress made during 2022

Te Herenga Waka—Victoria University of Wellington, New Zealand's number one university for intensity of high-quality research, had another successful year for research.¹ Our researchers were again successful in securing funding to address key questions of global relevance, including over \$7 million from Te Pūtea Rangahau a Marsden (the Marsden Fund) for 12 projects, and four out of only 12 Rutherford Discovery Fellowships awarded nationally in 2022.

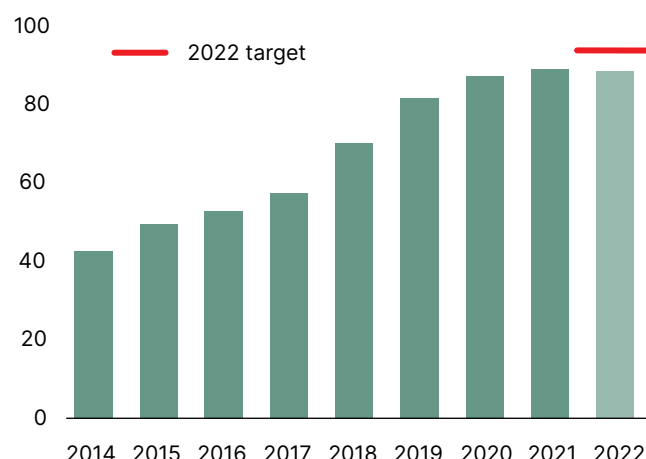
Professors Claudia Geiringer, John Townsend and Bastiaan Kleijn were named 2022 Ngā Ahurei hou a Te Apārangi Fellows elected to the Academy of the Royal Society Te Apārangi for their distinction in research and advancement of mātauranga Māori, humanities, technology, and science.

Five researchers received 2022 Research Honours Aotearoa Awards for their contributions across a wide range of fields from climate change to health, plate tectonics, sustainable energy, and equity in academia. They are Professor Colin Simpson, Professor Rod Badcock, Professor Rupert Sutherland, Dr Chris Cornwall, and Dr Tara McAllister.

Two research programmes led by Professors Tim Naish and Richard Levy from the Antarctic Research Centre, and Professor Jim Johnston from the School of Chemical and Physical Sciences, were awarded a total of \$19.3 million under the Ministry of Business, Innovation, and Employment Endeavour Research Programmes.

A research programme led by the University's Antarctic Research Centre received \$13 million from the Endeavour Fund administered by the Ministry of Business, Innovation and Employment (MBIE) to improve the understanding of the impacts of sea-level rise on coastal communities and infrastructure.

External Research Income 2014–2022 (\$m)



External Research Income (ERI), as part of PBRF reporting requirements, was \$79.6m, a 0.9% increase from 2021 (\$78.9m). Continued strong success with contestable funds contributed to a \$6.4m increase to \$71.4m in contracted research revenue (\$65.0m in 2021) in the University Research Trust. Other research revenue streams within the University were \$8.2m (\$14.5m in 2021), including Wellington UniVentures (\$4.5m) and the University Foundation (\$1.7m). Sub-contracted research, which is excluded from the figures above, was \$8.8m in 2022 (\$9.5m in 2021). This brings total ERI to \$88.4m (also \$88.4m in 2021) against a target of \$92m.

A total of \$9.3 million was awarded to four University research projects through the Health Research Council of New Zealand for research ranging from Whānau-centric coronial processes to improve suicide prevention strategies and improving outcomes for whānau to tackling antimicrobial resistance and developing non-addictive pain medications.

Four University-based projects were awarded \$1 million each as part of the MBIE Smart Ideas grants. The projects include research on antibody therapy to control viruses and Varroa parasites in honeybees, detecting aneuploidy from embryo secretions, plant-based bioactives for protecting our crops and ecosystem respectively and research on efficient spintronic terahertz emitter for beyond-the-lab applications of terahertz spectroscopy.

Reader Māmari Stephens from Te Kauhanganui Tātai Ture—Faculty of Law was awarded \$220,000 by the Borrin Foundation to design a digital resource to assist in the learning, teaching and practice of law in Aotearoa New Zealand. The project aims to understand how tikanga Māori operates as legal norms for Māori communities, and how those norms can interact with the general legal system.

¹ Performance-Based Research Fund, the country's main measure of research activity.

In 2022, Wellington UniVentures continued to deliver on its mandate to create new ventures from University research, despite a challenging year for commercialisation ecosystems in New Zealand and beyond. To reflect a COVID-19 driven slowdown in research activity, which has now flowed through to a decrease in commercialisation opportunities, Wellington UniVentures adjusted its invention disclosures target from 75 to 50 new disclosures. The revised target was achieved and included 45 disclosures across seven faculties plus five disclosures lodged on behalf of external organisations as part of its growing third party commercialisation services. Wellington UniVentures also created two new companies, closed four license deals and supported six early career researchers across biology, education, psychology, and Robinson Research Institute, through KiwiNet's Emerging Innovator Programme.

Doctoral enrolments continued their recovery from 2020, increasing again to 1,246 students compared with 1,202 in 2021. This is a pleasing result and the outcome of a continued campaign to grow domestic doctoral enrolments including offshore enrolment of international doctoral students during COVID-19 border restrictions.

Research postgraduate EFTS now represent 6.9% of total EFTS, up from 6.1% in 2021 and in line with the 2022 target. Meanwhile the proportion of taught postgraduate EFTS fell from their high in 2021 of 13.2% to 12.6% in 2022. Commencing research postgraduate EFTS² numbered 96 in 2022 (98 in 2021) and the total number of research degree completions held steady at 540 in 2022 (compared with 539 in 2021).

The Te Herenga Waka Māori Postdoctoral Fellowship 2022 was launched to attract, retain, and employ early-career Māori postdoctoral research fellows into the University.

The University welcomed the establishment of two new research centres, He Whenua Taurikura—The National Centre of Research Excellence for Preventing and Countering Violent Extremism and Te Hau Kori—Centre for Physical Activity and Wellbeing.

AKO TEACHING AND LEARNING

S1

S2

S5

S6

Service Performance Information indicator

Approximately 51% of total revenue is sourced from either government funding, the PBRF, or research-specific contracts. Of this, the University allocates \$157m to Teaching and Learning activities. The remainder of revenue has a non-government source (i.e., direct tuition or commercial revenue). Of this \$125m can be attributed to Teaching and Learning activities.

See full list of Performance Indicators (including TEC Educational Performance Indicators) on pages 17–18.

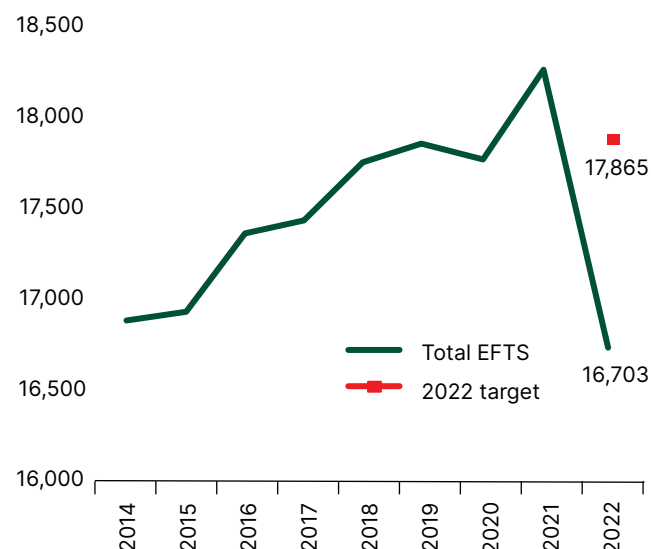
Progress made during 2022

After an exceptional year for domestic enrolments in 2021, the University ended 2022 with 16,703 EFTS, 1,538 less than 2021 (-8.4%). Government-funded EFTS³ fell from 16,931 EFTS in 2021 to 15,605 EFTS in 2022. This was below target within the context of ongoing high levels of employment and strong competition for school leaver recruitment across the country.

The decrease in SAC-funded domestic EFTS from 2021 (-1,329 EFTS or -7.9%) was observable across all faculties, except Health, taking the University back to domestic EFTS levels similar to those seen prior to 2019.

International full-fee EFTS performed relatively well in this context, nearly meeting the target for 2022 despite closed borders for much of the year.

Total EFTS 2014–2022



² Commencing students are defined as those new to Te Herenga Waka—Victoria University of Wellington and are only a subset of new students (many of whom had undertaken previous study at the University).

³ Government-funded EFTS comprised of SAC-funded 15,596 EFTS and STAR (Secondary Tertiary Alignment Resource) 9 EFTS.

Many international students commenced or continued to study with the University from offshore. However, overall, international full-fee EFTS continued to contract in 2022 due to the ongoing effects of COVID-19 restrictions and global uncertainty, decreasing from 1,311 EFTS in 2021 to 1,098 EFTS in 2022, a decrease of 213 EFTS (-16.2%).

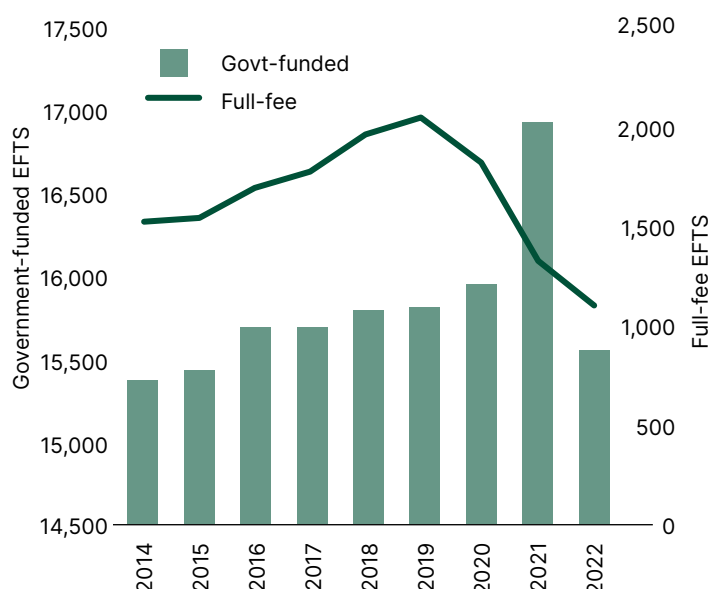
The number of international students (including government-funded international PhD candidates) decreased from 2,586 in 2021 to 2,134 in 2022, with enrolments from 93 countries. International students (including government-funded international PhD candidates) constituted 9.8% of the total student body (headcount), down from 11.2% in 2021 (and 14.3% in 2020).

After an increase in 2021, the overall number of commencing EFTS declined from 5,395 in 2021 to 4,654 including 294 commencing international full-fee EFTS.

Māori EFTS grew to 12.2% of the domestic student population, up from 11.9% in 2021. Māori commencing EFTS decreased, from a high of 648 in 2021 to 561, falling short of the University's target of 710 EFTS.

Pasifika EFTS increased from 6.5% to 6.7% of the domestic student population. Pasifika commencing EFTS fell slightly from 359 in 2021 to 344 in 2022, short of the target of 380 EFTS.

EFTS by funding source 2014–2022



Māori participation rates at Level 7 (degree) increased, from 13.1% in 2021 to 13.2% in 2022, just short of the target of 13.4%. At postgraduate level, Māori participation increased from 8.4% to 8.5%, exceeding the target of 7.6%. Participation rates for Level 7 (degree) Pasifika students also improved, hitting the target for 2022 at 7.2% of domestic funded EFTS. This was an increase of 0.2 percentage points from 2021. Pasifika participation at postgraduate level fell very slightly, from 4.1% to 4.0%, short of the target of 5.0%. Amid challenging external conditions,

after relatively pleasing retention rates in 2021, Māori Level 7 retention fell in 2022, to 69.5% against a target of 75%. Retention for non-Māori and non-Pasifika Level 7 students also fell below target, to 77.8% down from 81.0% in 2021 and against a target of 81.0%. Pasifika retention also fell, from 78.5% to 74.4% (target 75.0%). The University remains committed to improving student retention. Refer TEC-defined Educational Performance Indicators (EPIs) on page 18.

430 scholarships were awarded to taura Māori in 2022. This equates to an investment of over \$718,000 towards Taihonoa scholarships and Summer Internships.

A total of 906 courses and 1,283 teachers were evaluated in 2022, with 85% of courses, and 96% of teachers assessed as good, very good, or excellent (up from 84% and 95% in 2021, respectively). 90% of coursework students say lecturers are respectful, treat students equitably and fairly, increase their enthusiasm for a subject, and support them with online learning.

Student satisfaction with services and facilities fell slightly to 75.9% in 2022 compared with 77.0% in 2021. This is below the pre-COVID-19 baseline target of >90% within the context of continued uncertainty and interruptions to the learning environment caused by the third year of the pandemic.

The University's graduates remain in high demand, with 98% in employment, further study, and not seeking work in their first-year post-graduation (up again from 97% in 2021 and 95% in 2020).

The University underwent an academic audit by the Academic Quality Agency for New Zealand Universities (AQA) with the report due to be released in early-2023. This was part of AQA's Cycle 6 academic audit of all New Zealand universities, and had a scope of teaching, learning, support and outcomes for students.

In November, a new learning platform, Nuku, was launched, anchored by Canvas, a system that enables the delivery of online and blended learning, including content delivery, assessment, tracking of student progress, and engagement between teachers and students.

2022 saw the completion of a multi-year project that delivers a seamless experience for students, including Pūaha, a student-facing portal for admission, accommodation and scholarships, dynamically linked to Kurawai, our new CRM (Customer Relationship Management) software. A new, two-step Admission and Enrolment system was also launched enabling students to apply for study at any time during the year.

The teaching-intensive pathway continues to grow and become more diverse, with now over 30 academics employed across seven faculties. John Randal (Wellington School of Business and Government) and Peter Addis (Te Kawa a Maui) were the first two members of staff appointed to the role of Professor (Teaching) on the pathway.

