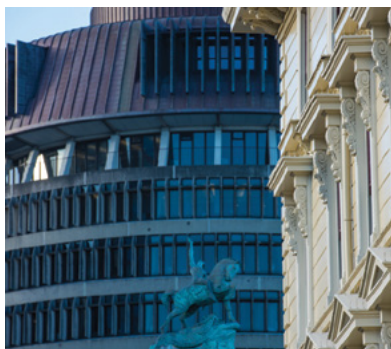
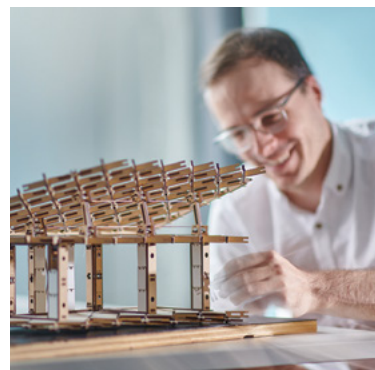




VICTORIA UNIVERSITY OF
WELLINGTON
TE HERENGA WAKA

ANNUAL REPORT 2023



He rā whawhati kō.
A day for breaking the spade.

He rā anō ki tua.
A new day to come.



VICTORIA UNIVERSITY OF
WELLINGTON
TE HERENGA WAKA

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March 2024



HE HOKINGA WHAKAMURI REFLECTING ON 2023



2023 has been a year of change for Te Herenga Waka. It has not been an easy year for our institution but as our attention turns from financial sustainability to strategic choices for the future shape of this University, and the distinctive student experience we want to foster here, the Council is in good shape to support this work.

We welcomed a new Vice-Chancellor, Professor Nic Smith, at the start of this year, as well as a number of new people to Te Hiwa, our leadership team, following a senior leadership team portfolio realignment.

It is great to have new expertise and energy to help move Te Herenga Waka forward. The Council has enjoyed a strong and positive relationship with Te Hiwa as we addressed challenges and positioned our University for a sustainable future.

I commend Professor Smith for his active, visible and principled leadership. Much has been achieved in his first year, and I know there is much more to come. Professor Smith led a thorough process to put the University in a position to return to financial sustainability, growth, and profitability.

Our University is strong and capable. It is full of talent. We can leverage this, and the ideas of our wider staff, student, and alumni communities, to ensure our future success.

It has been a difficult year for the whole university sector. All universities in New Zealand are facing financial headwinds and have had to make hard decisions in the face of underfunding of the sector over a long period. We are looking forward to working with the new Government to discuss the funding model for universities and tertiary institutions in Aotearoa New Zealand and how we can ensure the sector is fit for the future.

I want to recognise the constructive engagement we have had with both our unions and student leaders throughout 2023. It has added significant value.

I also want to recognise and acknowledge the enormous impact on staff who have been directly affected by the financial sustainability programme of work. As many of them leave the University, their contribution to Victoria, many over long periods of time, is greatly appreciated. I wish them well in the future. To the staff who remain,

I know that many are carrying heavy workloads to ensure the success of our students and they have my deep appreciation, as well as that of other Council members, for this effort.

I would also like to thank my fellow members of Council for the significant contribution they have made—their combined judgement, wisdom and insights have helped us navigate a challenging year. Thanks also to Nic Smith, other Te Hiwa members, and staff throughout the University.

We are now looking to the future. 2024 will see us establish a new strategic plan for Te Herenga Waka, and help move us forward.

A handwritten signature in green ink, appearing to read 'John Allen'.

John Allen
Chancellor

KŌKIRI KI TE PAE PADDLING OUR WAKA FORWARD



When I started as Vice-Chancellor in January, I set three priorities. The first was listening to and seeking to understand and support our staff, enlivening our campuses, and resolving administrative pain points to make everyone's lives easier and enable them to focus on our core mission. The second was addressing our financial sustainability and the third having clarity on our distinctiveness and unique value proposition.

In an ideal world, I would have had more time to focus on the first priority before tackling the second. However, soon after starting in the job of Vice-Chancellor, it became apparent that our enrolment figures this year had further worsened a situation that had been developing for a number of years. It became an imperative to quickly find ways to address the forecast deficit of \$33m this year and ensure our financial sustainability in the longer term.

There were no easy options for returning to financial sustainability. The programme of work we undertook to reduce our costs and ensure we could first survive and then ultimately thrive in the future impacted everyone in our community. It was difficult, painful and required many tough choices and compromises. Thanks to the hard work undertaken by our community, we completed the programme of work and made the required savings.

While financial discipline will continue to be needed, as a result of the work we have done we are able to return to normal business in 2024 and refocus on the other two priorities of supporting our staff and advancing our distinctiveness.

Supporting our staff is more important than ever given increased pressures resulting from sustained change over a number of years. We are focused on creating time, space, and clarity for our work. In particular, we want to reduce unnecessary work, increase our ability to focus on what is important, and to align individual incentives with our common purpose.

Leveraging our distinctiveness will be core to the exciting work to refresh our strategic plan and set a clear focus on the future. Conversations on this in 2023 have highlighted a desire to harness the many opportunities in Wellington and further afield for the University to contribute, to connect our ecosystems to integrate education and employment for our students, and to facilitate relevant debate and investigation on important issues for Aotearoa New Zealand.

My confidence that we will achieve these goals is based on the many people I have met at Te Herenga Waka who are here because they want to make a difference, people who believe in the capabilities of the next generation, people who go the extra mile to support each other in really challenging circumstances. In stark contrast to the misguided accusations that universities are increasingly corporate, faceless, top-down institutions these are the people who make us great.

This strength in our community combined with support from, and partnership with, Victoria University of Wellington Students' Association and the Tertiary Education Union has been incredibly valuable this year and we look forward to continuing to work with both groups to build a strong future for our University.

Thank you to both John Allen, our Chancellor, and the University Council as a whole for their governance, leadership and support this year. Thank you to our students, alumni, partners and supporters and, importantly, thank you to my colleagues on Te Hiwa and my colleagues throughout the institution. This is a wonderful University to be part of.

Professor Nic Smith
Vice-Chancellor

NGĀ MEA HIRAHIRA YEAR IN REVIEW

RESEARCH FOR TRANSFORMATIVE IMPACT

- The Centre for Justice Innovation, which offers an independent, impartial, and trusted voice on justice issues through multidisciplinary research, evaluation, and education, was established with the support of the Michael and Suzanne Borrin Foundation.
- The University was named as a co-host of a government-funded Ribonucleic Acid (RNA) Development Platform, a dedicated science and technology hub which supports the design and production of RNA Therapeutics and mRNA vaccines in Aotearoa.
- Scientists from the University's Paihau—Robinson Research Institute (RRI), alongside designers from Te Kura Hoahoa—the School of Design Innovation, won the Innovation Gold award for their world-first portable MRI scanner.
- Te Whiri Kawe—Centre for Data Science and Artificial Intelligence, launched in June, brings together expertise and innovation in data science, artificial intelligence, and machine learning from faculties across the University.
- The Centre for Strategic Studies—Te Pokapū Take Rautaki Aotearoa celebrated its 30th anniversary with a one-day symposium on 'New Zealand, Japan and the Indo-Pacific Region.'
- Nineteen projects led by Te Herenga Waka researchers were awarded grants in the 2023 Te Pūtea Rangahau a Marsden, the Marsden Fund, which means \$11.97 million will be given to the University over three years.
- Six projects were awarded over \$17m from the 2023 Endeavour Fund, with a major research project, led by Associate Professor Jamie Howarth, investigating whether Wellington and central New Zealand will face an increased risk of more large earthquakes following the next big shake, receiving \$12.6m of the total.
- Results of a major nationwide study, conducted by Te Herenga Waka researchers and funded by Manatū Hauora—Ministry of Health, revealed the impacts of COVID-19 are worse for Māori, Pasifika, and disabled people.
- Associate Professor Clive Aspin, Dr Mark Calcott, Professor Nicholas Golledge, Dr Mike Joy, and Professor Bev Lawton and her team from Te Tātai Hauora o Hine—National Centre for Women's Health Research Aotearoa received 2023 Research Honours awards which recognise research excellence and are presented annually by the Royal Society Te Apārangi and the Health Research Council.





O TE TAU



PREPARING STUDENTS FOR AN EXTRAORDINARY LIFE

- ▶ The University launched its two-year Disability Inclusion Action Plan, which sets out a commitment to ensuring disabled staff and students are being supported to thrive and achieve their aspirations during their time here.
- ▶ In partnership with VUWSA, and with support from a number of different University contractors, Te Herenga Waka staff offered free breakfasts to our students every second Wednesday over winter.
- ▶ Te Pūrengi—Student Experience and Wellbeing hosted a one-day symposium, known as Mīharo, for around 150 staff focusing on connection, collaboration, and celebration, which provided staff an opportunity to learn about different student services and understand how students interacted with them.
- ▶ A new initiative, He Waka Taukaea, was launched and aims to build a lasting connection with Wellington region secondary school students and to encourage them to feel at home at Te Herenga Waka.
- ▶ Te Herenga Waka hosted its biggest Open Day to date, with 4,780 registrations, with the event hosted across all our campuses. For the first time, the Pipitea Campus delivered a full Open Day programme which saw large numbers visit the home of our Law and Business schools.
- ▶ 94 students impacted by the devastation caused by Cyclone Gabrielle in 2023 were supported through our Student Hardship Fund, which received donations for this initiative totalling over \$13,000 from staff from across the University.
- ▶ 576 students received winter energy payments. Donations from staff and partnering University service providers enabled our Hardship Fund to reach even further and support those impacted by increased electricity bills during winter.
- ▶ 17 staff members received an Advance Higher Education Fellowship, which demonstrates they have met internationally recognised professional standards in teaching and supporting learning.
- ▶ The inaugural Pasifika Roadshow featured seven information evenings in locations around the wider Wellington region, aimed at empowering future Pasifika students with information about life at Te Herenga Waka.
- ▶ The Alumni as Mentors programme—which connects alumni with our final-year students—had the highest number of participants with 300 mentor/mentee matches.
- ▶ On the first official day of winter 2023, students were able to pick up items—donated by staff—to help keep them warm during the colder Wellington months. This was followed by a generous donation of dress shirts to students who needed formalwear for graduation. Both initiatives were organised by the Student Finance team.
- ▶ The Future Students team worked with faculties to offer a number of new subject specific engagement opportunities for secondary school audiences, including the Readers and Writers retreat, Engineering, Law, Commerce, Architecture and Design engagement days—hosting over 400 prospective students on-campus for interactive workshops and building their connection to our staff and students. High school teachers were invited to a range of new professional development seminars and workshops, and the University's first on-campus conference for careers advisers since pre-COVID.
- ▶ \$24,000 was donated by alumni, which was matched by the Scholarships Office and the University Foundation, to fund 23 Cost of Living scholarships. Over 100 applications were received for this scholarship, which highlighted that escalating living costs were presenting numerous challenges to students and putting even more strain on already stretched financial situations.

NGĀ MEA HIRAHIRA YEAR IN REVIEW

DEEPENING RELEVANCE AND IMPACT

- ▶ The School of Biological Sciences received a \$13.5 million gift from the late Dr Aola Richards—an alumna, scientist and academic. Her gift, the largest in the University's history, is intended to support postgraduate and postdoctoral research in entomology, reflecting her lifelong dedication to the field.
- ▶ Sir Mark Dunajtschik donated \$10 million to the Wellington Faculty of Engineering to establish a mechanical engineering programme.
- ▶ The University and the New Zealand Symphony Orchestra received a transformative \$2 million gift from acclaimed filmmaker Sir Peter Jackson and Academy Award-winning screenwriter Dame Fran Walsh for state-of-the-art recording studios for Wellington's national music centre.
- ▶ Four exceptional alumni, venture capitalist and global agri-tech leader Arama Kukutai, Solicitor General of New Zealand Una Jagose, esteemed poet and author Tusiata Avia, and drug harm reduction advocate Wendy Allison, were named our 2023 Distinguished Alumni Award winners.
- ▶ Te Herenga Waka hosted an education-focused debate with candidates from five of Aotearoa New Zealand's main political parties, in the lead up to the 2023 general election, which was attended by around 250 staff, students, alumni, and stakeholders.
- ▶ The University hosted a delegation from the People's Republic of China, deepening our relationship with our most important international market, and signing a new memorandum of understanding with the Chinese Scholarship Council.
- ▶ The Kelburn campus hosted Aotearoa New Zealand's first ever poetry film festival, with screenings of international and local short films.
- ▶ Te Herenga Waka—Victoria University of Wellington ranked in the top 100 internationally in the QS World University Rankings for Sustainability.
- ▶ The University ranked in the top 10 globally for 'Peace, Justice and Strong Institutions' in the international Times Higher Education (THE) University Impact Rankings 2023.
- ▶ Over half of the books on the 2023 longlist for the Ockham New Zealand Book awards were associated with our Te Herenga Waka—Victoria University of Wellington community: 21 writers are alumni, two staff members, three former staff members, and one student.
- ▶ The University's Emergency Response Team, Victoria Rescue, achieved provisional National Emergency Management Agency (NEMA) accreditation as a certified New Zealand response team.



O TE TAU



GROWING OUR IHO

- ▶ Professor Rangi Matamua (Tūhoe), FRSNZ, ONZM—one of Aotearoa's most respected academics in the fields of Māori astronomy and star lore—received an honorary Doctor of Literature.
- ▶ Construction continued on the Living Pā site, which aims to meet the Living Building Challenge® certification. Timber piles from the site were donated to the Mākara Peak Mountain Bike Park for use in their many development projects.
- ▶ Kaimahi and rangatahi from across Te Herenga Waka community joined the Māori Language Moment during Te Wiki o te Reo Māori and came together to kōrero (speak), waiata (sing), and pānui (read) in the Hub on the Kelburn campus. Academics from across Te Herenga Waka presented a webinar series for Te Wiki o te Reo Māori, with more than 800 people attending these public sessions.
- ▶ An action plan, developed by leading Māori researchers and practitioners, which calls for shared authority of Aotearoa's special places to ensure a flourishing environment for future generations was launched on the Pipitea campus.
- ▶ Two Māori Professors, appointed to positions at Te Kura Waihangā—Wellington School of Architecture, were welcomed to the University with a pōwhiri in February. Professor Rod Barnett (Ngāti Raukawa) was appointed Head of School at the School of Architecture and Derek Kawiti (Ngāti Hine, Ngāpuhi, Tūhoe and Ngāti Porou) is a Professor in Māori Designed Environments.
- ▶ Dr Bobby Luke (Ngāti Ruanui), a Lecturer at Te Kura Hoahoa—School of Design Innovation, was part of the vanguard of Māori fashion designers who proudly promoted Kaupapa Māori-led design at New Zealand Fashion Week 2023.
- ▶ Law and Commerce student Metiria-Hinekorangi Makareta Tawhirikura Doyle (Ngāa Rauru, Ngāti Ruanui, Ngāti Rangī, Te Ātihaunui-ā-Papārangi, and Ngāti Raukawa ki te Tonga me Te Ātiawa hoki) was the first recipient of the New Zealand Institute of Economic Research Scholarship in Māori Economics.
- ▶ Associate Professor Clive Aspin (Ngāti Maru, Ngāti Whanaunga, Ngāti Tamaterā) received Te Rangi Hiroa Medal for his research into sexuality, HIV, and suicide prevention. His work has been influential in policy development and led to greater equity for Māori and indigenous peoples in Aotearoa New Zealand.
- ▶ Dr Maria Bargh (Te Arawa, Ngāti Awa) was promoted to Professor of Politics and Māori Studies at Te Herenga Waka—Victoria University of Wellington, becoming the first wāhine Māori to achieve this position.



TE TAUĀKI WHAKAMAUNGA ATU STATEMENT OF SERVICE PERFORMANCE 2023

FOR THE YEAR ENDED 31 DECEMBER 2023



The Statement of Service Performance illustrates progress made during 2023 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 over 125 years ago, and it remains as important today.

The vision Te Herenga Waka 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 on 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 2023 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 interrelated 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 several 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.

Financial sustainability

The University undertook a programme of work focused on addressing a projected deficit of well over \$30 million in 2023 alone and ensuring Te Herenga Waka's long-term financial sustainability.

Through a combination of the additional money from the Government, philanthropic support being provided in 2024, and money freed up by reduced debt-servicing costs (due to repaying some debt using funds received from settling a long-standing insurance claim related to the Kaikōura earthquake), the University was able to put around \$6.8 million into retaining jobs and programmes that were originally proposed for disestablishment.

Along with further savings from voluntary redundancies, resignations, a small number of academic programme closures and compulsory redundancies, the University achieved its savings targets.

