

ANNUAL REPORT 2011



The Annual Report 2011 is published online at www.victoria.ac.nz/annualreports

Published by:

Victoria University of Wellington

Te Whare Wānanga o te Ūpoko o te Ika a Māui

21 Kelburn Parade

PO Box 600

Wellington 6140

New Zealand

Telephone +64-4-472 1000

Fax +64-4-499 4601

Web www.victoria.ac.nz

ISSN 1171-2740 (Print)

ISSN 1174-8184 (Online)

APRIL 2012

Contents

Introduction from the Chancellor	2
Governance—University Council	6
Vice-Chancellor's commentary	8
About Victoria	13
Organisation chart	15
2011 at a glance	16
The year in review	20
Research	21
Learning and teaching	26
Student experience	29
External relationships	32
Capability	36
Resources	39
Public contribution	41
Equity	44
Statement of service performance	48
2011 financial overview	62
Statement of responsibility	66
Audit report	67
Financial statements	69
Council activity	94
Senior Management Team disclosures	96

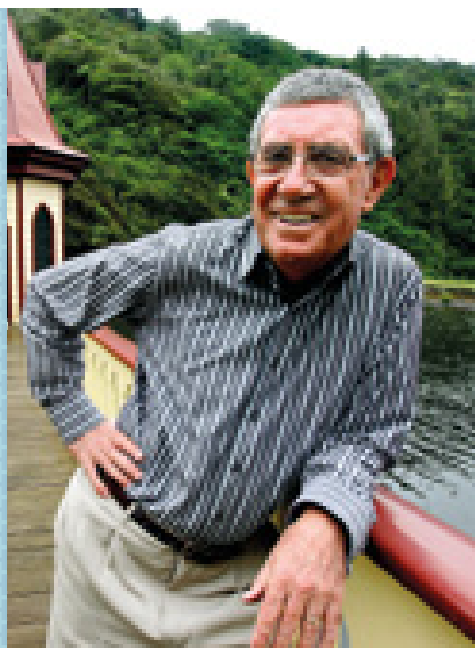


Photo: The Dominion Post

Remembering Professor Sir Paul Callaghan, 1947–2012

At the time this report was going to print, we were saddened to hear that Professor Sir Paul Callaghan had passed away, following a long battle with colon cancer.

With his passing, the University and New Zealand has lost an outstanding scholar and one of the country's most eminent scientists. He was a great leader, and an inspiration to many, with the ability to think outside his own scientific disciplines and make a much wider public impact.

Sir Paul has made an enormous contribution to the University and to society, in New Zealand and further afield. Throughout 2011 and into 2012 he continued to generously share his time, energy and great expertise with us, and his outstanding work at Victoria University throughout 2011 is illustrated within this report.

In recognition of the immense contribution that Professor Callaghan made to science at Victoria, to New Zealand and internationally, and to honour his legacy as a great science communicator, the University will establish a Chair in his memory—the Paul Callaghan Chair in Experimental Physics.

In the coming years, his colleagues and students will further the research in nanotechnology that was one of his passions.

Sir Paul will be very sadly missed by all of us at Victoria University.



INTRODUCTION FROM THE CHANCELLOR

Pictured above: Guests at the 2011 Distinguished Alumni Awards dinner.

The breadth of achievement detailed in this year's Annual Report shows excellent progress made towards Victoria's mission of playing a leading role in shaping New Zealand's future. I am confident that the decisions of Council have been consistently guided and underpinned by the values outlined in Victoria's Strategic Plan. In a rapidly changing tertiary sector, the promotion of an environment of understanding and commitment is an absolute necessity for success.



Tertiary environment

The past 12 months have seen considerable change to the University environment, not least the changes to legislation impacting student representation and student support services in New Zealand universities.

The passing of the Education (Freedom of Association) Amendment Act, requiring voluntary membership to all students' associations, means significant changes to the way in which student input operates at all levels of governance and management. The Council, together with senior management and student bodies, are presently working towards a structure to be implemented in 2012 which ensures such representation.

Equally important is the accessibility of core student support services. A Ministerial Direction issued last year to universities sets out changes to requirements for such services. The joint effort of staff and students in previous years has ensured that

students are able to access the different levels and types of services which essentially aid them to succeed in their studies. In the year ahead it will be vital that the University community works collaboratively to ensure the necessary changes improve, rather than detract from, the positive student experience offered at Victoria.

Capital investment

Victoria's Campus Development Framework guides the investment in quality facilities, supporting Victoria's goal to offer a world class student experience. The framework identifies three major projects to revitalise and extend the Kelburn Campus.

One such project is the Campus Hub, whose developments this year include the extensive refurbishment of the Student



Union Building. This building now provides improved club facilities, a dedicated health space for students, a new café and bar, the Victoria University of Wellington Students' Association (VUWSA) Media Centre and spaces for *Salient* and the Victoria Broadcasting Club. Also included in the project are the two new cafés at the bottom of Rankine Brown building, and a number of improvements to the Library, including the addition of the new J.C. Beaglehole room.

The project is undertaken in partnership with the VUWSA Trust, which is contributing \$12 million in addition to the \$55 million investment made by the University.

You can read more about the capital works projects in the Resources section of this report.

Inaugural Chancellor's Lecture

In September 2011 I was delighted to host the inaugural Chancellor's Lecture; a new initiative for Victoria University.

The guest speaker was Professor Sir Paul Callaghan, whose international reputation and title of 2011 New Zealander of the Year attracted a full house of 1,500 at the Wellington Town Hall. In his lecture titled 'A Prosperous 21st Century New Zealand: Educating for the New 'Tiger Economy'', Sir Paul argued that New Zealand's decline in prosperity is largely a result of our own choosing and that we have the capacity, simply by thinking and acting differently, to rapidly move ahead. His insightful and inspiring speech was rightfully concluded with a standing ovation.

This special event was made possible by funding from an anonymous donor to the Victoria University Foundation.

Launch of Ministry of Science and Innovation

This year Victoria hosted the launch of the new Ministry of Science and Innovation at the University's Alan McDiarmid Building. The occasion was attended by distinguished guests including the Prime Minister, Rt Hon John Key; then Minister of Research, Science and Technology, Dr Wayne Mapp; Minister of Defence, Dr Jonathan Coleman; and Wellington Mayor Celia Wade-Brown.

At the launch we heard from internationally recognised scientists, including those from Victoria's own Antarctic Research Centre. We also received a preview of the First Light House, which won the University third place in the US Department of Energy 'Solar Decathlon' competition earlier this year.

The event spoke perfectly to the definition of Victoria's special character; our capital city location providing an excellent opportunity for us to strengthen relationships with the government, whilst demonstrating the distinctive contribution we make to local, national and international communities.

Awards for alumni and friends

The Distinguished Alumni Awards held this year gave us an opportunity to recognise and honour alumni who have made



Pictured above: Mayor Celia Wade-Brown welcomes new Victoria graduates to Civic Square.

an exceptional contribution to their discipline, profession, or to New Zealand as a whole. Those recognised were: entrepreneur Rod Drury; former Justice of the Supreme Court of New Zealand Sir Thomas Gault; artist Piera McArthur; former Mayor of Wellington Kerry Prendergast; professional accountant and well-known commentator on tax matters John Shewan; and film director, writer, comedian and actor Taika Waititi.

Our graduation ceremonies are a highlight for the University community each year. This year 2,986 students graduated over eight ceremonies held in May and December. I hosted these ceremonies with great contentment in acknowledging and celebrating, together with staff, students and their families, the hard work and determination which brought our students to that important moment in their academic careers. The Council had the added pleasure this year of awarding honorary doctorates to Michael Houston, internationally acclaimed musician; Dr Bob Buckley, world-leading physicist; Dr Ross Ferguson, an international authority on kiwifruit biology; Dr Jack Richards, a renowned specialist in second and foreign language teaching; and Tohunga Whakairo Dr Takirirangi Clarence Smith, an internationally recognised master carver responsible, among his many other outstanding achievements, for carving Victoria University's meeting house, Te Tumu Herenga Waka.

The award of a Hunter Fellowship is one way the Council is able to recognise those who have made a substantial contribution to the advancement of the University. In November the Council was pleased to award Hunter Fellowships to: John Greenwood, one of the New Zealand's leading property lawyers who has made a considerable contribution to the University through the Victoria University

Foundation; and Te Paekiomeka Ruha, ONZM, QSM, Te Whānau-ā-Apanui and Ngāti Porou, a prominent kaumatua who has supported the University's Te Herenga Waka Marae since its inception in 1986. It was with great sadness Council learned that Pae passed away just a month after the Fellowship was conferred.

University Council

This year the Council welcomed Megan Clark and Roger Taylor, and the elected 2011 President of VUWSA, Seamus Brady. The year also saw the retirement of Secretary to Council, Christine Turner. After 39 years of commitment to this University, I would like to express appreciation to Christine on behalf of the University for her excellent and long-standing service.

In addition to regular meetings, Council members attend bi-monthly workshops to receive information and hold in-depth discussions to better inform the important decisions that Council must make. Topics this year included 'Capital Expenditure: The Medium Term Outlook', examining progress towards Victoria's Campus Development Framework 2006–2016; and 'Foreign and Domestic Fee Setting', exploring the different methodologies for setting foreign and domestic student fees.

The workshop 'Exploring Victoria's Academic Identity: Undergraduate Education Issues' was an opportunity to consider the principal objectives of a review of undergraduate education; a topical issue for the University in 2011–12.

Recording achievements against the University's strategic goals has been a priority at Victoria this year. Throughout the



year the Vice-Chancellor has reported regularly to Council on the University's progress towards the Strategic Plan, and at the Council's November workshop he was able to give a comprehensive presentation on 2011 key achievements and strategic results.

This year saw the establishment of Te Aka Matua, the Māori Advisory Committee to Council. With the assistance of the Office of the Pro Vice-Chancellor Māori, the committee successfully held three meetings including one valuable meeting with Council. The committee's objective is to provide Council with timely advice on the University's relations with Māori communities as they support the development and implementation of the Strategic Plan. This includes advice on Māori recruitment, retention and achievement, scholarship and research with significant Māori outcomes, and any matters affecting the quality of the relationship between Māori and the University. The Council looks forward to working with Te Aka Matua and drawing on the considerable breadth of knowledge and expertise offered by its members.

Review of performance is an important part of ensuring the continued good performance of any governing body. This year Council undertook a review of its performance in the following categories: Strategic Direction and Identity; Governance Culture; Process; and Accountability. Members also completed a self-review of their individual performance. The feedback from these reviews is to be considered by the Governance Committee in 2012.

Vice-Chancellor Professor Pat Walsh this year reached a significant milestone in celebrating his 30th year with the University. I thank him for his enduring commitment to Victoria and for his excellent leadership of the University this year.

I would like to acknowledge all members of Council for the considerable time and effort they have invested to ensure the effective governance of the University. We can all be very proud of the University's progress in managing priorities and working towards strategic objectives during a challenging year. I look forward to continuing this important work in 2012.

Ian McKinnon

Chancellor



GOVERNANCE—UNIVERSITY COUNCIL

Role of the Council

The governing body of the University is the Victoria University Council, established under section 165 of the Education Act 1989. The Functions and Powers of the Council are consistent with those prescribed in the Education Act 1989, sections 180, 181 and 192. The Council's key functions are to:

- a) appoint a chief executive
- b) prepare and submit an Investment Plan, and to determine policies and ensure the University is managed in accordance with that plan
- c) undertake planning relating to the University's long-term strategic direction
- d) determine, subject to the State Sector Act 1988, the policies of the institution in relation to the management of its affairs

The Vice-Chancellor

The Education Act 1989 assigns the Vice-Chancellor, as Chief Executive of the University, with the academic and administrative management of the institution. The State Sector Act 1988 designates the Vice-Chancellor as the employer of all staff.

Committees of the Council

The University Council has appointed, under section 193 of the Education Act 1989, specific committees, each with terms of reference. These committees advise Council on matters relating to audit and risk, finance, governance, the appraisal of the Vice-Chancellor, the University's relationship with Māori communities, disciplinary appeals, and the awarding of Honorary Degrees and Hunter Fellowships.

The Academic Board, established under sections 182(2), 193 and 194 of the Education Act 1989, advises Council on matters relating to courses of study, awards, and other academic matters. The board may also exercise powers delegated to it by Council and the Vice-Chancellor under sections 222 and 197 of the Education Act 1989.

Governance documents

STRATEGIC PLAN AND INVESTMENT PLAN

The Council is responsible for approving the University's Strategic Plan; the overarching governance document which defines the University's mission, values and commitments to the Treaty of Waitangi. The Council is also responsible preparing and submitting an Investment Plan in order to seek government funding.

The Investment Plan is an articulation of how the goals in the Strategic Plan will be achieved. It is the responsibility of the Council to ensure that the University is managed in accordance with that plan, by determining the policies for its implementation.

ANNUAL BUDGET

The Annual Budget identifies the projected revenue, and operating and capital expenditures required to achieve the implementation of the Investment Plan in a calendar year. It is the responsibility of Council to approve the Annual Budget for each ensuing year.

ANNUAL REPORT

Included in the Annual Report are the University's financial statements, and the Statement of Service Performance (SSP) which reports against performance measures specified in the Investment Plan. The Council approves the Annual Report.



Council membership for 2011

OFFICERS

Chancellor

Ian McKinnon QSO JP

Pro Chancellor

Helen Sutch

Chair, Finance Committee

Roger Taylor MNZM

Vice-Chancellor

Professor Pat Walsh

MEMBERS

Appointed by the Minister of Education

David Chamberlain

2009–2013

Patricia McKelvey CNZM MBE

2007–2011

James Ogden

2007–2011

Vice-Chancellor

Professor Pat Walsh

2005–2013

Elected by academic staff

Professor Charles Daugherty ONZM

2009–2012

Associate Professor Megan Clark

2011–2014

Professor Paul Morris

2009–2012

Elected by general staff

Kevin Duggan JP

2011–2014

Appointed by Executive of the Students' Association

Seamus Brady

2011

Conrad Reyners

2011

Elected by the Court of Convocation

Rosemary Barrington

2009–2012

Dr Jock Phillips

2009–2012

Ian McKinnon QSO JP

2011–2014

Helen Sutch

2011–2014

Co-opted by the University Council

Graeme Mitchell

2009–2013

Roger Taylor MNZM

2011–2013

Appointed by the University Council—in consultation with the New Zealand Council of Trade Unions

Brenda Pilott

2008–2012

Appointed by the University Council—in consultation with Business New Zealand

Charles Finny

2009–2012



VICE-CHANCELLOR'S COMMENTARY

I am very proud of the University's achievements in 2011, in an environment which has posed its share of challenges. New Zealand's financial position, changing student demand, and global financial and political uncertainty have had a major part to play in our planning and decision-making processes this year—yet the University has remained buoyant and in good heart.

Successes this year have included numerous awards won by staff and students and the awarding of a wide range of research grants. We have also benefited from some exciting new collaborations both within and outside the University community.

Research

Victoria University continues to excel in research, developing and rewarding research excellence and creating new knowledge for the benefit of our society.