The University continued to meet changing market trends with the introduction of new programmes including the Bachelor of Global Studies and the Master of Urban and Regional Planning, and majors in Artificial Intelligence and Space Science, all of which commence in 2023.

A specialisation in Māori Design and Environments was introduced as part of the Bachelor of Architectural Studies degree, enabling students to focus more deeply on mātauranga Māori.

Associate Professor Christian Schott and lecturer David Cox both won a 2022 Tertiary Teaching Excellence Award in the Innovation in Learning, Teaching and Curriculum category, presented as part of the Te Whatu Kairangi—the Aotearoa Tertiary Educator Awards.

A Pastoral Care Code gap analysis undertaken in 2021 identified that the University was already meeting the

majority of its obligations under the Code (effective from 1 January 2022), and that it would benefit from further work in 5 of the 38 process requirements. In 2022 a Pastoral Care Code (PCC) Oversight Group including staff and students was established and an action plan developed for a programme of work. Work during 2022 has focused on strategic goals and plans to support the wellbeing and safety of learners, the development of a wellbeing and safety dashboard, referral pathways to manage student concerns and identify emerging trends, development of a complaints oversight process that enables a consistent approach for managing complaints across the University, and staff training and communications.

RUAWHETU ENGAGEMENT

S3

S5

S6

See full list of Performance Indicators (including TEC Educational Performance Indicators) on pages 17–18.

Progress made during 2022

The University's 125th anniversary was marked with events and activities throughout the year, including the successful Whakanuia Celebrate 125—Heritage Open Day, which celebrated our rich history and connection to the capital city.

In June 2022 the University Council announced that internationally renowned scholar and senior university sector leader Professor Nic Smith was appointed to be the next Vice-Chancellor of Te Herenga Waka—Victoria University of Wellington, commencing January 2023. The appointment results from a global search after previous Vice-Chancellor Professor Grant Guilford retired in March 2022 after eight years at the helm.

We progressed our Zero Carbon Plan with emission reductions ahead of schedule, with an emphasis on managing air travel as border restrictions were lifted. Our 'Growing our Future' collaboration with Wellington City Council to re-establish native forest on an 11 hectare block of land in the Outer Green Belt was recognised at the Australasian Green Gown Awards. Close to 200,000 disposable cups have been avoided from landfill through a successful partnership with all independent cafes on our campuses.

Our sustainability work was reflected in the Times Higher Education Impact Rankings, where we ranked 85th out of 1,400 institutions around the world and 12th for Climate Action.

Work continued on construction of the Living Pā on Kelburn Parade and a blog—He Pā Kaiao—was initiated to keep our community updated on key construction milestones, events, design and construction team strategies and innovations.

We continue to be inspired by the support of charitable foundations, individuals, whānau, and our alumni community, whose gifts make growing student success, ground-breaking research, and community engagement possible. As of 31 December 2022, we are pleased to report that we have exceeded our \$150 million target, raising a total of \$158 million since 2011. Our Foundation endowment capital funds remain strong, with all of our scholarship and prize endowments maintaining enough income to be able to provide all awards requested. We also saw a continued commitment from alumni donating to our appeals programme. Initiatives like our Alumni Appeal Scholarships, Student Hardship Fund and tree planting programme, Growing our Future, were all funded through the support of our alumni community.

The first in-person Open Day since 2019 was held in August, attended by over 5,000 future students, whānau, and supporters from all over the country.

Once borders reopened, we resumed alumni engagement offshore, with events in Southeast Asia, Europe, Canada and the United States of America. The University continues to enhance its international profile with new educational partnerships and research collaborations confirmed with institutions in Vietnam, India, China, Switzerland and the United States of America.

Further consolidating its relationship with Wellington city, the University sponsored the Youth Award category at the Welly Awards ceremony and the New Thinking Award at the Wellington Gold Awards.

Deputy Vice-Chancellor (Māori) Professor Rawinia Higgins (Ngāi Tūhoe) was appointed to the Board of the Reserve Bank of New Zealand.

Professor Beverley Lawton, Director of Te Tātai Hauora o Hine—the National Centre for Women's Health Research Aotearoa, won the Innovation, Science & Health category in the 2021 Women of Influence Awards.

Further to a detailed Te Tiriti self-review process undertaken in 2022, 32 recommendations were made towards ensuring that activities across the University incorporated a Māori or Tiriti dimension. Implementation of the recommendations has started and will be completed by 2025.

Te Hōhaieti o te Reo Māori and Ngāi Tauira (Victoria University Māori Students' Association) collaborated to celebrate the 50th Anniversary of Te Pētihana Māori with original members of the Te Reo Māori Society.

Te Herenga Waka University Press received two awards in the prestigious 2022 Ockham New Zealand Book Awards.

In January, the University joined hands with the wider Tongan community to raise funds in support of families who had lost their homes and livelihoods after the eruption of Hunga-Tonga-Hunga-Ha'apai in Tonga. The second

annual Pasifika Week was expanded to cover all three campuses and featured programmes to engage the wider University community, including our alumni, government agencies, and the private sector.

The University's Facilities Management team, along with the Kingfisher Group, was named Facilities Management team of the Year by the Facilities Management Association of New Zealand (FMANZ).

All performance indicators

STRATEGY	INDICATOR	2022 ACTUAL	2022 TARGET	2021 ACTUAL	2020 ACTUAL
Research (pages 13–14)					
S1	External Research Income (\$m)	88.4	92.0	88.4 ⁴	86.8
S1	Number of new invention disclosures	50	75	70	61
S1	Publications (Scopus-indexed) in top 25% of journals (%) ⁵	56.8	59.0	56.7	53.8
S1, S2	Research postgraduate/Total EFTS (%)	6.9	6.9	6.1	6.1
S1, S2	Commencing research postgraduate EFTS	96	120	98	100
Teaching and Learning (pages 14–16)					
S2	Taught postgraduate/Total EFTS (%)	12.6	14.0	13.2	12.9
S2	Teachers assessed as ≥ good by students (%)	96	96	95	96
S3, S3	Graduates in employment, further study, and not seeking work first year post-graduation (%)	98	96	97	95
S2, S6	Proportion of students rating services and facilities as 'good' or 'very good' (%)	75.9	>90.0	77.0	77.8
S2, S4	Commencing Māori student EFTS	561	710	648	561
S2, S4, S5	Commencing Pasifika student EFTS ⁶	344	380	359	310
S4	Proportion of professors who are female (%)	26.9	28.5	27.5	27.8
S4	Proportion of academic staff who are Māori (%)	5.7	7.5	5.8	5.9
S4, S5	Proportion of academic staff who are Pasifika (%)	2.6	4.0	2.1	1.9
Engagement (pages 16–17)					
S3, S5	Commencing international full-fee EFTS	294	320	336	648
S3	Fundraising campaign (\$m)—as per accounting policy includes all bequests, pledges, as well as cash donations	158.0	150.0	143.5	122.1
All (pages 13–17)					
S6	Revenue retained as surplus for reinvestment (%)	-5.1	1.0	6.1	-0.7
S6	Staff satisfaction—Your Voice (%)	N/A⁷	75	67	N/A

4 Total ERI 2021 recast following PBRF final audit result May 2022.

5 Indicator lagged by one year as provisional data not available on annual reporting timeline. 2022 results are as confirmed June 2022 based on 2021 publications at 2021 ranking.

6 Includes international Pasifika students.

7 Your voice survey runs on a triennial basis, last conducted in 2021.

TEC-defined Educational Performance Indicators (EPis)

EPI TYPE	DESCRIPTION	2022 PROVISIONAL	2022 TARGET	2021 ACTUAL	2020 ACTUAL
Participation	The proportion of total SAC ⁸ eligible EFTS enrolled at the TEO who are non-Māori, non-Pasifika at level 4–7 (non-degree) (%) ⁹	35.8	59.0	54.5	46.2
Participation	The proportion of total SAC eligible EFTS enrolled at the TEO who are Māori at level 4–7 (non-degree) (%) ⁹	21.8	35.0	20.2	29.3
Participation	The proportion of total SAC eligible EFTS enrolled at the TEO who are Pasifika at level 4–7 (non-degree) (%) ¹⁰	43.2	25.0	33.3	26.1
Participation	The proportion of total SAC eligible EFTS enrolled at the TEO who are non-Māori, non-Pasifika at level 7 degree (%)	80.7	81.0	81.1	82.2
Participation	The proportion of total SAC eligible EFTS enrolled at the TEO who are Māori at level 7 degree (%)	13.2	13.4	13.1	12.4
Participation	The proportion of total SAC eligible EFTS enrolled at the TEO who are Pasifika at level 7 degree (%)	7.2	7.2	7.0	6.4
Participation	The proportion of total SAC eligible EFTS enrolled at the TEO who are non-Māori, non-Pasifika at level 8–10 (%)	87.9	87.5	88.8	88.3
Participation	The proportion of total SAC eligible EFTS enrolled at the TEO who are Māori at level 8–10 (%)	8.5	8.4	7.6	8.0
Participation	The proportion of total SAC eligible EFTS enrolled at the TEO who are Pasifika at level 8–10 (%)	4.0	5.0	4.1	4.2
First Year Retention	The first-year retention rate for non-Māori, non-Pasifika students at level 7 degree (%)	77.8	81.0	81.0	82.6
First Year Retention	The first-year retention rate for Māori students at level 7 degree (%)	69.5	75.0	75.6	72.6
First Year Retention	The first-year retention rate for Pasifika students at level 7 degree (%)	74.4	75.0	78.5	74.9
Course Completion	The course completion rate for non-Māori, non-Pasifika students (SAC eligible EFTS) at level 1–10 (%) ¹⁰	85.0	89.2	88.3	89.3
Course Completion	The course completion rate for Māori students (SAC eligible EFTS) at level 1–10 (%) ¹⁰	76.0	82.5	79.2	82.4
Course Completion	The course completion rate for Pasifika students (SAC eligible EFTS) at level 1–10 (%) ¹⁰	65.0	77.5	70.0	74.7
Research	The amount of External Research Income earned (\$m) ¹¹	79.6	77.5	78.9	77.5
International	The number of international student EFTS ¹²	1,098	1,129	1,311	1,817
Research	The number of research degrees completed	540	565	539	552

⁸ Student Achievement Component funding.

⁹ Participation rates for non-degree EFTS are subject to high variability due to small numbers.

¹⁰ Course completion rates remain provisional until after all final 2022 academic year (including Trimester 3) results are submitted in the following April Single Data Return (SDR). The provisional results tend to underestimate final course completion rates as a result.

¹¹ PBRF definition, excluding sub-contracts to other New Zealand universities. PBRF ERI 2021 result recast following final PBRF audit May 2022.

¹² International full-fee paying students plus NZAID and Commonwealth Scholarship students.

MANA TAURITE, KANORAU ME TE WHAKAWHĀITI EQUITY, DIVERSITY, AND INCLUSION



We are committed to creating an inclusive and supportive environment that enables every member of our community to thrive. We hold equity, diversity, and inclusion (EDI) at the heart of our operations, including our teaching, learning, research, and engagement. Our EDI Framework outlines our policy goals related to the recruitment, development, and retention of a diverse community of talented staff and students and informs our practices across the university.¹³

We have made strong progress on two areas of priority identified by the EDI Steering Group as a result of the current state project undertaken last year. To address our priority for EDI visibility, we have developed a new EDI page for the University's website. The page provides information to current and prospective staff and students, as well the wider public, about how we enact the kaupapa of equity, diversity and inclusion through our people, policies, and practices. The webpage is intended to be a live space, with additional content and resources being continually added as they become available.

Our priority for structural/systemic change is centred on a university-wide Anti-Racism Initiative. Work in 2022 focused on initial research and engagement, and on building a dedicated and diverse project team of staff and students from across the university. We conducted a stocktake of relevant Te Herenga Waka reports and data, and reviewed similar initiatives in both national and international tertiary institutions. In addition, we spoke to a small group of staff and student leaders and members of diverse university communities about what a meaningful and effective response might look like within our context, drawing on their expertise and lived experiences.

Our initial findings from those reviews and discussions were that the university faces a culture of tolerance of racism which exists to varying degrees across the community, and a lack of clarity on how to respond when racism occurs. These challenges manifest in incidents going unreported, and bystanders being unable or unwilling to intervene. Staff and students alike discussed the importance of leadership having a well understood role in combating racism, and the key role that middle management plays in the reporting process. As we reflected on these conversations and the University's goals and commitments, we were able to identify three strands of work—education, reporting, and accountability.

The Anti-Racism Initiative is committed to striking a careful balance between our work being driven by the needs and perspectives of those with lived experience of racism, and ensuring responsibility, commitment, and labour are shared by everyone at the University. We are planning a series of facilitated community wānanga in 2023, where staff and students can share their personal experiences, perspectives, and expertise with the project. These learnings, alongside findings from a review of the University's policies and procedures against national and

international standards of good practice, will inform our future programme of work for 2023 and beyond.

Our commitment to EDI can also be seen in programmes like Te Hāpai – which supports our staff community to increase their understanding of and engagement with Māori culture, language, and Te Tiriti o Waitangi – and the work of teams like Āwhina, Pasifika Student Success, and Te Pūrengi-Student Experience and Wellbeing, who offer specialist services for students including Indigenous students and students with disabilities, refugee backgrounds, international backgrounds, and rainbow identities.

The role of Refugee-Background Student Adviser continues to be the only such role in a New Zealand university which results in Te Herenga Waka being more attractive to refugee-background students. During 2022, the Adviser provided significant enrolment support to many incoming students and their whānau, as well as both critical and ongoing support for students at high risk. The development of a strong relationship with the student rep group VIC.Without.Barriers provided opportunity for several collaborative and community building events throughout the year.

A new Rainbow specific space (Rainbow Room) was established on level 2 of the Student Union Building and the number of Rainbow Student Leaders employed increased from two to three. Totoweka Scholarships specifically for Rainbow school leavers have also been introduced. There continues to be ongoing review and updating of systems to support students wishing to change their names and supporting accessibility and avoidance of being deadnamed. Events, peer support group and services are informed by student voice, often delivered by students for students.