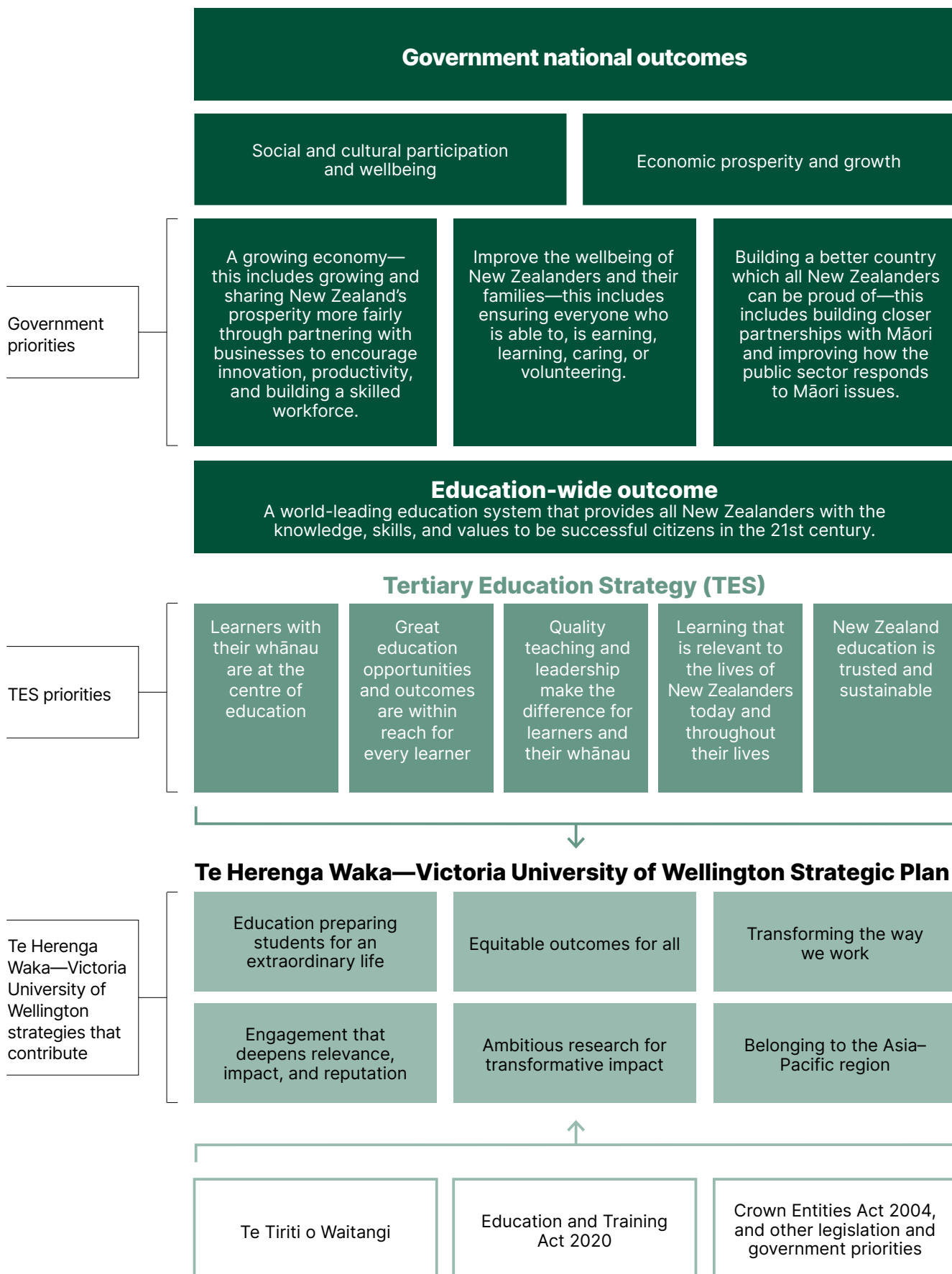
In the original proposal, the University expected a reduction of 233 fulltime equivalent staff (FTE) but, through the measures outlined above, the eventual reduction was just over 199 FTE.

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.

Outcomes and Performance Framework



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 16–17.

Service performance reporting

The University has adopted PBE FRS 48, a standard that establishes requirements for improved reporting of service performance information 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 2023. International students started to return, but domestic enrolments were lower than anticipated due to low unemployment, higher cost of living and people resuming overseas travel.

Disclosure of judgements

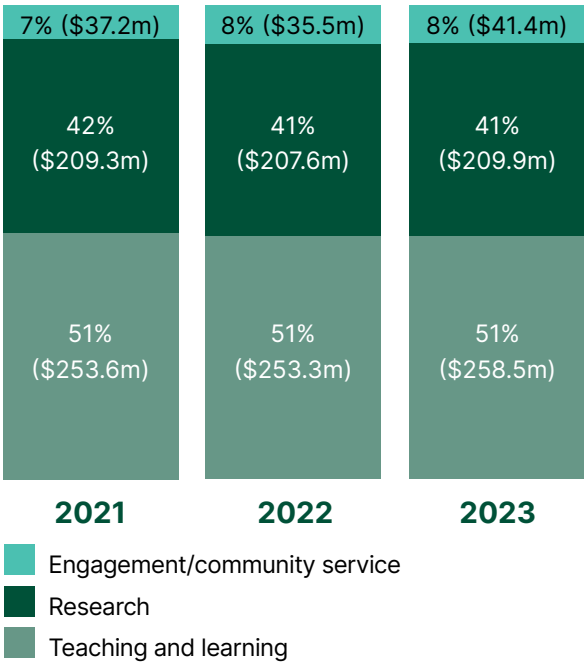
In determining key service performance information for each outcome, management has used judgement based on indicators that align with the mission and annual activities of the University. The University seeks to maintain consistency across years where appropriate and to determine service performance 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 17 and commented on within.

Linkages between financial and non-financial information

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, 41.2% of total operating expenses was attributable to research, 50.7% to teaching and learning, and 7.2% 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 2023.

Estimated expenditure by output category



RANGAHAU RESEARCH

S1

S3

S6

Service Performance Information indicator

Approximately 42% of total revenue is sourced from either government funding, the PBRF, or research-specific contracts. Of this, the University allocates \$131m 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 16–17

Progress made during 2023

The Centre for Justice Innovation, which offers an independent, impartial, and trusted voice on justice issues through multidisciplinary research, evaluation, and education, was established with the support of the Michael and Suzanne Borrin Foundation.

The University was named as a co-host of a government-funded Ribonucleic Acid (RNA) Development Platform, a dedicated science and technology hub which supports the design and production of RNA Therapeutics and mRNA vaccines in Aotearoa.

Associate Professor Clive Aspin, Dr Mark Calcott, Professor Nicholas Golledge, Dr Mike Joy, and Professor Bev Lawton and her team from Te Tātai Hauora o Hine—National Centre for Women's Health Research Aotearoa received 2023 Research Honours awards which recognise research excellence and are presented annually by the Royal Society Te Apārangi and the Health Research Council.

Professor Gary Evans (Ferrier Research Institute) and Professor Simon Keller (School of History, Philosophy, Political Science and International Relations) were named as 2023 elected Ngā Ahurei a Te Apārangi Fellows of the Academy of the Royal Society Te Apārangi for their expertise and leadership in organic chemistry, and ethics, political philosophy, and the philosophy of mental health and disorder respectively.

Scientists from the University's Paihau—Robinson Research Institute (RRI), alongside designers from Te Kura Hoahoa—the School of Design Innovation, won the Innovation Gold award for their world-first portable MRI scanner.

Te Whiri Kawe—Centre for Data Science and Artificial Intelligence, launched in June, brings together expertise and innovation in data science, artificial intelligence, and machine learning from faculties across the University.

The Policy Hub (Raumata) was initiated in October, as an initiative out of the University's Governing for the Future Project. The Hub is intended to advance better government and governance through establishing a collaborative model between academia and government, which is coordinated, focused and multi-disciplinary.

The Centre for Strategic Studies—Te Take Rautaki Aotearoa celebrated its 30th anniversary with a one-day symposium on 'New Zealand, Japan and the Indo-Pacific Region'.

Nineteen projects led by Te Herenga Waka researchers were awarded grants in the 2023 Te Pūtea Rangahau a Marsden, the Marsden Fund, which means \$11.97 million will be given to the University over three years. THW researchers were also Associate Investigators on 7 other funded projects.

Six projects were awarded over \$17m from the 2023 Endeavour Fund, with a major research project, led by Associate Professor Jamie Howarth, investigating whether Wellington and central New Zealand will face an increased risk of more large earthquakes following the next big shake, receiving \$12.6m of the total.

Fourteen projects were funded by the Health Research Council, along with the Sir Charles Hercus Fellowship awarded to Dr Mark Calcott and a Māori Health PhD Scholarship awarded to Miss Bailey Rose.

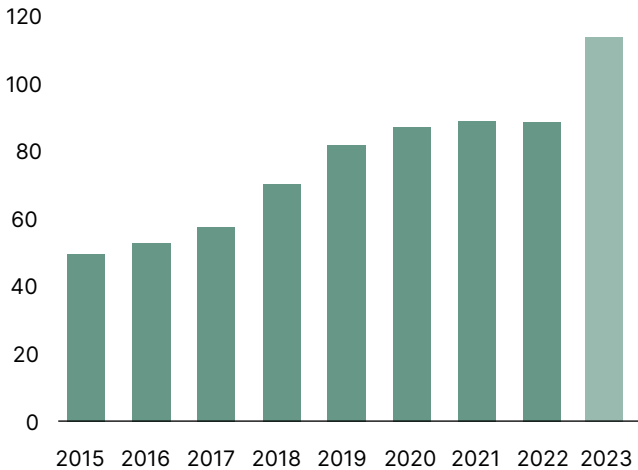
Te Herenga Waka early career researchers—Dr Simon Barker and Associate Professor Lara Greaves—were awarded two Rutherford Discovery Fellowships and three Ngā Puanga Pūtaiao Fellowships.

Results of a major nationwide study, conducted by Te Herenga Waka researchers and funded by Manatū Hauora—Ministry of Health, revealed the impacts of COVID-19 are worse for Māori, Pasifika, and disabled people.

Research Postgraduate students exceeded their target percent, reaching 7.3% of the University's EFTS in 2023 with 133 commencing EFTS—well above the 120 EFTS target and further above the 2022 end of year result of 96 (see indicator table on page 16).

While invention disclosures were well below target at 29, the percent of publications in the top 25% exceeded the 57% target to be 57.4%.

External Research Income 2015–2023 (\$m)



External Research Income (ERI), as part of PBRF reporting requirements, was \$101.1m, a 27% increase from 2022 (\$79.5m). Continued success with contestable funds contributed to a \$7.7m increase to \$79.1m in contracted research revenue (\$71.4m in 2022) in the University Research Trust. Other research revenue streams within the University were \$22.0m (\$8.1m in 2022), including

Wellington UniVentures (\$4.1m) and the University Foundation (\$16.9m). Sub-contracted research, which is excluded from the figures above, was \$11.7m in 2023 (\$8.8m in 2022). This brings total ERI to \$112.8m (\$88.3m in 2022) against a target of \$93.8m.

In 2023 Wellington UniVentures delivered uninterrupted research commercialisation support, bringing \$3.2m new revenue to the University, while restructuring to align with the University’s focus on financial sustainability.

Wellington UniVentures managed 68 commercialisation projects in 2023, including 48 projects under its new Commissioned Research & Advisory mandate (moved from the Research Office), connecting academics with opportunities in industry and government. It protected new ideas, bringing its portfolio of patents and applications to 264. Wellington UniVentures now holds \$7.8m in shares across 14 spinouts that are collectively worth \$165m. Four of its spinouts successfully raised capital in 2023.

Wellington UniVentures affiliated projects also resulted in two winners in the prestigious KiwiNet Research Commercialisation Awards. To encourage entrepreneurship impact, Wellington UniVentures supported four early career researchers through KiwiNet’s ‘Emerging Innovators’ programme and hosted political delegations, networking events and expert panels on campus.

AKO
TEACHING AND LEARNING

- S1
- S2
- S5
- S6

Service Performance Information indicator

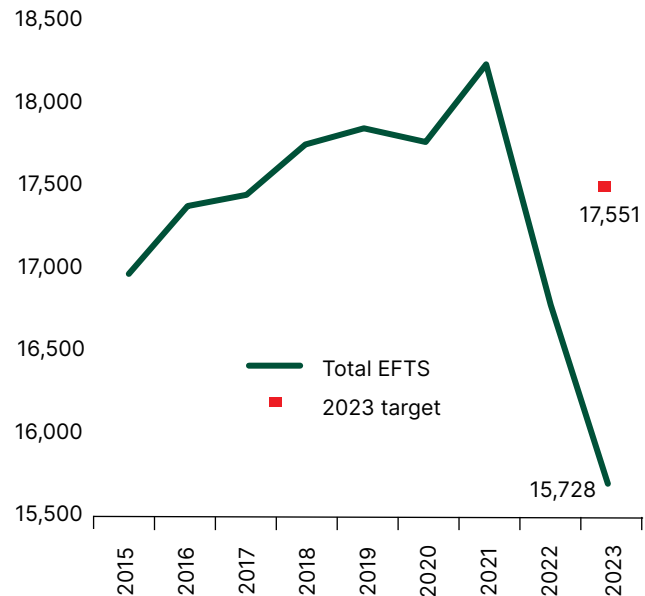
Approximately 51% of total revenue is sourced from either government funding, the PBRF, or research-specific contracts. Of this, the University allocates \$148m to Teaching and Learning. The remainder of revenue has a non-government source (i.e. direct tuition or commercial revenue). Of this, \$131m can be attributed to Teaching and Learning activities.

See full list of Performance Indicators (including TEC Educational Performance Indicators) on pages 16–17.

Progress made during 2023

After a difficult year for domestic enrolments in 2022, the University had a very challenging 2023 ending with 15,728 EFTS, 975 less than 2022 (-6.2%). Government funded EFTS fell from 15,605 EFTS in 2022 to 14,286 EFTS in 2023. This was below target within the context of ongoing high levels of employment and stronger competition for school leaver recruitment across the country.

Total EFTS 2015–2023



The decrease in SAC-funded domestic EFTS from 2022 (-1,319 EFTS or 8.5%) was observable across all faculties taking the University back to domestic EFTS levels like those seen prior to 2019.

Many international students commenced or continued to study with the University from offshore. International full-fee EFTS increased from 1,098 EFTS in 2022 to 1,442 EFTS in 2023, a 31% increase of 344 EFTS, slightly below the target of 1,463.

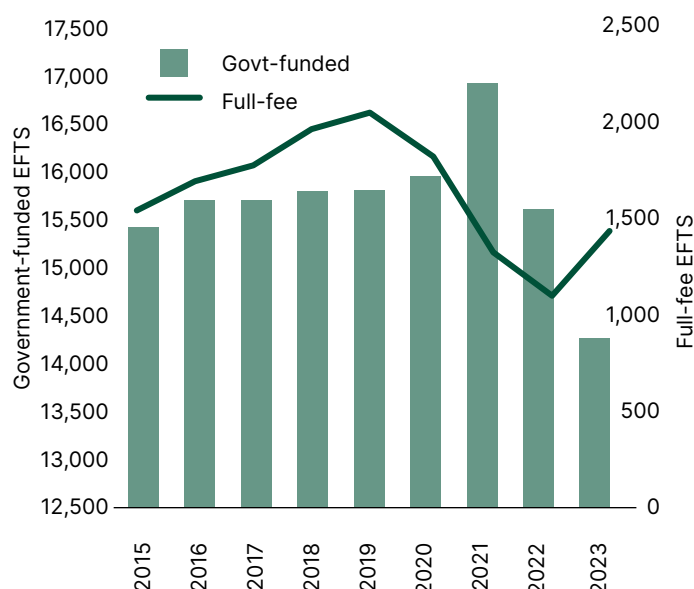
The number of international students (including government-funded international PhD candidates) increased from 2,134 in 2022 to 2,715 in 2023, with enrolments from 92 countries. International students (including government-funded international PhD candidates) constituted 13.1 % of the total student body (headcount), increasing from 9.8% in 2022 (and 11.2% in 2021).

After an increase in 2021, the overall number of commencing EFTS increased slightly from 4,654 in 2022 to 4,661 in 2023 including 664 commencing international full-fee EFTS.

Māori EFTS represented 12.4% of the domestic student population, up 0.2% from the previous year. Māori commencing EFTS decreased, from 580 in 2022 to 536, 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 344 in 2022 to 312 in 2023, short of the target of 380 EFTS.