It is pleasing to note that PhD and research Master's degrees completions are continuing to increase dramatically. There were 151 PhD completions at Victoria in 2011 compared to 130 in 2010, and 351 research Master's degree completions compared to 176 in 2010.

In 2011, our researchers were highly successful yet again in the intensely competitive Marsden Fund, which funds research excellence in a range of areas. Victoria researchers received 11 Marsden grants spread across five faculties, totalling \$5.8 million—in addition to another 11 Victoria researchers involved in collaborative projects. A scan of the successful projects demonstrates that Victoria University is engaged in research that is both ground-breaking and highly relevant—including research into the fate of glaciers as the world warms, a study of the southwest Pacific's magnetic field



over the last 10,000 years that will help date events such as early settlement of New Zealand, and a study of the political, economic and historical conditions surrounding Māori Television's emergence, organisation and practices.

The University's research success continued with Victoria researchers Dr Nancy Bertler, Dr Justin Hodgkiss and Dr Nicola Moreham scooping three of 10 Rutherford Discovery Fellowships, postdoctoral researcher Dr Rob McKay being awarded the 2011 Prime Minister's MacDiarmid Emerging Scientist prize, and Dr Mark Hunter becoming the first in the Southern Hemisphere to win the prestigious international 2011 Raymond Andrew prize.

We continued to strengthen Māori research through the Māori Research Network, which supports the exchange of knowledge and experiences, and supported Pacific research with the recent establishment of the Pasifika Researchers' Network.



Staff and student success

Victoria's reputation as a teaching institution of the very highest standard continues to attract exceptional staff and students from New Zealand and around the world.

We are immensely proud of Professor Sir Paul Callaghan who was awarded the 2011 New Zealander of the Year honour, and soon afterwards initiated the HEKE (Heroic Educated Kiwi Expatriates) project, encouraging overseas graduates to start repaying their student loans, to help the New Zealand economy and the rebuild of Christchurch.

One of New Zealand's most renowned historians, our own Professor James Belich, received the Prime Minister's Award for Literary Achievement, and was then awarded the Beit Professorship of Commonwealth and Imperial History at the University of Oxford—only the seventh historian since 1905 to hold this prestigious position.

The University's Faculty of Commerce and Administration became one of just 58 business schools in the world to hold the 'Triple Crown' of international accreditations EQUIS, AACSB (Business) and AMBA. This is an outstanding accomplishment.

Our student successes this year have been prominent both in New Zealand and on the world stage. Victoria's Meridian First Light house team designed and built an energy efficient house, which was awarded third place at the US Department of Energy Solar Decathlon held in Washington. The innovation and dedication shown by these students was a pleasure to witness, and are testimony to the calibre of teaching and learning offered by Victoria's School of Architecture.

Our student debating team again enjoyed success at home and abroad, winning the Australasian Intervarsity Debating Championship title in South Korea, and taking out the New Zealand competition the Joynt Scroll for a

sixth consecutive year. To cap off this extraordinary set of achievements, debaters Sebastian Templeton and Richard D'Ath took top honours at the World Universities Peace Invitational Debate in Malaysia, beating Oxford and Cambridge to take the title. We were also pleased to see Victoria's University Law School team winning the 9th Annual Red Cross International Humanitarian Law Moot, held in Hong Kong.

Building relationships

It is important to the University to build and maintain relationships with others that can enhance our contributions to society. During 2011 we have endeavoured to connect with government, business, the professions, the Wellington community and other academic institutions throughout New Zealand and internationally.

Of particular note were the signing of memorandums of understanding with Te Papa Tongarewa and ZEALANDIA, entering into a collaborative agreement with Writers and Readers Week as part of the 2012 New Zealand International Arts Festival, and working with companies such as Weta and Google to enhance learning for our students.

International partnerships are vital to our continuing success and we are committed to developing new relationships and enhancing those we have. Several exchange agreements were signed in 2011, including with such prestigious universities as Sciences Po in France, the Chinese University of Political Science and Law, East China Normal University and the University of Surrey.

We were pleased to welcome Dr Alexis Bunten from Alaska, the inaugural scholar for the Toi huarewa Indigenous Scholar Fellowship—an initiative to encourage collaboration amongst those studying indigenous cultures across the Pacific.

Another notable highlight was Professor Rob Rabel receiving the Vietnamese Government's Medal for the Cause of



Pictured above: Vice-Chancellor Professor Pat Walsh addresses students at the Welcome to Students event in the Civic Square.

Education on behalf of Victoria University. This was awarded to reflect the extensive efforts that Victoria has made to assist higher education in Vietnam.

Support of alumni and friends

The generosity shown by Victoria alumni and friends, professional bodies and public and private sector organisations is part of what makes Victoria an iconic institution. We are very grateful to the communities we serve for this support, which ensures that we can continue to attract staff of international standing, reward top students through valuable scholarships and prizes and provide facilities to help deliver quality research and teaching programmes.

The Victoria University Foundation raises funds for priorities at Victoria that could not otherwise be funded. During 2011 the University established a new Chair in Public Finance, sponsored by the Ministry of Social Development, Treasury, Inland Revenue and PricewaterhouseCoopers; and the Bank of New Zealand Chair in Business in Asia, supported by the Ministry of Foreign Affairs and Trade, the Ministry of Economic Development and New Zealand Trade and Enterprise.

Victoria University alumnus Professor Stephen Turnovsky also made a substantial donation to establish a Visiting Scholar programme at Victoria's School of Economics and Finance.

We saw another rise in the number of donors joining the Victoria University Foundation's Legacy Club, notifying us of their intention to leave a bequest to the University, and we are extremely grateful for this support.

We pride ourselves on maintaining connections with our alumni, and in 2011 hosted events in Auckland, Wellington, Kuala Lumpur, Singapore, Shanghai, Beijing, Jakarta, Ho Chi Minh City, Hanoi, Bangkok and Washington DC.

Equity and diversity

Victoria is committed to providing an inclusive and representative environment for all staff and students, and we are continuously working towards the achievement of our equity and diversity goals.

During 2011 we celebrated the opening of Le Ala i le Mālama, the Māori and Pacific space at the W.J. Scott Education Library in Karori, and put in place a Pasifika Librarian role following the success of the Māori Librarian role introduced two years ago.

June marked the completion of Strengthening Pathways, the University's two-year Tertiary Education Commission (TEC)-funded project aimed at improving the retention and achievement of Māori and Pasifika students, resulting in some successful new developments in this area.

A Pasifika Student Success Strategy was also developed during the year under the leadership of the Assistant Vice-Chancellor (Pasifika) Luamanuvao Winnie Laban, and I am looking forward to seeing this plan come to fruition. The strategy sets targets and assigns accountabilities for actions to improve academic outcomes for Pacific students and is informed by research on factors influencing their success.

The launch of the innovative Online Dictionary of New Zealand Sign Language in June by the Deaf Studies Research Unit was an outstanding achievement, contributing towards enhancing the profile of New Zealand Sign Language. We were also pleased to contribute to increasing the participation of Deaf people in tertiary education and society by offering two new programmes in the School of Linguistics and Applied Language Studies.



Review of undergraduate education

Our Learning and Teaching Strategy identifies as one of its key objectives to 'establish a distinctive vision for education and the student experience at Victoria'.

To this end, a discussion paper was released across the Victoria community, seeking feedback on several critical areas: curriculum design, innovation in learning and teaching, quality assurance, the value of our qualifications and the experience of our students.

Once feedback had been received, reports were produced by working groups on each area, setting out recommendations for improvements and new approaches. There was broad engagement across the University in these groups; in all, nearly 60 members, representing faculties, central service units and students.

We then consulted with staff and students on these reports, and on a set of proposed Academic Principles, with the vision that Victoria will be a university where learning through enquiry is explicitly at the centre, and is fostered by partnership between learners and teachers.

The next step is to plan implementation of the agreed changes—a process that will demand extensive and detailed work across the University over the next two years.

Looking forward

The essence of Victoria University's mission is to play a leading role in shaping New Zealand's future, by carrying out research, engaging with others, and developing our graduates to be highly skilled, critical and creative thinkers.

During 2012 we will continue to do our utmost towards the achievement of our mission. Effort will be concentrated on the outcomes from the review of undergraduate education, and working through what the 2011 changes to the Student Services Levy and Education (Freedom of Association) Amendment Act have meant for us and for our students. We will also focus on our relationships with others, as the wealth of perspectives we gain from this can only be beneficial.

The University is not in the business of simply delivering information; we are searching for better questions, better answers and better ways of making collaboration work as we engage in activities that influence or create positive change for New Zealanders. I look forward to 2012 as a year where we will demonstrate this time and again, and I wish to thank those within the university community for the important roles that they play in our success.

Professor Pat Walsh

Vice-Chancellor





ABOUT VICTORIA

Victoria University's reputation as a research-led university with high standards of teaching attracts exceptional staff and students from around the world. As a capital city university, Victoria has strong links with government departments and agencies, international agencies, industries, regional and local government, iwi and environmental organisations, as well as some of New Zealand's major research institutes. The University also has extensive collaborative and student exchange links with renowned universities throughout the Pacific, Asia, North and South America and Europe.

As well as providing 2011 financial statements, this Annual Report sets out the past year's achievements of our staff and students and aims to showcase the impacts they have made both internally and further afield.

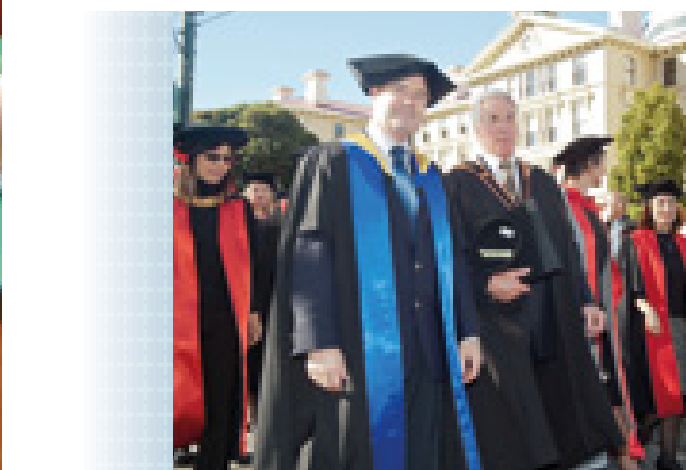
Our history and structure

Victoria began teaching in 1897 as Victoria College, with research beginning in 1899. Victoria College was part of the University of New Zealand and Victoria University came into being, through its own Act of Parliament, on 1 January 1962.

The University incorporated the Wellington College of Education as the Faculty of Education on 1 January 2005. The following year, Victoria and Massey Universities set up the New Zealand School of Music, a centre of musical excellence that combined the institutions' music programmes.

Victoria has nine faculties, of which seven conduct teaching and research—Architecture and Design, Commerce and Administration, Education, Engineering, Humanities and Social Sciences, Law, and Science. These are divided into schools, many of which are closely aligned with the University's numerous research centres and institutes.

The newly-established Faculty of Graduate Research is responsible for the administration of all PhD students. In addition, the virtual Faculty Toiwharewa is a forum for Māori academic issues at Victoria and ensures



Making an impact—staff

Research at Victoria creates new knowledge which adds to New Zealand's economic development. Just two examples from the following pages include researchers working with a Lower Hutt business to develop a rehabilitation device for people who have had a stroke (see page 32), as well as Dr David Ackerley's work with Seeka to combat kiwifruit disease (see page 32).

Our academic staff contribute to the improved social, cultural and environmental development of New Zealand (as is evidenced by our staff's work assisting with the earthquake recovery efforts, page 41, and Professor Sir Paul Callaghan's series of public talks centred on creating a more prosperous New Zealand, a place 'where talent wants to live', page 42).

there is appropriate Māori content in Victoria's teaching and research programmes.

Our campuses

The University operates from several sites.

The Kelburn Campus is the home of schools with interests in science, engineering, and humanities and social sciences, and of the University's administration.

The Te Aro Campus, on the southern fringe of the central business district, is the home of the schools that specialise in architecture and design.

The Pipitea Campus, close to Parliament and the courts, consists of the Government Buildings Historic Reserve, neighbouring Rutherford House and the Wellington Railway Station West Wing. It is home to the University's schools specialising in the study of law, government, commerce and professional development.

The Karori Campus is the home of the schools specialising in education policy, educational psychology, and Māori and Pasifika education.

In addition, the University teaches internationally, offering English language and commerce courses at the University of Economics' Campus in Ho Chi Minh City in Vietnam. Victoria also teaches an International Master of Business Administration programme in Hong Kong in association with the Asia-Pacific Institute of Business, of the Chinese University of Hong Kong.

Our mission

Victoria's mission is to play a leading role in shaping New Zealand's future by:

- ▣ adding significantly to the knowledge and understanding of natural phenomena, society, culture and technology through research, teaching and interdisciplinary perspectives

- ▣ engaging with local, national and international communities in creating, disseminating and applying knowledge that has scholarly or societal impact
- ▣ developing graduates with skills in leadership, communication, and critical and creative thinking.

Our commitment to the Treaty of Waitangi

The Treaty of Waitangi Statute is the formal expression of Victoria's commitment to Māori as tangata whenua and Treaty partners. Victoria had a number of Māori successes in 2011 in meeting its Treaty commitments, which are evident throughout the Annual Report.

Victoria is committed to:

- ▣ Māori student recruitment, retention and achievement
- ▣ Māori research excellence with the potential for significant social, economic and scholarly impacts
- ▣ the contribution of matauranga Māori (Māori knowledge) to scholarship across disciplines
- ▣ building long-term and positive relationships with Māori stakeholders
- ▣ building Māori staff capability
- ▣ increasing the capability of all staff to engage with Māori interests
- ▣ the contribution of te reo Māori and tikanga Māori to the culture of Victoria.

Our strategic goals

The Year in Review section of the Annual Report is a snapshot of activities and achievements that contribute to delivering each of the University's strategic goals, namely:

- | | |
|--------------------------|-----------------------|
| ▣ Research | ▣ Capability |
| ▣ Learning and teaching | ▣ Resources |
| ▣ Student experience | ▣ Public contribution |
| ▣ External relationships | ▣ Equity. |



Making an impact—students

Our graduates contribute to a more educated and skilled workforce and society through their skills in leadership, communication and critical thinking. Highlights from 2011 include the student-led team (pictured left) designing and building an affordable Kiwi solar-powered house (see page 23) and our talented debating team continuing to take the world by storm, winning the World Universities Peace Invitational Debate in Malaysia (see page 31).