Work to support students with disabilities included ensuring the University's COVID-19 response was inclusive of these students. This included developing resources, contributing to decision making, leading events to promote mask wearing, and coordinating the University wide provision of free masks/RATS for students and staff. Recognising that our note taking services are not resilient in times of high sickness, Disability Services introduced Glean digital note taking software to 170 students. This service is now scalable, digital savvy and resilient. We also worked closely with the Centre for Academic Development to select Canvas/Nuku and Ally teaching tools and maximise their accessibility functionality. In collaboration with school administrators and key academic staff we introduced a new approach to obtaining the assessment information we need from across the University which has decreased staff workload and student stress. True advances in disability inclusion take a whole of organisation approach and this year more than ever our team enjoyed closely collaborating with other student services, student leaders, and academic staff to support student success, particularly those with the most need.

¹³ <https://www.wgtn.ac.nz/documents/policy/academic/equity-diversity-and-inclusion-framework.pdf>

TOITŪTANGA SUSTAINABILITY



At Te Herenga Waka—Victoria University of Wellington we recognise the critical importance of responding to our global environmental crises and are committed to supporting the transition to a sustainable future through our teaching, research, engagement, and operational practices.

In 2022, we continued to expand our sustainability-focused curriculum content across the University, so that more students are gaining the necessary skills and knowledge to lead and participate in a more sustainable future. The first cohort of students were welcomed into our new minor in Business Ethics and Sustainability Management. In addition, a new Bachelor of Global Studies degree was approved with minors such as Environment and Sustainability, Globalisation, Movement and Change, and World Affairs and Organisations. New programmes such as these are helping to increase student access to sustainability curriculum content from across the University.

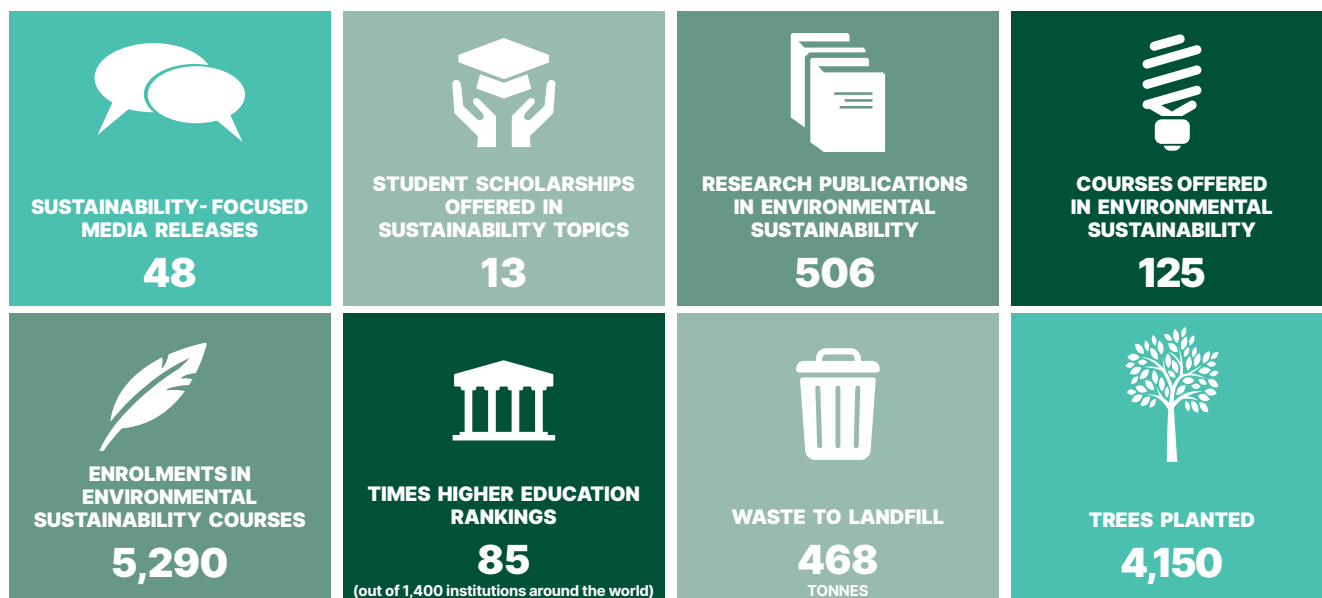
We continue to produce leading research that contributes to a more sustainable future. Examples include the development of Master's student Charlie Walkley's new textile made from wool waste, Prof Ramesh Rayudu and Dr Daniel Burmester's utilisation of hot water cylinders for cost-effective storage of solar power for community housing in collaboration with Te Āhuru Mōwai, and summer research scholar Shannon Bentley's work on the impact of small-scale on-farm wetland restoration. As a nominator for the 1 million pound Earthshot prize, we promoted three significant projects arising from University research. These included XFrame, an innovative method of green building; and Tasmanlon, a new more sustainable battery, as well as the Living Pā.

Our 'Growing our Future' collaboration with Wellington City Council to re-establish native forest on an 11-hectare block of land in Wellington's Outer Green Belt was recognised at the Australasian Green Gown Awards. With the support of community donors and staff, student, and alumni volunteers we planted 4,000 seedlings and continued field research monitoring the restoration.

We've considerably reduced our waste in partnership with all the independent cafés on campus with a reusable coffee cup campaign that has seen approximately 200,000 disposable cups avoided. We also completed our roll-out of glass milk bottles across all three campuses, seeing around 75,000 plastic bottles removed from our system.

Construction on The Living Pā—a redevelopment of our marae complex—continued through 2022. Once open, its achievement of Living Building Challenge certification will see this become a flagship for sustainable buildings. We continued good progress on our Zero Carbon Plan which aims for net-zero carbon emissions by 2030, with emission reductions ahead of schedule, and an emphasis on managing air travel as border restrictions lifted.

Our sustainability work was reflected in the Times Higher Education Impact Rankings, where we ranked 85th out of 1,400 institutions around the world and 12th for Climate Action.



NGĀ KAUPAPA I UTUA E NGĀ ĀKONGA STUDENT LEVIES



The Student Services Levy and a separate Student Assistance Levy are paid by all students to contribute to the development of a healthy and 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 (ACSSL), an oversight body with student representatives from the Victoria University of Wellington Students' Association (VUWSA) and Ngāi Tahu executives who consult with other representation groups including PGSA, Pasifika Student's Council and other representative student bodies. They run a consultation process before a recommendation on the levy is made to ACSSL. The University works in partnership with students to ensure they have a strong voice in how the Student Services Levy is spent. In 2021, following significant consultation with students, the University approved a change to the Student Services Levy with effect from 2022 to a per-point charging structure (capped at 150 points) with a transitional rebate for existing Wellington-based students. The per-point charging structure is believed to more equitably allocate Student Services Levy charges across the student base.

Student levies made a net deficit of \$997,881 in 2022, due primarily to a fall in revenue due to lower student numbers, while maintaining the level of services provided to students. Annual carried forward surpluses and deficits are ring fenced and actively managed during the next financial year's levy budgeting and planning processes.

In 2022, an internal student was charged \$8.48 per point (up to a cap of 150 points) for the Student Services Levy, with some existing Wellington-based students receiving a transitional rebate. A Student Assistance Levy of \$28 was paid by all students. For a Wellington-based equivalent full-time student studying 120 points, the total Compulsory Student Service Fee per student in 2022 was \$1,046 excluding any rebate.

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 an independent advocacy service and train and support class representatives and faculty delegates to ensure that 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 Success 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 through 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 services operate from the Kelburn and Pipitea campuses and include Student Health and Student Counselling. Counselling services are also available at Te Aro. Disability Services works alongside students with temporary and ongoing impairments to ensure they are able to engage fully and achieve in their studies. Wellbeing services operate from the Student Union Building on Kelburn campus along with Rainbow and Refugee student advisory services.

Media

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

Childcare services

Victoria Kids provides childcare facilities for children of Victoria University of Wellington 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

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.

SERVICE CATEGORY	2022 STUDENT SERVICES LEVY (SSL) REVENUE	2022 STUDENT ASSISTANCE LEVY (SAL) REVENUE	2022 REVENUE FROM OTHER SOURCES	TOTAL REVENUE	TOTAL COST (SSL RELATED AND SAL GRANTS)	NET SURPLUS/ (COST)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Advocacy and legal advice	892	–	–	892	1,010	(118)
Careers information, advice, and guidance	1,173	–	22	1,195	1,016	179
Counselling services and pastoral care	2,521	–	883	3,404	3,343	61
Employment information	568	–	8	576	518	58
Financial support and advice	456	492	444 ¹⁴	1,392	1,305	87
Health services	3,695	–	2,801	6,496	6,714	(218)
Media	245	–	–	245	245	–
Childcare services	195	–	–	195	195	–
Clubs and societies	975	–	–	975	1,149	(174)
Sports, recreation, and cultural activities	2,141	–	416	2,557	3,430	(873)
Total	12,861	492	4,574	17,927	18,925	(998)

¹⁴ Includes \$428,553 received via the Hardship Fund for Learners (HAFL) which was established by TEC to help tertiary education organisations (TEOs) provide temporary financial assistance for currently enrolled tertiary learners who were facing hardship due to the COVID-19 pandemic.

NGĀ TAUĀKI WHAKAHAERE PŪTEA FINANCIAL OVERVIEW



The operating deficit for the consolidated Group (excluding the University Foundation) was (\$16.3m), which is (3.3%) of revenue. The consolidated Group operating deficit (including all entities) was (\$25.2m), equating to (5.1%) of revenue.

The COVID-19 pandemic continued to have an impact on the financial results of the University through into 2022. In particular, the ongoing border restrictions resulted in a further fall in international full fee revenue as students completed their studies and were not replaced by as many

new students. There was also a reduction in domestic students compared to a very high 2021 due to many factors including the employment market and the cost-of-living students face.

	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000	2018 \$'000
Financial performance					
Total operating revenue ¹⁵	494,125	518,274	490,209	506,655	490,381
Group (excl Foundation) (deficit)/surplus for the year	(16,268)	21,915	(9,872)	5,608	15,869
EBITDA	23,529	70,557	49,241	60,908	68,046
(Deficit)/surplus (including the Foundation)	(25,224)	31,655	(3,267)	16,939	14,985
Financial position					
Total current assets	182,328	182,202	165,338	168,859	148,396
Total non-current assets	1,258,084	1,060,463	968,369	989,068	912,449
Total assets	1,440,412	1,242,665	1,133,707	1,157,927	1,060,845
Total current liabilities	177,907	144,762	156,376	209,996	137,867
Total non-current liabilities	102,515	83,440	85,193	51,133	115,112
Total liabilities	280,422	228,202	241,569	261,129	252,979
Total community equity	1,159,990	1,014,463	892,138	896,798	807,866

Statistics

University surplus/(deficit) to total revenue	(3.3%)	4.2%	(2.0%)	1.1%	3.2%
University surplus/(deficit) to total assets	(1.1%)	1.8%	(0.9%)	0.5%	1.5%
Current assets to current liabilities	102%	126%	106%	80%	109%
Assets to equity	124%	123%	127%	129%	131%

The Victoria University of Wellington Foundation (the fundraising arm of the University) earned \$5.1m from donations but lost (\$7.6m) through 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 reduced to \$83.6m at year end.

Net cash flow from operations at \$44.0m decreased by \$30.8m from 2021 mainly due to 2021 insurance receipts and inflationary pressure across all operating expenditure. Capital expenditure for the year of \$76.6m was \$20.9m higher than the prior year with key projects such as refurbishment of Rutherford House being completed and the construction commencing on the Living Pā.

¹⁵ These numbers are University Group (excluding the Foundation).



TE TAUĀKI PŪTEA FINANCIAL STATEMENTS

For the year ended 31 December 2022

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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 2022 fairly reflect the financial position and operations of Victoria University of Wellington and the Group.



John Allen

Chancellor
27 March 2023



Professor Nic Smith

Vice-Chancellor
27 March 2023

TE TAUĀKI WHIWHINGA, WHAKAPAUNGA WHĀNUI

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 31 December 2022

		CONSOLIDATED			UNIVERSITY		
	NOTE	ACTUAL 2022 \$'000	BUDGET 2022 \$'000	ACTUAL 2021 \$'000	ACTUAL 2022 \$'000	BUDGET 2022 \$'000	ACTUAL 2021 \$'000
Revenue							
Government funding		164,293	171,055	173,857	164,293	171,055	173,857
Performance-Based Research Fund (PBRF)		35,959	34,888	35,101	35,959	34,888	35,101
Domestic tuition		97,677	104,105	104,256	97,677	104,105	104,256
Full-fee tuition		27,756	29,161	31,817	27,756	29,161	31,817
Research		82,631	76,403	79,791	36,876	36,553	37,381
Commercial		13,925	21,875	12,581	7,884	11,371	9,638
Other revenue	2	71,884	69,024	80,871	66,759	66,571	68,440
Total operating revenue	2	494,125	506,511	518,274	437,204	453,704	460,490
Expenses							
People	3	283,916	280,490	268,330	260,535	260,306	247,177
Operating	4	133,481	132,228	138,134	100,017	100,601	103,625
Occupancy	4	42,442	41,571	41,253	41,457	42,242	39,633
Finance costs	5	2,191	1,800	1,795	3,829	3,000	2,219
Depreciation & amortisation	12,13	48,363	48,870	46,847	47,704	48,716	46,191
Total operating expenses		510,393	504,959	496,359	453,542	454,865	438,845
University surplus/(deficit)		(16,268)	1,552	21,915	(16,338)	(1,161)	21,645
Victoria University of Wellington Foundation:							
Movement of net assets	6	(8,956)	3,500	9,740	–	–	–
Surplus/(deficit) (including the Foundation)		(25,224)	5,052	31,655	(16,338)	(1,161)	21,645
Other comprehensive revenue and expense							
Movements in revaluation reserve	12	168,004	–	88,079	171,921	–	99,608
Net movement in cash flow hedges		2,747	–	2,591	2,747	–	2,591
Total other comprehensive income		170,751	–	90,670	174,668	–	102,199
Total comprehensive income		145,527	5,052	122,325	158,330	(1,161)	123,844