EFTS by funding source 2015–2023



The number of taught postgraduate EFTS increased from 12.6 in 2022 to 12.9 in 2023 (+2%)

Māori participation rates at Level 7 (degree) increased, from 13.2% in 2022 to 13.5% in 2023. Those at postgraduate level were maintained at 8.5%, the same as 2022, but less than the target of 9%. Participation rates for Level 7 (degree)

domestic Pasifika students also improved from 7.2% to 7.3% in 2023, above the target of 7% of domestic funded EFTS. Pasifika participation at postgraduate level fell very slightly, from 4.0 to 3.9%, short of the target of 5%. Amid challenging external conditions, after relatively pleasing retention rates in 2022, Māori Level 7 retention fell in 2023, to 65.8% against a target of 69.5%. Retention for non-Māori and non-Pasifika Level 7 students also fell below the target, to 76.2% down from 77.8% in 2022 and against a target of 82%. Pasifika retention fell from 74.4% to 70.1%, short of the target of 79%. The University remains committed to improving student retention but saw retention rates fall generally in 2022–2023 as a flow on from COVID disruption and increased cost of living pressure affecting this cohort of students. Refer to the TEC-defined Educational Performance Indicators (EPis) on page 17.

495 scholarships were awarded to tauira Māori in 2023. This equates to an investment of over \$236,000 towards Taihonoa scholarships and Summer Internships.

A total of 878 courses and 1,352 teachers were evaluated in 2023, with 85% of courses and 95% of teachers assessed as good, very good, or excellent (approximately equal with the 2022 results of 85% and 96%, respectively).

Student satisfaction with services and facilities fell slightly to 75% in 2023 compared with 75.9% in 2022. 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 and changes within the University from its financial sustainability activities.

The University's graduates remain in high demand, with 97% in employment, further study, and not seeking work in their first-year post-graduation (meeting target but slightly down from 98% in 2022 and the same as 97% in 2021).

A university-wide Student Experience Committee was established in July. Co-convened by the DVC Students, DVC Māori and AVC Pasifika, the Committee will advise on and monitor progress against Education (Pastoral Care of Tertiary and International Learners) Code of Practice 2021, the Learner Success Plan, Te Ara Taupuhupuhi-Disability Inclusion Action Plan, and the operation of the Ki te rā: Student Wellbeing Outcomes Framework and Student Engagement Framework. The Committee will also identify emerging issues, test ideas, and explore opportunities for cooperation and collaboration in relation to the student experience.

At Te Herenga Waka, our priority is delivering personalised and enriching learning experiences to help students achieve their academic and life goals, with a strong emphasis on ensuring equitable outcomes. Equity is a cornerstone of our strategic plan, and we understand that it's not sufficient to improve all students' performance equally. Our holistic approach is dedicated to creating an ecosystem that fosters equitable outcomes, recognising our significant societal role. We acknowledge the direct link between educational achievements, increased earning potential, and socio-economic status. In 2023, our focus was on integrating our Learner Success Plan (LSP) into the Council and Te Hiwa levels. To support this, we established a new

Student Experience Committee, which guides the Deputy Vice Chancellor (Students) in driving our initiatives. Our primary objectives are to enhance first-year completion rates, ensure smooth progression, and ultimately, enable students to complete their degrees. We are committed to meeting our LSP milestones, as reflected in our reporting structure with the Tertiary Education Commission (TEC). Looking ahead to 2024, we anticipate refreshing our LSP, Investment Plan, and Strategic Plan to further our commitment to student success and equitable outcomes.

In March 2023 the Academic Quality Agency (AQA) published the Cycle 6 Audit report for Te Herenga Waka—Victoria University of Wellington. This report is part of a comprehensive quality assurance process, which made findings about the University's approach to learning, teaching, and student support services. This report also contained 7 'Commendations', 11 'Affirmations', and 12 'Recommendations' for the University. In March 2024, the University is due to provide a one-year update on its progress. This update focuses on the progress the University has made in relation to the Audit Panel's affirmations and recommendations. While the University's financial sustainability programme in 2023 has meant that some areas have not been able to progress as expected, good progress has still been made in areas, including the University's Learner Success Plan, improvements to the Admission and Enrolment system, changes to the Academic Monitoring and Reviews Policy, and ongoing strengthening of the University's relationships with students. An example of this is through the ongoing development of Ngā Kīwai o te Kete—Student Engagement Framework and through the development of Ki te rā—Student Wellbeing Outcomes Framework.

In March 2025 the University will provide a two-year update on the progress the University has made in relation to the Audit Panel's affirmations and recommendations.

The Pastoral Care Code sets out the roles and responsibilities of education providers in promoting and supporting students' wellbeing, safety, and academic success. At Te Herenga Waka, work continues across faculties and central service units to enhance processes and ensure they are embedded in our practice across the University.

In response to requirements of the Code for a whole-of-university strategic approach to student safety and wellbeing, Ki te rā—Student Wellbeing Outcomes

Framework was developed in 2023 and will be launched in early 2024. An accommodation verification was completed by Universities New Zealand to monitor Code compliance under Outcomes 5–7, with a site visit taking place in May. Feedback on the high standard of care and support provided by the Accommodation Service was very positive. Other work during 2023 focused on raising staff awareness of the Code and supporting staff to understand their role and referral pathways. This included development of web and intranet content, and a new online training course, Culture of Care, which introduces all staff to the Code and their role in recognising, responding, and referring students to appropriate support.

The Learning Platform Project implemented a modern and fit-for-purpose digital learning environment for the University. It has enhanced the ability to enact learning and teaching at scale, in a wider range of contexts, with increasingly diverse academic and student cohorts. It has provided the infrastructure needed to support growth in the range of learning models available to Te Herenga Waka and to support student retention and success through improved management and support facilities enabled by the platform. A majority of the investment in this project was in the organisational scale change programme that was enacted in 2022/23. This reflected the criticality of supporting the transition while maintaining business as usual operations during a period already defined by high stress and workload. Half of the proposed project budget was for roles placed within faculties and schools to carry the bulk of the load of work needed to move 2,111 courses and support nearly 1,000 academic staff, tutors, and professional staff across all faculties and CSU's.

We continued to develop and refine the University's requirements within the Curriculum Management System (Mata) in 2023. Mata will be the single source of curriculum information for the university, feeding data into the website, student management and learning management systems. The system will hold all governance-approved curriculum data with workflows to guide users with changing course and qualification details. Work has been ongoing throughout 2023, with data auditing and integration development to accommodate the changes from the financial sustainability work and the added requirements for both the website and course outline projects. We were pleased to open the system to the engineering and science faculties in 2023 for proposal development.

RUAWHETU ENGAGEMENT

S3

S5

S6

See full list of Performance Indicators (including TEC Educational Performance Indicators) on pages 16–17.

Progress made during 2023

Construction continues on our Living Pā with major

milestones in 2023 including the installation of the Wastewater Treatment Plant tanks in front of the Murphy Annex. The closed loop system will enable the Pā to operate from the water resources available from roof capture, address all grey and black water through on-site treatment, realign how occupants value water, and help us to redefine wastewater as a precious nutrient and resource. The highly technical system represents a number of firsts for building in Aotearoa New Zealand. Other site work includes the timber floors being installed on the lower levels of the closed-in building, while work continues on the superstructure.

A Beacons case study of the Living Pā has been released on the [Construction Accord/MBIE website](#). Beacon Projects highlight examples of good practice in the construction sector that others can learn from and adopt.

Te Herenga Waka hosted the Māori Language Moment on 14 September in the Hub, as part of Te Wiki o Te Reo Māori. Members of the University community, along with staff from Te Taura Whiri i Te Reo Māori (Māori Language Commission), came together at midday to waiata tahi, sing together, in celebration of the Māori language and those who fought (and fight) to whakaora i te reo Māori. Throughout the day the Māori Market was held in the Hub, with over 25 stalls of Māori owned and operated products and services.

In April, Te Kawa a Māui (the School of Māori Studies) and te Whānau o Te Herenga Waka held a fundraising conference to support marae impacted by Cyclone Gabrielle. A total of \$43,522 was raised from registration fees and one-off donations which was then distributed amongst marae severely impacted as a result of the flooding.

Open Day on 25 August was a very successful event for our school leaver cohort, with approximately five and half thousand people coming through across the three campuses.

We hosted several delegations throughout 2023, including one from the European Commission who had a particular interest in climate change research. As part of their visit, they were shown the Living Pā construction. In August the University hosted Huai Jinpeng, the Chinese Minister of Education, and in October we welcomed a delegation from Huazhong Agricultural University.

Te Herenga Waka—Victoria University of Wellington was selected by the New Zealand and Chinese Governments to sign a new memorandum of understanding with the Chinese Scholarship Council (CSC) at Parliament. The new MoU doubles the annual number of CSC PhD students coming to the University from 10 to 20 students. Three MoU were signed on the day at Parliament and Te Herenga Waka was the only New Zealand university to sign an MoU.

Alumni engagement continued throughout 2023, with four alumni events held in Australia and three domestic events: one each in Auckland, Wellington and Christchurch. Our overseas alumni continued the tradition of organising numerous alumni events around the world.

Two Te Herenga Waka Press publications received awards at the 2023 Ockham New Zealand Book Awards held in May. *The Axeman's Carnival* by Catherine Chidgey won the Jann Medlicott Acorn Prize for Fiction and *Home Theatre* by Anthony Lapwood won the Hubert Church Prize for Best First Book of Fiction.

The Distinguished Alumni Awards Celebration was held on 19 October to celebrate and honour our four Distinguished Alumni Award winners for 2023.

Our sustainability work was reflected in our QS Sustainability Ranking in 2023 of 81st equal, up 35 places from 116th in 2022. This rise is like our rise in Times Higher Education equivalent (Impact rankings), where we rose from 85th equal to 58th equal in an equivalent time frame.

Scientists from Te Herenga Waka—Victoria University of Wellington's Paihau—Robinson Research Institute (RRI), alongside designers from Te Kura Hoahoa—the School of Design Innovation, won the Innovation Gold award at the 2023 Wellington Gold Awards for their world-first portable MRI scanner. As in previous years, the University sponsored the New Thinking Gold award for 2023, presented to Frances Shoemack from Abel Fragrances.

We are deeply grateful for the generosity of charitable foundations, individuals, and whānau, all of whom play a pivotal role in growing student success, advancing ground-breaking research and enhancing community engagement. Thanks to the support of our alumni community, we are pleased to report an increase in donations to our appeals programme, particularly for initiatives such as our Student Hardship Fund and Alumni Appeal Scholarships.

Sir Mark Dunajtschik donated \$10 million to the University's Faculty of Engineering to establish a mechanical engineering programme.

The School of Biological sciences received a \$13.5 million gift from the late Dr Aola Richards, an alumna, scientist, and academic. Her gift, the largest in the University's history, is intended to support postgraduate and postdoctoral research in entomology, reflecting her lifelong dedication to the field.

We are also pleased to announce that despite recent volatility in investment markets, the Foundation has successfully met the target distribution rate for all endowed funds. This was made possible through a combination of modest positive investment returns throughout the year and support from the Foundation's reserves. As of 31 December 2023, the Foundation's total assets stand at \$108 million.

Through strategic collaborations and dedicated efforts, our university has celebrated the success of Pasifika communities and enhanced their academic journeys. The Pasifika Roadshow, held across multiple regions, engaged local communities, families and prospective students, providing comprehensive information on study options and encouraging alumni towards postgraduate study. The collaboration involved partnering with local government, mayors and the Electoral Commission. Our partnership with the National University of Samoa fosters collaborative research opportunities, with the Faculty of Graduate Research and Faculty of Health. The Pasifika Graduation is a vibrant celebration of Pasifika graduates, families and the university's commitment to nurturing Pasifika cultures and identities. The Office of the Assistant Vice-Chancellor Pasifika, alongside the Pasifika Student Success team, continue to champion Pasifika student and staff achievement, fostering an inclusive environment and advocating for improved outcomes across the university.

This year the University launched its new Pakohe (sustainability) school leaver scholarship. This is a distinctive scholarship in the tertiary sector and signals the University's commitment to 'fostering the leaders of tomorrow'. The scholarship was popular with school leavers, and we will be welcoming 28 of those applicants to join us in 2024 as partners to help build our pathway to sustainability.

All performance indicators

STRATEGY	INDICATOR	2023 ACTUAL	2023 TARGET	2022 ACTUAL	2021 ACTUAL
Research (pages 11–12)					
S1	External Research Income (\$m)	112.8	93.8	88.3	88.4
S1	Number of new invention disclosures	30	65	50	70
S1	Publications (Scopus-indexed) in top 25% of journals (%)	57.4	57.5	56.8	56.7
S1, S2	Research postgraduate/Total EFTS (%)	7.3	7.2	6.9	6.1
S1, S2	Commencing research postgraduate EFTS	133	120	96	98
Teaching and Learning (pages 12–14)					
S2	Taught postgraduate/Total EFTS (%)	12.9	14	12.6	13.2
S2	Teachers assessed as ≥ good by students (%)	95	96	96	95
S3, S3	Graduates in employment, further study, and not seeking work first year post-graduation (%)	97	97	98	97
S2, S6	Proportion of students rating services and facilities as 'good' or 'very good' (%)	75.0	80.0	75.9	77.0
S2, S4	Commencing Māori student EFTS	527	710	561	648
S2, S4, S5	Commencing Pasifika student EFTS ¹	312	380	344	359
S4	Proportion of professors who are female (%)	28.2	31.0	26.9	27.5
S4	Proportion of academic staff who are Māori (%)	5.6	6.5	5.7	5.8
S4, S5	Proportion of academic staff who are Pasifika (%)	2.4	2.5	2.6	2.1
Engagement (pages 14–15)					
S3, S5	Commencing international full-fee EFTS	664	700	294	336
S3	Fundraising (\$m) includes all bequests, pledges and cash donations ²	33.9	151.0	158.0	143.5
All (pages 11–15)					
S6	Revenue retained as surplus for reinvestment (%)	5.6	0.2	-5.1	6.1
S6	Staff satisfaction—Your Voice (%)	N/A	75	N/A	67

¹ Includes international Pasifika students.

² The What if...? fundraising campaign operated for 10 years until 2022.

TEC-defined Educational Performance Indicators (EPIs)

EPI TYPE	DESCRIPTION	2023 PROVISIONAL	2023 TARGET	2022 ACTUAL	2021 ACTUAL
Participation	The proportion of total SAC ³ eligible EFTS enrolled at the TEO who are non-Māori, non-Pasifika at level 4–7 (non-degree) (%) ⁴	32.2	40.0	35.8	54.5
Participation	The proportion of total SAC eligible EFTS enrolled at the TEO who are Māori at level 4–7 (non-degree) (%) ⁴	30.1	30.0	21.8	20.2
Participation	The proportion of total SAC eligible EFTS enrolled at the TEO who are Pasifika at level 4–7 (non-degree) (%) ⁴	37.7	40.0	43.2	33.3
Participation	The proportion of total SAC eligible EFTS enrolled at the TEO who are non-Māori, non-Pasifika at level 7 degree (%)	80.4	80.0	80.7	81.1
Participation	The proportion of total SAC eligible EFTS enrolled at the TEO who are Māori at level 7 degree (%)	13.5	14.0	13.2	13.1
Participation	The proportion of total SAC eligible EFTS enrolled at the TEO who are Pasifika at level 7 degree (%)	7.3	7.0	7.2	7.0
Participation	The proportion of total SAC eligible EFTS enrolled at the TEO who are non-Māori, non-Pasifika at level 8–10 (%)	88.1	87.0	87.9	88.8
Participation	The proportion of total SAC eligible EFTS enrolled at the TEO who are Māori at level 8–10 (%)	8.5	9.0	8.5	7.6
Participation	The proportion of total SAC eligible EFTS enrolled at the TEO who are Pasifika at level 8–10 (%)	3.9	5.0	4.0	4.1
First Year Retention	The first-year retention rate for non-Māori, non-Pasifika students at level 7 degree (%)	76.2	82.0	77.8	81.0
First Year Retention	The first-year retention rate for Māori students at level 7 degree (%)	65.8	76.0	69.5	75.6
First Year Retention	The first-year retention rate for Pasifika students at level 7 degree (%)	70.1	79.0	74.4	78.5
Course Completion	The course completion rate for non-Māori, non-Pasifika students (SAC eligible EFTS) at level 1–10 (%) ⁵	86.7	89.0	87.0	88.3
Course Completion	The course completion rate for Māori students (SAC eligible EFTS) at level 1–10 (%) ⁵	79.0	83.0	77.9	79.2
Course Completion	The course completion rate for Pasifika students (SAC eligible EFTS) at level 1–10 (%) ⁵	68.3	75.0	66.8	70.0
Research	The amount of External Research Income earned (\$m) ⁵	112.8	83.5	79.5	78.9
International	The number of international students EFTS ⁶	1,442	1,463	1,098	1,311
Research	The number of research degrees completed	495	520	540	539

3 Student Achievement Component funding.

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

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

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

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



We remain 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, services, 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.

Our commitment to ensuring disabled staff and students are supported to thrive and achieve their aspirations during their time here was strengthened in 2023 with the launch of **Te Ara Taupuhipuhi—Disability Inclusion Action Plan 2023–2025**. Te Ara Taupuhipuhi has been created by Te Amaru—Disability Services in collaboration with staff and students from across the University and builds on the success of the first Disability Action Plan from 2017, which resulted in a significant increase in the number of disabled students at Te Herenga Waka. Our new plan will enhance the disability inclusion and confidence of our community and continue our contribution to best practice in this field.