Organisation chart as at 31 December 2011



= Member of the Senior Management Team = Direct Reports

2011 AT A GLANCE*

* Figures exclude New Zealand School of Music

Qualifications awarded

Qualification level and type	2009	2010	2011
UNDERGRADUATE			
Certificates and diplomas	1,260	965	1,604
Degrees	2,907	3,019	2,919
POSTGRADUATE			
Certificates and diplomas	325	298	307
Honours	484	455	393
Master's	617	652	632
PhD	83	146	103
TOTAL	5,676	5,535	5,958

Student ethnicity (headcount)

Ethnicity	2009	2010	2011
Māori	1,908	1,994	1,980
Pasifika	1,157	1,109	1,064
European/Pākehā	16,402	16,251	15,862
Asian	3,951	4,049	4,046
Other	1,338	1,381	1,442
TOTAL	24,756	24,784	24,394

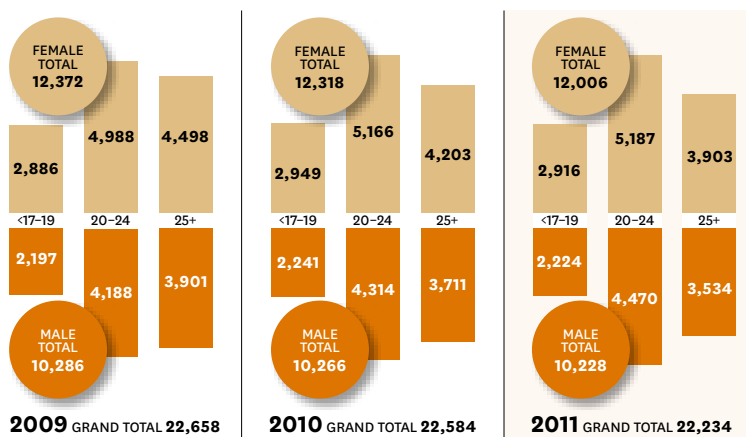
Note: Students are permitted to designate more than one ethnicity. The table incorporates all choices that a student has made, meaning the above totals exceed the total enrolment numbers.

students

Country of origin for international students (headcount)

Country	2009	2010	2011
China	500	522	577
United States	342	348	411
Malaysia	338	365	408
Vietnam	188	250	289
Australia	196	192	197
Germany	184	162	111
India	71	82	92
Japan	75	86	91
Korea	108	79	61
United Kingdom	60	65	61
Indonesia	41	41	55
Saudi Arabia	73	66	54
Other	426	508	546
TOTAL	2,602	2,766	2,953

Student distribution by age and gender (headcount)



Equivalent Full-time Students (EFTS)

TYPE	2009	2010	2011
Government funded	15,475	15,719	15,173
Full-fee	1,449	1,554	1,698
LEVEL			
Undergraduate	14,485	14,629	14,224
Taught postgraduate	1,592	1,595	1,550
Research postgraduate	847	1,049	1,097
TOTAL	16,924	17,273	16,871

Research students

Enrolled (headcount)

	2009	2010	2011
Master's	546	729	889
PhD	831	930	952
TOTAL	1,377	1,659	1,841

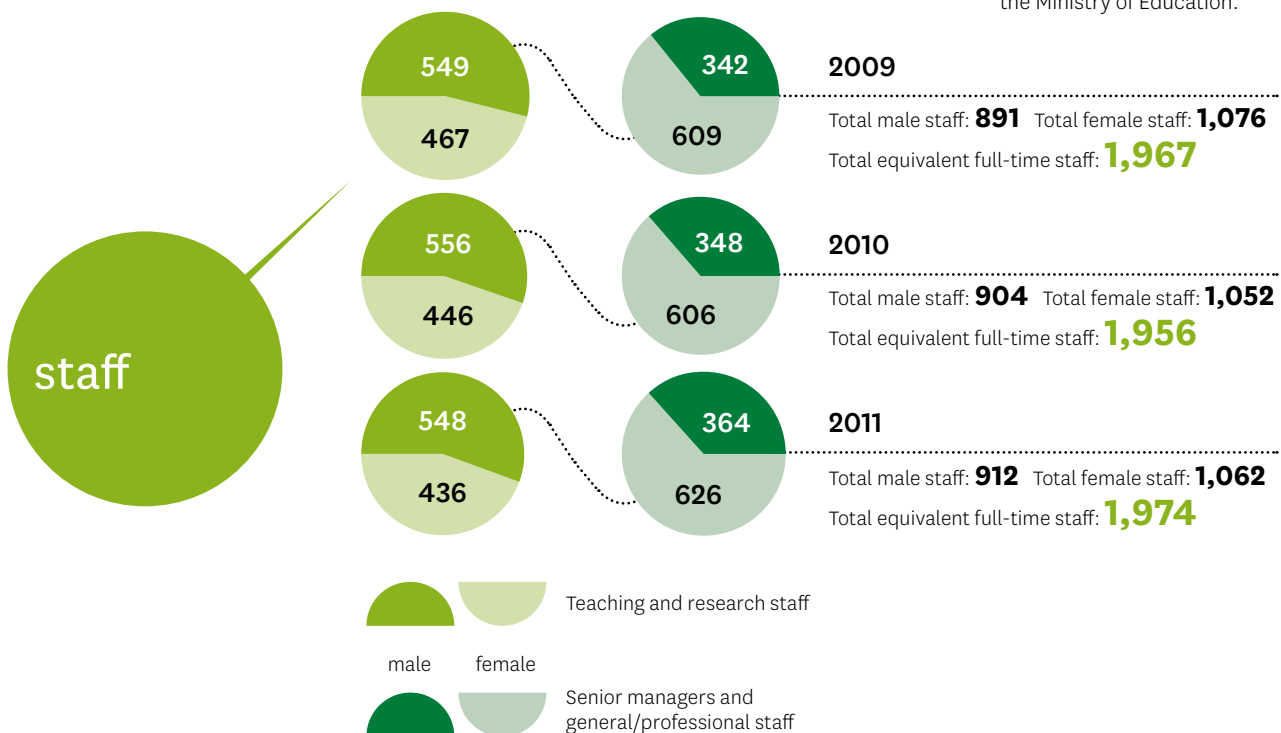
research

Grants

	2009	2010	2011
External research revenue	\$32,038,397	\$32,595,392	\$34,451,981
Number of external grants	594	555	522

Full-time Equivalent (FTE) Staff*

*Based on mid-year return to the Ministry of Education.



Financial performance

	2009 \$000	2010 \$000	2011 \$000
Total revenue	313,159	332,262	336,798
Total expenditure	300,356	313,733	322,284
Surplus for the year	12,803	18,529	14,514

financial

Financial position

	2009 \$000	2010 \$000	2011 \$000
Total current assets	63,851	64,030	65,144
Total non-current assets	621,893	659,068	681,436
Total assets	685,744	723,098	746,580
Total current liabilities	62,216	65,008	69,875
Total non-current liabilities	35,559	53,354	57,747
Total liabilities	97,775	118,362	127,622
TOTAL COMMUNITY EQUITY	587,969	604,736	618,958

financial

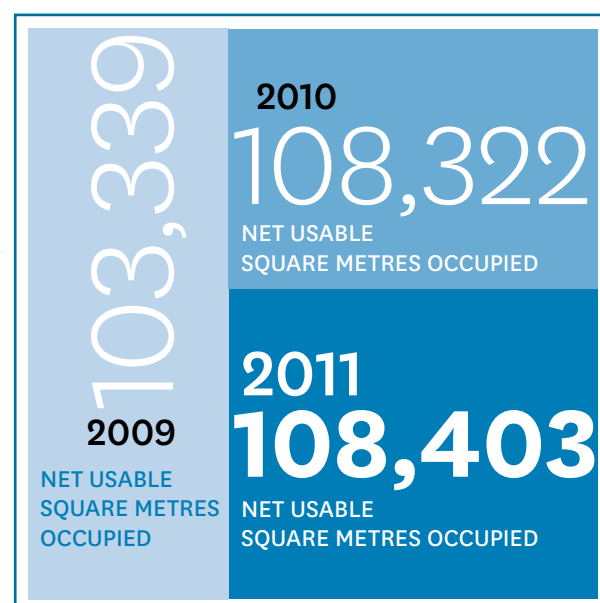
Statistics

	2009	2010	2011
Surplus to total revenue	4.1%	5.6%	4.3%
Surplus to total assets	1.9%	2.6%	1.9%
Current assets to current liabilities	103%	98%	93%
Assets to equity	117%	120%	121%
Liabilities to equity	17%	20%	21%

physical
resources

Land occupied (hectares)

	2009	2010	2011
Crown	12.9	12.9	12.9
University	10.1	10.1	10.1
Ground Lease Properties	0.3	0.3	0.3
TOTAL	23.3	23.3	23.3



A group of students are sitting on a red wooden bench, engaged in a hands-on activity. They are using white spherical objects (likely ping pong balls) and thin wooden sticks to build a complex, interconnected geometric structure. One student in the foreground, wearing a grey hoodie, is smiling broadly and giving a thumbs-up. Another student in a red and black plaid shirt is also smiling. In the background, a student in a red puffer jacket is visible. The scene is set outdoors against a wooden slat wall.

THE YEAR IN REVIEW



RESEARCH

Pictured above: Dr Ben Ruck, Senior Lecturer in Physics, and PhD student Tanmay Maity inspecting the ultra-high vacuum system, used to grow novel magnetic semi-conductors, in a lab at the School of Chemical and Physical Sciences.

Victoria's 'research' goal is to dramatically improve Victoria's overall research performance by focusing resources on developing and rewarding research excellence, particularly in areas of disciplinary and interdisciplinary strengths, and creating new knowledge that has major social, economic or scholarly impact.

Research is an area where Victoria staff and students frequently shine on both the national and international stage. Awards, fellowships and external funding were just some of the ways this excellence was affirmed in 2011, with many of Victoria's research outputs having a significant effect on New Zealand's society and economy.

Staff awards for outstanding achievement

The outstanding work of many Victoria staff members was recognised through awards in 2011. Some of these awards included funding to enable staff to further their research.

Dr Mark Hunter, a Research Fellow in the School of Chemical and Physical Sciences, succeeded in finding techniques to measure dispersion—the way liquid flows and is diffused—through samples that can't be seen inside, such as rocks or wood. This makes it easier to predict dispersion processes, such as oil recovery from oil wells. He became the first in the Southern Hemisphere to win the prestigious Raymond Andrew prize for his outstanding PhD research in the nuclear magnetic resonance (NMR) field.

As the NZ-UK Link Foundation Visiting Professor, Jonathan Gardner from the School of Biological Sciences will provide expertise to the United Kingdom on managing marine

Top accolades for History professor

Professor James Belich had a stellar year in 2011. As well as receiving the Prime Minister's Award for Literary Achievement, he was awarded the Beit Professorship of Commonwealth and Imperial History at the University of Oxford. This role, established in 1905, is to provide research leadership in Commonwealth, imperial and global history and is awarded to a historian of international standing. Professor Belich is only the seventh historian to hold this position.





Prime Minister's prize winner

Research into past environmental change in Antarctica and its implications for the current phase of global warming earned postdoctoral researcher Dr Rob McKay the 2011 Prime Minister's MacDiarmid Emerging Scientist prize of \$200,000.

Dr McKay's research focus is using marine sedimentary records and glacial deposits to reconstruct episodes of melting and cooling in Antarctica over the past 13 million years and show how they influenced global sea levels and climate. Particular emphasis is placed on examining warmer than present climates in the geological past to provide analogues for predicted future, human-induced climate change.

reserves. This entails spending three months in the School of Advanced Study at the University of London.

The Science and Technology category of the Wellingtonian of the Year Awards was won by Professor Graham Le Gros for his leadership at the Malaghan Institute of Medical Research and work in the field of immunology, which focuses on finding vaccines against asthma, allergies and human hookworm. As well as being Director of the Malaghan Institute based on Victoria's Kelburn Campus, Dr Le Gros is a professor in the School of Biological Sciences.

Two Royal Society of New Zealand honours went to Victoria academics. Professor Rod Downey from the School of Mathematics, Statistics and Operations Research was awarded the Hector Medal for an outstanding contribution to the advancement of mathematical and information sciences; and Professor Colleen Ward from the School of Psychology received the inaugural Te Rangi Hiroa Medal for advancing the psychological study of immigration, acculturation, intercultural relations and cultural diversity.

Art History programme's Professor Geoffrey Batchen's publication *The Original Copy: Photography of Sculpture 1839 to Today* won the top award from the Museum of Modern Art in New York for 'Outstanding catalogue based on an exhibition'.

Fellowships for research impact

A number of staff received prestigious fellowships to honour the impact of their research.

Professor Peter Barrett of the Antarctic Research Centre and Climate Change Research Institute was the second New Zealander to receive an Honorary Fellowship of London's Geological Society recognising his achievements, not only in science, but also in acting as an ambassador for geological science and promoting its aims to the wider public.

Professor Estate Khmaladze from the School of Mathematics, Statistics and Operations Research was elected to a Fellowship in the Institute of Mathematical Statistics. The Fellowship honours Professor Khmaladze's outstanding research and professional contributions in statistics and probability. This is a notable achievement as only around 5 percent of the Institute's 4,300 members have earned Fellow status.

Four Victoria professors were elected as Fellows of the Royal Society of New Zealand—Emeritus Professor Max Cresswell from the School of History, Philosophy, Political Science and International Relations; Professor Pablo Etchegoin from the School of Chemical and Physical Sciences; Professor Martha Savage from the School of Geography, Environment and Earth Sciences; and Professor Susan Schenk from the School of Psychology. Fellowship of the Royal Society of New Zealand is an honour conferred for distinction in research or the advancement of science, or technology, or the humanities.

Professor Sir Paul Callaghan was made an Honorary Fellow of Corpus Christi College, Cambridge.

Fulbright Award winners

Three staff received Fulbright Awards, which will enable these academics to research, teach or present their work in the United States. Dr Kate Thornton from the School of Education Policy and Implementation was awarded a 2012 Fulbright-Cognition Scholar Award in Education Research. Dr Gwenda Willis received a Fulbright New Zealand Scholar Award to research American sex offender treatment programmes following the New Zealand-developed Good Lives Model, at Lynn University in Boca Raton, Florida. Dr Rhonda Shaw received a Fulbright New Zealand Travel Award to give seminars on tissue exchange, organ donation and transplantation research, at the Hastings Center in Garrison, New York and Yale University in New Haven, Connecticut.

Three American researchers elected to use their Fulbright-Ministry of Science and Innovation Graduate Awards to study at Victoria University.

Postgraduate degree completions increase

The number of postgraduate degree completions at Victoria once again increased significantly in 2011, reflecting the University's efforts to build a strong postgraduate research culture through its Faculty of Graduate Research. There were 151 PhD completions at Victoria in 2011. Of those, 61 were international students. This compares with 130 PhD completions in 2010 and 70 in 2009.

The number of research Master's degree completions also increased. In 2011, there were 351 completions. Of those, 45 were international students. This compares with 176 completions in 2010 and 177 in 2009.

Student success

A number of Victoria students received national or international acclaim for their work.

This included Gemma Bowker-Wright, a Master's student in Creative Writing, who won the prestigious BNZ Katherine Mansfield Prize for her story *Katherine*, about the fading mental powers of a wife and the effects of that on a happy marriage.

Two PhD students from the International Institute of Modern Letters enjoyed success at the New Zealand Post Book Awards. Lynn Jenner won the Best First Book Award for Poetry for her poetry collection *Dear Sweet Harry* and Pip Adam won the Best First Book Award for Fiction category for her short story collection *Everything We Hoped For*.