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	NOTE	CONSOLIDATED			UNIVERSITY		
		ACTUAL 2022 \$'000	BUDGET 2022 \$'000	ACTUAL 2021 \$'000	ACTUAL 2022 \$'000	BUDGET 2022 \$'000	ACTUAL 2021 \$'000
Current assets							
Cash & cash equivalents	8	48,449	78,657	49,675	14,482	40,000	12,893
Investments & other financial assets	9	86,786	57,466	99,501	14,681	–	24,405
Accounts receivable & accruals	10	16,754	19,822	7,020	26,794	20,000	9,054
Pre-paid expenses	11	20,800	15,795	19,489	17,677	14,000	16,253
Other current assets		9,539	4,500	6,517	441	100	97
Loans to related parties		–	–	–	6,760	4,000	6,010
Total current assets		182,328	176,240	182,202	80,835	78,100	68,712
Non-current assets							
Property, plant, & equipment	12	1,249,045	1,015,962	1,052,611	1,241,799	993,278	1,041,129
Intangibles	13	4,294	7,866	4,383	4,185	7,786	4,383
Investments in related parties	9,14	4,745	3,000	3,469	3,251	5,261	5,261
Total non-current assets		1,258,084	1,026,828	1,060,463	1,249,235	1,006,325	1,050,773
Total assets		1,440,412	1,203,068	1,242,665	1,330,070	1,084,425	1,119,485
Current liabilities							
Accounts payable & accruals	15	70,470	79,488	63,630	60,213	71,238	53,929
Revenue in advance	16	88,310	69,490	63,203	29,795	30,000	16,159
Related party borrowings	19	–	–	–	75,000	73,000	63,000
Employee entitlements	17	19,127	16,215	17,929	18,771	15,800	17,480
Other current liabilities		–	1,500	–	–	–	–
Total current liabilities		177,907	166,693	144,762	183,779	190,038	150,568
Non-current liabilities							
Employee entitlements	17	19,515	28,200	22,440	19,484	28,200	22,440
Bank borrowings	18	83,000	85,000	61,000	83,000	85,000	61,000
Total non-current liabilities		102,515	113,200	83,440	102,484	113,200	83,440
Total liabilities		280,422	279,893	228,202	286,263	303,238	234,008
Net assets		1,159,990	923,175	1,014,463	1,043,807	781,187	885,477
Community equity							
Accumulated surplus		454,418	476,853	479,642	326,458	338,533	342,794
Other reserves		705,628	446,323	534,877	717,349	442,654	542,683
Non-controlling interest		(56)	–	(56)	–	–	–
Total community equity		1,159,990	923,176	1,014,463	1,043,807	781,187	885,477

The accompanying notes form part of these financial statements.

TE TAUĀKI NEKENEKE TŪTANGA

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	NOTE	CONSOLIDATED			UNIVERSITY		
		ACTUAL 2022 \$'000	BUDGET 2022 \$'000	ACTUAL 2021 \$'000	ACTUAL 2022 \$'000	BUDGET 2022 \$'000	ACTUAL 2021 \$'000
Community equity at 1 January		1,014,463	918,124	892,138	885,477	782,348	761,633
(Deficit)/surplus for the year		(25,224)	5,052	31,655	(16,338)	(1,161)	21,645
Other comprehensive revenue and expense							
Increase in asset revaluation reserve	12	168,004	–	88,079	171,921	–	99,608
Increase in cash flow hedge reserve		2,747	–	2,591	2,747	–	2,591
Community equity at 31 December	21	1,159,990	923,176	1,014,463	1,043,807	781,187	885,477
Community equity represented by:							
Accumulated surplus							
Opening balance		479,642	471,800	445,815	342,796	339,694	318,979
(Deficit)/surplus for the year		(25,224)	5,052	31,655	(16,338)	(1,161)	21,645
Transfer from revaluation reserve		–	–	2,172	–	–	2,172
Closing balance		454,418	476,852	479,642	326,458	338,533	342,796
Non-controlling interest							
Opening balance		(56)	–	(56)	–	–	–
Closing balance		(56)	–	(56)	–	–	–
Asset revaluation reserve							
Opening balance		534,573	446,323	448,666	542,377	442,654	444,941
Increase in revaluation reserve	12	168,004	–	88,079	171,921	–	99,608
Transfer to accumulated surplus		–	–	(2,172)	–	–	(2,172)
Closing balance		702,577	446,323	534,573	714,298	442,654	542,377
Cash flow hedge Reserve							
Opening balance		304	–	(2,287)	304	–	(2,287)
Increase in cash flow hedge reserve		2,747	–	2,591	2,747	–	2,591
Closing balance		3,051	–	304	3,051	–	304
Community equity at 31 December		1,159,990	923,176	1,014,463	1,043,807	781,187	885,477

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

NOTE	CONSOLIDATED			UNIVERSITY		
	ACTUAL 2022 \$'000	BUDGET 2022 \$'000	ACTUAL 2021 \$'000	ACTUAL 2022 \$'000	BUDGET 2022 \$'000	ACTUAL 2021 \$'000
Government funding	173,662	171,055	170,334	173,662	171,055	169,371
PBRF revenue	35,959	34,888	35,101	35,959	34,888	35,101
Tuition fees	138,034	133,266	134,718	138,034	133,266	134,715
Research, commercial, & other revenue	167,139	159,777	179,544	91,659	107,276	112,328
Interest received	1,643	6,340	328	1,383	3,294	377
Cash donations	6,930	8,925	5,497	3,274	3,925	2,912
GST (net)	(4,486)	–	(457)	(4,305)	–	(424)
Payments to employees	(285,055)	(276,711)	(272,072)	(261,791)	(257,506)	(251,013)
Payments to suppliers	(187,641)	(181,230)	(176,435)	(142,683)	(142,047)	(143,539)
Interest paid	(2,191)	(1,800)	(1,795)	(3,829)	(3,000)	(2,219)
Net cash flow from operating activities	43,994	54,510	74,763	31,363	51,151	57,609
Cash flows from investing activities						
Receipts from sale of property, plant, equipment & intangibles	3	(563)	8	3	–	–
Purchase of property, plant, equipment & intangibles	(76,350)	(90,395)	(63,479)	(75,497)	(90,161)	(58,932)
Receipts/(payments) for investments	9,127	–	(25,540)	11,720	–	(14,100)
Net cash flow from investing activities	(67,220)	(90,958)	(89,011)	(63,774)	(90,161)	(73,032)
Cash flows from financing activities						
Proceeds from borrowings	47,000	57,000	–	47,000	57,000	–
Repayment of borrowings	(25,000)	(30,000)	(193)	(25,000)	(30,000)	(193)
Proceeds of related party borrowings	–	–	–	12,000	12,010	7,500
Net cash flow from financing activities	22,000	27,000	(193)	34,000	39,010	7,307
Net increase decrease in cash, cash equivalents, and bank overdrafts	(1,226)	(9,448)	(14,441)	1,589	–	(8,116)
Cash and cash equivalents at the beginning of the year	49,675	88,105	64,116	12,893	40,000	21,009
Cash, cash equivalents, and bank overdrafts at the end of the year 8	48,449	78,657	49,675	14,482	40,000	12,893

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 2022

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000
(Deficit)/surplus	(25,224)	31,655	(16,338)	21,645
Add/(less) non-cash items				
Depreciation & amortisation	48,363	46,847	47,704	46,191
Other non-cash items	(2,008)	877	1,844	183
Total non-cash items	46,355	47,724	49,648	46,374
Add/(less) items classified as investing activities				
Losses on disposal of property, plant, & equipment	592	6,592	592	6,600
Losses/(gains) on investments held at fair value	7,600	(641)	–	–
Total items classified as investing or financing activities	8,192	5,951	592	6,600
Add/(less) changes in working capital items				
(Increase)/decrease in receivables	(11,079)	3,654	(19,020)	6,344
(Increase)/decrease in deferred revenue	(1,018)	593	(1,018)	593
(Increase)/decrease in prepayments	(1,311)	(3,559)	(1,425)	(2,255)
(Increase)/decrease in other current assets	(3,023)	(2,080)	(344)	(1)
Increase/(decrease) in accounts payable	8,162	(7,500)	7,091	(10,691)
Increase/(decrease) in employment provisions	(1,820)	(1,782)	(1,110)	(1,922)
Increase/(decrease) in revenue received in advance	24,760	106	13,288	(9,078)
Net cash inflow/(outflow) from operating activities	43,994	74,763	31,363	57,609

The accompanying notes form part of these financial statements.

Reconciliation of liabilities arising from financing activities

CONSOLIDATED	2021 \$'000	CASH FLOWS \$'000	NON-CASH CHANGES \$'000	2022 \$'000
Bank borrowings	61,000	22,000	–	83,000
	61,000	22,000	–	83,000

CONSOLIDATED	2020 \$'000	CASH FLOWS \$'000	NON-CASH CHANGES \$'000	2021 \$'000
Bank borrowings	61,000	–	–	61,000
Other current liabilities	110	(110)	–	–
Other non-current liabilities	83	(83)	–	–
	61,193	(193)	–	61,000

UNIVERSITY	2021 \$'000	CASH FLOWS \$'000	NON-CASH CHANGES \$'000	2022 \$'000
Bank Borrowings	61,000	22,000	–	83,000
Related party borrowings	63,000	12,000	–	75,000
	124,000	34,000	–	158,000

UNIVERSITY	2020 \$'000	CASH FLOWS \$'000	NON-CASH CHANGES \$'000	2021 \$'000
Bank borrowings	61,000	–	–	61,000
Related party borrowings	54,000	9,000	–	63,000
Other current liabilities	110	(110)	–	–
Other non-current liabilities	83	(83)	–	–
	115,193	8,807	–	124,000

The accompanying notes form part of these financial statements.



NGA KORERO WHAKAMARAMA MO NGA TAUĀKI PŪTEA NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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 and Training Act 2020.

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 the purpose of complying with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The financial statements of the University and the Group for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Victoria University of Wellington Council (the University Council) on 27 March 2023.

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 and Training Act 2020, the Crown Entities Act 2004, and NZ GAAP. They comply with PBE Accounting Standards.

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 in their relevant notes.

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 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 joint ventures as at 31 December each year. Investments in joint ventures have been recognised at fair value through surplus or deficit. Entities that aren't tax exempt did not make a taxable profit for the year ended 31 December 2022.

The budget for 2022 was approved by the University Council on 6 December 2021.

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

There are no standards, amendments, and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the University and Group.

Changes in accounting policy

Other than the adoption of new PBE Standards and amendments to PBE Standards as disclosed below, there have been no changes in the accounting policies of the Group and the University for the year ended 31 December 2022. Other than the changes disclosed below, all accounting policies and disclosures are consistent with those applied by the Group and the University in the previous financial year.

New and amended standards and interpretations

The Group applied for the first time certain standards and amendments which were effective for the year ending 31 December 2022.

PBE IPSAS 1 Going Concern Disclosures

Changes to PBE IPSAS 1 with specific relation to Going Concern disclosures came into effect on 1 January 2022. The Group has assessed these changes and there are no impacts on the financial statements as the Group remains a Going Concern.

PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 Financial Instruments replaces parts of IPSAS 29 Financial Instruments: Recognition and Measurement, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group has applied PBE IPSAS 41 prospectively, with an initial application date of 1 January 2022. As it is not required by the standard, the Group has not restated comparative information, which continues to be reported under PBE IPSAS 29. There are no differences arising from the adoption of PBE IPSAS 41 that would have been recognised directly in accumulated comprehensive revenue and expense and other components of net assets/equity.

As a result of adopting PBE IPSAS 41 as at 1 January 2022 there were no changes to the value of assets or liabilities, rather a change in the measurement category of the assets.

The nature of adjustments are described below:

(i) Classification and Measurement of financial assets and liabilities

Under PBE IPSAS 41, financial assets are subsequently measured at fair value through surplus or deficit (FVTSD), amortised cost or fair value through other comprehensive revenue and expense (FVOCRE). Financial liabilities are subsequently measured at fair value through surplus or deficit (FVTSD) or amortised cost. Financial instruments

measured at amortised cost replaces the previous measurement category: loans and receivables, the change in category is outlined in the below table. The classification is based on two criteria: (1) the Group's business model for managing the assets; and (2) whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Group's business model was made as at date of initial application namely 1 January 2022. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

Receivables from exchange and non-exchange transactions, term deposits and loans to related parties were classified as Loans and Receivables as at 31 December 2021 and are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Debt instruments at amortised cost beginning on 1 January 2022.

Upon the adoption of PBE IPSAS 41, the Group had the following required or elected reclassifications as at 1 January 2022.

	MEASUREMENT CATEGORY		MEASUREMENT CATEGORY	
	PBE IPSAS 29	PBE IPSAS 41	PBE IPSAS 29 \$'000	PBE IPSAS 41 \$'000
Financial Assets				
Cash and cash equivalents	Loans and Receivables	Amortised Cost	49,675	49,675
Receivables from exchange transactions	Loans and Receivables	Amortised Cost	5,084	5,084
Receivables from non-exchange transactions	Loans and Receivables	Amortised Cost	193	193
Term deposits	Loans and Receivables	Amortised Cost	36,319	36,319
Investment in joint ventures	FVTSD	FVTSD	2,272	2,272
Investments in related parties	FVTSD	FVTSD	1,197	1,197
Other Investments	FVTSD	FVTSD	63,170	63,170
Foreign exchange forward contracts	FVTSD	FVTSD	(293)	(293)
Interest rate swaps	Hedging Instrument	Hedging Instrument	305	305
Other current assets	Loans and Receivables	Amortised Cost	6,517	6,517
Financial Liabilities				
Interest bearing bank borrowings	Amortised Cost	Amortised Cost	61,000	61,000
Accounts Payable	Amortised Cost	Amortised Cost	22,193	22,193

FVTSD = Fair value through surplus and deficit

FVOCRE = Fair value through other comprehensive revenue and expense

Upon the adoption of PBE IPSAS 41, the University had the following required or elected reclassifications as at 1 January 2022.