From the end of 2022 and through to the end of 2023 the EDI programme included the following:

- ▶ Engaging with Pasifika, Enhancing Rainbow Inclusivity and Building Intercultural Competency. Over 100 University staff participated in these workshops.
- ▶ Te Hāpai which comprises seven different workshops continues to support our staff community to increase their understanding of an engagement with Māori culture, language and Te Tiriti o Waitangi. Over 900 staff attended these workshops in 2023.
- ▶ The Anti-Racism Initiative (ARI) started in mid-2022 and is a strategic priority for the University. It is a key driver in ensuring Māori, Pasifika, Black and other people of colour that make up the University community are less harmed by structural and interpersonal racism. The initiative has three workstreams: reporting, accountability, and policy; knowledge and education; and wānanga and student experience.
- ▶ Through an equity-centred design approach, the following has been produced:
 - A draft outcome statement and principles for the initiative.
 - An approach to effecting change from the current state to our articulated outcome.
 - Four student wānanga to listen and understand student perspectives involving over 60 students and 25 student associations.

- A set of anti-racism policy principles.
- The integration of the anti-racism policy principles into the draft update of the EDI policy.

As part of the EDI framework focus for staff the University is actively engaging in the Library and administration/ clerical workers pay equity claims process with the other universities and the collaborating unions. This process will identify and mitigate any inequities in roles that have been predominately filled by female employees for many years. The activity in 2023 was working through the project scope, process, and tools for assessment with 2024 moving to assessment, analysis and mitigation work.

Utilising the successful Nuku platform, Te Amaru—Disability Services developed courses to support disabled students' use of inclusive learning software, called Note taking with Glean (a digital note taking app), and study skills with Read&Write. Due to the popularity of Read&Write amongst students and staff, Digital Solutions has now taken over funding this. An overhaul was conducted of the academic inclusion services that are available for disabled students and how these are communicated to ensure they are scalable, sustainable, and easy to access. In response to an increased interest in disability from academic staff we streamlined and increased the effectiveness of Disability Inclusion Arrangements, which share the impact of a student's disability on their participation and learning and outline inclusive strategies for success. Disability inclusion relies on a university wide approach and close collaboration with staff, students, and student leaders (including VUWSA and the Disabled Students' Association) was valuable in supporting disabled students to thrive.

Rainbow inclusion efforts at the university focused on student wellbeing and community development. Initiatives included one-on-one adviser appointments, student-led peer-support, access to gender affirming care, and financial support for students to legally change their name or sex marker. In 2023 we streamlined how we update student information in university systems, including preferred names. Improving communication with rainbow students was also a priority, leading to the redesign of the Rainbow area on the University website as a central

knowledge hub and reestablishment of a community newsletter. While improving inclusive practices across the University remains a significant area for development, a success has been the introduction of rainbow self-identification at enrolment, facilitating increased outreach and better approximations of the size of our rainbow student population to demonstrate the need for continued investment in rainbow inclusion.

Professor Sara Kindon was commissioned by the Tertiary Education Commission (TEC) to develop best practice guidelines for tertiary education organisations to better support refugee-background learners' academic success and improve their experiences as students. This was based on her track record of prior research in this area and national leadership. Professor Kindon worked collaboratively with alumna Ms Sarah Willette to prepare a research report, receiving input from colleagues, and drawing on the lived experience of Refugee Background students in the Aotearoa New Zealand National Tertiary Network. From this they extracted *Best Practice Guidelines to Support Refugee-Background Tertiary Learners in Aotearoa New Zealand*, which the TEC published in November 2023. These guidelines will inform future practice at Te Herenga Waka to achieve an inclusive and equitable tertiary learning environment where refugee learners can succeed.

The University's Refugee Background Adviser continues to provide support and guidance for prospective and current refugee background students, engaging with whānau and community partners and fostering a strong relationship with the student representative group Vic Without Barriers.

TOITŪTANGA SUSTAINABILITY



At Te Herenga Waka, we value sustainability, both individually and collectively, and recognise that we have a moral imperative to do better.

In 2023 we launched Te Parahia, our Sustainability Outcomes Framework, which provides a clear and collective direction—a set of target outcomes—that everyone in the University community can work towards, in the areas most relevant to them. Our Living Pā project—a redevelopment of the marae complex that puts mātauranga Māori and sustainability at the heart of the University—provides inspiration for Te Parahia. Over the past year we made good progress towards delivering our target outcomes.

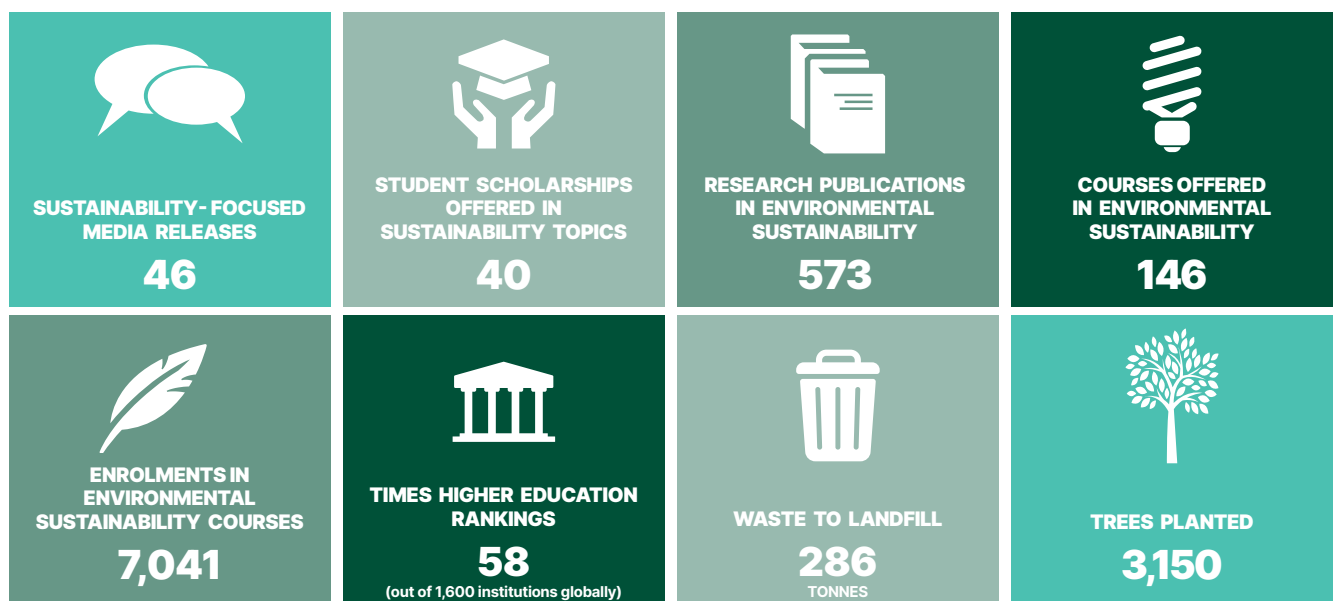
We provided our students with the skills needed for the transition to a sustainable future across the hundreds of courses and numerous qualifications we offer that have a focus on sustainability. We continue to deliver numerous extra-curricular opportunities for students to participate in sustainability action alongside their studies, which means our students get recognition for their achievements in sustainability. Caitlin Hartnett-Poelman was awarded the New Zealand Institute of Landscape Architects Scholarship for her research on the design of therapeutic landscapes, and Maria Walker was named the New Zealand Green Building Council Future Thinker of the Year. To build on our student success we launched our Pakohe scholarships in 2023, which were awarded to 28 school-leavers who demonstrated sustainability leadership and will become our next cohort of sustainability champions.

We continued to deliver research across a range of disciplines that connect to sustainability ranging from sea-ice records in Antarctica to Me Tū ā-Uru—an action plan for better environmental governance developed by leading Māori researchers and practitioners. We shared some of our academic expertise in a sustainability podcast series featuring researchers and practitioners from across Te Herenga Waka who discussed climate action, biodiversity, clean water, circular economics, equity and partnerships.

We continued work on implementing our Zero Carbon Plan. Air travel is a major source of emissions for the University and our work to ensure the need to fly is carefully considered has meant that air travel volumes are still well below pre-pandemic levels. Along with other climate actions, such as the installation of 400 solar panels at Te Aro campus, this means that our 2023 greenhouse gas emissions are well below our 2017 baseline. Find our latest greenhouse gas inventory online: wgtn.ac.nz/carbon-footprint

In 2023 we also commenced work on developing our climate adaptation plan, leading a collaborative project with other New Zealand universities, Te Pūkenga and Wānanga to explore how climate change will impact the sector over the rest of the century.

We intend to include a disclosure of our climate-related risks and opportunities in future annual reports.



Our pathway to climate-related disclosures

	2022 AND EARLIER	2023	2024	2025
Governance	Emissions reduction reporting to University Council		Establish governance responsibilities and processes for climate risk for University Council	
Strategy	Zero Carbon Plan launched, and management responsibilities allocated	Led development of future climate scenarios for tertiary education sector	Quantify impacts of climate scenarios for the University, including financial impacts Prioritise risks and opportunities, and identify actions	Allocate responsibilities for climate adaptation and embed in processes and strategies
Risk management	Climate impacts on campus infrastructure assessed	Climate risk included in strategic risk register	Incorporate climate risks into overall risk management processes	Incorporate disclosures into Annual Report
Metrics and targets	Emissions reduction targets set and greenhouse gas (GHG) inventory audited	Link to GHG inventory included in the Annual Report	Develop risk and opportunity assessment metrics as part of the financial statement audit	

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 Tauira executives who consult with other representation groups including PGSA, Pasifika Students' 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.

The Student Services Levy is calculated and charged on a per-point charging structure (capped at 150 points) and there is a different rate for students studying within the Wellington region and those studying from elsewhere in New Zealand or overseas.

Student levies made a net deficit of \$971,550 in 2023, primarily due to a fall in revenue from lower student numbers, while maintaining the level of services provided to students. Annual deficits (and surpluses) are carried forward, ring fenced and actively managed during the next financial year's levy budgeting and planning processes.

In 2023, a Wellington based student was charged \$8.60 per point (up to a cap of 150 points) for the Student Services Levy. For students studying from elsewhere within New Zealand or overseas, the Student Services Levy was charged at \$4.30 per point (also up to a cap of 150 points). 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 2023 was \$1,060.

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

Two early childhood centres at the Kelburn campus provide education for children of students at the University.

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	2023 STUDENT SERVICES LEVY (SSL) REVENUE \$'000	2023 STUDENT ASSISTANCE LEVY (SAL) REVENUE \$'000	2023 REVENUE FROM OTHER SOURCES \$'000	TOTAL REVENUE \$'000	TOTAL COST (SSL RELATED AND SAL GRANTS) \$'000	NET SURPLUS/ (COST) \$'000
Advocacy and legal advice	1,245	–	–	1,245	1,195	50
Careers information, advice, and guidance	1,092	–	33	1,125	976	149
Counselling services and pastoral care	2,938	–	1,021	3,959	3,804	155
Employment information	455	–	13	468	410	58
Financial support and advice	386	467	126	979	949	30
Health services	3,944	–	2,321	6,265	6,720	(455)
Media	190	–	–	190	190	–
Childcare services	203	–	–	203	203	–
Clubs and societies	1,056	–	–	1,056	1,246	(190)
Sports, recreation, and cultural activities	1,879	–	468	2,347	3,116	(769)
Total	13,388	467	3,982	17,837	18,809	(972)

NGĀ TAUĀKI WHAKAHAERE PŪTEA FINANCIAL OVERVIEW



The operating surplus for the consolidated Group (excluding the University foundation) was \$8.4m, which is 1.5% of revenue. The consolidated Group operating surplus (including all entities) was \$30.9m, equating to 5.4% of revenue.

The 2022 result also includes the final settlement on an earthquake insurance claim and the financial sustainability redundancy costs. There was a reduction in domestic

students compared to 2022, while also a bounce-back towards COVID-19 levels in international students.

	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000
Financial performance					
Total operating revenue ⁷	546,270	494,125	518,274	490,209	506,655
Group (excl Foundation) surplus/(deficit) for the year	8,429	(16,268)	21,915	(9,872)	5,608
EBITDA	84,918	23,529	70,557	49,241	60,908
Surplus/(deficit) (including the Foundation)	30,920	(25,224)	31,655	(3,267)	16,939
Financial position					
Total current assets	201,401	182,328	182,202	165,338	168,859
Total non-current assets	1,213,853	1,258,084	1,060,463	968,369	989,068
Total assets	1,415,254	1,440,412	1,242,665	1,133,707	1,157,927
Total current liabilities	250,775	177,907	144,762	156,376	209,996
Total non-current liabilities	19,342	102,515	83,440	85,193	51,133
Total liabilities	270,117	280,422	228,202	241,569	261,129
Total community equity	1,145,137	1,159,990	1,014,463	892,138	896,798

Statistics					
University surplus/(deficit) to total revenue	1.5%	(3.3%)	4.2%	(2.0%)	1.1%
University surplus/(deficit) to total assets	0.6%	(1.1%)	1.8%	(0.9%)	0.5%
Current assets to current liabilities	80%	102%	126%	106%	80%
Assets to equity	124%	124%	123%	127%	129%

The Victoria University of Wellington Foundation (the fundraising arm of the University) earned \$21.9m from donations and \$8.6m 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 increased to \$107.8m at year end.

Net cash flow from operations at \$73.2m increased by \$29.2m from 2022 mainly due to insurance receipts partly offset by lower domestic EFTS, financial sustainability redundancy costs, and inflationary pressure across all operating expenditure. Capital expenditure for the year of \$51.1m was \$25.5m less than the prior year reflecting the completion in 2021 of the Rutherford House refurbishments, and construction continued on the Living Pā.

⁷ These numbers are University Group (excluding the Foundation).





TE TAUĀKI PŪTEA FINANCIAL STATEMENTS

For the year ended 31 December 2023

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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 2023 fairly reflect the financial position and operations of Victoria University and the Group.



John Allen

Chancellor
25 March 2024



Professor Nic Smith

Vice-Chancellor
25 March 2024

TE TAUĀKI WHIWHINGA, WHAKAPAUNGA WHĀNUI

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 31 December 2023

		CONSOLIDATED			UNIVERSITY		
	NOTE	ACTUAL 2023 \$'000	BUDGET 2023 \$'000	ACTUAL 2022 \$'000	ACTUAL 2023 \$'000	BUDGET 2023 \$'000	ACTUAL 2022 \$'000
Revenue							
Government funding		153,224	171,779	164,293	153,224	171,779	164,293
Performance-Based Research Fund (PBRF) funding		37,116	36,615	35,959	37,116	36,615	35,959
Domestic tuition		91,753	103,772	97,677	91,753	103,772	97,677
Full-fee tuition		38,780	39,727	27,756	38,780	39,727	27,756
Research		93,835	87,845	82,631	37,417	37,912	36,876
Commercial		17,779	19,516	13,925	11,284	14,728	7,884
Other revenue	2	113,783	72,598	71,884	105,775	66,607	66,759
Total operating revenue	2	546,270	531,852	494,125	475,349	471,140	437,204
Expenses							
People	3	295,398	295,621	283,916	271,711	271,128	260,535
Operating	4	141,252	136,675	133,481	94,020	101,622	100,017
Occupancy	4	43,860	43,392	42,442	42,694	44,112	41,457
Finance costs	5	2,132	4,336	2,191	6,253	7,898	3,829
Depreciation & amortisation	12,13	55,199	51,700	48,363	54,234	51,321	47,704
Total operating expenses		537,841	531,724	510,393	468,912	476,081	453,542
Surplus/(deficit)		8,429	128	(16,268)	6,437	(4,941)	(16,338)
Victoria University of Wellington Foundation:							
Foundation revenue		30,710	7,350	(2,339)	–	–	–
Foundation expenses		(8,219)	(6,658)	(6,617)	–	–	–
Movement of net assets	6	22,491	692	(8,956)	–	–	–
Surplus/(deficit) (including the Foundation)		30,920	820	(25,224)	6,437	(4,941)	(16,338)
Other comprehensive revenue and expense							
Movements in revaluation reserve	12	(44,303)	–	168,004	(44,141)	–	171,921
Net movement in cash flow hedges		(1,470)	–	2,747	(1,470)	–	2,747
Total other comprehensive income		(45,773)	–	170,751	(45,611)	–	174,668
Total comprehensive income		(14,853)	820	145,527	(39,174)	(4,941)	158,330