The winner of the 2011 NZIA Graphisoft Student Design Award for fifth-year architecture students in New Zealand was Roger Wilson, for his futuristic vision of the West Coast ghost town, Denniston.

Bright Ideas Challenge Wellington Regional Council Award winner PhD student Lee Bint impressed the judges with her Water Efficiency Rating Tool, a product she designed as part of her PhD in Architecture.

New initiatives

A Pasifika Researchers' Network was established for Victoria staff who are working on research relating to the Pacific, to facilitate networking and possible research collaborations. A Māori Research Network was also established to support the exchange of knowledge and experiences among those involved in Māori research.

A website on post-Treaty settlements (www.posttreatysettlements.org.nz) was launched by the Institute of Policy Studies and Te Kawa a Māui—the School of Māori Studies. Its aim is to assist the policy community and the wider public to gain a better understanding of emerging Crown-Māori relationships, and to help inform the design of institutions and policies that support the continuing development of a prosperous, cohesive and fair society for all New Zealanders.

During 2011, the Faculty of Law launched a scholarly series, *Victoria University of Wellington Legal Research Papers*, an electronic journal of the same name, and a Victoria University of Wellington page on the website of the Social Science Research Network (SSRN), based in Rochester, New York. Victoria is the only New Zealand law faculty with a full presence on the SSRN site, a development that has greatly enhanced the dissemination of work internationally.

Toihuarewa, the forum that provides a Māori perspective and a Māori voice on academic issues at Victoria, and operates from a base of tikanga and kaupapa Māori, hosted its first two Visiting Indigenous Fellows. They were Dr Alexis Bunten of Alaska Native descent, who focuses on Native-owned cultural tourism, heritage management and the performing arts; and Dr Nicholas Reo, a Research Fellow at the University of Michigan who works with American Indian Tribes on applied research concerning the management and use of natural resources.



First Light house places third internationally

A Victoria University team was the first ever from the Southern Hemisphere to make the finals of the US Department of Energy Solar Decathlon competition in Washington DC. The contest challenges teams to design, build and operate solar-powered houses that are cost-effective, energy-efficient and attractive.

The Meridian First Light house, Victoria's kiwi bach-inspired entry, placed third overall internationally. The team had high scores in many of the 10 contests in the competition, winning the Engineering contest, gaining first equal in Hot Water and Energy Balance, second for Architecture and third for Market Appeal.

Victoria proposed and underwrote the introduction by the Royal Society of two new research medals commemorating two of Victoria's most distinguished alumni—Alan MacDiarmid and Professor Sir Paul Callaghan. The MacDiarmid Medal is awarded for undertaking outstanding scientific research that demonstrates the potential for application to human benefit and the Callaghan Medal is awarded for an outstanding contribution to science communication. The inaugural MacDiarmid Medal was presented to Dr Gary Evans of Industrial Research Limited and the Callaghan Medal was presented to Professor Sir Peter Gluckman, the Prime Minister's Chief Science Advisor.

Marsden grants

Victoria's researchers received 11 Marsden grants out of 88 funded nationwide. The funding consisted of six standard grants and five Fast Start grants for emerging researchers, worth a total of \$5.8 million. Victoria researchers were also associate investigators on two grants led by other institutions. The grants were spread across five faculties at the University and eight projects included funding for postgraduate students. Projects range from exploring how the United Nations' Reducing Emissions from Deforestation and Forest Degradation (REDD+) programme is reshaping the politics and economics of forest management in Indonesia, to gathering a detailed history of the southwest Pacific's magnetic field over the last 10,000 years.

The recipients of 2011 Marsden grants were: Professor Sekhar Bandyopadhyay from the School of History, Philosophy, Political Science and International Relations; Professor Pablo Etchegoin from the School of Chemical and Physical Sciences; Associate Professor Sebastian Link from the School of Information Management; Dr Andrew McGregor from the School of Geography, Environment and Earth Sciences; Dr Jo Smith from the School of English, Film, Theatre, and Media Studies; and Dr Gillian Turner from the School of Chemical and Physical Sciences.

Marsden Fast Start grants were attained by: Dr Brian Anderson from the Antarctic Research Centre; Dr Leon Gurevitch from the School of Design; Dr Taciano Milfont from the School of Psychology; Dr David Pearce from the School of Engineering and Computer Science; and Dr Mattie Timmer from the School of Chemical and Physical Sciences.

Victoria University researchers working on other Marsden-funded projects were: Dr Joseph Bulbulia from the School of Art History, Classics and Religious Studies on a grant led by Professor Russell Gray from the University of Auckland; and Associate Professor Tim Little from the School of Geography, Environment and Earth Sciences on a grant led by Professor David Prior from the University of Otago.

Other external research funding success

In addition to the Marsden grants, Victoria staff were also successful in gaining funding from a number of other external funders, many of which will be of public benefit.

Associate Professor Rawinia Higgins from Te Kawa a Māui, Victoria's School of Māori Studies, is leading a project with Associate Professor Keira Ladner from Canada's University of Manitoba—researching language, identity and citizenship amongst indigenous peoples. The project received a grant of CDN\$10,000 from the International Council for Canadian Studies.

A relationship agreement was signed between Toi huarewa and Te Taura Whiri i te Reo Māori to collaborate on research on the Māori language.

Associate Professor Marc Wilson from the School of Psychology will use a Health Research Council grant of \$1.1 million to conduct a longitudinal study of development and cessation of self-harm among adolescents. The project will result in the creation of targeted resources to



Award to further understanding of gravity

As Professor Matt Visser from the School of Mathematics, Statistics and Operations Research says, "Everybody knows what gravity is, but nobody quite understands it." Professor Visser was awarded one of four prestigious James Cook Research Fellowships, administered on behalf of government by the Royal Society of New Zealand, to explore some of the mysteries of the universe—including gravity. He will research the 'borderlands' between gravity and quantum physics, helping to answer questions concerning the quantum evaporation of black holes, and why 60 percent of the universe has virtually nothing in it.

The fellowships, which provide funding of \$110,000 a year for two years, are awarded to researchers who have achieved national and international recognition in their area of scientific research.



Rutherford Discovery Fellowships

Victoria University researchers won three of this year's 10 Rutherford Discovery Fellowships, which support talented emerging researchers.

Dr Nancy Bertler will work on the Roosevelt Island Climate Evolution project in Antarctica, Dr Justin Hodgkiss' project focuses on making solar cells more efficient and cost-effective, and Dr Nicole Moreham will write a book setting out the protection of privacy in English private law.

The successful researchers each receive between \$150,000 and \$200,000 per year over five years to investigate their research topic and help them further their career in New Zealand.

New Zealand adolescents, as well as resource information for people in pastoral care roles in schools and parents.

Wares Karim and Tony van Zijl from the School of Accounting and Commercial Law, together with Sabur Mollah (Associate Professor at Stockholm University), were awarded a research grant of 2 million Swedish Krona (about NZD\$400,000) from the Handelsbanken Foundation. The project, titled *IFRS and Market Efficiency: Studying the Impact of IFRS Adoption on Market Efficiency Around the World*, is expected to be carried out over three years. It will examine the impact of International Financial Reporting Standards (IFRS) adoption on accounting quality, earnings informativeness and market efficiency.

Dr Lynne Russell, Senior Research Fellow from the Health Services Research Centre, School of Government, and her team won a one-year \$250,000 contract from the Health Research Council and the Ministry of Health to conduct research on rangatahi (youth) sexual and reproductive health.

Associate Professor Anne La Flamme from the School of Biological Sciences will research how to optimise the use of anti-psychotic agents for multiple sclerosis, with the assistance of a \$158,007 grant from the New Zealand Neurological Foundation.

A project examining the experiences of early career academics in all eight New Zealand universities will be conducted by Dr Kathryn Sutherland, the Associate Dean in

the Faculty of Humanities and Social Sciences. Ako Aotearoa awarded her a national project fund research grant totalling \$122,244 to focus on early career academics' success, productivity and job satisfaction.

Commercialising research

Victoria's commercialisation company, Viclink, continued to help turn research ideas of Victoria academics into commercial ventures.

Viclink licensed a patent in the field of medical imaging and entered into negotiations with three other companies for intellectual property in software, design and biotechnology. These are expected to make valuable contributions to the University, through financial and other benefits, such as ongoing research contracts and opportunities for students.

Viclink's start-up companies also performed well. Pacific Nanofibres, which develops silicon nitride nanofibres from coal and sand, was sold to Nuenz Ltd; and Wetox, a waste management technology company, successfully raised significant funds and is entering the European market. Umbrella Health, a training company which helps people build resilience, is achieving solid sales and preparing for further growth.



LEARNING AND TEACHING

Victoria's 'learning and teaching' strategic goal is to strengthen Victoria's high-quality research-led learning and teaching environment, and reward and celebrate learning and teaching excellence in all its forms.

In 2011, this was achieved by analysing key aspects of the University's teaching and learning methodology, involving students in innovative projects, introducing new courses, gaining accreditations, and acknowledging staff and student excellence through awards.

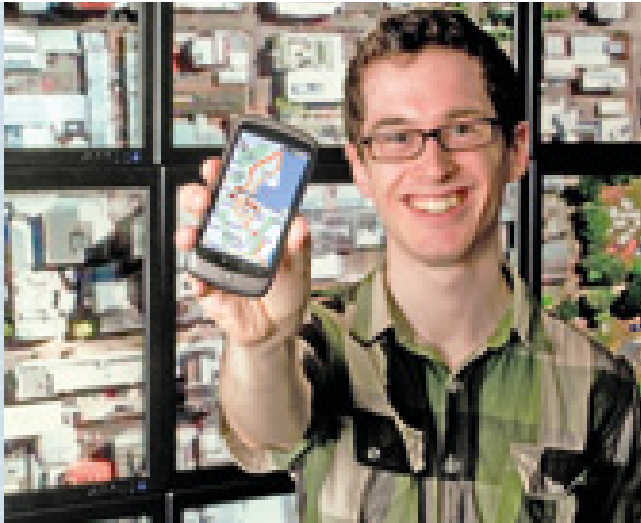
Strengthening practice

The University ensures that it keeps abreast of the latest teaching and learning methodologies. This can sometimes require a review of current practice.

In May, a review of Victoria's approach to undergraduate education was initiated, which is set to change the face of Victoria's academic identity. Feedback was invited across the Victoria community on an initial discussion paper and five working parties were set up, each chaired by a senior academic, to consider central aspects of learning, teaching and curriculum, and to make recommendations for improvements and new approaches. A resulting report will be presented for approval in principle from the University's Academic Board and Council, and an implementation plan will be agreed upon, to take place over 2012 and 2013.

Throughout the year, 10 projects received funding from Victoria's Learning and Teaching Fund to look at ways to improve how courses are taught at the University. These ranged from a project organised by the Faculty of Commerce and Administration on how to strengthen the international dimension of the student experience, to a Faculty of Engineering project on the development of self-directed e-learning tools and student engagement initiatives for their Introductory Computer Science course.

The Faculty of Commerce and Administration created an inventive online teaching and learning resource called 'Showcasing Teaching Excellence' which highlights top tips from successful teachers, a project made possible by the 2010 Learning and Teaching Fund.



Using Android phones in student research

A lost objects locator and a fitness monitor are just two of the applications Bachelor of Engineering students designed for Android phones donated by Google in 2011. Fifty Android Nexus One mobile phones were donated to Victoria's School of Engineering and Computer Science for student research. The phones have 3G capability, are GPS-enabled and include inertial sensors to detect movement.

Innovative student projects

The University is constantly seeking ways of incorporating real-life scenarios into its courses. For instance, the School of Economics and Finance launched its own journal, *The New Zealand Review of Economics and Finance*. Run by undergraduate and postgraduate students and featuring student work, the journal aims to encourage scholarship and interest in economics and finance.

Final year Industrial Design and Digital Media Design students worked collaboratively to come up with design propositions for Wellington's future, with a focus on digital culture. The project 'Design Led Futures—City 2040' was launched by Wellington Mayor Celia Wade-Brown. At the end of the project, the students' work was presented to Wellington City Council and interested members of the public. It was also added to the online <http://designledfutures.com> archive.

Award-winning teaching/courses

Professor Kevin Gould from the School of Biological Sciences won a 2011 Sustained Excellence in Tertiary Teaching Award from Ako Aotearoa for his inventive and passionate approach to teaching.

The mathematics course ORST 482 Official Statistics was a joint winner in the International Statistical Literacy Project's Best Cooperative Project Award in Statistical Literacy. This is awarded once every two years in recognition of outstanding, innovative and influential statistical literacy projects that affect a broad segment of the general public and are a result of cooperation among different types of institutions.

Recognising excellence

The Faculty of Education introduced an inaugural Teacher Education Excellence Awards event in May 2011, acknowledging graduating students who excelled in their academic studies and performed strongly while on teaching experience in 2010.

New or improved courses

In 2011, the Graduate School of Nursing, Midwifery and Health implemented two innovative new qualifications that fit with international trends in postgraduate education for nurses and other health professionals: a Master of Nursing Science and a Master of Healthcare.

A 16mm production course, 'Shoot on Film', was offered for the first time by the School of English, Film, Theatre, and Media Studies. Taught by Paul Wolfram and Oscar winning cinematographer Alex Funke, the course included an opportunity to produce a short film on 'real film'.

Exciting new courses that have been approved for 2012 include a Master of Educational Psychology programme offered through the Faculty of Education and a Computer Graphics course option for Master's-level students in both the School of Design and the School of Engineering and Computer Science.

Adding Pasifika music to curriculum

A Pasifika Music Coordinator role was established, and Opeloge Ah Sam was appointed to the role at the end of December. The role is a joint initiative between the Assistant Vice-Chancellor (Pasifika) and the New Zealand School of

Music's Director, Professor Elizabeth Hudson. Mr Ah Sam will teach Pasifika-related music courses at NZSM, support and coordinate Victoria University's Pasifika groups' cultural and musical performances, and contribute to outreach and recruitment activities in Wellington region schools, with a view to promoting music as a career option for Pasifika through study at Victoria University.

Quality-affirming accreditations

Accreditations affirm that the University is providing academic programmes and teaching of a high standard.

As well as the Faculty of Commerce and Administration's EQUIS accreditation (see story below), the Faculty's Master of Information Studies was recognised by the Library and Information Association of New Zealand Aotearoa (LIANZA) as meeting the educational requirements for its professional registration scheme.

Continuing education opportunities

In 2011, Victoria's Community Continuing Education programme provided learning opportunities to more than 1,800 students through short courses and seminars, language programmes, field trips and study tours. Highlights for 2011 included two successful study tours—one to Russia and the Baltic States and another to Spain—and a popular short course series on Contemporary Issues in Early Childhood Education.

Victoria's Professional and Executive Development 2011 programme provided over 200 public and customised short courses for more than 2,000 students in a wide range of capability development areas. Highlights included cultural awareness training for New Zealand Defence Force troops going on overseas postings, strategic leadership programmes for large government agencies, and financial and economic literacy for both private and public sector organisations.