		MEASUREMENT CATEGORY		MEASUREMENT CATEGORY	
		PBE IPSAS 29	PBE IPSAS 41	PBE IPSAS 29 \$'000	PBE IPSAS 41 \$'000
Financial Assets					
Cash and cash equivalents	Loans and Receivables	Amortised Cost		12,893	12,893
Receivables from exchange transactions	Loans and Receivables	Amortised Cost		8,745	8,745
Receivables from non-exchange transactions	Loans and Receivables	Amortised Cost		141	141
Term deposits	Loans and Receivables	Amortised Cost		24,100	24,100
Loans to related parties	Amortised Cost	Amortised Cost		6,010	6,010
Interest rate swaps	Hedging Instrument	Hedging Instrument		305	305
Other current assets	Loans and Receivables	Amortised Cost		97	97
Financial Liabilities					
Interest bearing bank borrowings	Amortised Cost	Amortised Cost		61,000	61,000
Accounts Payable	Amortised Cost	Amortised Cost		18,506	18,506
Related party borrowings	Amortised Cost	Amortised Cost		63,000	63,000

FVTSD = Fair value through surplus and deficit

FVOCRE = Fair value through other comprehensive revenue and expense

(ii) Impairment

The adoption of PBE IPSAS 41 has changed the Group's accounting for impairment losses of financial assets by replacing PBE IPSAS 29's incurred loss approach with a forward-looking expected credit loss (ECL) approach. PBE IPSAS 41 requires the Group to recognise an allowance for ECLs for all debt instruments not held at fair value through surplus and deficit.

Upon the adoption of IPSAS 41 on 1 January 2022, the Group did not recognise any additional impairment.

(iii) Hedge accounting

At the date of initial application, all of the Group's existing hedging relationships were eligible to be treated as continuing hedging relationships.

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 the recoverable value of land and building assets and the remaining useful lives on a regular basis (refer note 12).
- ▶ Asset impairment judgements will be made where there is reason to suggest that the carrying value of the assets

have changed materially since the previous balance date (refer notes 12 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 10 for further disclosure.

Effect of COVID-19

On 11 March 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) Pandemic, and its effects continued into 2022. NZ Borders remained closed for non-residents until 31 July 2022, restricting the number of international students, particularly from China, able to attend the University.

While international students studying remotely increased, the overall number of international students reduced in 2021 and 2022.

The University has continued to offer its dual mode of Teaching and Learning activities (face-to-face and online) for 2022 and dual mode will again be offered in 2023.

Revenue related to full-fee tuition and, to a lesser extent, student accommodation has remained lower as government restrictions continued, and we have seen lengthy process times for immigration since the borders reopened.

Management has assessed the possible effect on accounts receivable and formed the view that no impairment needs to be recognised. Management has no evidence that the fair value of property, plant, and equipment has been affected by COVID-19 (refer note 12).

The Ministry of Education (MOE) provided permission to operate outside a number of financial covenants continued for 2022. The University has complied with all bank covenants for 2022.

Further COVID-19-related disclosures can be found in the Statement of service.

We anticipate the financial impact of COVID-19 will be ongoing for a number of years.

Going concern

These financial statements are prepared on a going concern basis with the Group having adequate resources to continue normal business operations for the foreseeable future. The University has traditionally been in a negative working capital position due to the impact of intercompany loans provided by the Group to support the liquidity needs of the University. When the Group makes a loss, as in 2022, certain financial covenants contained in the Consent to Borrow granted to the University by the Secretary for Education are breached, being interest cover ratio, net surplus ratio, and cash from operations ratio, and the Ministry of Education have acknowledged these breaches for 2020–2022.

This support has provided the Group with increased operational flexibility to manage the effects of COVID-19.

The 2023 Budget is for a breakeven surplus for the University along with a modest surplus in the Foundation. Key assumptions in the budget include expected student numbers, the largely regulated increases in student fees and government funding, and the anticipated inflationary pressure on costs.

2 REVENUE

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

Government funding: The University considers this funding to be non-exchange in nature. This funding 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 (PBRF) 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.

Domestic Tuition: 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. Domestic tuition revenue also includes fees-free funding received from the Tertiary Education Commission, which is also considered non-exchange in nature and recognised on the same basis as domestic student fees.

Full-fee Tuition: International student tuition fees are accounted for as exchange transactions and recognised as revenue on a course percentage of completion basis.

Pre-paid tuition: Pre-paid tuition for future years is recognised as deferred income until the year of study.

Research revenue: For an exchange research contract, revenue is recognised on a percentage of 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.

Fees for accommodation and services provided to students: This revenue is recognised as a component of Other Revenue and is accounted for as exchange transactions. Accommodation and other services are provided to students on a straight-line basis over the academic year and revenue is recognised on this basis.

Payments on insurance claims: Proceeds from payment on insurance claims are recognised as non-exchange and in the year in which the payment was received.

Other Revenue

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000
Fees for accommodation and services provided to students	55,290	53,918	52,908	47,737
Payments on insurance claims	–	15,352	–	15,352
Proceeds from disposal of fixed assets	3	8	3	–
Interest received	1,802	608	1,529	512
Gains on investments	2,539	1,076	–	–
Donations received	1,938	865	1,938	858
Sundry Revenue	10,312	9,044	10,381	3,981
Total other revenue	71,884	80,871	66,759	68,440
Other revenue from exchange transactions	57,999	55,914	56,856	47,298
Other revenue from non-exchange transactions	13,885	24,957	9,903	21,142
Total other revenue	71,884	80,871	66,759	68,440

The interest amount is predominantly from on call or on short-term deposits. In 2022, interest rates ranged from 0.75% to 5.55% (2021: 0.15% to 2.05%).

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000
Revenue from exchange transactions	102,505	104,780	92,727	88,510
Revenue from non-exchange transactions	391,620	413,494	344,477	371,980
Total revenue	494,125	518,274	437,204	460,490

3 PEOPLE EXPENSES

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000
Salaries	264,196	250,027	242,833	231,155
Contractors	12,403	8,060	10,198	6,306
Entitlements	7,317	10,243	7,504	9,716
Total	283,916	268,330	260,535	247,177

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 2022 \$'000	ACTUAL 2021 \$'000	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000
The following items are included within operating & occupancy expenses:				
Audit fees to Ernst & Young	437	379	287	239
Property leases	17,824	17,044	17,562	16,871
Losses on disposal of property, plant, & equipment	595	6,600	595	6,600
Information technology	15,476	16,220	14,799	15,702
Grants & scholarships	24,786	31,705	7,815	11,768
Insurance	10,027	8,130	9,770	7,694
Travel & accommodation	6,309	2,593	2,409	1,320

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. Note 20 provides a summary of lease commitments.

5 FINANCE COSTS

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000
Interest on borrowings	2,428	1,900	4,066	2,324
Capitalised borrowing costs	(237)	(105)	(237)	(105)
Total	2,191	1,795	3,829	2,219

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

6 VICTORIA UNIVERSITY OF WELLINGTON FOUNDATION

The Victoria University of Wellington Foundation is a controlled subsidiary and included in the Consolidated Group financial statements. The movement of net assets for the Foundation includes investment losses of (\$7.6m) (2021: returns of \$6.9m), donation revenue of \$5.1m (2021: \$4.6m), and grants awarded of \$6.2m (2021: \$5.0m).

7 FINANCIAL INSTRUMENTS

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000
Financial Assets				
Derivatives designated as hedging instruments				
Interest rate swaps	3,051	305	3,051	305
Financial instruments at fair value through surplus or deficit				
Held for trading				
Investments in related parties	1,383	1,197	–	–
Investment in joint ventures	3,362	2,272	–	–
Other Investments	61,350	63,170	–	–
Foreign exchange forward contracts	717	(293)	–	–
Total financial assets at fair value	69,863	66,651	3,051	305
Debt instruments at amortised cost (excluding cash—refer to Note 8)				
Receivables from exchange transactions	14,355	5,084	25,856	8,745
Receivables from non-exchange transactions	355	193	286	141
Loans to related parties at amortised cost	–	–	6,760	6,010
Term deposits at amortised cost	21,667	36,319	11,630	24,100
Other current assets at amortised cost	9,539	6,517	441	97
Total financial assets at amortised cost	45,916	48,113	44,973	39,093
Represented by:				
Total current	111,034	111,295	48,024	39,398
Total non-current	4,745	3,469	–	–
Total financial assets (excluding cash)	115,779	114,764	48,024	39,398

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, FVOCRE, or FVTSD.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of short-term receivables and payables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through surplus or deficit, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or FVOCRE, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with

cash flows that are not SPPI are classified and measured at fair value through surplus or deficit, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCRE are held within a business model with the objective of both holding to collect contractual cash flows and selling.

The Group's financial assets include: cash and term deposits, receivables from exchange and non-exchange transactions, loans, investments in joint ventures and related parties, loans to related parties, unquoted financial instruments and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into three categories:

- ▶ financial assets at amortised cost (debt instruments)
- ▶ financial assets at FVOCRE with recycling of cumulative gains or losses (debt instruments)
- ▶ financial assets at fair value through surplus or deficit.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains or losses are recognised in surplus or deficit when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes trade receivables from exchange transactions, receivables from non-exchange transactions, investments in related parties, term deposits and a loan to an associate included under other non-current financial assets.

Financial assets at FVOCRE (debt instruments)

For debt instruments at FVOCRE, interest income and impairment losses or reversals are recognised in the statement of financial performance and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCRE. Upon derecognition, the cumulative fair value change recognised in OCRE is recycled to surplus or deficit.

The Group's debt instruments at FVOCRE are derivative financial instruments.

Financial assets at fair value through surplus or deficit

A financial asset is measured at fair value through surplus or deficit unless it is measured at amortised cost or at fair value through other comprehensive revenue and expense. Financial assets at fair value through surplus or deficit are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of financial performance.

This category includes derivative instruments, investments in related parties, investment in joint ventures, and other investments which are held for trading and which the Group had not irrevocably elected to classify at FVOCRE. Dividends on listed equity investments are recognised as revenue from exchange transactions in the statement of financial performance when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's statement of financial position) when:

- ▶ The rights to receive cash flows from the asset have expired or
- ▶ The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially

all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment

PBE IPSAS 41 requires the Group to record expected credit losses on all of its debt instruments classified at amortised cost or FVOCRE. The Group recognises loss allowances for expected credit losses (ECLs) on financial assets at amortised cost, the allowances for receivables of exchange and non-exchange transactions are measured, using the simplified approach, at an amount equal to lifetime ECLs, while all other debt instruments classified at amortised cost are measured using the general approach.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both qualitative and quantitative information and analysis, based on historical experience, informed credit assessments, and including forward looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Group considers a financial asset to be in default when:

- ▶ The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group; or
- ▶ The financial asset is more than 90 days old.

The Group considers writing off a financial asset primarily when the debt is older than a year and there has been no response after six months of being sent to debt collectors, however this is treated on a case by case basis.

The Group considers fixed interest and term deposit financial instruments to have low credit risk when its credit rating is equivalent to a credit rating of A+ or higher.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial asset. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to the credit risk.

Financial assets at fair value through surplus or deficit include investments in managed funds. Fair values of these units are determined by reference to published price quotations in an active market. Also included is investments in equity shares of unquoted companies, namely Liquium, Ferronova, and Medical Kiwi. The group holds non-controlling interests in these companies.

Debt instruments at amortised cost are held to maturity and may generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000
Financial Liabilities				
Financial Liabilities at amortised cost				
Accounts payable	36,154	22,193	29,899	18,506
Bank borrowings	83,000	61,000	83,000	61,000
Related party borrowings	–	–	75,000	63,000
Total financial liabilities	119,154	83,193	187,899	142,506
Represented by:				
Total current	36,154	22,193	104,899	81,506
Total non-current	83,000	61,000	83,000	61,000
Total financial liabilities	119,154	83,193	187,899	142,506

Initial recognition and measurement

Financial liabilities at amortised cost are classified, at initial recognition and include loans and borrowings, or payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include payables under exchange transactions and loans and borrowings.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings or payables are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains or losses are recognised in surplus or deficit when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of financial performance.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, waived, cancelled, or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, then such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of financial performance.

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward foreign exchange contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability. Our interest rate hedges are classified as cash flow hedges.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- ▶ There is 'an economic relationship' between the hedged item and the hedging instrument
- ▶ The effect of credit risk does not 'dominate the value changes' that result from that economic relationship
- ▶ The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of the hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCRE in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of financial performance. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCRE must remain in accumulated OCRE if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to surplus or deficit as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCRE must be accounted for depending on the nature of the underlying transaction as described above.

Derivatives not designated as hedging instruments reflect the positive or negative change in fair value of those foreign exchange forward contracts which are not designated in hedge relationships, but are nevertheless intended to reduce the level of foreign currency risk for expected sales and purchases.

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposures of the underlying transactions, generally from one to 24 months.

Hedging activities and derivatives

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk.

Market Risk

Currency Risk

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 that 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 is within 12 months. The University entered into multiple foreign exchange contracts during 2022 to mitigate any such risk, including USD\$1.5m (2021: USD\$1.6m) of forward exchange contracts held at 31 December 2022 with a fair value of (\$113k) (2021: \$85k) across all currencies. These contracts are held to offset exchange rate risk on expected purchases.

The Foundation holds \$43.1m of investments at fair value through surplus or deficit (2021: \$44.9m), which are invested in a range of foreign denominations and are exposed to foreign exchange risk. The fair value of The Foundation's forward foreign exchange contracts totals \$0.7m (2021: \$(0.3m)). A 10% movement in the New Zealand dollar against all currencies would give rise to a \$1.4m gain or loss that would equally impact equity (2021: \$1.5m).

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

Price Risk

Price risk arises as the fair value of 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 \$4.1m gain or loss that would equally impact equity (2021: \$4.2m).

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 interest rate swaps.