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

		CONSOLIDATED			UNIVERSITY		
	NOTE	ACTUAL 2023 \$'000	BUDGET 2023 \$'000	ACTUAL 2022 \$'000	ACTUAL 2023 \$'000	BUDGET 2023 \$'000	ACTUAL 2022 \$'000
Current assets							
Cash & cash equivalents	8	54,772	77,800	48,449	19,947	53,307	14,482
Investments & other financial assets	9	87,382	66,952	86,786	12,175	1,900	14,681
Accounts receivable & accruals	10	30,233	10,157	16,754	23,487	11,200	26,794
Pre-paid expenses	11	22,901	20,066	20,800	19,012	17,100	17,677
Other current assets	7	6,113	3,043	9,539	186	100	441
Loans to related parties	19	–	–	–	6,110	7,000	6,760
Total current assets		201,401	178,018	182,328	80,917	90,607	80,835
Non-current assets							
Property, plant, & equipment	12	1,192,561	1,119,297	1,249,045	1,185,638	1,100,800	1,241,799
Intangibles	13	12,444	4,659	4,294	12,362	4,600	4,185
Investments & other financial assets	9,14	8,848	3,469	4,745	3,251	5,300	3,251
Total non-current assets		1,213,853	1,127,425	1,258,084	1,201,251	1,110,700	1,249,235
Total assets		1,415,254	1,305,443	1,440,412	1,282,168	1,201,307	1,330,070
Current liabilities							
Accounts payable & accruals	15	73,525	76,585	70,470	61,447	64,584	60,213
Revenue in advance	16	86,861	68,700	88,310	36,591	20,400	29,795
Related party borrowings	19	–	–	–	70,000	87,000	75,000
Employee entitlements	17	19,389	18,800	19,127	19,195	18,400	18,771
Bank borrowings	18	71,000	–	–	71,000	–	–
Other current liabilities		–	3,000	–	–	–	–
Total current liabilities		250,775	167,085	177,907	258,233	190,384	183,779
Non-current liabilities							
Employee entitlements	17	19,342	22,500	19,515	19,302	22,500	19,484
Bank borrowings	18	–	118,000	83,000	–	118,000	83,000
Total non-current liabilities		19,342	140,500	102,515	19,302	140,500	102,484
Total liabilities		270,117	307,585	280,422	277,535	330,884	286,263
Net assets		1,145,137	997,858	1,159,990	1,004,633	870,423	1,043,807
Community equity							
Accumulated surplus		485,338	462,981	454,418	332,895	327,742	326,458
Other reserves		659,855	534,877	705,628	671,738	542,681	717,349
Non-controlling interest		(56)	–	(56)	–	–	–
Total community equity		1,145,137	997,858	1,159,990	1,004,633	870,423	1,043,807

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	NOTE	CONSOLIDATED			UNIVERSITY		
		ACTUAL 2023 \$'000	BUDGET 2023 \$'000	ACTUAL 2022 \$'000	ACTUAL 2023 \$'000	BUDGET 2023 \$'000	ACTUAL 2022 \$'000
Community equity at 1 January		1,159,990	997,038	1,014,463	1,043,807	875,364	885,477
Surplus/(deficit) for the year		30,920	820	(25,224)	6,437	(4,941)	(16,338)
Other comprehensive revenue and expense							
(Decrease)/increase in asset revaluation reserve	12	(44,303)	–	168,004	(44,141)	–	171,921
(Decrease)/increase in cash flow hedge reserve		(1,470)	–	2,747	(1,470)	–	2,747
Total comprehensive revenue and expense		(14,853)	820	145,527	(39,174)	(4,941)	158,330
Community equity at 31 December	21	1,145,137	997,858	1,159,990	1,004,633	870,423	1,043,807
Community equity represented by:							
Accumulated surplus							
Opening balance		454,418	462,161	479,642	326,458	332,683	342,796
Surplus/(deficit) for the year		30,920	820	(25,224)	6,437	(4,941)	(16,338)
Closing balance		485,338	462,981	454,418	332,895	327,742	326,458
Non-controlling interest							
Opening balance		(56)	–	(56)	–	–	–
Closing balance		(56)	–	(56)	–	–	–
Asset revaluation reserve							
Opening balance		702,577	534,573	534,573	714,298	542,377	542,377
(Decrease)/increase in revaluation reserve	12	(44,303)	–	168,004	(44,141)	–	171,921
Closing balance		658,274	534,573	702,577	670,157	542,377	714,298
Cash flow hedge Reserve							
Opening balance		3,051	304	304	3,051	304	304
(Decrease)/increase in cash flow hedge reserve		(1,470)	–	2,747	(1,470)	–	2,747
Closing balance		1,581	304	3,051	1,581	304	3,051
Community equity at 31 December		1,145,137	997,858	1,159,990	1,004,633	870,423	1,043,807

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	NOTE	CONSOLIDATED			UNIVERSITY		
		ACTUAL 2023 \$'000	BUDGET 2023 \$'000	ACTUAL 2022 \$'000	ACTUAL 2023 \$'000	BUDGET 2023 \$'000	ACTUAL 2022 \$'000
Cash flows from operating activities							
Government funding		155,926	171,779	173,662	155,926	171,779	173,662
PBRF revenue		37,116	36,615	35,959	37,116	36,615	35,959
Tuition fees		132,897	143,499	138,034	132,897	143,499	138,034
Research, commercial, & other revenue		226,319	172,499	167,139	165,193	116,386	91,659
Interest received		3,098	1,765	1,643	3,125	1,765	1,383
Cash donations		6,932	5,696	6,930	111	1,096	3,274
GST (net)		2,447	(600)	(4,486)	2,359	(600)	(4,305)
Payments to employees		(296,737)	(294,121)	(285,055)	(272,657)	(269,628)	(261,791)
Payments to suppliers		(192,691)	(179,132)	(187,641)	(140,456)	(147,624)	(142,683)
Interest paid		(2,132)	(4,336)	(2,191)	(6,253)	(4,336)	(3,829)
Net cash flow from operating activities		73,175	53,664	43,994	77,361	48,952	31,363
Cash flows from investing activities							
Receipts from sale of property, plant, equipment & intangibles		3	–	3	3	–	3
Purchase of property, plant, equipment & intangibles		(57,118)	(68,645)	(76,350)	(55,574)	(68,645)	(75,497)
Receipts for Investments		7,017	1,242	16,131	1,686	–	18,480
Payments for Investments		(4,754)	(3,061)	(7,004)	(1,011)	–	(6,760)
Net cash flow to investing activities		(54,852)	(70,464)	(67,220)	(54,896)	(68,645)	(63,774)
Cash flows from financing activities							
Proceeds from borrowings		71,000	17,000	47,000	71,000	17,000	47,000
Proceeds from related party borrowings		–	–	–	(83,000)	5,000	12,000
Repayment of borrowings		(83,000)	–	(25,000)	(5,000)	–	(25,000)
Net cash flow from/(to) financing activities		(12,000)	17,000	22,000	(17,000)	22,000	34,000
Net increase/(decrease) in cash, cash equivalents, and bank overdrafts		6,323	200	(1,226)	5,465	2,307	1,589
Cash and cash equivalents at the beginning of the year		48,449	77,600	49,675	14,482	51,000	12,893
Cash, cash equivalents, and bank overdrafts at the end of the year	8	54,772	77,800	48,449	19,947	53,307	14,482

The accompanying notes form part of these financial statements.

Reconciliation of (deficit)/surplus to net cash flow from operating activities

For the year ended 31 December 2023

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000
Surplus/(deficit)	30,920	(25,224)	6,437	(16,338)
Add/(less) non-cash items				
Depreciation & amortisation	55,199	48,363	54,234	47,704
Other non-cash items	9,128	(2,008)	10,607	1,943
Total non-cash items	64,327	46,355	64,301	49,647
Add/(less) items classified as investing activities				
Losses on disposal of property, plant, & equipment	(3)	592	(3)	592
(Gains)/losses on investments held at fair value	(7,492)	7,600	–	–
Total items classified as investing or financing activities	(7,495)	8,192	(3)	592
Add/(less) changes in working capital items				
(Increase)/decrease in receivables	(13,390)	(11,079)	3,671	(19,020)
(Increase)/decrease in deferred revenue	–	(1,018)	–	(1,018)
(Increase)/decrease in prepayments	(2,101)	(1,311)	(1,334)	(1,425)
(Increase)/decrease in other current assets	3,427	(3,023)	300	(344)
Increase/(decrease) in accounts payable	(1,228)	8,162	(2,721)	7,091
Increase/(decrease) in employment provisions	164	(1,820)	(86)	(1,110)
Increase/(decrease) in revenue received in advance	(1,449)	24,760	6,796	13,288
Net cash inflow/(outflow) from operating activities	73,175	43,994	77,361	31,363

The accompanying notes form part of these financial statements.

Reconciliation of net surplus/(deficit) to net cash flow from operating activities (continued)
Reconciliation of liabilities arising from financing activities

CONSOLIDATED	2022 \$'000	CASH FLOWS \$'000	NON-CASH CHANGES \$'000	2023 \$'000
Bank borrowings	83,000	(12,000)	–	71,000
	83,000	(12,000)	–	71,000

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

UNIVERSITY	2022 \$'000	CASH FLOWS \$'000	NON-CASH CHANGES \$'000	2023 \$'000
Bank Borrowings	83,000	(12,000)	–	71,000
Related party borrowings	75,000	(5,000)	–	70,000
	158,000	(17,000)	–	141,000

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

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 2023

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 NZ GAAP.

The financial statements of the University and the Group for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Victoria University of Wellington Council (the University Council) on 25 March 2024.

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 New Zealand Generally Accepted Accounting Practice (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, Victoria Link Limited, 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 2023.

The budget for 2023 was approved by the University Council on 6 December 2022.

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 Group and the University.

Changes in accounting policy

There have been no changes in the accounting policies of the Group and the University for the year ended 31 December 2023. All accounting policies and disclosures are consistent with those applied by the Group and the University in the previous financial year.

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 8 for further disclosure.

Effect of COVID-19

The number of international students fell significantly during the pandemic due to the border closures. The underlying increase in debt due to the resultant drop in revenue was largely addressed by deferring large capital projects and undertaking the financial sustainability cost savings exercise. The number of international students increased in 2023 and is expected to gradually recover to pre-COVID-19 levels.

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 and tuition payments received in advance.

As at December 2023, the Group is also in a negative working capital position due to the reclassification of the external debt from non-current liabilities to current liabilities. This reclassification is because the current Consent to Borrow granted to the University by the Secretary for Education expires on 31 December 2024 and an extension of the consent has not been received at year-end. On-going discussions continue with Tertiary Education Commission (TEC) and Ministry of Education (MoE) and a new consent is expected to be granted

during 2024. The new consent is likely to have different compliance requirements.

The University has \$150m in debt facilities across three banks, and \$75m of this matures in January 2025. Once the borrowing consent is received, negotiations will take place in the second half of 2024 to refinance the maturing tranches of the facility.

2023 was a transitional year for the University as the financial sustainability programme was implemented, with redundancies and cuts to operating expenditure and prioritisation of capital programme actioned to improve ongoing financial performance. Improving student recruitment and retention has been a particular focus and early 2024 numbers are materially in line with the 2024 budget. Growth in student numbers and ongoing reduced expenditure will help set up the University for longer term sustainability.

The settlement of the earthquake insurance claim has improved the University's cash position in the short term. From 2025 the capital programme will incorporate the associated works to remediate the remaining damage to buildings.

The 2024 Budget is for a loss in the University offset by a surplus in the Foundation resulting in a modest surplus for the Group. Key assumptions in the budget include expected student numbers, the largely regulated increases in student fees and government funding, including the additional government funding announced in June 2023, and the anticipated inflationary pressure on costs. There are no early signs that this budget will not be achievable. Surpluses are expected in future years, based on modest growth in domestic student numbers, the number of full-fee students recovering to pre-Covid levels and ongoing management of cost savings made and the performance of academic offerings.

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 the payment of insurance claims are recognised as exchange and in the year in which the payment was confirmed.

Other Revenue

	CONSOLIDATED		PARENT	
	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000
Fees for accommodation and services provided to students	56,314	55,290	53,688	52,908
Payments on insurance claims	40,784	–	40,784	–
Proceeds from disposal of fixed assets	3	3	3	3
Interest received	3,333	1,802	2,929	1,529
Gains on investments	4,634	2,539	–	–
Donations received	731	1,938	731	1,938
Sundry Revenue	7,984	10,312	7,640	10,381
Total other revenue	113,783	71,884	105,775	66,759
Other revenue from exchange transactions	99,311	57,999	93,206	56,856
Other revenue from non-exchange transactions	14,472	13,885	12,569	9,903
Total other revenue	113,783	71,884	105,775	66,759
The interest amount is predominantly from on call or on short-term deposits. In 2023, interest rates ranged from 3.55% to 6.26% (2022: 0.75% to 5.55%).				
Revenue from exchange transactions	159,444	102,505	143,814	92,727
Revenue from non-exchange transactions	386,826	391,620	331,535	344,477
Total revenue	546,270	494,125	475,349	437,204

3 PEOPLE EXPENSES

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000
Salaries	267,355	264,196	246,398	242,833
Contractors	6,692	12,403	4,298	10,198
Entitlements	12,357	6,868	12,169	7,132
Severance costs	8,994	449	8,846	371
Total	295,398	283,916	271,711	260,534

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 2023 \$'000	ACTUAL 2022 \$'000	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000

The following items are included within operating & occupancy expenses:

Audit fees to Ernst & Young	415	437	276	266
Audit fees for other services (PBRF)	21	20	21	20
Property leases	18,573	17,824	18,289	17,562
Losses on disposal of property, plant, & equipment	691	595	688	595
Information technology	14,453	15,476	14,112	14,799
Grants & scholarships	23,504	24,786	23,362	13,500
Insurance	12,414	10,027	12,127	9,770
Travel & accommodation	12,086	6,309	3,560	2,409

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 2023 \$'000	ACTUAL 2022 \$'000	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000
Interest on borrowings	3,248	2,428	7,369	4,066
Capitalised borrowing costs	(1,116)	(237)	(1,116)	(237)
Total	2,132	2,191	6,253	3,829

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

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000
Opening Balance	74,616	83,572	–	–
Revenue	30,710	(2,339)	–	–
Expenses	(8,219)	(6,617)	–	–
Closing balance as at 31 December 2023	97,107	74,616	–	–

The Victoria University of Wellington Foundation is a controlled subsidiary and included in the Consolidated Group financial statements. The Foundation Revenue includes investment gains of \$8.8m (2022: losses of (\$7.6m)) and donation revenue of \$21.9m (2022: \$5.1m). Foundation expenses includes grants awarded of \$7.5m (2022: \$6.2m).

7 FINANCIAL INSTRUMENTS

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000
Financial Assets				
Derivatives designated as hedging instruments				
Interest rate swaps	1,581	3,051	1,581	3,051
Financial instruments at fair value through surplus or deficit				
Investment in joint ventures	6,969	3,362	–	–
Other investments	70,014	62,733	–	–
Foreign exchange forward contracts	826	717	–	–
Total financial assets at fair value	79,390	69,863	1,581	3,051
Debt instruments at amortised cost (excluding cash – refer to Note 8)				
Receivables from exchange transactions	15,627	14,355	23,276	25,856
Receivables from non-exchange transactions	154	355	90	286
Loans to related parties at amortised cost	–	–	6,110	6,760
Term deposits at amortised cost	15,899	21,667	10,594	11,630
Other current assets at amortised cost	–	150	–	–
Total financial assets at amortised cost	31,680	36,527	40,070	44,532
Represented by:				
Total current	104,100	103,028	41,651	47,583
Total non-current	6,969	3,362	–	–
Total financial assets (excluding cash)	111,069	106,390	41,651	47,583

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
- ▶ financial assets at FVOCRE with recycling of cumulative gains or losses
- ▶ 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, investments in related parties, receivables from non-exchange transactions, term deposits and loan to an associate included under other non-current financial assets.

Financial assets at FVOCRE

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, interest rate swaps, 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. Also included is investments in equity shares of unquoted companies, namely Liquium, Ferronova, and Medical Kiwi. The group holds non-controlling interests (between 0.5% and 17.1%) 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 2023 \$'000	ACTUAL 2022 \$'000	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000
Financial Liabilities				
Financial liabilities at amortised cost				
Accounts payable	33,097	35,019	27,694	28,765
Bank borrowings	71,000	83,000	71,000	83,000
Related party borrowings	–	–	70,000	75,000
Total financial liabilities	104,097	118,019	168,694	186,765
Represented by:				
Total current	104,097	35,019	168,694	103,765
Total non-current	–	83,000	–	83,000
Total financial liabilities	104,097	118,019	168,694	186,765

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. The Group's 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 2023 to mitigate any such risk, including USD\$2.3m (2022: USD\$1.5m) of forward exchange contracts held at 31 December 2023 with a fair value of (\$144k) (2022: (\$113k)) across all currencies. These contracts are held to offset exchange rate risk on expected purchases.