The Centre also coordinated the Victoria-Police Education Programme (VPEP) through the VPEP Management Unit. Since 2000, around 6,000 New Zealand Police staff have successfully completed 13,500 individual courses (in Human Behaviour, Law, Criminology, Management and Māori studies) and 1,200 Police staff have been awarded the Certificate in Contemporary Policing. Senior Police staff have completed postgraduate courses through the School of Government. The programme closed on 20 December as the New Zealand Police are changing their strategy for education and training, but there are likely to be new opportunities for engagement with the New Zealand Police in workplace capability development.



EQUIS accreditation for FCA

The Faculty of Commerce and Administration (FCA) is now among just 58 business schools worldwide that hold the 'Triple Crown' of international accreditations of EQUIS, AACSB (Business) and AMBA. Late in 2011, the Faculty of Commerce and Administration received European Quality Improvement System (EQUIS) accreditation. Institutions that are accredited by EQUIS must demonstrate not only high general quality in all dimensions of their activities, but also a high degree of internationalisation.





STUDENT EXPERIENCE

Pictured above: A student from Helen Lowry Hall dresses up for the Welcome to Students event in the Civic Square.

Victoria's 'student experience' goal is to engage students as active and lifelong members of an inclusive and supportive community of higher learning through an outstanding academic, social and cultural experience that equips them to make a significant contribution to local, national and international communities.

Increasingly, students' experiences at university play a critical part in determining academic success. Victoria's students continued to be provided with a wealth of opportunities in 2011, as well as an open and inclusive learning environment. Significant progress was made in the development of student services, facilities and extra-curricular programmes.

Improved student services

In April, all Victoria students were invited to participate in a Student Experience Improvement Survey to help evaluate the quality of students' experience at the University, to inform planning and to measure performance in key areas.

In general, the results were positive—90 percent of respondents who had completed their first year at Victoria reported that they were satisfied with their overall experience. The findings of the survey have been very useful in informing the thinking around significant initiatives, such as enrolment management for 2012 and the development of service centres that are being planned. Additionally, a number of improvement initiatives are already underway as a direct result of the feedback, including allowing students more time to make course changes after they have enrolled and prior to the start of the trimester, and purchasing an additional ID card machine to reduce the wait for ID cards.

A new degree audit tool called myQual was made available to more than 15,000 undergraduate and Honours students at the beginning of December and more than 1,000 students accessed it in the first week. myQual allows students to check their degree progress and shows the courses required for each major and minor. There is a 'what if' tool that enables students to check various scenarios when planning their degree.

The University Library and Student Academic Services collaborated to make access to student services easier for Karori Campus students. Students are now able to meet in person with staff from Counselling and Disability Services at the W.J. Scott Education Library, and can also speak with staff by videoconference for student learning support and financial support and advice.

Acknowledgement for outstanding student support

In August 2011, the University was awarded the Education New Zealand Award for Excellence in International Student Support. As well as acknowledging the overall high level of pastoral care provided by Victoria, this award was given for the ways in which the University is providing support through the whole international student life cycle, including innovative virtual support in the pre-arrival phase.

A particularly successful new initiative launched in 2011 to assist the integration of international and domestic students this year was Victoria International's Buddy Programme, which pairs current students and local Victoria alumni with new international students based on a few common interests in order to extend friendship and peer support on a volunteer basis. The programme attracted a total of 289 participants across Trimesters One and Two.

Upgraded facilities

Extensive refurbishment of the Student Union Building was completed at the end of February, made possible through partnership with the Victoria University of Wellington Students' Association (VUWSA). This included improved club facilities, a new café and bar called The Hunter Lounge, space for gigs, a media centre featuring student newspaper *Salient* and the VBC (Victoria Broadcasting Club) radio station, as well as a dedicated student health area.

Student Counselling Service, Student Health Service and the Victoria Physiotherapy Clinic moved to the Student Union Building in February to a dedicated space called Mauri Ora. The new centre was purpose-built to provide integrated, student-focused primary health services, as well as Civil Defence and emergency support. The centre's Physiotherapy and Dietician Clinics are run in collaboration with the University of Otago.

Celebrating undergraduate academic excellence

The University introduced a Dean's List policy to recognise and celebrate excellence in undergraduate academic achievement at Victoria. This is a formal and published record of eligible students who achieve academic excellence in their current year of study in an undergraduate degree programme. It will be published on the students' faculty websites annually. The purpose of the Dean's List is to encourage students to complete their undergraduate degree and continue into postgraduate study at Victoria.

Scholarship support

In 2011, 73 additional Victoria Excellence Scholarships were awarded for first-year study, taking the total to 343. An increase in the number of Victoria Achiever Scholarships was also approved—from 50 in 2010 to 71 in 2011.

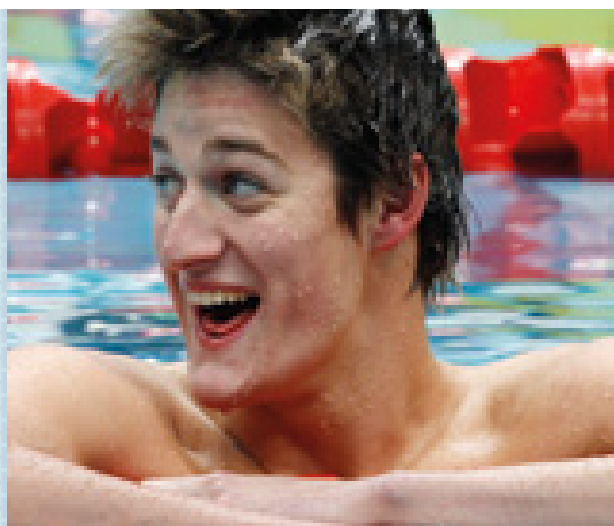
A total of 126 PhD Scholarships were allocated (26 more than the previous year) with a number of other applicants being awarded partial or fees scholarships.

Forty-two Master's by Thesis Scholarships were offered for 2012 study along with 61 Victoria Graduate Awards for applicants applying for Honours or Part One Master's.

The Faculty of Commerce and Administration (FCA) introduced a Dean's Award for Doctoral Achievement. This is for FCA students who have shown excellence in the quality of research and writing in their doctoral theses. The Faculty also introduced a contestable fund to support PhD students in attending overseas conferences to present their research findings.

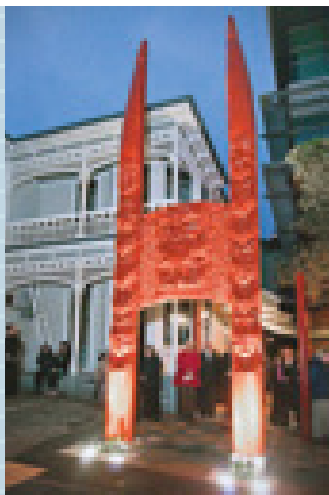
Extra-curricular success

At the 2011 Victoria University Blues Awards, Samantha Lee received the Sports person of the Year award and Sebastian



Gold for Victoria swimmer

Victoria commerce student Gareth Kean did exceptionally well at the University Games in Shenzhen, China, winning Gold in the 100m backstroke and Bronze in 200m backstroke. Four other Victoria University students also competed in the Games: Hamish Carson (athletics), Jordan Mills (basketball) and swimmers Kelsey Moffat and Samantha Lucie-Smith.



New carved gateway for marae

The University marae's carved meeting house, Te Tumu Herenga Waka, celebrated its 25th anniversary this year. To mark this milestone, the University erected a waharoa (gateway) to the marae on Kelburn Parade. It was carved by master carver Dr Takirangi Smith, who studied at Victoria in the 1980s and during this time also led the carving of the meeting house. The carvings on the new gateway are connected visually and symbolically to carvings throughout the marae, which all carry the common theme of Maui.

Other anniversaries celebrated in 2011 included the English Language Institute's 50th anniversary and the 10th anniversary of the Master of Information Management.

Templeton won the Sports Administrator of the Year title. Ms Lee was a key member of the New Zealand Surf Life Saving Team that placed second overall at the 2010 Surf Life Saving Rescue World Championships in Egypt. Mr Templeton was the 2011 President of the Victoria University of Wellington Debating Society, President of the New Zealand Universities' Debating Council and the Chairperson of the VUWSA Sports' Council.

Victoria's debating teams once again triumphed in both national and international contests. The Victoria University of Wellington Debating Society won the Australasian Intervarsity Debating Champs (Australis), the second biggest debating tournament in the world, for the second year in a row. One of the Society's teams also won the Joynt Scroll university debating competition for the sixth straight year, with the runner-up team also from Victoria. At the 2011 Super City University Games, Victoria's debating team continued its winning streak for the 13th year in a row. Capping off an extraordinary year of success, Victoria University debaters Sebastian Templeton and Richard D'Ath took top honours at the World Universities Peace Invitational Debate in Malaysia, beating Oxford, Cambridge and Ateneo de Manila universities in the final.

The Victoria University Law School debating team, Sam Humphrey and Sarah Wilson, won the 9th Annual Red Cross International Humanitarian Law Moot (an inter-university competition for the Asia-Pacific region) in Hong Kong. They also received prizes for second and third best oralists in the competition and for second best memorial.

A Victoria team from the Faculty of Commerce and Administration won the final leg of the Student Development Society (SDS) Business Case Competition in Hamilton, which required them to come up with a strategy to improve a real life business. The team comprised four students from the Faculty of Commerce and Administration, the Faculty of Humanities and Social Sciences and the Faculty of Science: Tim Russell, Yogesh Patel, Tom Mathews and Ben Land Maycock.

New Zealand's only internationally focused student leadership programme, the Victoria International Leadership Programme (VILP), continued to grow in 2011. There were 567 new

registrants to the programme, which continues to bring international and domestic students together and inspires thinking about global leadership challenges.

There were 281 new registrants in the Victoria Plus Award programme, Victoria's extra-curricular programme with a local focus. This programme places a special emphasis on service—either to the Victoria University community or the Wellington region.

In July 2011, Victoria Plus and VILP were included in the Australian Tertiary Education Quality and Standards Agency Good Practice database as a result of the academic audit of Victoria University in 2009.

International focus

In 2011, 128 students participated in a trimester- or year-long exchange, with financial support from Victoria.

Several new exchange agreements and expansions to current agreements were signed, including with such prestigious universities as Sciences Po in France and East China Normal University in Shanghai, China.

The general excellence of the level of support and learning environment Victoria offers to international students was confirmed in the 2011 iBarometer survey of international student perceptions across some 200 universities worldwide. Victoria's international students gave the University the top ratings amongst New Zealand universities in most categories relating to learning and support.

Maintaining alumni links

The University continued to maintain links with alumni both in New Zealand and abroad. In 2011, alumni events were held in Wellington, Auckland, Kuala Lumpur, Singapore, Shanghai, Beijing, Jakarta, Ho Chi Minh City, Hanoi, Bangkok and Washington DC.

For a small fee, Library membership options are now available to Victoria alumni, including access to all printed materials or electronic databases.



EXTERNAL RELATIONSHIPS

Pictured above: Victoria's Pipitea Campus is located in the inner city near Parliament, facilitating close connections with government organisations, as well as local businesses.

Victoria's 'external relationships' strategic goal is to build and maintain mutually beneficial relationships that maximise Victoria's contributions to society, support its aspirations, and enhance national and international recognition of the quality of its teaching and research.

As a university located in the capital city, Victoria has developed close ties with a wide range of business and government organisations, and relationship building is a strong focus. In 2011, some exciting new strategic partnerships were formed, both at home and internationally.

Working with businesses

The knowledge and expertise of Victoria's researchers combined with the resources of related businesses can be a match made in heaven.

For instance, in 2011, researchers in the School of Engineering and Computer Science worked with Lower Hutt-based company Im-Able Ltd to develop a prototype intelligent rehabilitation device for people who have had strokes. The orthotic device, which is being developed by Dr Will Browne, Dr Chris Hollitt and Master's student Abby Arulandu, fits over the hand like a glove, and uses a mechanical device to assist the patient to straighten their fingers from a fist.

Dr Anne La Flamme, an Associate Professor from Victoria's School of Biological Sciences, has been working with biotech company Innate Therapeutics, which has developed a new



Combating kiwifruit disease

An example of Victoria's collaboration with businesses is Dr David Ackerley's work with Seeka Ltd, New Zealand's largest kiwifruit grower. The senior lecturer in the School of Biological Sciences is helping the company combat the PSA kiwifruit disease, particularly the most virulent form, PSA-V. Working with researchers from the University of Otago, the project combines expertise in biochemistry, genetics and biotechnology.

The work is funded through the Ministry of Science and Innovation's Technology Transfer Voucher programme, which provides 50 percent co-funding of up to \$1 million in total for business research and development projects. The remaining funding for this particular project has been provided by Seeka Ltd. Victoria became an accredited research and development organisation in 2011.



Pictured above: Dr Claudia Orange, Te Papa's Collections and Research Group Director with Professor Neil Quigley, Deputy Vice-Chancellor (Research).

Collaboration with Te Papa

Victoria signed a Memorandum of Understanding (MoU) to work more closely with Te Papa. The agreement covers teaching arrangements, scholarships, postdoctoral fellows, research collaborations and the sharing of facilities and equipment.

As well as collaborations in the Museum and Heritage Studies programme and the Schools of Law and Government, Victoria's School of Biological Sciences collaborates with Te Papa through the University's molecular ecology laboratory. Biologist Dr Peter Ritchie works on research into the evolutionary history of New Zealand plants with Te Papa scientist Carlos Lehnebach, who also guest lectures in Biology courses and supervises students.

drug that can be used to turn off immune mechanisms that lead to autoimmune diseases such as Multiple Sclerosis (MS). The drug has already been effective in the treatment of secondary progressive MS, an advanced and aggressive form of the disease that does not usually respond to treatment.

When Wools of New Zealand (WNZ) wanted an innovative new product to sell to their European customers they partnered with a team led by Professor Jim Johnston, of Victoria's School of Chemical and Physical Sciences. Professor Johnston and his former PhD student Dr Fern Kelly have developed a novel technique to create silver nanoparticles and chemically bind them to wool to create fabrics with permanent antimicrobial properties. WNZ and Professor Johnston are now working with a British fabric manufacturer, Camira, to license the silver-based antimicrobial technology for treatment on their fabrics used in transport and medical applications. Back in New Zealand, Professor Johnston's team is also adapting the technology to work with hemp and linen fabrics manufactured by the Auckland company HempTech.

Local and national partnerships

Victoria entered into a collaborative agreement with Writers and Readers Week for the 2012 New Zealand International Arts Festival. As a key partner, the University has responsibility for hosting visiting international writers who will deliver lectures and master classes. Ten postgraduate students will also act as volunteers, providing opportunities for them to work closely with the writers. Also, for the first time in New Zealand, Professor Bill Manhire, Director of Victoria's International Institute of Modern Letters, will give a public Poetry Masterclass.