The hedge ineffectiveness can arise from:

- ▶ differences in the timing of the cash flows of the hedged items and the hedging instruments
- ▶ changes to the forecasted amount of cash flows of hedged items and hedging instruments.

The impact of hedging instruments on the statement of financial position of the Group and University was as follows:

	NOTIONAL AMOUNT \$'000	CARRYING AMOUNT \$'000	LINE ITEM IN THE STATEMENT OF FINANCIAL POSITION	CHANGES IN FAIR VALUE USED FOR MEASURING INEFFECTIVENESS FOR THE PERIOD \$'000
As at 31 December 2022*				
Interest rate swaps	75,000	3,051	Investments and other financial assets	2,747

* Note comparatives have not been presented.

The impact of hedged items on the statements of financial position of the Group and University was as follows:

	NOTIONAL AMOUNT \$'000	CARRYING AMOUNT \$'000	LINE ITEM IN THE STATEMENT OF FINANCIAL POSITION	CHANGES IN FAIR VALUE USED FOR MEASURING INEFFECTIVENESS FOR THE PERIOD \$'000
As at 31 December 2022*				
Bank borrowings	83,000	83,000	Bank borrowings	–

* Note comparatives have not been presented.

The effect of the cash flow hedge in the statement of financial position and the statement of comprehensive revenue and expense of the Group and University was as follows:

	TOTAL HEDGING GAIN/(LOSS) RECOGNISED IN OCRE \$'000	INEFFECTIVE- NESS RECOGNISED IN SURPLUS OR DEFICIT \$'000	LINE ITEM IN THE STATEMENT OF FINANCIAL PERFORMANCE \$'000	COST OF HEDGING RECOGNISED IN OCRE \$'000	AMOUNT RECLASSIFIED FROM OCRE TO SURPLUS OR DEFICIT \$'000	LINE ITEM IN THE STATEMENT OF FINANCIAL PERFORMANCE \$'000
As at 31 December 2022*						
Interest rate risk	2,747	–	Net movement in cash flow hedges	–	–	–

* Note comparatives have not been presented.

Impact of hedging on net assets/equity

The information set out below is the reconciliation of each component of net assets/equity and the analysis of other comprehensive revenue and expense.

	2022 CASH FLOW HEDGE RESERVE \$'000
As at 31 December 2021	304
Effective portion of changes in fair value arising from:	
Interest rate swaps	2,747
As at 31 December 2022*	3,051

* Note comparatives have not been presented.

The Group and University are holding the following interest rate swaps (aggregated undiscounted cashflows):

	LESS THAN 6 MONTHS	6 TO 12 MONTHS	1 TO 2 YEARS	2 TO 3 YEARS	MORE THAN 3 YEARS	TOTAL
As at 31 December 2022*	549	663	1,054	513	581	3,360

* Note comparatives have not been presented.

(a) 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.

Receivables from exchange transactions

The Group 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 significant credit risk.

The provision rates are based on days past due. The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The carrying amount of the asset is reduced through the use of the expected credit loss, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written off against the expected credit loss account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due).

In the normal course of business, the Group is exposed to credit risk from cash and term deposits with banks, debtors, other receivables, 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 370 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 holds no collateral or other enhancements for financial instruments that give rise to credit risk. The maximum exposure to credit risk as at the reporting date is the carrying value of each class of financial assets.

Receivables from exchange transactions

	DAYS PAST DUE					TOTAL \$'000
	CURRENT \$'000	< 30 DAYS \$'000	31-60 DAYS \$'000	61-90 DAYS \$'000	> 91 DAYS \$'000	
As at 31 December 2022*						
Expected credit loss rate	0.4%	1.3%	4.7%	5.0%	5.7%	
Estimated total gross carrying amount at default	10,682	1,906	1,666	283	2,147	16,684
Expected credit loss	(42)	(24)	(78)	(14)	(122)	(280)
Estimated total gross carrying amount at default, net of allowance for expected credit loss	10,640	1,882	1,588	269	2,025	16,404

* Note comparatives have not been presented.

Receivables from non-exchange transactions

The majority of the Group's receivables from non-exchange transactions arise from interest generated on term deposits. The gross carrying amount of interest receivable and the exposure to credit risk are set out in the following table.

	DAYS PAST DUE					TOTAL \$'000
	CURRENT \$'000	< 30 DAYS \$'000	31-60 DAYS \$'000	61-90 DAYS \$'000	> 91 DAYS \$'000	
As at 31 December 2022*						
Expected credit loss rate	1.4%	1.3%	4.7%	5.0%	5.7%	
Estimated total gross carrying amount at default	355	–	–	–	–	355
Expected credit loss	(5)	–	–	–	–	(5)
Estimated total gross carrying amount at default, net of allowance for expected credit loss	350	–	–	–	–	350

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's policy. Investments of surplus funds are made only with approval in accordance with the treasury policy.

The Group invests only in quoted debt securities with very low credit risk.

The Group's maximum exposure to credit risk for the components of the statement of financial position as at 31 December 2022* is the carrying amount of \$163m except for the derivative financial instruments. The Group's maximum exposure for financial derivative instruments is noted in the liquidity table.

* Note comparatives have not been presented.

	CONSOLIDATED ACTUAL 2022 \$'000	UNIVERSITY ACTUAL 2022 \$'000
Cash & cash equivalents	48,449	14,482
Investments	87,762	22,891
Accounts receivable	16,754	26,794
Other current assets	9,539	441
	162,504	64,608

Financial risk management objectives

Interest Rate Risk

Cash flow interest rate risk exposure arises due to the exposure on bank borrowings issued at variable interest rates. Generally, the Group raises long term borrowings at floating rates and enters interest rate 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 \$3.1m (2021: \$0.3m). The fixed interest rates of interest rate swaps vary from 0.5% to 4.6% (2021: 0.5% to 3.0%).

Interest rate sensitivity

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 0.5% 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 0.5%.

	CONSOLIDATED AND UNIVERSITY 2022	
	-50BPS \$'000	50BPS \$'000
Potential effect of movement in interest rates	(609)	596

(b) 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 of 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 2 years beyond the reporting date. Note 18 provides a summary of bank loan facilities that are available to the University. 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 \$0m will mature within 12 months and will need to be refinanced or repaid (2021: \$0m).

Financial liabilities—contract maturities

	CONSOLIDATED 2022 \$'000					TOTAL
	ON DEMAND	LESS THAN 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	GREATER THAN 5 YEARS	
Accounts payable	–	36,154	–	–	–	36,154
Bank borrowings	–	–	–	83,000	–	83,000
Closing balance	–	36,154	–	83,000	–	119,154

	CONSOLIDATED 2021 \$'000					TOTAL
	ON DEMAND	LESS THAN 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	GREATER THAN 5 YEARS	
Accounts payable	–	22,193	–	–	–	22,193
Bank borrowings	–	–	–	61,000	–	61,000
Closing balance	–	22,193	–	61,000	–	83,193

	UNIVERSITY 2022 \$'000					TOTAL
	ON DEMAND	LESS THAN 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	GREATER THAN 5 YEARS	
Accounts payable	–	29,899	–	–	–	29,899
Bank borrowings	–	–	–	83,000	–	83,000
Related party borrowings	–	75,000	–	–	–	75,000
Closing balance	–	104,899	–	83,000	–	187,899

	UNIVERSITY 2021 \$'000					TOTAL
	ON DEMAND	LESS THAN 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	GREATER THAN 5 YEARS	
Accounts payable	–	18,506	–	–	–	18,506
Bank borrowings	–	–	–	61,000	–	61,000
Related party borrowings	–	63,000	–	–	–	63,000
Closing balance	–	81,506	–	61,000	–	142,506

8 CASH AND CASH EQUIVALENTS

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000
Cash at bank	2,346	4,275	1,281	1,516
Bank on-call deposits	46,026	45,213	13,201	11,377
Short-term deposits	77	187	–	–
Closing balance	48,449	49,675	14,482	12,893

Including:

Funds held by controlled trusts	33,259	32,841	–	–
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Cash and cash equivalents comprise cash at bank and on hand, and short-term deposits with an original maturity of three months or less, 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

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000
Current portion				
Investments at fair value through profit or loss	65,119	63,182	3,051	305
Term deposits	21,667	36,319	11,630	24,100
Closing balance	86,786	99,501	14,681	24,405

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000
Non-current portion				
Investments in related parties	1,383	1,197	–	–
Investments in joint ventures	3,362	2,272	–	–
Closing balance	4,745	3,469	–	–

Quantitative disclosure of fair-value measurement hierarchy for investments as at 31 December 2022:

	CONSOLIDATED			CONSOLIDATED		
	2022 \$'000 LEVEL 1	2022 \$'000 LEVEL 2	2022 \$'000 LEVEL 3	2021 \$'000 LEVEL 1	2021 \$'000 LEVEL 2	2021 \$'000 LEVEL 3
Investments	–	61,350	4,745	–	63,170	3,469
Derivatives—Forward foreign exchange	–	717	–	–	(293)	–
Derivatives—Interest rate swaps	–	3,051	–	–	305	–
Closing balance	–	65,118	4,745	–	63,182	3,469

	UNIVERSITY			UNIVERSITY		
	2022 \$'000 LEVEL 1	2022 \$'000 LEVEL 2	2022 \$'000 LEVEL 3	2021 \$'000 LEVEL 1	2021 \$'000 LEVEL 2	2021 \$'000 LEVEL 3
Derivatives—Interest rate swaps	–	3,051	–	–	305	–
Closing balance	–	3,051	–	–	305	–

Due to the diverse nature of the Group's operations, the Group has a number of investments. Primarily, the Foundation holds investments in accordance with their Statement of Investment Policy (SIPO). Insurance proceeds received are held on deposit until reinvested in building and infrastructure. Investments to commercialise research are typically in unlisted entities, whose trading activity may be limited.

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 in unlisted shares is derived by taking into account significant milestones, progress towards milestones, any recent share valuations or share transactions, as well as unobservable price data and other relevant models used by market participants.

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

	CONSOLIDATED	
	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000
Opening balance	3,469	3,140
Sale of Investments	(1,264)	(844)
Purchases	3,000	962
Gain or losses recognised in other revenue	(460)	211
Closing balance	4,745	3,469

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

	2022		2021	
	\$'000 +10%	\$'000 -10%	\$'000 +10%	\$'000 -10%
Investments in related parties—aggregate share price at year end	138	(138)	120	(120)
Joint Venture—aggregate share price at year end	366	(366)	227	(227)
Change in fair value	504	(504)	347	(347)

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 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 2022 \$'000	ACTUAL 2021 \$'000	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000
Receivables & accruals	16,684	7,240	26,687	9,172
Less: allowance for expected credit losses	(285)	(413)	(179)	(259)
Other	355	193	286	141
Closing balance	16,754	7,020	26,794	9,054
Total Receivables comprise:				
Receivables from exchange transactions	16,399	6,827	26,508	8,912
Receivables from non-exchange transactions	355	193	286	141
Closing balance	16,754	7,020	26,794	9,053
Ageing of receivables and accruals				
Not past due	10,682	3,086	24,228	7,011
Past due 1–30 days	1,906	1,042	705	716
Past due 31–60 days	1,666	1,083	667	472
Past due 61–90 days	283	681	287	388
Past due over 91 days not impaired	1,862	936	620	326
Past due over 91 days impaired	285	412	179	259
Total gross trade receivables	16,684	7,240	26,686	9,172

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 PREPAID EXPENSES

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000
Pre-paid insurance	10,333	8,613	10,333	8,470
Pre-paid expenses	10,467	10,876	7,344	7,783
	20,800	19,489	17,677	16,253

12 PROPERTY, PLANT, AND EQUIPMENT

CONSOLIDATED	LAND \$'000	BUILDINGS & INFRASTRUCTURE \$'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 2021	238,359	642,416	19,849	97,624	78,175	28,607	1,105,030
Additions	1,675	11,856	4,031	9,854	7,594	56,785	91,795
Disposals & reclassifications	–	(7,148)	(2,310)	(10,303)	(6,200)	(36,871)	(62,832)
Impairment	–	–	–	–	–	–	–
Valuation movement	88,079	–	–	–	–	–	88,079
Balance as at 31 December 2021	328,113	647,124	21,570	97,175	79,569	48,521	1,222,072
Additions	–	45,616	3,466	11,269	7,025	76,639	144,015
Disposals & reclassifications	–	20	(280)	(2,012)	–	(69,609)	(71,881)
Valuation movement	(18,107)	114,366	–	–	–	–	96,259
Balance as at 31 December 2022	310,006	807,126	24,756	106,432	86,594	55,551	1,390,465
Accumulated depreciation							
Balance as at 1 January 2021	–	27,497	12,447	57,479	48,588	–	146,011
Depreciation charge	–	24,543	3,043	9,057	7,279	–	43,922
Disposals	–	(1,666)	(2,310)	(9,936)	(6,560)	–	(20,472)
Balance as at 31 December 2021	–	50,374	13,180	56,600	49,307	–	169,461
Depreciation charge	–	26,279	3,299	9,228	7,237	–	46,043
Disposals & reclassifications	–	239	(265)	(2,313)	–	–	(2,339)
Valuation Movement	–	(71,745)	–	–	–	–	(71,745)
Balance as at 31 December 2022	–	5,147	16,214	63,515	56,544	–	141,420
Net book value							
As at 1 January 2021	238,359	614,919	7,402	40,145	29,587	28,607	959,019
As at 31 December 2021	328,113	596,750	8,390	40,575	30,262	48,521	1,052,611
As at 31 December 2022	310,006	801,979	8,542	42,917	30,050	55,551	1,249,045

UNIVERSITY	LAND \$'000	BUILDINGS & INFRASTRUCTURE \$'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 2021	224,590	634,852	19,714	95,559	78,165	27,686	1,080,566
Additions	1,675	11,856	3,972	9,073	7,594	55,682	89,852
Disposals & reclassifications	–	(7,148)	(2,310)	(10,303)	(6,200)	(36,034)	(61,995)
Valuation movement	99,608	–	–	–	–	–	99,608
Balance as at 31 December 2021	325,873	639,560	21,376	94,329	79,559	47,334	1,208,031
Additions	–	45,616	3,391	10,864	7,025	76,849	143,745
Disposals & reclassifications	–	(784)	(280)	(3,251)	–	(68,909)	(73,224)
Valuation movement	(17,646)	118,319	–	–	–	–	100,673
Balance as at 31 December 2022	308,227	802,711	24,487	101,942	86,584	55,274	1,379,225
Accumulated depreciation							
Balance as at 1 January 2021	–	27,497	12,369	55,654	48,588	–	144,108
Depreciation charge	–	24,404	2,995	8,588	7,279	–	43,266
Disposals & reclassifications	–	(1,665)	(2,310)	(9,937)	(6,560)	–	(20,472)
Balance as at 31 December 2021	–	50,236	13,054	54,305	49,307	–	166,902
Depreciation charge	–	26,151	3,176	8,841	7,237	–	45,405
Disposals & reclassifications	–	(117)	(265)	(3,251)	–	–	(3,633)
Valuation Movement	–	(71,248)	–	–	–	–	(71,248)
Balance as at 31 December 2022	–	5,022	15,965	59,895	56,544	–	137,426
Net book value							
As at 1 January 2021	224,590	662,349	32,083	151,213	126,753	27,686	1,224,674
As at 31 December 2021	325,875	589,324	8,322	40,024	30,252	47,332	1,041,129
As at 31 December 2022	308,227	797,689	8,522	42,047	30,040	55,274	1,241,799

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 that future economic benefits or service potential associated with the item will flow to the Group and the cost of the item can be measured reliably. 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 the art 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. Art and 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 indicators of impairment at each balance date and whenever events or changes in circumstances indicate that 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	9–85 years	Straight line
Computers & networks	3–10 years	Straight line
Plant & equipment	3–30 years	Straight line
Library	5–10 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		UNIVERSITY	
	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000
Land	285,259	303,366	293,731	311,377
Buildings & infrastructure	417,318	231,207	420,567	231,000
Total revaluation reserve	702,577	534,573	714,298	542,377

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.