The Foundation holds \$50.7m of investments at fair value through surplus or deficit (2022: \$43.1m), 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 \$0.8m (2022: \$0.7m). A 10% movement in the New Zealand dollar against all currencies would give rise to a \$1.7m gain or loss that would equally impact equity (2022: \$1.4m).

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 \$4.7m gain or loss that would equally impact equity (2022: \$4.1m).

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 2023				
Interest rate swaps	70,000	1,581	Investments and other financial assets	(1,470)

	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

The impact of hedged items 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 2023				
Bank borrowings	71,000	71,000	Bank Borrowings	1,470

	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	(2,747)

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
As at 31 December 2023						
Interest rate risk	(1,470)	–	Net movement in cash flow hedges	–	–	

	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
As at 31 December 2022						
Interest rate risk	2,747	–	Net movement in cash flow hedges	–	–	

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.

	2023 CASH FLOW HEDGE RESERVE \$'000
As at 31 December 2022	3,051
Effective portion of changes in fair value arising from:	
Interest rate swaps	(1,470)
As at December 2023	1,581

	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 December 2022	3,051

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 2023						
Expected credit loss rate	0.4%	1.2%	4.3%	5.4%	5.8%	
Estimated total gross carrying amount at default	25,999	762	779	268	2,568	30,376
Expected credit loss	(91)	(9)	(34)	(15)	(147)	(296)
Estimated total gross carrying amount at default, net of allowance for expected credit loss	25,908	753	745	253	2,421	30,080

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

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 the 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 2023						
Expected credit loss rate	0.4%	1.2%	4.3%	5.4%	5.8%	
Estimated total gross carrying amount at default	154	–	–	–	–	154
Expected credit loss	(1)	–	–	–	–	(1)
Estimated total gross carrying amount at default, net of allowance for expected credit loss	153	–	–	–	–	153

Receivables from non-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	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 2023 is the carrying amount of \$184m (2022: \$163m) except for the derivative financial instruments. The Group's maximum exposure for financial derivative instruments is noted in the liquidity table.

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000
Cash & cash equivalents	54,772	48,449	19,947	14,482
Investments	92,881	87,762	20,005	22,891
Accounts receivable	30,233	16,754	23,487	26,794
Other current assets	–	150	–	–
	177,886	153,115	63,439	64,167

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 swaps to manage the cash flow interest rate risk. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals, the difference between fixed term contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts, and applies hedge accounting to ensure fair value fluctuations on the interest rate portfolio are taken to other comprehensive revenue or expense. The fair value of interest rate swaps totals \$1.6m (2022: \$3.1m). The fixed interest rates of interest rate swaps vary from 0.5% to 4.6% (2022: 0.5% to 4.6%).

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 2023	
	-50BPS \$'000	50BPS \$'000
Potential effect of movement in interest rates	(472)	464

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 (2022: \$0m). However due to the TEC permission to borrow expiring within 12 months the full balance of \$71m becomes payable within the next 12 months.

Financial liabilities—contract maturities

	CONSOLIDATED 2023 \$'000					
	ON DEMAND	LESS THAN 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	GREATER THAN 5 YEARS	TOTAL
Accounts payable	–	33,097	–	–	–	33,097
Bank borrowings	–	–	–	71,000	–	71,000
Closing balance	–	33,097	–	71,000	–	104,097

	CONSOLIDATED 2022 \$'000					
	ON DEMAND	LESS THAN 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	GREATER THAN 5 YEARS	TOTAL
Accounts payable	–	35,019	–	–	–	35,019
Bank borrowings	–	–	–	83,000	–	83,000
Closing balance	–	35,019	–	83,000	–	118,019

	UNIVERSITY 2023 \$'000					
	ON DEMAND	LESS THAN 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	GREATER THAN 5 YEARS	TOTAL
Accounts payable	–	27,694	–	–	–	27,694
Bank borrowings	–	–	–	71,000	–	71,000
Related party borrowings	–	70,000	–	–	–	70,000
Closing balance	–	97,694	–	71,000	–	168,694

	UNIVERSITY 2022 \$'000					
	ON DEMAND	LESS THAN 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	GREATER THAN 5 YEARS	TOTAL
Accounts payable	–	28,765	–	–	–	28,765
Bank borrowings	–	–	–	83,000	–	83,000
Related party borrowings	–	75,000	–	–	–	75,000
Closing balance	–	103,765	–	83,000	–	186,765

8 CASH AND CASH EQUIVALENTS

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000
Cash at bank	962	2,346	677	1,281
Bank on-call deposits	53,807	46,026	19,270	13,201
Short-term deposits	3	77	–	–
Closing balance	54,772	48,449	19,947	14,482
Including:				
Funds held by controlled trusts	32,706	33,259	–	–

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 2023 \$'000	ACTUAL 2022 \$'000	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000
Current portion				
Investments at fair value through profit or loss	71,483	65,119	1,581	3,051
Term deposits	15,899	21,667	10,594	11,630
Closing balance	87,382	86,786	12,175	14,681

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000
Non-current portion				
Investments at fair value through profit or loss	1,879	1,383	–	–
Investment in joint venture	6,969	3,362	–	–
Closing balance	8,848	4,745	–	–

Quantitative disclosure of fair-value measurement hierarchy for investments:

	CONSOLIDATED			CONSOLIDATED		
	2023 \$'000 LEVEL 1	2023 \$'000 LEVEL 2	2023 \$'000 LEVEL 3	2022 \$'000 LEVEL 1	2022 \$'000 LEVEL 2	2022 \$'000 LEVEL 3
Investments	–	69,076	8,848	–	61,350	4,745
Derivatives—Forward foreign exchange	–	826	–	–	717	–
Derivatives—Interest rate swaps	–	1,581	–	–	3,051	–
Closing balance	–	71,483	8,848	–	65,118	4,745

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 used for liquidity and 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 in to 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 2023 \$'000	ACTUAL 2022 \$'000
Opening balance	4,745	3,469
Sale of investments	(519)	(1,264)
Purchases	58	3,000
Gain or losses recognised in other revenue	4,564	(460)
Closing balance	8,848	4,745

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

	2023		2022	
	\$'000 +10%	\$'000 -10%	\$'000 +10%	\$'000 -10%
Investments—aggregate share price at year end	188	(188)	138	(138)
Joint Venture—aggregate share price at year end	697	(697)	366	(366)
Change in fair value	885	(885)	504	(504)

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 2023 \$'000	ACTUAL 2022 \$'000	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000
Receivables & accruals	30,376	16,684	23,584	26,687
Less: allowance for expected credit losses	(297)	(285)	(187)	(179)
Other	154	355	90	286
Closing balance	30,233	16,754	23,487	26,794
Total Receivables comprise:				
Receivables from exchange transactions	30,079	16,399	23,397	26,508
Receivables from non-exchange transactions	154	355	90	286
Closing balance	30,233	16,754	23,487	26,794
Ageing of receivables and accruals				
Not past due	25,999	10,682	21,664	24,229
Past due 1–30 days	762	1,906	442	705
Past due 31–60 days	779	1,666	399	667
Past due 61–90 days	268	283	145	287
Past due over 91 days not impaired	2,271	1,862	747	620
Past due over 91 days impaired	297	285	187	179
Total gross trade receivables	30,376	16,684	23,584	26,687

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 PRE-PAID EXPENSES

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000
Pre-paid insurance	11,348	10,333	11,348	10,333
Pre-paid expenses	11,553	10,467	7,664	7,344
	22,901	20,800	19,012	17,677

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 2022	328,113	647,124	21,570	97,175	79,569	48,521	1,222,072
Additions	–	–	2,406	7,591	7,025	59,616	76,638
Disposals & reclassifications	–	20	(280)	(2,012)	–	(2,232)	(4,504)
Transfers	–	45,616	1,060	3,678	–	(50,354)	–
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
Additions	1,125	–	584	6,933	6,724	36,571	51,937
Disposals & reclassifications	–	(559)	(27)	(2,443)	–	(11,803)	(14,832)
Transfers	–	10,664	1,154	3,556	–	(15,374)	–
Valuation movement	(42,766)	(1,744)	–	–	–	–	(44,510)
Balance as at 31 December 2023	268,365	815,487	26,467	114,478	93,318	64,945	1,383,060
Accumulated depreciation							
Balance as at 1 January 2022	–	50,374	13,180	56,600	49,307	–	169,461
Depreciation charge	–	26,279	3,299	9,228	7,237	–	46,043
Disposals	–	239	(265)	(2,313)	–	–	(2,339)
Impairment movement	–	(71,745)	–	–	–	–	(71,745)
Balance as at 31 December 2022	–	5,147	16,214	63,515	56,544	–	141,420
Depreciation charge	–	30,657	3,297	10,409	7,265	–	51,628
Disposals & reclassifications	–	(197)	(42)	(2,103)	–	–	(2,342)
Valuation movement	–	(207)	–	–	–	–	(207)
Transfers	–	–	–	–	–	–	–
Balance as at 31 December 2023	–	35,400	19,469	71,821	63,809	–	190,499
Net book value							
As at 1 January 2022	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
As at 31 December 2023	268,365	780,087	6,998	42,657	29,509	64,945	1,192,561

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 2022	325,875	639,560	21,376	94,329	79,559	47,332	1,208,031
Additions	–	–	2,331	7,186	7,025	60,398	76,940
Disposals & reclassifications	–	(784)	(280)	(3,251)	–	(2,102)	(6,417)
Transfers	–	45,616	1,060	3,678	–	(50,354)	–
Valuation movement	(17,648)	118,319	–	–	–	–	100,671
Balance as at 31 December 2022	308,227	802,711	24,487	101,942	86,584	55,274	1,379,225
Additions	1,125	–	574	6,084	6,724	36,572	51,079
Disposals & reclassifications	–	(429)	(27)	(2,530)	–	(11,726)	(14,712)
Transfers	–	10,606	1,154	3,556	–	(15,316)	–
Valuation movement	(42,604)	(1,744)	–	–	–	–	(44,348)
Balance as at 31 December 2023	266,748	811,144	26,188	109,052	93,308	64,804	1,371,244
Accumulated depreciation							
Balance as at 1 January 2022	–	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)
Impairment Movement	–	(71,248)	–	–	–	–	(71,248)
Balance as at 31 December 2022	–	5,022	15,965	59,895	56,544	–	137,426
Depreciation charge	–	30,490	3,256	9,678	7,265	–	50,689
Disposals & reclassifications	–	(69)	(27)	(2,206)	–	–	(2,302)
Valuation movement	–	(207)	–	–	–	–	(207)
Balance as at 31 December 2023	–	35,236	19,194	67,367	63,809	–	185,606
Net book value							
As at 1 January 2022	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
As at 31 December 2023	266,748	775,908	6,994	41,685	29,499	64,804	1,185,638

Capital work in progress: This is valued on the 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 2023 \$'000	ACTUAL 2022 \$'000	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000
Land	242,493	285,259	251,127	293,731
Buildings & infrastructure	415,781	417,318	419,030	420,567
Total revaluation reserve	658,274	702,577	670,157	714,298

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. Following a 2023 assessment of likely changes in valuation of land, buildings, and infrastructure assets undertaken by Mr P. Todd, management judged there was no indication that the fair value of buildings and infrastructure had changed materially since December 2022, but that the fair value of land had materially changed. An independent valuation of land was undertaken as at 1 December 2023 by Mr P. Todd.

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 the 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%.

Kaikōura Earthquake: The University's property, plant, and equipment suffered damage as a result of a November 2016 earthquake and the settlement with insurers was

achieved in late 2023. An ongoing structured work programme is supporting 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 will 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 Kaikōura earthquake, the University has incorporated a fair value adjustment within the movement in revaluation reserve. The adjustment has been determined with reference to the damage identified to date, and associated reinstatement scopes. The settlement does not affect the level of fair value adjustment for the earthquake.

13 INTANGIBLES

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000
Cost and valuation				
Opening balance	17,591	17,928	17,461	17,928
Additions	28	130	28	–
Disposals & reclassifications	11,164	(467)	11,164	(467)
Closing Balance	28,783	17,591	28,653	17,461
Accumulated amortisation				
Opening balance	13,297	13,545	13,276	13,545
Amortisation charge	3,571	2,320	3,545	2,299
Disposals & reclassifications	(529)	(2,568)	(530)	(2,568)
Closing Balance	16,339	13,297	16,291	13,276
Net Book Value	12,444	4,294	12,362	4,185

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 class 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.

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 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 entity 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 2023 is \$7.0m (2022: \$3.4m).

15 ACCOUNTS PAYABLE AND ACCRUALS

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000
Accounts payable	13,367	17,357	7,964	11,103
Contract retentions	1,279	1,354	1,279	1,354
Deposits held on behalf of students	18,483	16,327	18,483	16,327
Other accruals	35,673	30,316	30,167	27,252
Statutory payables	4,723	5,116	3,554	4,177
Closing balance	73,525	70,470	61,447	60,213
Total payables and accruals comprise:				
Payables from exchange transactions	49,396	48,038	38,591	38,841
Payables from non-exchange transactions	24,129	22,432	22,856	21,372
Closing balance	73,525	70,470	61,447	60,213

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 2023 \$'000	ACTUAL 2022 \$'000	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000
Pre-paid tuition fees	24,103	20,686	23,423	19,925
Deferred revenue on research contracts	49,040	56,833	–	–
Other revenue in advance	13,718	10,791	13,168	9,870
Closing balance	86,861	88,310	36,591	29,795
Revenue in advance from exchange transactions	61,632	68,050	11,913	10,456
Revenue in advance from non-exchange transactions	25,229	20,260	24,678	19,339
Total revenue in advance	86,861	88,310	36,591	29,795

17 EMPLOYEE ENTITLEMENTS

	CONSOLIDATED		UNIVERSITY	
	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000
Current liabilities				
Annual leave	15,302	16,149	15,121	15,809
Retirement leave	3,170	1,899	3,170	1,899
Long-service leave	917	1,079	904	1,063
Closing balance	19,389	19,127	19,195	18,771
Non-current liabilities				
Retirement leave	17,270	17,521	17,270	17,522
Long-service leave	2,072	1,994	2,032	1,962
Closing balance	19,342	19,515	19,302	19,484
Total employee entitlements	38,731	38,642	38,497	38,255

The retirement and long-service leave liabilities were independently assessed as at 31 December 2023 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 4.44% (2022: 4.55%). 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 12 months of balance date 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	Maturing 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 2023, \$71.0m (2022: \$83.0m) 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 6.22% to 6.68% (2022: 4.80% to 5.63%) before hedging.

The consent to borrow issued by the TEC and the Ministry of Education includes a maximum borrowing limit. Both the banks and TEC have various covenants that must be complied with; all covenants were complied with as at 31 December 2023. The current borrowing consent matures on 31 December 2024, refer to going concern note.

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 \$40.0m are in place to hedge the \$71.0m of borrowings drawn at balance date (2022: \$35.0m face value of interest rate swaps to hedge \$83.0m of borrowings).

19 RELATED PARTIES

a) Transactions with key management personnel

Key management personnel represent Council members and Te Hiwa (formerly 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/PARENT	
	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000
Council members (3 FTE)*	245	236
Te Hiwa (11 FTE)	4,172	4,425
Total remuneration	4,417	4,661

* 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 2023 \$'000	ACTUAL 2022 \$'000
Directors' fees		
Victoria Link Limited (trading as Wellington UniVentures)	77	102
Wellington Uni-Professional Limited	90	90
Total fees	167	192

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 2023 balance \$3.3m (2022: \$3.8m), to Presbyterian Methodist Halls of Residence Trust, 31 December 2023 balance \$2.0m (2022: \$2.0m), and Wellington Uni-Professional Limited, 31 December 2023 balance \$0.8m (2022: \$1.0m). The University has a loan from the Research Trust of Victoria University of Wellington, 31 December 2023 balance \$70.0m (2022: \$75.0m). The interest charged on the intercompany loans are at market rates and range between 4.3% to 6.8% (2022: 1.2% to 6.0%).

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 estimated no contingent liability in the event of damage created during the construction of the Living Pa. (\$2.0m in 2022, this work finished in 2023).

No 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/PARENT	
	ACTUAL 2023 \$'000	ACTUAL 2022 \$'000
Buildings	71,507	83,788

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 2023 \$'000	ACTUAL 2022 \$'000
Due not later than 1 year	20,192	18,002
Due between 1–5 years	72,571	66,281
Due later than 5 years	184,407	187,371
Total non-cancellable operating leases—the Group as lessee	277,170	271,654

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 2023 \$'000	ACTUAL 2022 \$'000
Due not later than 1 year	521	487
Due between 1–5 years	1,501	806
Due later than 5 years	1,902	612
Total non-cancellable operating leases	3,924	1,905

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 2023.

23 EXPLANATIONS OF MAJOR VARIANCES AGAINST BUDGET

Explanations for major variations against the 2023 budget are as follows.