Through a strategic partnership with Internet New Zealand Inc, the Faculty of Law has been funded to deliver quality conferences and publications aimed at educating interested parties on how existing laws are adapted and new laws made to address internet issues. This timely innovation will develop capacity, expertise and public understanding of the internet and related law.

International collaboration

Victoria's strong international relationships ensure access to international opportunities for both students and staff. In particular, the University continued carving out a distinctive and enduring niche in Southeast Asia.

During his visit to Bangkok for a well-attended alumni event in September, the Vice-Chancellor signed an agreement with the Devawongse Varopakarn Institute of Foreign Affairs (DVIFA) of the Thai Ministry of Foreign Affairs. This agreement provides for the delivery of advanced English language training in Wellington for cohorts of senior Thai officials on a co-funded basis.

In addition to hosting alumni events in Vietnam (in Hanoi and Ho Chi Minh City), the Vice-Chancellor once again attended the opening ceremony of the new academic year at Victoria's joint programme campus with the University of Economics, Ho Chi Minh City. This programme allows students to complete up to three trimesters of a Victoria University Bachelor of Commerce and Administration degree in Vietnam before transferring to Wellington.

In the past two years, Victoria has established additional programmes in Hanoi with the National Economics University, the Academy of Finance and the Diplomatic Academy of Vietnam, enabling Vietnamese students to complete undergraduate degrees at Victoria. The University has also



Medal acknowledges relationship with Vietnam

Victoria's special relationship and positive engagement with Vietnam received formal acknowledgement in 2011 with the award to Professor Rob Rabel, Pro Vice-Chancellor (International), of the Vietnamese Government's Medal for the Cause of Education. Awarded by the Vietnamese Minister of Education and Training, the medal was presented to Professor Rabel in November during his attendance at the 55th Anniversary Celebration of our partner university in Hanoi, the National Economic University (NEU). As well as acknowledging Victoria's work with NEU, the medal was awarded to reflect the extensive efforts that Victoria has made to assist capacity-building in higher education in Vietnam through partnerships with an array of Vietnamese universities, government agencies and the Embassy in Wellington.

finalised arrangements to offer its Master of International Relations to Vietnamese officials through a partnership with the Diplomatic Academy of Vietnam, which will be co-funded by the New Zealand and Vietnamese Governments.

The University also made progress in strengthening its relationship in Indonesia. In March, the Vice-Chancellor signed an agreement to receive cohorts of academic staff from Paramadina University for English language training. This occurred during a visit to Wellington by the University's Rector, Professor Anies Baswedan, one of Indonesia's most prominent educational leaders. In addition, Victoria was the beneficiary of a new scholarship funded by the Indonesian Embassy in Wellington to support research travel by a Victoria student to Indonesia.

The Vice-Chancellor hosted an alumni event in Malaysia. The University also had the honour of hosting Malaysia's Minister of Finance who delivered this year's Saad Lecture, entitled 'The Malays and the Malaysian Economy: Present and Future Challenges'. This event was organised by the Chair of Malay Studies.

A Memorandum of Understanding (MoU) was signed to foster academic cooperation with China's Guangdong University of Foreign Studies. This includes building on an agreement signed in 2010 enabling students from the University's International College to complete Bachelor of Commerce and Administration degrees at Victoria after two years of study in China. It may also include the development of further joint undergraduate and postgraduate programmes, and research collaboration.

An MoU was agreed between Victoria's Faculty of Education and Kolej Dika in Kuala Lumpur to offer a degree upgrade programme leading to the Bachelor of Education (Teaching) Early Childhood Education.

A new student exchange agreement was signed with the University of Surrey, with a special focus on tourism management students. The University of Surrey is ranked number one in all three UK university league tables for tourism management.

Students from developing countries are sponsored by the New Zealand Government to study at New Zealand universities on the New Zealand Aid programme. In 2011, Victoria welcomed 51 new students.

The University also continued its 20-year partnership with the Ministry of Foreign Affairs and Trade to provide English language training for Southeast Asian officials through the English Language Training for Officials (ELTO) programme. Building on the acknowledged success of this partnership, an additional programme for senior officials from Cambodia, Laos and Vietnam (ELTSO) was held this year with positive feedback from all involved. The year also marked the 50th anniversary of Victoria's English Language Institute, which delivers these programmes and provides high-quality English language training to thousands of aspiring speakers of English as a second language.

In 2011, Victoria enrolled students from 100 different countries, increasing the number of international full-fee paying students by 9 percent compared to the previous year. As well as increases from Vietnam, Malaysia and the United States, the decline in Chinese student numbers seen in recent years began to reverse.

Relationship building

Victoria hosted the launch of the new Ministry of Science and Innovation at the Alan MacDiarmid Building. The event was attended by Prime Minister Rt Hon John Key and representatives from the new Ministry, as well as the business, science and technology sectors.



Agreement with ZEALANDIA

A Memorandum of Understanding was agreed between Victoria University and ZEALANDIA: The Karori Sanctuary Experience to foster greater research collaboration. The agreement formalises the close relationship between the two organisations over many years, which has covered research into native birds, including little spotted kiwi (newly hatched chick pictured left), the breeding of tuatara and the study of surrounding ecology, among other areas.

The University also hosted several international delegations throughout the year. This included: a group from Vietnam led by Mr Dang Dinh Quy, Acting President of the Diplomatic Academy of Vietnam; a delegation from the China University of Political Science and Law (CUPL) led by its President, Professor Huang Jin; a deputation led by Malaysian Minister of Finance, II YB Dato' Seri Ahmad Husni Hanadzlah; and another led by the Chinese Vice Minister of Education Du Yubo.

Assistance was given to the Office of the Auditor-General (OAG) to review the focus of OAG work for 2012–13. More than 50 members of the Office of the Auditor-General and their public sector clients used decision support software at

Rutherford House's multimedia suite to capture ideas about the big issues facing the public sector. To help gain different perspectives, the Auditor-General also consulted with students from Victoria's MBA, Masters of Public Policy, Public Management and Strategic Human Resource Management programmes.

A 21-day project—involving scientists from Victoria University, GNS Science, Tokyo University and the University of Southern California—installed portable seismographs at 900 locations in the lower North Island, as part of a field study that will help scientists better understand earthquake hazards in the region.



Showcasing Victoria's creativity

Victoria University became the primary sponsor of a contemporary festival of New Zealand-themed music, poetry and ideas that will feature at Kings Place, one of London's hottest new venues, in 2012. Centred on the New Zealand String Quartet, Quartet in Residence at Victoria, the event has close connections with various performers and composers who are Victoria staff members and alumni.



CAPABILITY

Pictured above: Victoria researcher Dr John Watt shares his knowledge at the Fifth International Conference on Advanced Materials and Nanotechnology (AMN-5).

Victoria's 'capability' goal is to retain, develop and recruit high-quality people who contribute to Victoria's success through outstanding leadership, scholarship and administration, through positive external engagements, and through quality governance and management.

Victoria University recognises that people are its strength. Victoria has created a culture that recognises excellence through promotions and awards, providing a range of leadership and development opportunities for all staff, and ensuring best practice is followed for all the University's processes.

Celebrating excellence

Victoria encourages excellence in its staff through promotions and awards. In the 2011 Academic Promotions Round, four staff were promoted to professor: Vicky Mabin, Victoria Management School; Harry Ricketts, School of English, Film, Theatre, and Media Studies; Mark Williams, School of English, Film, Theatre, and Media Studies; and Mengjie Zhang, School of Engineering and Computer Science.

The University also offered awards for general excellence in a number of areas, as follows.

The 2011 winners of the General Staff Awards for Excellence were: Fergus Barrowman, Victoria University Press; Dr Deborah Laurs, Student Learning Support Service; Darcy Mandeno, Antarctic Research Centre; Helen Rowley, School of Chemical and Physical Sciences; the Career Development and Employment Team; the Services Team—Victoria International; and the Student Accommodation Team.

The Staff Research Excellence Award winners were: Dr Stephen Epstein, School of Languages and Culture; Dr Ron Fischer, School of Psychology; Professor Jim Johnston, School of Chemical and Physical Sciences; Dr John Macalister, School of Linguistics and Applied Language Studies; Professor Luanna Meyer, Faculty of Education; Professor John Psathas, New Zealand School of Music; Dr Jeff Shima, School of Biological Sciences; and Professor Tony van Zijl, School of Accounting and Commercial Law.

The Early Career Research Award winners were: Dr Dillon Mayhew, School of Mathematics, Statistics and Operations Research; and Dr Nicky Nelson, School of Biological Sciences.

The Teaching Excellence Award winners were: Claudia Bernardi, School of Languages and Cultures; Simon Davy, School of Biological Sciences; Meredith Marra, School of

Linguistics and Applied Language Studies; Ocean Mercier, Te Kawa a Maui; David O'Donnell, School of English, Film, Theatre, and Media Studies; Kala Retna, Victoria Management School; and Bill Ryan, School of Government.

Four staff and one team were awarded Public Contribution Awards: Professor Jonathan Boston, School of Government; Dr Melanie Johnston-Hollitt, School of Chemical and Physical Sciences; Dr Geoff Thomas, School of Architecture; Associate Professor Marc Wilson, School of Psychology; and the School of Linguistics and Applied Language Studies Team.

External honours

Homestay Coordinator Barbara Miller from Victoria's Accommodation Service was awarded the 2011 ISANA NZ Award from the ISANA: International Education Association to recognise her quality contribution to international education in New Zealand.

Leadership and development

The University has been examining its leadership development processes at various levels, to ensure they are aligned with the strategic priorities of Victoria. A programme tailored towards new Heads of School and Directors of Central Service Units is in the early stages of development.

Existing programmes for leadership and development continued to be offered. Eighteen participants completed the eight-month Leading People Programme in 2011, a programme designed to enhance leadership and management capability. In addition, 20 participants completed the Management in Action programme.

Each year, female staff who are in leadership roles receive the opportunity to participate in the New Zealand Women in Leadership programme, targeted specifically at women working at universities. In 2011, two five-day residential courses were offered—one for women in academic positions and the other for women in professional roles. Three senior academic and two senior general staff attended these programmes.

Twenty-nine pairs were involved in the General Staff Mentoring programme and 12 pairs took part in the Academic Mentoring programme.

The Te Hāpai programme, offering training in the Treaty of Waitangi and Māori language and culture, attracted 86 participants.

The seven Māori academic staff who participated in Toi huarewa-sponsored workshops were all promoted this year. Additionally, Toi huarewa supported faculties to increase the contribution of mātauranga Māori (Māori knowledge) in their curriculum development. In 2011, Meegan Hall, Poukairangi Ako (Associate Dean, Learning and Teaching) for Toi huarewa, produced a guide to teaching Māori content in courses. This guide will be made available to all academic staff.



New Year and Queen's Birthday Honours recipients

The outstanding contribution of two Victoria staff members and two Council members was acknowledged in the 2011 New Year and Queen's Birthday Honours. In the New Year Honours, Lew Evans (pictured with Governor-General His Excellency Anand Satyanand), Professor of Economics at the School of Economics and Finance, became an Officer of the New Zealand Order of Merit (ONZM) for services to education. Associate Professor Hon Luamanuvao Winnie Laban, Assistant Vice-Chancellor (Pasifika), received a Queen's Service Order for services as a Member of Parliament.

Council member Roger Taylor was made a Member of the New Zealand Order of Merit (MNZM) in the Queen's Birthday Honours for services to arts, and former Council member Roger Kerr was made a Companion of the New Zealand Order of Merit (CNZM) for services to business.

Ensuring best practice

Victoria took part in the Association of Commonwealth Universities' Management Benchmarking Programme for 2011, as well as hosting the Association's annual conference. The programme involved benchmarking with 10 other universities in the areas of planning, communications and marketing, and human resources. The University performed very well when assessed on its approaches, applications and outcomes across these three areas.

The University continued to actively contribute as one of the eight New Zealand universities working collaboratively on the Academic Workforce Planning Toward 2020 project. The Human Resources Directors are looking at the second round of work including the development of a New Zealand universities recruitment portal and a shared workforce metrics project, utilising the Tertiary Education Commission's Priorities for Focus fund.

High-profile new staff

Of the many outstanding staff recruited in 2011, a number of them came from high-profile backgrounds.

Former Chief Executive of the Ministry of Social Development, Peter Hughes, was appointed Head of the School of Government.

Another School of Government appointment was Dr Paul Reynolds, Ministry for the Environment Chief Executive, who was appointed Chair of the School of Government Advisory Board.

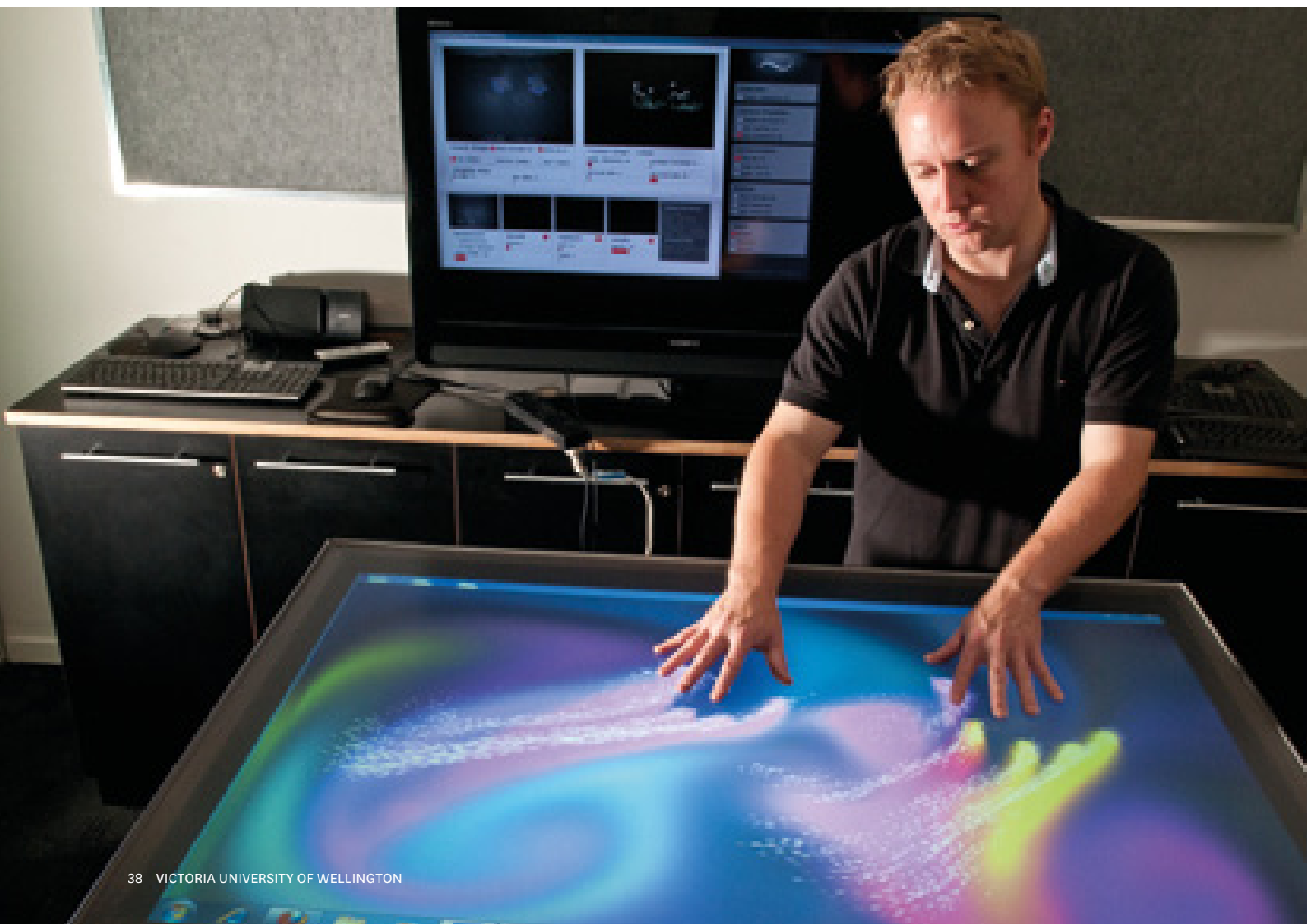
One of New Zealand's leading physical scientists, Associate Professor Kate McGrath, was appointed as Director of the MacDiarmid Institute of Advanced Materials and Nanotechnology, where she will provide leadership in both scientific and strategic matters. The Institute is a centre of research excellence located at Victoria.