An independent valuation of land, buildings, and infrastructure assets was undertaken as at 1 December 2022 by Mr P. Todd, registered valuer with RS Valuation 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 (i.e. the campuses) takes into account various factors, 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 space efficiencies.

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 estimates of remaining useful lives for buildings.

Under the Education and Training Act 2020, 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 5.1%.

Kaikoura Earthquake: The University's property, plant and equipment suffered damage as a result of a November 2016 earthquake. An ongoing structured work programme is supporting 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 has now progressed to remediation scopes and associated costing for a sample of buildings. Required activity within the programme may take a number of years to complete.

Damage has been identified to both buildings and infrastructure, and plant and equipment fixed asset categories. We have addressed major structural damage to the Rankine Brown building.

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, and associated reinstatement scopes, supported by insurance progress payments received.

13 INTANGIBLES

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000
Cost and valuation				
Opening balance	17,928	22,383	17,928	22,383
Additions	2,231	2,353	2,101	2,353
Disposals & reclassifications	(2,568)	(6,808)	(2,568)	(6,808)
Closing Balance	17,591	17,928	17,461	17,928
Accumulated amortisation				
Opening balance	13,545	16,173	13,545	16,173
Amortisation charge	2,320	2,925	2,299	2,925
Disposals & reclassifications	(2,568)	(5,553)	(2,568)	(5,553)
Closing Balance	13,297	13,545	13,276	13,545
Net Book Value	4,294	4,383	4,185	4,383

Intangible assets represent the Group's major digital systems and supporting processes that have been purchased, developed, and implemented. These are capitalised at cost, but only if they meet the definition and recognition criteria specified in PBE IPSAS 31 Intangible Assets.

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.

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Useful lives have been assessed as three to five years. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised.

The amortisation charge for each period is recognised in the surplus or deficit in the Statement of Comprehensive Revenue and Expenses.

The amortisation period and amortisation method for each intangible asset are reviewed at each annual reporting date. If the expected useful life of the asset differs from previous estimates, then the amortisation period is amended accordingly. Also, the amortisation method will be amended if there are changes in the expected pattern of consumption of future economic benefits or service potential of the asset. Changes in the amortisation period or methodology are accounted for as changes in accounting estimates, in accordance with public benefit accounting standards.

In April 2021, the IFRS Interpretations Committee published additional guidance regarding the accounting treatment of configuration and customisation costs incurred in

implementing software as a service ('SaaS') arrangements. The Committee concluded that configuration and customisation costs should only be capitalised if the specific criteria for recognising a separate asset are met. As a result in 2021, the University changed its accounting policy in relation to configuration and customisation costs incurred in implementing SaaS arrangements.

These costs are expensed as operational expenditure, unless they result in the development of an intangible asset that meets the definition and recognition criteria outlined in PBE IPSAS 31 Intangible Assets. If these criteria are met, then the costs will be capitalised. The impact of this change in accounting policy was that \$4.2m of costs that would previously have been capitalised as intangible assets were expensed during 2021. Cash outflows of \$4.0m were included in payments to suppliers and employees in the statement of cash flows that

would previously have been included as payments to purchase intangible assets. In addition, a review of SaaS-related costs which had been capitalised in prior years identified \$1.2m of capitalised as intangible assets but under the updated accounting policy would not meet the capitalisation criteria. These intangible assets were written off in the 2021 year and the cost expensed within losses on disposal of assets.

Management exercised judgement in determining:

- ▶ whether cloud computing arrangements provide a software licence intangible asset; and
- ▶ whether costs to configure or customise SaaS arrangements create an intangible asset that meets the definition and recognition criteria under the applicable accounting standards. If costs do not meet these criteria, they are expensed as operational expenditure.

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%	Non-trading
Wellington Uni-Professional Limited	100%	Provides non-degree teaching
Victoria Link Limited (trading as Wellington UniVentures)	100%	Commercialises research
Wetox Limited	100%	Develops waste-water-treatment technology
Boutiq Science Limited	84%	Non-trading
New Zealand School of Music Limited	100%	Non-trading
General Cable Superconductors Limited	100%	Non-trading
Joint venture		
NZ Innovation Booster Limited Partnership	50%	Commercialises research

*All controlled entities have a 31 December balance date.

The Group recognises its share of the jointly controlled equity at fair value utilising the exemption for "Venture Capital Organisations" under paragraph 25 of PBE IPSAS 36 Investments in Associates and Joint Ventures. The Group's share in 2022 is \$3.4m (2021: \$2.3m).

15 ACCOUNTS PAYABLE AND ACCRUALS

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000
Accounts payable	17,357	13,010	11,103	9,323
Contract retentions	1,354	1,284	1,354	1,284
Deposits held on behalf of students	16,327	7,899	16,327	7,899
Other accruals	30,316	35,909	27,252	30,819
Statutory payables	5,116	5,528	4,177	4,604
Closing balance	70,470	63,630	60,213	53,929
Total payables comprise:				
Payables from exchange transactions	48,038	49,142	38,841	43,537
Payables from non-exchange transactions	22,432	14,488	21,372	10,392
Closing balance	70,470	63,630	60,213	53,929

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 2022 \$'000	ACTUAL 2021 \$'000	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000
Pre-paid tuition fees	20,686	14,952	19,925	14,517
Deferred revenue on research contracts	56,833	45,560	–	–
Other revenue in advance	10,791	2,691	9,870	1,642
Closing balance	88,310	63,203	29,795	16,159
Total revenue in advance comprises:				
Revenue in advance from exchange transactions	68,050	47,603	10,456	1,608
Revenue in advance from non-exchange transactions	20,260	15,600	19,339	14,551
Total revenue in advance	88,310	63,203	29,795	16,159

17 EMPLOYEE ENTITLEMENTS

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000
Current liabilities				
Annual leave	16,149	15,569	15,809	15,120
Retirement & long-service leave	2,978	2,360	2,962	2,360
Closing balance	19,127	17,929	18,771	17,480
Non-current liabilities				
Retirement & long-service leave	19,515	22,440	19,484	22,440
Closing balance	19,515	22,440	19,484	22,440

The retirement and long-service leave liabilities were independently assessed as at 31 December 2022 by Lee-Ann du Toit, an actuary with Deloitte and a Fellow of the New Zealand Society of Actuaries.

An actuarial valuation involves the projection, on a year-by-year basis, of the long-service leave and retirement leave benefit payment, based on accrued services in respect of current employees. These benefit payments are estimated in respect of their 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 4.55% (2021: 2.45%). The salary projections assume a 2.50% increase for 2025 onwards. 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 BANK BORROWINGS

The University has the following loan facility agreements.

NAME OF BANK	FACILITY LIMIT	TERM
Bank of New Zealand	\$56.25m	January 2027
ASB Bank Limited	\$56.25m	Maturing January 2025 and January 2027
Industrial and Commercial Bank of China (New Zealand) Limited	\$37.50m	Maturity January 2025

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 financial and other covenants under a Negative Pledge Deed including debt/debt equity ratio, interest cover ratio and Guaranteeing Group/Total Group asset ratio.

As at 31 December 2022, \$83m (2021: \$61m) of the above facilities have been drawn down. Interest rates on borrowings are reset for a period not exceeding 180 days, are based on standard bank indices (BKBM/OCR) and at balance date range from 4.80% to 5.63% (2021: 1.47% to 1.90%) before hedging.

Borrowings are initially recognised at the amount borrowed. After initial recognition, all borrowings are measured at amortised cost using the effect-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 \$35.0m are in place to hedge the \$83.0m of borrowings drawn at balance date (2021: \$40.0m face value of interest rate swaps to hedge \$61.0m of borrowings).

19 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 that 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 the Senior Leadership Team.

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/UNIVERSITY	
	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000
Council members (3 FTE)*	236	233
Senior Leadership Team (12 FTE)	4,425	4,685
Total remuneration	4,661	4,918

* 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 of the University.

	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000
Directors' fees		
Victoria Link Limited (trading as Wellington UniVentures)	102	90
Wellington Uni-Professional Limited	90	118
	192	208

Loans to related parties

The University has loans with certain 100% controlled subsidiaries as well as accounts payable and accounts receivable.

The University has loans to Victoria Link Limited, 31 December 2022 balance \$3.8m (2021:\$3.0m), to Presbyterian Methodist Halls of Residence Trust, 31 December 2022 balance \$2.0m (2021: \$2.0m), and Wellington Uni-Professional Limited, 31 December 2022 balance \$1.0m (2021: \$1.0m). The University has a loan from the Research Trust of Victoria University of Wellington, 31 December 2022 balance \$75.0m (2021: \$63.0m).

20 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities

Construction

In common with many large construction projects, the University regularly reviews its construction projects. These discussions are often complex and technical and do not always result in a financial outcome. Accordingly, the University estimates a contingency in the event of damage created during the construction of the Living Pa for \$2.0m.

No other amounts payable have been estimated in relation to current variations or other risk sharing arrangements under review.

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.

	CONSOLIDATED/UNIVERSITY	
	ACTUAL 2022 \$'000	ACTUAL 2021 \$'000
Buildings	83,788	133,091

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 65 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 2022 \$'000	ACTUAL 2021 \$'000
Due not later than 1 year	18,002	17,075
Due between 1–5 years	66,281	64,175
Due later than 5 years	187,371	188,334
Total non-cancellable operating leases—the Group as lessee	271,654	269,584

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 2022 \$'000	ACTUAL 2021 \$'000
Due not later than 1 year	487	564
Due between 1–5 years	806	1,374
Due later than 5 years	612	737
Total non-cancellable operating leases	1,905	2,675

No contingent rents have been recognised during the year.

21 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 and Training Act 2020, 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 that it effectively and efficiently achieves the goals and objectives for which it has been established, while remaining a going concern.

22 EVENTS AFTER BALANCE DATE

The judgements and estimates made in preparing these financial statements were based on facts and circumstances as at 31 December 2022.

23 EXPLANATIONS OF MAJOR VARIANCES AGAINST BUDGET

Explanations for major variations against the 2022 budget are as follows.

Statement of comprehensive revenue and expense

- ▶ Government funding and Tuition revenue was \$13.5m unfavourable to budget driven by lower EFTS than was budgeted.
- ▶ Research revenue was \$6.2m favourable to budget mainly due to increased research activity.
- ▶ Commercial revenue was \$8.0m unfavourable to budget due to lower than anticipated growth in commercial activity. This was primarily in Wellington UniVentures and was partially offset by lower operating costs.
- ▶ People costs were \$3.4m unfavourable to budget primarily as a result of the expensing of contractor costs on SaaS-related projects.

Statement of financial position

- ▶ Cash and cash equivalents were \$30.2m lower than budget primarily as a result of funds being held in investments and longer-term deposits.
- ▶ Investments were \$29.3m higher than budget primarily as a result of funds being held in investments rather than cash and short-term deposits.
- ▶ Property, plant, and equipment was \$233.1m higher than budget primarily as a result of the 2022 land and buildings revaluation and the 2021 land revaluation (which occurred after the 2022 budget was finalised).
- ▶ Accounts payable and accruals were \$9.0m lower than budget as a result of timing of payments.
- ▶ Revenue in advance was 18.8m higher than budget as a result of the timing of receipts, particularly in relation to SAC funding, research, and full fee tuition fees from international students.
- ▶ Non-current Employee entitlement liabilities were \$8.7m lower than budget due to a lower actuarial valuation of non-current retirement and long service leave obligations, largely due to the increased discount rate used.
- ▶ Other reserves were \$259.3m higher than budget as a result of the 2021 revaluation of land (which occurred after the 2022 budget was finalised) and the 2022 revaluation of land and buildings.



TE PŪRONGO A TE KAIATĀTARI KAUTE MOTUHAKE INDEPENDENT AUDITOR'S REPORT



TO THE READERS OF TE HERENGA WAKA VICTORIA UNIVERSITY OF WELLINGTON AND GROUP'S FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2022

The Auditor-General is the auditor of Victoria University of Wellington (the University) and group. The Auditor-General has appointed me, David Borrie, 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 26 to 58, that comprise the statement of financial position as at 31 December 2022, 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 10 to 18.