Statement of Comprehensive Revenue and Expense

- ▶ Government funding and tuition revenue was \$31.5m unfavourable to budget, driven by lower domestic EFTS than expected.
- ▶ Research revenue was \$6.0m favourable to budget, due to increased research activity.
- ▶ Other revenue was \$41.2m favourable to budget, primarily due to the settlement of the Kaikoura earthquake insurance claim.
- ▶ Operating costs were \$4.6m higher than budgeted, driven by inflation and additional costs relating to the increased research activity noted above.
- ▶ The Foundation net surplus was \$21.8m favourable to budget, primarily due to a \$13.6m bequest and \$5.9m higher investment gains.

Statement of Financial Position

- ▶ Accounts receivable were \$20.1m higher than budget, primarily as a result of the \$13.6m bequest to the Foundation for which cash was received in January 2024 and the timing of invoicing for tuition fees.
- ▶ Property, plant, and equipment were \$73.3m higher than budget, primarily as a result of the 2022 revaluation of land and buildings (which occurred after the 2023 budget was finalised) offset by lower capital expenditure for 2023 and the 2023 revaluation of land.
- ▶ Revenue in advance was \$18.2m higher than budget, as a result of the timing of receipts, particularly in relation to SAC funding, research and full fee tuition fee revenue from international students.
- ▶ Total bank borrowings were \$47m lower than budget, mainly due to insurance proceeds received from the Kaikōura earthquake claim settlement. Bank borrowings have been recorded as a current liability as the current Consent to Borrow granted to the University by the Secretary for Education expires at the end of 2024. A new consent is anticipated to be granted during the 2024 financial year.
- ▶ Other reserves were \$125.0m higher than budget, as a result of the 2022 revaluation of land and buildings (which occurred after the 2023 budget was finalised) and the 2023 revaluation of land.



FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE

FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE

For the year ended 31 December 2023

	NOTE	CONSOLIDATED 2023 \$'000	UNIVERSITY 2023 \$'000
PRIMARY RESERVE RATIO EXPENDABLE NET ASSETS			
A Net assets without donor restrictions	SS1	1,048,030	1,004,633
B Net assets with donor restrictions	SS1	97,107	–
Secured and Unsecured related party receivables	SS2	–	6,110
C Unsecured related party receivables	SS2	–	6,110
Property, plant, & equipment, net (includes Construction in progress)	SS3	1,192,561	1,185,638
D Property, plant, & equipment, pre-implementation	SS3	1,127,616	1,120,834
Property, plant, & equipment, post-implementation with outstanding debt for original purchase		–	–
Property, plant, & equipment, post-implementation without outstanding debt for original purchase		–	–
E Construction in progress	SS3	64,945	64,804
Lease right-of-use asset, net		–	–
Lease right-of-use asset, pre-implementation		–	–
Lease right-of-use asset, post-implementation		–	–
Intangible assets	SoFP	12,444	12,362
F Post-employment and pension liabilities	SS4	20,440	20,440
Long-term debt—for long term purposes	SoFP	71,000	71,000
Long-term debt—for long term purposes pre-implementation		–	–
Long-term debt—for long term purposes post-implementation		–	–
Line of Credit for Construction in process		–	–
Lease right-of-use asset liability		–	–
Pre-implementation right-of-use asset liability		–	–
Post-implementation right-of-use asset liability		–	–
Annuities with donor restrictions		–	–
Term endowments with donor restrictions		–	–
Life income funds with donor restrictions		–	–
Net assets with donor restrictions: restricted in perpetuity		–	–
Expendible Net Assets (A+B-C-D-E+F)		(26,984)	(166,675)
Total expenses without donor restrictions	SS5	537,841	468,912
Non-Operating and Net Investment (loss)		–	–
Net investment losses		–	–
Pension—related changes other than periodic costs		–	–
Total expenses and Losses without Donor Restrictions		537,841	468,912

FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE CONT.

For the year ended 31 December 2023

	NOTE	CONSOLIDATED 2023 \$'000	UNIVERSITY 2023 \$'000
EQUITY RATIO:			
MODIFIED NET ASSETS:			
A Net assets without donor restrictions	SS1	1,048,030	1,004,633
B Net assets with donor restrictions	SS1	97,107	–
Intangible assets	SoFP	12,444	12,362
Secured and Unsecured related party receivables	SS2	–	6,110
C Unsecured related party receivables	SS2	–	6,110
Modified Net Assets (A+B-C)		1,145,137	998,523
A Total assets		1,409,141	1,278,731
Lease right-of-use asset pre-implementation		–	–
Pre-implementation right-of-use asset liability		–	–
Intangible assets	SoFP	12,444	12,362
Secured and Unsecured related party receivables	SS2	–	6,110
B Unsecured related party receivables	SS2	–	6,110
Modified Assets (A-B)		1,409,141	1,272,621
NET INCOME RATIO:			
Change in Net Assets Without Donor Restrictions		(37,344)	(39,174)
Total Revenues and Gains without Donor Restrictions	SS5	500,497	429,738

USDE FORMAT

SUMMARY OF ASSETS AND LIABILITIES

As at 31 December 2023

	NOTE	CONSOLIDATED 2023 \$'000	UNIVERSITY 2023 \$'000
Cash and cash equivalents	SoFP	54,772	19,947
Accounts receivable, net	SS6	30,233	23,487
Prepaid expenses	SS6	22,901	19,012
Related party receivable	SS2	–	6,110
Contributions receivable, net		–	–
Student loans receivable, net		–	–
Investments	SS7	80,331	4,832
Intangible assets	SoFP	12,444	12,362
Property, plant, & equipment, net	SS3	1,192,561	1,185,638
Lease right-of-use asset, net		–	–
Goodwill		–	–
Deposits	9	15,899	10,594
Total Assets		1,409,141	1,281,982
Line of credit—short term		–	–
Line of credit—short term for CIP		–	–
Accrued expenses/Accounts payable	SS8	91,816	79,504
Deferred revenue	SoFP	86,861	36,591
Post-employment and pension liability	SS4	20,440	20,440
Line of credit—operating		–	–
Other liabilities		–	–
Notes payable		–	–
Lease right-of-use asset liability		–	–
Line of credit for long term purposes	SoFP	71,000	71,000
Total Liabilities		270,117	207,535
Net Assets without Donor Restrictions		1,139,024	1,074,447
NET ASSETS WITH DONOR RESTRICTIONS			
Annuities		–	–
Term endowments		–	–
Life income funds		–	–
Other restricted by purpose and time	6	97,107	–
Restricted in perpetuity		–	–
Total Net Assets with Donor Restrictions		97,107	–
Total Net Assets		1,236,131	1,074,447
Total Liabilities and Net Assets		1,506,248	1,281,982

USDE FORMAT

STATEMENT OF ACTIVITIES

For the year ended 31 December 2023

	NOTE	CONSOLIDATED 2023 \$'000	UNIVERSITY 2023 \$'000
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS			
OPERATING REVENUE AND OTHER ADDITIONS:			
Tuition and fees, net	SS5	224,368	167,950
Contributions	SS5	190,340	190,340
Investment return appropriated for spending			
Auxiliary enterprises	SS5	126,925	117,056
Net assets released from restriction			
Total Operating Revenue and Other Additions		541,633	475,346
OPERATING EXPENSES AND OTHER DEDUCTIONS:			
Education and research expenses	SS5	355,717	297,622
Depreciation and amortisation	SS5	55,199	54,234
Interest expense			
Auxiliary enterprises	SS5	126,925	117,056
Total Operating Expenses		537,841	468,912
Change in Net Assets from Operations		3,792	6,434
NON-OPERATING CHANGES			
Investments, net of annual spending, gain (loss)		–	–
Other components of net periodic pension costs		–	–
Pension-related changes other than net periodic pension costs		–	–
Change in value of split-interest agreements		–	–
Other gains/(losses)	SS5	(41,139)	(45,611)
Sale of fixed assets, gains/(losses)	SS5	3	3
Total Non-Operating Charges		(41,136)	(45,608)
Change in Net Assets Without Donor Restrictions		(37,344)	(39,174)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS			
Contributions	SoCRE	30,710	–
Net assets released from restriction	SoCRE	(8,219)	–
Change in Net Assets With Donor Restrictions		22,491	–
Change in Net Assets		(14,853)	(39,174)
Net Assets, Beginning of Year	SoFP	1,159,990	1,043,807
Net Assets, End of Year	SoFP	1,145,137	1,004,633



NOTES TO SUPPLEMENTAL SCHEDULE

For the year ended 31 December 2023

These notes to the supplemental schedule have been added to provide a link back to the financial statements.

Note references (FS Ref) are either to a line item within the Statement of Comprehensive Revenue and Expense (SoCRE), Statement of Financial Position (SoFP), or note to the financial statements.

1 RECONCILIATION OF NET ASSETS

	NOTE	CONSOLIDATED 2023 \$'000	UNIVERSITY 2023 \$'000
Net assets	SoFP	1,145,137	1,004,633
Foundation balance as at 31 December	SoCRE	97,107	–
Net Assets without Donor Restrictions		1,048,030	1,004,633

2 RELATED PARTY RECEIVABLES

	NOTE	CONSOLIDATED 2023 \$'000	UNIVERSITY 2023 \$'000
Related party receivables	19	–	6,110
Unsecured related party receivables		–	6,110

3 PROPERTY, PLANT, & EQUIPMENT

	NOTE	CONSOLIDATED 2023 \$'000	UNIVERSITY 2023 \$'000
Property, plant, & equipment	12	1,192,561	1,185,638
Total Property, plant, & equipment, Net		1,192,561	1,185,638
Work in progress—PP&E	12	64,945	64,804
Total Construction in progress		64,945	64,804
Property, plant, & equipment (excl WIP)		1,127,616	1,120,834

4 POST EMPLOYMENT AND PENSION LIABILITY

	NOTE	CONSOLIDATED 2023 \$'000	UNIVERSITY 2023 \$'000
Retirement leave—current	17	3,170	3,170
Retirement leave—non-current	17	17,270	17,270
Total Post Employment and pension liability		20,440	20,440

5 REVENUE AND EXPENSES

	NOTE	CONSOLIDATED 2023 \$'000	UNIVERSITY 2023 \$'000
OPERATING REVENUE AND OTHER ADDITIONS:			
Domestic tuition	SoCRE	91,753	91,753
Full-fee tuition	SoCRE	38,780	38,780
Research	SoCRE	93,835	37,417
Tuition and fee, net		224,368	167,950
Government funding	SoCRE	153,224	153,224
Performance-Based Research Fund (PBRF) funding	SoCRE	37,116	37,116
Contributions (Government Grants)		190,340	190,340
Fees for accommodation and services provided to students	2	56,314	53,688
Commercial	SoCRE	17,779	11,284
Sundry revenue	2	7,984	7,640
Payments on insurance proceeds	2	40,784	40,784
Donations received	2	731	731
Interest received	2	3,333	2,929
Auxiliary enterprises		126,925	117,056
Total Operating Revenue and other additions		541,633	475,346
Fair value gain on investments	2	4,634	–
FV gain on hedging activity	SoCRE	(1,470)	(1,470)
Gain on revaluation of PP&E	SoCRE	(44,303)	(44,141)
Other Gains/(Losses)		(41,139)	(45,611)
Sale of Fixed assets	2	3	3
Total Non-Operating Charges		(41,136)	(45,608)
Total Revenues or Gains without Donor Restrictions		500,497	429,738
Foundation Funds	SoCRE	22,491	–
OPERATING EXPENSES AND OTHER DEDUCTIONS			
People	SoCRE	295,398	271,711
Operating	SoCRE	141,252	94,020
Occupancy	SoCRE	43,860	42,694
Finance costs	SoCRE	2,132	6,253
less cost of auxiliary enterprises		126,925	117,056
Education and Research Expenses		355,717	297,622
Depreciation and amortisation	SoCRE	55,199	54,234
Cost of auxiliary enterprises		126,925	117,056
Total expenses without donor restrictions		537,841	468,912

6 ACCOUNTS RECEIVABLE

	NOTE	CONSOLIDATED 2023 \$'000	UNIVERSITY 2023 \$'000
Receivables and accruals	10	30,376	23,584
Other	10	154	90
		30,530	23,674
less: provision for doubtful debts	10	297	187
Accounts receivable, net		30,233	23,487
Prepayments	11	22,901	19,012
Total Prepaid Expenses		22,901	19,012

7 INVESTMENTS

	NOTE	CONSOLIDATED 2023 \$'000	UNIVERSITY 2023 \$'000
Investments	9	6,969	0
Investments in related parties	SoFP	–	3,251
Investments at fair value through profit and loss	9	73,362	1,581
Total Investments		80,331	4,832

8 ACCRUED EXPENSES/ACCOUNTS PAYABLE

	NOTE	CONSOLIDATED 2023 \$'000	UNIVERSITY 2023 \$'000
Accounts payable	SoFP	73,525	61,447
Employee entitlements—current	17	19,389	19,195
Employee entitlements—non-current	17	19,342	19,302
		112,256	99,944
less: Post employment and pension liability	SS4	20,440	20,440
Total Accrued Expenses/Accounts Payable		91,816	79,504

9 RECONCILIATION OF RIGHT-OF USE-ASSETS AND LONG TERM DEBT

	NOTE	CONSOLIDATED 2023 \$'000	UNIVERSITY 2023 \$'000
LEASE RIGHT-OF-USE ASSETS			
Lease right-of-use assets—pre-implementation		–	–
Lease right-of-use assets—post-implementation		–	–
Total		–	–
LEASE RIGHT-OF-USE LIABILITIES			
Lease right-of-use liability—pre-implementation		–	–
Lease right-of-use liability—post-implementation		–	–
Total		–	–
NET PROPERTY, PLANT, & EQUIPMENT			
Pre-implementation Property, plant, & equipment	SS3	1,127,616	1,120,834
Post-implementation Property, plant, & equipment		–	–
Vehicles		–	–
Furniture		–	–
Computers		–	–
Construction in progress	SS3	64,945	64,804
Post-implementation Property, plant, & equipment		–	–
Total		1,192,561	1,185,638
LONG-TERM DEBT FOR LONG-TERM PURPOSES			
A. Pre-implementation long-term debt		–	–
B. Allowable Post-implementation long-term debt		–	–
- Vehicles		–	–
- Furniture		–	–
- Computers		–	–
C. Construction in progress		–	–
D. Long-term debt not for the purchase of Property, plant, & equipment or liability greater than asset value		–	–
Total		1,192,561	1,185,638

10 CALCULATING THE COMPOSITE SCORE

	NOTE	CONSOLIDATED 2023 \$'000	UNIVERSITY 2023 \$'000	
PRIMARY RESERVE RATIO				
Expendable Net Assets		(26,984)	(166,675)	
Total expenses and losses without donor restrictions		(537,841)	468,912	
Ratio		-0.050	-0.356	
EQUITY RATIO				
Modified net assets		1,145,137	998,523	
Modified assets		1,409,141	1,272,621	
Ratio		0.813	0.783	
NET INCOME RATIO				
Change in Net Assets without Donor Restrictions		(37,344)	(39,174)	
Total Revenue and Gains Without Donor Restrictions		500,497	429,738	
Ratio		-0.075	-0.091	
	RATIO	STRENGTH FACTOR	COMPOSITE SCORES (CONSOLIDATED)	
RATIO (CONSOLIDATED)				
Primary Reserve Ratio	-0.050	-0.502	40%	-0.2
Equity Ratio	0.813	3.000	40%	1.2
Net Income Ratio	-0.075	-0.865	20%	-0.2
				0.8262
TOTAL Composite Score—Rounded				0.800
RATIO (UNIVERSITY)				
Primary Reserve Ratio	-0.356	-1.000	40%	-0.4
Equity Ratio	0.785	3.000	40%	1.2
Net Income Ratio	-0.091	-1.000	20%	-0.2
				0.600
TOTAL Composite Score—Rounded				0.600



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, STATEMENT OF SERVICE PERFORMANCE AND FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE FOR THE YEAR ENDED 31 DECEMBER 2023

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.

We have also been requested by the University to audit the financial responsibility supplemental schedule it has prepared for the Office of the Inspector General—United States Department of Education, under United States Government Federal Regulations.

Opinion

We have audited:

- ▶ the financial statements of the University and group on pages 28 to 58, that comprise the statement of financial position as at 31 December 2023, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- ▶ the statement of service performance of the University and group on pages 8 to 17.
- ▶ The financial responsibility supplemental schedule on pages 59 to 67.

In our opinion:

- ▶ the financial statements of the University and group on pages 28 to 58:
 - ▶ present fairly, in all material respects:
 - the financial position as at 31 December 2023; 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 8 to 17:
 - ▶ 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 and Annual Management Plan for the year ended 31 December 2023; and
 - ▶ complies with generally accepted accounting practice in New Zealand.
- ▶ the financial responsibility supplemental schedule on pages 59 to 67 is prepared, in all material respects, in accordance with Section 668.172(a) and Section 2 of Appendix B to Subpart L of Part 668 of Chapter VI of Subtitle B of Title 34 of the Code of Federal Regulations of the United States Government Federal Regulations.