Tony Browne, former Deputy Secretary of Foreign Affairs and New Zealand Ambassador to China, joined the University in a part-time role as Executive Chairman of the New Zealand Contemporary China Research Centre and Chairman of the Confucius Institute.

Former Chief Economist at the Treasury, Professor Norman Gemmell, was appointed the inaugural Chair in Public Finance, an initiative established in partnership with the Ministry of Social Development, the Treasury, Inland Revenue Department and PricewaterhouseCoopers.

Professor Barbara Dexter, former Head of Learning and Teaching at the University of Derby, was appointed Director of the Centre for Academic Development, formerly the University Teaching Development Centre.

[Pictured below: Dr Craig Anslow with a multi-touch table he built from scratch, which can be used to analyse and understand software.](#)





RESOURCES

Pictured above: Victoria's award-winning Alan MacDiarmid Building.

Victoria's 'resources' goal is to ensure the long-term academic and financial viability of Victoria by increasing and diversifying income, and by reallocating resources to support strategic goals.

In the current economic environment, the most significant challenge was to further the University's resources goal within the available budget. In 2011, all targets in the fiscal strategy were met.

Focus on planning

A significant priority in 2011 has been to focus on the safety of staff and students in the event of an emergency on campus, and to ensure detailed business continuity plans are in place.

A revised Campus Plan is being developed to reflect the strategic direction for the University and ensure that space and facility needs are met over the next 20 years.

Award-winning design

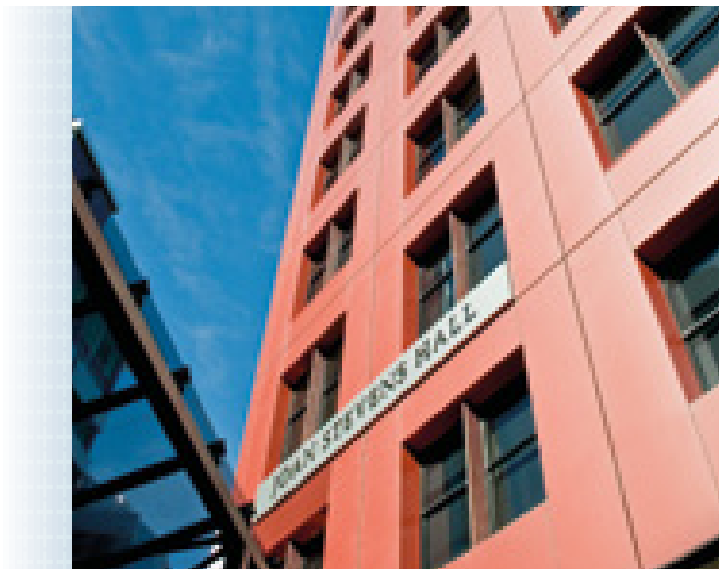
Victoria's Alan MacDiarmid Building, the building for research and specialised teaching in the sciences that opened last year, received accolades for its innovative earthquake-reducing technology. Structural engineers Dunning Thornton Consultants Ltd won a silver award in the Association of Consulting Engineers' INNOVATE NZ Awards of Excellence 2011, which celebrate the best in engineering design in New Zealand.



Improving Kelburn Campus

The Campus Hub project will create a central heart to Kelburn Campus for socialising and study. Progress in 2011 included the completion of the Student Union Building refurbishment and extensive work on the new central building linking the Library to Easterfield and Maclaurin. Two cafés opened at the bottom of the Library—Milk and Honey, for postgraduate students and staff; and Louis', a student café.

A new space in the Library was completed for the JC Beaglehole Room—the home of the Library's unique and heritage collections. A special room for students with disabilities was also opened.



New student accommodation block opens

Joan Stevens Hall, the new student accommodation block on The Terrace, was successfully handed over in early February. The building was refurbished from office accommodation to 242 student bedrooms including a catering kitchen, dining facility and TV room.

Another university building, Hall of Residence Te Puni Village, won the multiple housing category at the 2011 New Zealand Architecture Awards.

Key projects

Major projects—besides the Campus Hub development—included an upgrade of the Hugh Mackenzie Lecture Theatre complex. This involved the reconfiguration of two lecture theatres into a 120 seat theatre and the upgrade of two smaller theatres, one of which was completed in early 2011.

New laboratories, teaching spaces and offices were planned for the 2012 Bachelor of Engineering programme, with construction beginning in October. This was part of a four-year development programme.

A new rock crushing laboratory for the School of Geography, Environment and Earth Sciences has been built in the basement of the Maclaurin Building. This provides modern facilities for breaking down large rocks and separating the crushed material into different components for analysis.

IT developments

Significant IT developments included an upgrade to the University's content storage system; enhanced digital security and disaster recovery initiatives; improvements to vital systems such as Blackboard, the University's learning management system; and progress towards a fit-for-purpose information management system.

Infrastructure upgrades

Arising out of the University's Strategic Asset Management Plan, a number of significant upgrades to plant and mechanical services to university buildings have been

completed throughout the year. Upgrades include boiler replacements in various Kelburn and Karori buildings, lift upgrades in Kirk Building, window refurbishment at Karori Campus and in Robert Stout Building, replacement of air-handling units at Te Aro Campus and a main switchboard upgrade at Rutherford House. A detailed seismic review of the property portfolio has been undertaken and a multi-faceted upgrade programme is underway.

Environmental sustainability

The University continues to demonstrate its commitment to environmental sustainability. This was acknowledged at the Sustainable Business Network Awards in September, where Victoria won the Central/Southern region 'Not-for-Profit' section.

Energy efficiency improvements remain a strong focus. Ongoing work, including upgrading to more reliable, efficient equipment and constant fine-tuning of the control strategies of the heating, cooling and ventilation, continues to deliver efficiency gains. By the end of 2011, electricity usage was down 25 percent compared to business as usual, and gas consumption was down 14 percent.

Sustainable commuting options are promoted to all staff and students. Pedestrian maps have been produced, cycle storage and showers have been improved, and the number of bus services has increased. This has all helped contribute to an estimated 50 fewer cars driven to campus each day, according to a 2011 staff survey and analysis of the number of people with parking permits or on the waiting list for one.

New construction on campus incorporates environmentally sustainable design. The development of the Campus Hub has been designed to minimise energy and water use, and is being built with environmentally friendly materials where practical.



PUBLIC CONTRIBUTION

Pictured above: Writer Anna Sanderson was one of the artists in residence for an exhibition at the Adam Art Gallery, responding to Victoria's ceramic collections.

Victoria's 'public contribution' goal is to communicate and apply scholarly expertise to enrich culture and society, and to contribute to an understanding and resolution of challenges facing local, national and international communities.

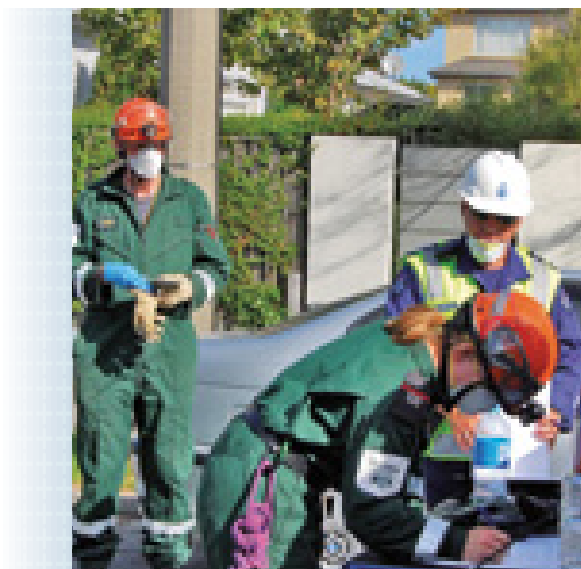
Victoria staff are frequently invited to contribute their knowledge and expertise in the wider community—an activity the University actively encourages. In 2011, this included staff receiving prestigious external appointments and awards, as well as invitations to speak both nationally and internationally. The University also hosted distinguished international visitors and offered several creative public programmes.

Making an impact

The work of Victoria's academics and students often extends beyond the university gates, with potentially far-reaching effects.

Professor Sir Paul Callaghan was named 2011 New Zealander of the Year to recognise his outstanding leadership for over 30 years as a scientist, teacher, science administrator and communicator. He also initiated the HEKE (Heroic Educated Kiwi Expatriates) Project, which encourages overseas graduates to start repaying their student loans, thereby helping the New Zealand economy and the rebuild of Christchurch.

Two legal researchers advocated for reforms to pre-trial and trial processes for sexual offences through their research. Dr Yvette Tinsley and Elisabeth McDonald, Associate Professor in the Faculty of Law, examined current processes as well as the New Zealand Law Foundation. The researchers held



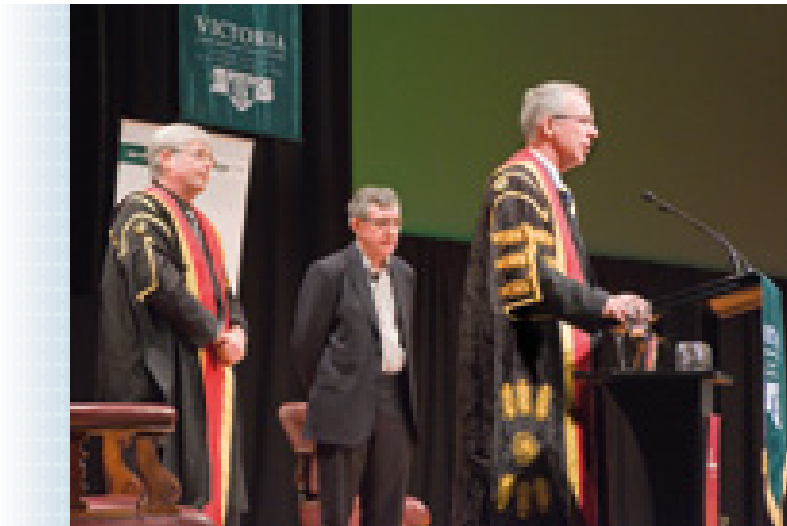
Earthquake assistance

The 2011 earthquakes in Christchurch prompted a number of staff to provide their expertise and assistance throughout the year, including volunteer work and public lectures.

Dr Geoff Thomas from the School of Architecture volunteered his expertise in engineering assessment for the earthquake recovery project.

The Vic Rescue team, led by Roger Cliffe from the School of Engineering and Computer Science, was deployed in the Canterbury region to help out with the rescue and recovery operation after the 22 February earthquake.

Professor Euan Smith and Associate Professor John Townend, both from the School of Geography, Environment and Earth Sciences, and Professor John McClure from the School of Psychology educated the general public about the Canterbury earthquakes through newspapers and radio interviews.



Chancellor's Lecture

The University inaugurated the Chancellor's Lecture in September, which is set to become a biennial highlight in the university calendar. The guest speaker was Professor Sir Paul Callaghan, who delivered his speech to more than 1,500 people in the Wellington Town Hall.

The Victoria professor and New Zealander of the Year developed his vision of a successful New Zealand economy and society based on advanced science and technology to generate prosperity, reduce inequality and conserve the unique ecology and environment that sustains our way of life. He received a standing ovation at the conclusion of the lecture.

a workshop in April with 60 experts, including prosecutors, academics, police, officials and defence lawyers, to discuss possible modifications to the processes. The study's conclusions have been published in a book *From "Real Rape" to Real Justice: Prosecuting Rape in New Zealand*, and many of its recommendations have been supported by the Law Commission in its work. The team has been consulted by the Ministry of Justice and the New Zealand Police on their findings.

Another legal research team focused on urgency in Parliament. Claudia Geiringer, Polly Higbee and Professor Elizabeth McLeay published a book *What's the Hurry?: Urgency in the NZ Legislative Process 1987–2010*, based on their major research project funded by the New Zealand Law Foundation. The team made a submission to Parliament's Standing Orders Committee, which in September made recommendations in line with some of the project's suggestions, including recommending that the House be able to sit for an extended time to pass bills through a single stage, without having to resort to urgency to achieve this.

Two Victoria lecturers lent their expertise to assist developing countries.

Galumalemana Hunkin from Victoria's Samoan Studies was invited to work as a consultant on an educational project conducted by the American Samoa Department of Education. This initiative aims to increase academic achievement of Samoan students in American Samoa by improving the educational environment, instruction, language and teacher abilities.

Dr Joan Skinner from the Graduate School of Nursing, Midwifery and Health spent two weeks working with United Nations Population Fund and the Hanoi School of Public Health on midwifery curriculum development in Vietnam, for ethnic minority midwives working in rural and remote areas.

External appointments

Several new external appointments of Victoria staff were made in 2011, reflecting the high regard in which their in-depth knowledge is held.

Dr Melanie Johnston-Hollitt from the School of Chemical and Physical Sciences was appointed to the Founding Board of the Square Kilometre Array (SKA) by the Ministry of Economic Development. The SKA is a €1.5 billion global science project to build the world's largest and most sensitive radio telescope.

One of the first two Productivity Commissioners to be appointed to the Government's new Productivity Commission was Professor Sally Davenport from Victoria Management School.

Andy Linton from the School of Engineering and Computer Science was elected co-chair of the Policy Special Interest Group of the Asia Pacific Network Information Centre (APNIC), which manages internet numbering for half the world's population.

Wai-te-ata Press Director Dr Sydney Shep was appointed to the Foundation Committee of new Australasian Association for Digital Humanities, formed in March 2011 to strengthen the digital humanities research community.

The Royal Society of New Zealand selected Professor Kevin Gould from the School of Biological Sciences as the 2012 Leonard Cockayne Memorial Lecturer. He will tour New Zealand during February and March, using digital technologies and audience participation to explain how to decipher the palette of New Zealand's flora.