In our opinion:

- ▶ the financial statements of the University and group on pages 26 to 58:
 - ▶ present fairly, in all material respects:
 - the financial position as at 31 December 2022; 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 on pages 10 to 18:
 - ▶ presents fairly, in all material respects, the University and group's service performance achievements as compared with the forecast outcomes included in the investment plan for the year ended 31 December 2022; and
 - ▶ complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 27 March 2023. 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.

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.

Student enrolment, academic results and Government funding revenue

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 \$164m of Government funding revenue, received through the Tertiary Education Commission (TEC), the quantum of which is based on equivalent full-time student enrolments (EFTS) and retention and achievement results.</p> <p>The University reports its actual achievement against enrolment, retention and achievement targets in the statement of service performance. Due to the significance of student enrolment, retention and academic results in assessing the University's overall performance for the period, we view the University's reporting of EFTS, Government funding revenue and retention and achievement results as 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 and student achievement performance information; ▶ used our professional judgement to select performance measures that in our view are significant in terms of assessing the University's performance in the period. Our detailed testing was focused on assessing the accuracy of reported performance against these selected measures; ▶ tested on a sample basis the controls surrounding the Student Management System from which the reported enrolment, 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; ▶ compared the University's actual EFTS results against target EFTS in the Investment Plan and sought to understand significant variances; ▶ reviewed correspondence and verified a sample of remittances from TEC to assess the appropriateness of Government funding revenue recorded in the financial statements; ▶ compared recorded Government funding revenue with the University's investment plan and sought to understand any significant variances; and ▶ considered Government funding revenue financial statement disclosures and the presentation of student enrolment, achievement and retention information in the statement of service performance for compliance with PBE IPSAS 23: Revenue from Non-Exchange Transactions and PBE FRS 48: Service Performance Reporting. <p>We considered the results of the procedures above satisfactory in forming our opinion on the financial statements as a whole.</p>

Land and buildings valuation

WHY SIGNIFICANT	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>The recorded values of land and buildings are \$1,112m which represents 77% of the group's total assets and \$1,106m which represents 83% of the University's total assets.</p> <p>The 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.</p> <p>Management engaged an independent registered valuer to determine the fair value of these assets. Note 12 describes the methodology utilised by the valuer in arriving at the estimated fair values. The valuations require the exercise of significant judgment. 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; ▶ assessment of useful lives; and ▶ an assessment of what the highest and best use of the land is. <p>Management and an external 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 and objectivity of the external valuer; ▶ assessed the significant assumptions applied by the valuer including the valuation methods applied, replacement cost assumptions, useful lives and assessment of the highest and best use; ▶ 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 financial statements; and ▶ assessed the adequacy of the related financial statement disclosures. <p>As a result of the above procedures, we considered the valuation techniques and key assumptions reasonable in forming our opinion on the financial statements as a whole.</p>

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 and that complies with generally accepted accounting practice in New Zealand.

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 Education and Training Act 2020 and the Crown Entities Act 2004.

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 evaluate the appropriateness of the reported performance information within the University's framework for reporting its performance.
- ▶ 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 9, 19 to 25, and 64 to 67, 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 *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

We also provide assurance services in relation to the University's Performance-Based Research Fund return, on behalf of the Auditor-General. Partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. We have no other relationship with, or interest in, the University or any of its subsidiaries.



David Borrie

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



TE RŪNANGA COUNCIL 2022



Back row from left: Tiana Jakicevich (Ngāti Kahungunu, Whakatōhea, Tūhoe), Professor Richard Arnold, Secretary to Council Caroline Ward, Jaistone Finau, Professor Brigitte Bönisch-Brednich.

Front row from left: David McLean, Pro-Chancellor Hon. Maryan Street, Chancellor John Allen, Acting Vice-Chancellor Professor Jennifer Windsor, Alan Judge.

Absent: Cath Nesus (Ngāti Porou), James Te Puni (Ngāti Porou).

Meetings and payments

The payments to Council members listed below include attendance at Council and committee meetings during 2022. The Vice-Chancellor, Professor Grant Guilford, and the Acting Vice-Chancellor, Professor Jennifer Windsor, are not eligible to receive fee payments.

NAME	COUNCIL MEETINGS		COMMITTEE MEETINGS		PAYMENT (\$)
	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	
John Allen	8	8	24	24	40,000
Richard Arnold	8	8	6	6	20,000
Brigitte Bönisch-Brednich	8	7	9	7	20,000
Jaistone Finau	8	8	8	4	20,000
Grant Guilford	1	1	2	2	N/A
Tiana Jakicevich	8	8	12	11	20,000
Alan Judge	8	8	6	6	20,000
Dianne McCarthy	5	5	14	14	14,583
David McLean	7	7	5	4	16,667
Cath Nesus	8	8	9	9	20,000
Neil Paviour-Smith	1	1	4	4	3,333
Hon. Maryan Street	8	8	10	9	21,667
James Te Puni	8	7	6	4	20,000
Jennifer Windsor	7	7	15	15	N/A

Disclosures—Council 2022

John Allen

- ▶ Chair, Be. Accessible Charitable Trust
- ▶ Chief Executive, Wellington NZ
- ▶ Board Member, Koi Tu, Centre for Informed Futures at Auckland University
- ▶ Member, Regional Skills Committee—Ministerial appointee
- ▶ Director, Wellington Uni-Professional Ltd
- ▶ Director, Creative HQ
- ▶ Trustee, Victoria University of Wellington Foundation

Richard Arnold

- ▶ Member, Tertiary Education Union

Jaistone Finau

- ▶ Member, Trusthouse Foundation Porirua Regional Advisory Committee
- ▶ National President, Taura Pasifika

Professor Grant Guilford

(retired March 2022)

- ▶ Director, New Zealand School of Music Ltd
- ▶ Trustee, Victoria University of Wellington Foundation
- ▶ Chair, Universities New Zealand Committee on International Policy

Tiana Jakicevich (Ngāti Kahungunu, Whakatōhea, Tūhoe)

- ▶ Academic Officer/Faculty Representative, Ngā Rangahautira
- ▶ Collective member, Te Ara Whatu
- ▶ Member, Greenpeace Voting Assembly
- ▶ Board Member, New Zealand Climate Action Network

Alan Judge

- ▶ Chair/Shareholder, Aquatx Holdings Ltd
- ▶ Shareholder, Biotelliga Holdings Ltd
- ▶ Chair, Habit Group Holdings Ltd
- ▶ Trustee, The Dame Malvina Major Foundation
- ▶ Trustee, Victoria University of Wellington Foundation
- ▶ Trustee, Maxwell Fernie Trust

Dr Dianne McCarthy, CRSNZ CNZM (resigned August 2022)

- ▶ Deputy Chair, NZ Institute of Economic Research
- ▶ Trustee, Malaghan Institute of Medical Research
- ▶ Trustee, Hearing Research Foundation
- ▶ Member Governance Group, Dodd Walls Centre for Photonic and Quantum Technologies
- ▶ Director, Bragato Research Institute
- ▶ Trustee, Royal Society of NZ Endowment Fund Trust

David McLean

(appointed March 2022)

- ▶ Ex-CEO, Westpac New Zealand Ltd
- ▶ Director, Bibi McLean Trustee Ltd
- ▶ Shareholder, Ian McLean Consultancy Services Ltd
- ▶ Member, National Advisory Council on the Employment of Women
- ▶ Chair/Director, Kiwi Group Capital Ltd (November 2022)
- ▶ Chair, KiwiRail Holdings Ltd (October 2022)
- ▶ Chair, New Zealand Railways Corporation (October 2022)

Cath Nesus (Ngāti Porou)

- ▶ Director/Shareholder, Nesus & Associates

Neil Paviour-Smith

(final term concluded February 2022)

- ▶ Managing Director, Forsyth Barr Ltd (and various subsidiaries and related entities)
- ▶ Chair, New Zealand Regulatory Board (Chartered Accountants Australia and New Zealand)
- ▶ Director, The New Zealand Initiative Ltd
- ▶ Director, NZ Art Show

Hon. Maryan Street

- ▶ Director, KiwiRail Holdings Ltd (July 2022)

James Te Puni (Ngāti Porou)

- ▶ Chair, Barnados New Zealand
- ▶ Kaiwhakahaere Matua/CEO, Te Ahuru Mowai
- ▶ Director, Switched On Group
- ▶ Trustee, Waikanae Christian Holiday Park
- ▶ Director/Shareholder, Titahi Ltd

Professor Jennifer Windsor

(appointed March 2022)

- ▶ Trustee, Adam Art Gallery Collection Funding Trust
- ▶ Trustee, Adam Art Gallery Collection Trust
- ▶ Acting Chair, Adam Art Gallery Advisory Board
- ▶ Trustee, Victoria University of Wellington Foundation

Nothing to disclose

Professor Brigitte Bönisch-Brednich



TE TUMU WHAKAHAERE SENIOR LEADERSHIP TEAM 2022



Back row from left: Provost Professor Wendy Larner, Director, Human Resources Mark Daldorf, Chief Financial Officer Les Montgomery, Acting Chief Operating Officer Simon Johnson, Deputy Vice-Chancellor (Māori) Professor Rawinia Higgins (Tūhoe).

Front row from left: Vice-Provost (Research) Professor Margaret Hyland, Pro-Vice-Chancellor Humanities and Education Professor Sarah Leggott, Acting Vice-Chancellor Professor Jennifer Windsor, Deputy Vice-Chancellor (Engagement) Blair McRae (Kahungunu ki te Wairoa), Senior Leadership Team Secretary Vicki Faint, Pro-Vice-Chancellor Science, Health, Engineering, Architecture and Design Innovation Ehsan Mesbahi.

Absent: Pro-Vice-Chancellor Government, Law and Business Professor Mark Hickford, Vice-Provost (Academic) Professor Stuart Brock.

Disclosures—Senior Leadership Team 2022

Current SLT Members:

Professor Jennifer Windsor

- ▶ Director, New Zealand School of Music Ltd
- ▶ Trustee, Victoria University of Wellington Foundation
- ▶ Member, Victoria University of Wellington Council
- ▶ Trustee, VUW Art Gallery Collection Trust

- ▶ Trustee, VUW Art Gallery Collection Funding Trust
- ▶ Advisory Board Member, New Zealand Contemporary China Research Centre (until March 2022)
- ▶ Advisory Board Member, Confucius Institute at VUW (until March 2022)

Blair McRae (Kahungunu ki te Wairoa)

- ▶ Committee Member, UNZ International Committee
- ▶ Chair, Victoria University Confucius Institute
- ▶ Trustee, Williamstown Trust
- ▶ Director, Wellington Uni-Professional Limited
- ▶ Trustee, VUW Art Gallery Collection Trust

- ▶ Trustee, VUW Art Collection Funding Trust
- ▶ Member, Centres of Asia-Pacific Excellence Management Committee
- ▶ Chair, Adam Art Gallery Advisory Boards
- ▶ Member, Universities New Zealand Policy Committee

Professor Ehsan Mesbahi

- ▶ Trustee, The Research Trust of Victoria University of Wellington
- ▶ Director, Victoria Link Ltd
- ▶ Board member, MacDiarmid Institute Board
- ▶ Chair, Malaghan Medical Research Institute and VUW
- ▶ Board Member, Gracefield Development Governance Group

Les Montgomery

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

Professor Margaret Hyland

- ▶ Director, Victoria Link Ltd
- ▶ Director, Cirrus Materials Science Limited
- ▶ Trustee, Eureka! Trust (resigned 28 Feb 2022)
- ▶ Chair, Research Trust of VUW
- ▶ Director, NIWA
- ▶ Trustee, Karori Sanctuary Trust trading as Zealandia Te Māra a Tāne
- ▶ Member, MPI, Leadership Group for the Biological Emissions

Mark Daldorf

(from February 2022)

- ▶ Director, The Rise 2008 Ltd
- ▶ Trustee, Jinju Family Trust
- ▶ Director, Edgewater Dive and Spa Resort

Professor Mark Hickford

- ▶ Panel member, Borrin Foundation Grants and Scholarships Committee
- ▶ Board member, Te Kura Kaiwhakawā—Institute of Judicial Studies
- ▶ Board Member, Australia New Zealand School of Government (ANZSOG)

Professor Rawinia Higgins (Tūhoe)

- ▶ Member, Waitangi Tribunal
- ▶ Board member, Ngā Pae o te Māramatanga, Centre of Research Excellence
- ▶ Commissioner, Te Taura Whiri I te Reo (Māori Language Commission)
- ▶ Member, UN Global Taskforce
- ▶ Chair, Te Hāpāi Ō—Māori Advisory Board for Te Kawa Mataaho—Public Service Commission
- ▶ Board Member, Reserve Bank

Sarah Leggott (Acting PVC (HSSE)) (from March 2022)

- ▶ Advisory Board Member, Confucius Institute at VUW
- ▶ Advisory Board Member, New Zealand Contemporary China Research Centre

Simon Johnson

(Acting COO) (from March 2022)

- ▶ Chair, Karori Normal School Board of Trustees
- ▶ Trustee, WN Presbyterian Methodist Hall of Residence Trust

Professor Stuart Brock

- ▶ CEO/member Australasian Association of Philosophy Board

Professor Wendy Larner

- ▶ Chair, Fulbright New Zealand
- ▶ Director, Wellington Uni-Professional Limited
- ▶ Co-Chair, TEC PBRF Sector Reference Group for the Quality Evaluation 2025
- ▶ Co-Moderator, TEC PBRF Quality Evaluation 2025

Past SLT Members:

Annemarie de Castro

(until February 2022)

- ▶ Director, Adams Properties (Blenheim) Ltd

Professor Grant Guilford

(until March 2022)

- ▶ Director, New Zealand School of Music Ltd
- ▶ Trustee, Victoria University of Wellington Foundation
- ▶ Chair, Universities New Zealand Committee on International Policy
- ▶ Member, Victoria University of Wellington Council

Mark Loveard (until March 2022)

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







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