Our audit was completed on 25 March 2024. 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, the statement of service performance and the financial responsibility supplemental schedule, 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 \$153.7m 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>Disclosures related to government grant revenue are included in Note 2 to the financial statements and information regarding EFTS and student retention and achievement is included in the statement of service performance.</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 record accurate EFTS and student achievement performance information; ▶ used our professional judgement to select performance measures relating to student achievement and retention, 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, controls relevant to 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 and student achievement have been accurately reported; ▶ tested reported student achievement, on a sample basis, to academic records; ▶ compared the University's actual EFTS results against target EFTS in the Investment Plan agreed with TEC 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 and statement of service performance as a whole.</p>

Land valuation

WHY SIGNIFICANT	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>The recorded value of land was \$268.4m as at 31 December 2023.</p> <p>Management engaged a registered valuer to determine the fair value of land. Note 12 describes the methodology and assumptions utilised by the valuer in arriving at the estimated fair value. The valuation required the exercise of significant judgement. Key amongst these judgements were:</p> <ul style="list-style-type: none"> ▶ the appropriate valuation methodology to apply; ▶ an assessment of market conditions; and ▶ identification of comparable sales. <p>The judgemental and subjective nature of the valuation coupled with the significance to the financial statements resulted in the valuation of land being an area of audit focus.</p>	<p>In obtaining our audit evidence we:</p> <ul style="list-style-type: none"> ▶ tested the reconciliation of land contained in the valuation report to the fixed asset register; ▶ tested, on a sample basis, whether the land contained in the valuation were owned by the University; ▶ tested on a sample basis, whether the comparable sales contained in the valuation were accurate; ▶ assessed the competence, qualifications and objectivity of the external valuer; ▶ utilised our internal valuation specialists to assess the assumptions used in the valuation and the valuation methodology applied; ▶ assessed 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 technique, data inputs and assumptions applied were reasonable in forming our opinion on the financial statements as a whole.</p>

Responsibilities of the Council for the financial statements, the statement of service performance and the financial responsibility supplemental schedule

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.

The Council is also responsible on behalf of the University and group for preparing the financial responsibility supplemental schedule in compliance with the requirements of Section 668.172(a) and Section 2 of Appendix B to Subpart L of Part 668 of Chapter VI of Subtitle B of Title 34 of the Code of Federal Regulations of the US Government. These requirements include:

- ▶ Each item in the supplemental schedule must have a reference to the statement of financial position, statement of comprehensive revenue and expense, or notes to the financial statements.
- ▶ The amount entered in the supplemental schedule should tie directly to a line item, be part of a line item (if part of a line item it must also include a note disclosure of the actual amount), or a note to the financial statements.
- ▶ Calculation of the specified ratios and composite scores.

Responsibilities of the auditor for the audit of the financial statements, the statement of service performance and the financial responsibility supplemental schedule

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.

Our responsibility is also to audit the financial responsibility supplemental schedule required by Section 668.172(a) and Section 2 of Appendix B to Subpart L of Part 668 of Chapter VI of Subtitle B of Title 34 of the Code of Federal Regulations of the US Government. Our audit included:

- ▶ Agreeing each item in the supplemental schedule to the reference in the audited statement of financial position, statement of comprehensive revenue and expense, or notes to the financial statements.
- ▶ Reconciling the amounts in the supplemental schedule to the notes to the supplemental schedule.
- ▶ Agreeing the amounts in the notes to the supplemental schedule to the applicable line items and/or notes to the audited financial statements.
- ▶ Re-performing the calculations of the ratios specified in the notes to the supplemental schedule.
- ▶ Re-performing the mathematical accuracy of the composite scores.

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 7, 18–27, 73–77, but does not include the financial statements, the statement of service performance and the financial responsibility supplemental schedule, 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



REMUNERATION OF EMPLOYEES

The number of employees whose income was within the specified bands are as follows:

REMUNERATION RANGE	2023	2022
\$100,000 – \$109,999	196	172
\$110,000 – \$119,999	159	143
\$120,000 – \$129,999	140	142
\$130,000 – \$139,999	130	113
\$140,000 – \$149,999	119	127
\$150,000 – \$159,999	77	55
\$160,000 – \$169,999	73	65
\$170,000 – \$179,999	49	52
\$180,000 – \$189,999	43	37
\$190,000 – \$199,999	27	23
\$200,000 – \$209,999	19	13
\$210,000 – \$219,999	9	12
\$220,000 – \$229,999	13	15
\$230,000 – \$239,999	20	7
\$240,000 – \$249,999	10	8
\$250,000 – \$259,999	2	3
\$260,000 – \$269,999	5	6
\$270,000 – \$279,999	2	6
\$280,000 – \$289,999	4	4
\$290,000 – \$299,999	3	2
\$300,000 – \$309,999	2	2
\$310,000 – \$319,999	4	1
\$320,000 – \$329,999	0	4
\$330,000 – \$339,999	3	2
\$340,000 – \$349,999	2	0
\$350,000 – \$359,999	1	1
\$360,000 – \$369,999	1	0
\$370,000 – \$379,999	2	0
\$380,000 – \$389,999	1	1
\$390,000 – \$399,999	2	1
\$420,000 – \$429,999	0	1
\$430,000 – \$439,999	0	1
\$460,000 – \$469,999	1	0
\$470,000 – \$479,999	0	1
\$570,000 – \$579,999	1	0



TE RŪNANGA COUNCIL 2023



Back row from left: David McLean, Secretary to Council Caroline Ward, Professor Richard Arnold, James Te Puni (Ngāti Porou), Kelly Mitchell.

Front row from left: Cath Nesus (Ngāti Porou), Chancellor John Allen, Vice-Chancellor Professor Nic Smith, Pania Gray, Alan Judge.

Absent: Pro-Chancellor Hon. Maryan Street, Professor Brigitte Bönisch-Brednich, Jaistone Finau.

Meetings and payments

The payments to Council members listed below include attendance at Council and committee meetings during 2023. The Vice-Chancellor, Professor Nic Smith, is not eligible to receive fee payments.

NAME	COUNCIL MEETINGS		COMMITTEE MEETINGS		PAYMENT (\$)
	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	
John Allen	13	13	23	22	40,000
Richard Arnold	13	12	9	7	20,000
Brigitte Bönisch-Brednich	13	10	9	7	20,000
Jaistone Finau	13	11	5	4	20,000
Pania Gray	13	12	6	6	20,000
Alan Judge	13	12	8	7	20,000
David McLean	13	10	8	6	20,000
Kelly Mitchell	13	13	13	13	20,000
Cath Nesus	13	11	10	10	20,000
Nic Smith	13	13	21	21	N/A
Hon. Maryan Street	13	12	19	16	25,000
James Te Puni	13	13	8	8	20,000

Disclosures—Council 2023

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 (until June 2023)
- ▶ Director, Wellington Uni-Professional Ltd
- ▶ Director, Creative HQ
- ▶ Trustee, Victoria University of Wellington Foundation
- ▶ Chair, Barnardos New Zealand (August 2023)

Professor Richard Arnold

- ▶ Member, Tertiary Education Union

Jaistone Finau

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

Pania Gray (Ngāpuhi) (appointed January 2023)

- ▶ Managing Director, Kororā Consulting
- ▶ Deputy Chair, New Zealand Qualifications Authority
- ▶ Board Member, New Zealand Film Commission
- ▶ Board Member, Education Services Limited
- ▶ Independent Member, Te Mātāwai Audit & Risk Committee
- ▶ Independent Member, Ministry of Health Risk & Assurance Committee

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

David McLean

- ▶ Trustee, Bibi McLean Trustee Ltd
- ▶ Shareholder, Ian McLean Consultancy Services Ltd (until August 2023)
- ▶ Member, National Advisory Council on the Employment of Women
- ▶ Chair/Director, Kiwi Group Capital Ltd
- ▶ Chair, KiwiRail Holdings Ltd
- ▶ Chair, New Zealand Railways Corporation

Kelly Mitchell (Ngāti Māhanga) (appointed January 2023)

- ▶ Committee Member, Youth Movement Fund Aotearoa
- ▶ Member, Tertiary Education Union
- ▶ Member, Green Party of Aotearoa New Zealand

Cath Nesus (Ngāti Porou)

- ▶ Director/Shareholder, Nesus & Associates

Professor Nic Smith (appointed January 2023)

- ▶ Adjunct Professor, Queensland University of Technology
- ▶ Visiting Professor, University of Auckland
- ▶ Trustee, Victoria University of Wellington Foundation Board (January 2023)
- ▶ Director, New Zealand School of Music Limited (January 2023)

Hon. Maryan Street

- ▶ Director, KiwiRail Holdings Ltd

James Te Puni (Ngāti Porou)

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

Professor Jennifer Windsor (until February 2023)

- ▶ Trustee, Adam Art Gallery Collection Funding Trust (until February 2023)
- ▶ Trustee, Adam Art Gallery Collection Trust (until February 2023)
- ▶ Acting Chair, Adam Art Gallery Advisory Board (until February 2023)
- ▶ Trustee, Victoria University of Wellington Foundation (until January 2023)

Nothing to disclose

Professor Brigitte Bönisch-Brednich



TE HIWA 2023



Back row from left: Director, Human Resources Mark Daldorf, Provost Professor Bryony James, Vice-Chancellor Professor Nic Smith, Vice-Provost (Academic) Professor Stuart Brock, Deputy Vice-Chancellor (Māori and Engagement) Professor Rawinia Higgins (Tūhoe).

Front row from left: Deputy Vice-Chancellor (Students) Doctor Logan Bannister, Director of the Office of the Vice-Chancellor Reece Moors, Te Hiwa Secretary Vicki Faint, Chief Operating Officer Tina Wakefield, Vice-Provost (Research) Professor Margaret Hyland, Chief Financial Officer Les Montgomery.

Disclosures—Te Hiwa 2023

Current Te Hiwa Members:

Professor Margaret Hyland

- ▶ Director, Victoria Link Ltd
- ▶ Director, Cirrus Materials Science Limited
- ▶ Director, NIWA
- ▶ Trustee, Karori Sanctuary Trust trading as Zealandia Te Māra a Tāne
- ▶ Advisory Member, Scion Crown Research Institute
- ▶ Chair, The Research Trust of Victoria University of Wellington

Mark Daldorf

- ▶ Director, The Rise 2008 Ltd
- ▶ Trustee, Jinju Family Trust
- ▶ Director, Edgewater Dive and Spa Resort
- ▶ Panel Member, EFMD EQUIS Accreditation Peer Review

Professor Nic Smith

(from January 2023)

- ▶ Director, New Zealand School of Music Limited (January 2023)
- ▶ Trustee, Victoria University of Wellington Foundation (January 2023)
- ▶ Council Member, Victoria University of Wellington

Professor Rawinia Higgins (Tūhoe)

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

Professor Stuart Brock

- ▶ CEO/member Australasian Association of Philosophy Board
-

Reece Moors (July 2023)

- ▶ Director, Top 500 Club International Ltd
 - ▶ Director/Shareholder, R M Consulting Ltd
 - ▶ Shareholder, Malleus NZ Ltd
 - ▶ Shareholder, Construction Solutions & Systems Ltd
 - ▶ Shareholder, Ariki Spirits Ltd
 - ▶ Board Advisor, SfTI National Science Challenge
 - ▶ Iwi Member, Waikato Tainui Iwi Ngāti Mahuta, Ngāti Naho, Ngāti Maniapoto
-

Tina Wakefield (from September 2023)

- ▶ Reviewer, Gateway Reviewer for Treasury for NZ Government Projects
-

Nothing to disclose**Brendan Eckert** (Acting CFO) (from December 2023)**Professor Bryony James** (from October 2023)**Doctor Logan Bannister** (from October 2023)**Past SLT Members:**

Professor Jennifer Windsor

(until January 2023)

- ▶ Director, New Zealand School of Music Ltd (until January 2023)
 - ▶ Trustee, Victoria University of Wellington Foundation (until January 2023)
 - ▶ Trustee, VUW Art Gallery Collection Trust (until February 2023)
 - ▶ Trustee, VUW Art Gallery Collection Funding Trust (until February 2023)
-

Blair McRae (Kahungunu ki te Wairoa) (until May 2023)

- ▶ 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

(until June 2023)

- ▶ 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

(until December 2023)

- ▶ 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
 - ▶ Shareholder, Blackcurrent Holdings Limited (April 2023)
-

Professor Mark Hickford

(until July 2023)

- ▶ 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)
-

Sarah Leggott (Acting PVC (HSSE)) (until July 2023)

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

Simon Johnson (Acting COO) (until September 2023)

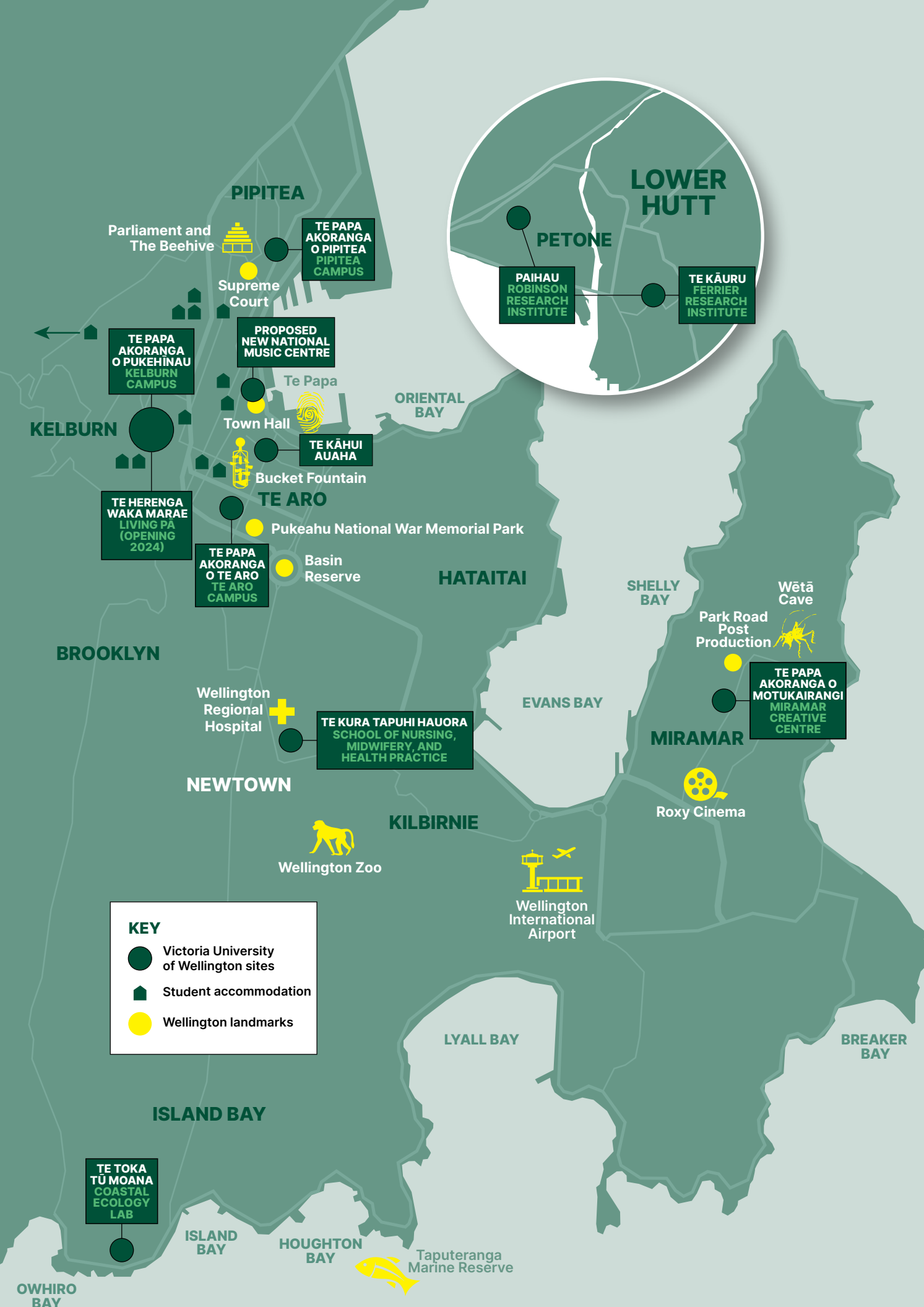
- ▶ Chair, Karori Normal School Board of Trustees
 - ▶ Trustee, WN Presbyterian Methodist Hall of Residence Trust
-

Professor Wendy Larner

(until May 2023)

- ▶ 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
-







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