Dr Trevor Bradley from Victoria's Criminology programme was appointed as an independent adviser to the Crime Prevention Partnership Forum (CPPF), a high-level forum that promotes, designs, supports and funds crime prevention projects in partnership with police, local authorities and communities.

The inaugural Aitken Lecturer, chosen by the London and New Zealand Mathematical Societies to conduct lectures at different universities around the United Kingdom, was Professor Geoff Whittle from the School of Mathematics, Statistics and Operations Research.

Pacific Studies programme lecturer Dr April Henderson was invited to be an Artistic Assessor (Pacific Arts) for Creative New Zealand for two funding rounds in 2011.

Dr Carolyn Cordery from the School of Accounting and Commercial Law was awarded fellowship of the New Zealand Institute of Chartered Accountants. This fellowship is awarded to those who have demonstrated outstanding service to the Institute, the accounting profession or the community.

Sharing knowledge

Victoria academics are often asked to speak at national and international conferences. Each year the University hosts a wide range of conferences and events, including inaugural professorial lectures and regional public lectures to disseminate knowledge to the general public.

A new initiative in 2011 was the launch of a seminar series in partnership with Victoria University and Weta Digital. Six public lectures were held during the year at the University, including a talk by award-winning senior visual effects supervisor Joe Letteri, Director of Weta Digital.

International visitors

The University hosted a broad range of international speakers throughout 2011. This included climate expert Dr James Hansen, the Director of NASA's Goddard Institute, one of the first scientists to bring global warming to the world's attention, who delivered four packed lectures to more than 700 people.

Renowned linguist and Victoria alumnus Dr Bernard Spolsky, who now resides in Israel, came to Victoria as keynote speaker at a multilingual symposium to discuss the survival of Māori and Pacific languages in New Zealand.

Another Victoria alumnus, Professor Jack Richards, now based in Sydney, Australia, visited Victoria courtesy of the Ian Gordon Fellowship. He delivered three public lectures on the topic of English language teaching.

One of India's leading experts on South Asian and regional security issues, Dr C Raja Mohan, was the holder of the Sir Howard Kippenberger Visiting Chair for 2011. During his residence in New Zealand Dr Mohan delivered several public lectures and led research seminars at several universities.

Professor Rajesh Rajagopalan spent four months in Wellington as the first visiting professor from India in the area of strategic studies through an agreement signed in 2010 with the Indian Institute of Cultural Affairs.

The very first Ian Borrin Visiting Fellow to the Faculty of Law was Lord Collins of Mapesbury, one of the most eminent scholar jurists in the Common Law world and a recently retired judge of the UK Supreme Court, of which he was an inaugural judge. During his period at the Faculty, Lord Collins delivered a public lecture, chaired an International Litigation Symposium, gave seminars to faculty staff and engaged with staff informally, gave classes to students and met with senior members of the New Zealand judiciary.

Creative contribution

The Adam Art Gallery hosted a major exhibition 'Behind Closed Doors: New Zealand Art from Private Collections in Wellington', curated by Christina Barton, Director of the Adam Gallery. This was accompanied by 'in camera: a project series around and about collecting', a changing set of exhibitions held in the Kirk Gallery. A complementary programme of public talks was held to explore themes from these exhibitions.

Albert Belz, who has been a professional writer for television, film and theatre since 2001, was the 2011 Writer in Residence at Victoria's International Institute of Modern Letters. This position is jointly funded by Victoria University and Creative New Zealand. Projects he worked on throughout the year included a new play and a fantasy novel for young adults.



Monumental year for NZSM

The New Zealand School of Music (NZSM) enjoyed a particularly prominent year. Besides the School's usual free lunchtime concerts and 'Fridays at 5' concerts held throughout the year, the School was involved with two fundraising concerts in April for the Christchurch earthquake. Students were involved in a New Zealand premiere of Benjamin Britten's opera *A Midsummer Night's Dream*, as well as an inaugural national Gala Jazz Concert hosted by NZSM at the Wellington Town Hall. The NZSM Orchestra also played a full-length concert at the Wellington Town Hall to commemorate the 70th anniversary of the 34,000 Jewish civilians who were murdered by Nazi forces at Babi Yar in the Ukraine.



Pictured above: Dr Ocean Mercier from Victoria's Te Kawa a Māui and Martin Wikaira from the Ministry of Foreign Affairs and Trade at the Te Herenga Waka Marae's 25th anniversary celebration.

Victoria's 'equity' goal is to provide an inclusive and representative environment for staff and students that is conducive to equity of opportunity for participation and success.

Victoria's Equity and Diversity Strategy commits the University to providing equitable opportunities to all students and staff, with particular focus on Māori and Pacific peoples, as well as people with disabilities and from socio-economically disadvantaged backgrounds. A number of new initiatives in 2011 added to the actions already underway to promote an inclusive environment and improve recruitment and retention rates.

Improving recruitment, retention and success rates

Reviews were undertaken to guide the University's future efforts in the areas of recruitment, retention and success rates. This included an external review of Victoria's approach to Māori recruitment and the completion of a research project on the factors affecting Pasifika student retention and degree completion at Victoria.

June marked the completion of Strengthening Pathways, the University's two-year Tertiary Education Commission (TEC)-funded project aimed at improving the retention and achievement of Māori and Pasifika students. This was externally reviewed and also received praise from the TEC. Areas that were especially commended included the strategy developed for alternative pathways for Māori and Pasifika students and the development of the Early Alert System that is used to identify students at risk. The significant increases in course completions were noted, as was the student success through the support programmes; increased use of the library by Pasifika students attributable to the dedicated Pasifika librarian; the development of a Pasifika Student Success Strategy; the expansion of the outreach programme; and the new Māori and Pacific Scholarships.

Te Rōpū Āwhina (Āwhina), Victoria's on-campus kaupapa-based whānau for Māori and Pacific students in the Faculties of Science, Engineering and Architecture and Design, increased its involvement in local secondary schools. It also produced a DVD, funded by Te Puni Kōkiri, titled *Step into STEAD* to encourage young Māori and Pacific students to make appropriate secondary school subject choices leading to tertiary study.

New initiatives

A number of new initiatives were undertaken in 2011, including the establishment of a Māori advisory committee, Te Aka Matua, to the University Council.

A Komiti Pasifika was established to replace the Pasifika Peoples' Advisory Committee, which was in existence prior to the appointment of the Assistant Vice-Chancellor (Pasifika), Associate Professor Hon Luamanuvao Winnie Laban.

The W.J. Scott Education Library at Karori Campus celebrated the opening of Le Ala i le Mālama (pathway/new dawning of knowledge) in May, a dedicated Māori and Pacific study space. In addition, a Pasifika Librarian role was piloted for a six-month period following the success of the Māori Librarian role introduced in 2009. At the end of the year, this role was made permanent.

A Pasifika Student Success Strategy was developed under the leadership of the Assistant Vice-Chancellor (Pasifika). The strategy sets targets and assigns accountabilities for actions to improve academic outcomes for Pacific students and is informed by research on factors influencing their success.

New programmes

Two programmes offered in the School of Linguistics and Applied Language Studies during 2010 and 2011 contributed to increasing the participation of Deaf people in tertiary education and in society. Firstly, the 'Certificate in Deaf

Studies: Teaching NZSL' prepares Deaf people who are fluent in New Zealand Sign Language (NZSL) to work as teachers of NZSL in community and school settings. Scholarships for this programme were supported by the JR McKenzie Deaf Development Fund.

Secondly, a Postgraduate Diploma in NZSL-English Interpreting was delivered conjointly with Macquarie University, providing advanced professional study for qualified NZSL interpreters who work in tertiary, legal, medical, conference and community settings. Study grants for this programme were supported by the Office for Disability Issues, the Ministry of Economic Development, the JR McKenzie Deaf Development Fund and Oticon Foundation NZ.

Equity scholarships

Scholarships are an important method of encouraging students to undertake and continue their tertiary studies. The university established some new equity scholarships in 2011. In addition to existing scholarships, two annual scholarships of \$2,500—the Tufi Taufao Scholarships—were established to encourage greater numbers of Pasifika students to participate in student exchange.

Another annual scholarship, the Tūtahi Scholarship, was established for first-year students from Māori boarding schools, as well as the Wharekura Scholarship for first-year students from Wharekura (Māori Language Immersion Secondary Schools).



Pasifika at Vic on the web

In a flurry of colourful Pacific Island cultural performances, a 'Pasifika at Vic' website was launched at the end of June. The website draws together key information for current and prospective Pacific students and staff at Victoria and for their communities. It also showcases Pacific alumni and current students as role models of success. www.victoria.ac.nz/vicpasifika



First Ahumairangi PhD scholarship

Tina Makereti is the first recipient of Victoria's Ahumairangi PhD scholarship, established to help grow Māori postgraduate student numbers.

She says receiving the Ahumairangi scholarship has made a huge difference by relieving financial pressure and allowing her to focus on her PhD in Creative Writing.

Part of her PhD project is exploring how stories are central to reclaiming and revitalising identities that have been undermined by colonisation. The other part is writing a novel that addresses the complex web of interrelationships between Moriori, Pākehā and Māori settlers from the early 1800s until now.

Providing an inclusive environment

The University completed its Pay and Employment Equity Review (PEER) of the Library and IT work areas, to determine whether the workplace provides equitable opportunities regardless of gender. The Review Committee's report had 28 key findings summarised under six headings: gender dominated occupations; inappropriate behaviour; pay and rewards; career opportunities—training and development; supportive practices; and part-time work. The overall impression at the completion of this review was that much was working well. Some areas for improvement were identified and a response plan is in development.

Supporting students

All faculties at Victoria have mechanisms in place to support a diverse range of students.

For instance, the School of English, Film, Theatre, and Media Studies in the Faculty of Humanities and Social Sciences offers dedicated tutorials for Māori and Pasifika students, as well as a special support tutor for equity students.

Throughout the year, the Māori Law Students' Coordinator organises an academic support programme for Māori students, including Māori student tutorials, study tips, intensive study sessions, careers evenings, Māori law functions, orientation activities, scholarships information and the special admissions process. In October, the Faculty of Law celebrated 21 years of its Māori Admissions process and the success of Māori in law at a hui. Each year, 10 percent of

available places in second-year law courses are reserved for Māori students applying under the Māori Admissions process.

The Faculty of Architecture and Design is being assisted by the New Zealand Institute of Architecture (NZIA) to create additional pathways into the profession for Māori and Pasifika graduates. The Faculty also has a Māori and Pasifika Taskforce whose stakeholders have unanimously decided to establish an equity role within the Faculty.

The School of Information Management in the Faculty of Commerce and Administration offers peer-to-peer tutoring, with evidence indicating that participating Māori and Pasifika students perform better than in other courses where this option is not available.

Following an investigation of low enrolments of Māori and Pasifika graduates in the Graduate Diploma of Teaching programmes, the Faculty of Education used Pathways to Success funding to implement a follow-up process for applicants who had not completed the required documentation. This increased Māori enrolments from 56 percent in 2010 to 64 percent in 2011, and Pasifika from 44 percent to 48 percent. Those enrolling are being supported with more targeted, early forms of student support.

The Faculty of Education developed a Pasifika strategy to promote Pasifika education within the Faculty through a working group with membership comprising three secondary principals, a Pasifika first-year teacher and faculty staff. The group was chaired by the Assistant Vice-Chancellor (Pasifika). One initiative to come out of this already has been to establish new Assistant Lectureship roles in the Faculty, the emphasis being on the recruitment of staff with fluency in one or more Pasifika languages.

Āwhina had 391 active Māori and Pacific student members in its programme. One Māori and one Pacific member completed PhDs in 2011 and three Māori mentors completed Master's degrees. An Āwhina incubator was established at the Victoria University Coastal Ecology Laboratory to support Māori and Pacific marine scientists. The incubator team, which looked at impacts of sediment on important invertebrate fisheries, consisted of a Māori Postdoctoral Fellow, and undergraduate and postgraduate students who are Māori or Pacific.

Disability Services continued to provide specialist advice and services to students and staff. In 2011, 774 students registered with the service, which represents an 11 percent increase on the number of students who accessed support in 2010.

A new access suite was established in the Library for the community of students with impairments studying at

Victoria. The room is designed to be accessible and welcoming to students, offering an area to rest and study, as well as including ergonomic furniture and access to specialist technology.

Disability Services and the Student Counselling Service co-hosted a national symposium 'Anxiety in Tertiary Education'. This was a catalyst for fresh approaches to preventing anxiety at university, including the creation of a resilience self-help resource.

Disability Services also initiated a series of online short films to support students' academic achievement, the first of which was created for students working with a reader/writer who can assist them in tests or exams if they have trouble writing or reading.



Sign language online

People learning sign language now have an online resource, thanks to Victoria's Deaf Studies Research Unit. The Unit launched the Online Multimedia Dictionary of New Zealand Sign Language (NZSL) in June, an online dictionary with about 4,000 NZSL signs. This is accompanied by line drawings and video clips to show how to produce each sign and how the signs are used in context. The site received a Highly Commended award in the diversity category of the 2011 Australia and New Zealand Internet (ANZIA) Awards.

<http://nzsl.vuw.ac.nz>



STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDED 31 DECEMBER 2011

The essence of Victoria's mission is "to play a leading role in shaping New Zealand's future". This aspiration is underpinned by a hierarchy of eight goals. Three are core, externally oriented, comprising the University's key business areas of research, learning and teaching, and public contribution. These provide the context for Victoria's desired outcomes, and are supported, or enabled, by the impact of five goals relating to student experience, external relationships, capability, resources and equity.

This approach endeavours to clarify, not only to what degree services are delivered (annual output delivery performance), but also how the outputs link to¹, or influence, the University's proposed outcomes.

This Statement of Service Performance (SSP) describes contributions to the Tertiary Education Strategy 2010–2015 (TES) priorities—meeting the needs of students, the labour market and the economy. To meet legislative requirements, as set out in the Education Act², it also reports on performance towards proposed outcomes incorporated in Victoria's 2011 Investment Plan.

Discussion is underway in the university sector as to whether setting and reporting against high-level outcomes would realistically be better handled at the aggregate university-sector level, rather than at institutional level. There is a suggestion that, as data become available, sector-wide measures will be developed.

Reporting against a new Statement of Forecast Service Performance (SFSP), means that the 2011 SSP is not directly comparable with that produced for 2010. Where possible, comparative data are given as a context for 2011 performance.

Educational output performance indicators required by the TEC include the performance of the New Zealand School of Music (NZSM). All other measures refer only to Victoria activities and people.

Victoria's outcomes framework

Victoria's outcomes framework is intended to provide a picture of what changes, or contributions, to the desirable state or condition of society, the economy or the environment the University is trying to achieve for New Zealanders.

¹ Though this SSP does not include costs of outputs, discussions are underway regarding assumptions upon which output costing could, possibly, in future, be based.

² Section 220(2A)(f) of the Education Act 1989.

The following table sets out the connections between the Government's long-term strategic direction for tertiary education, Victoria's proposed outcomes, why these are important, what they contribute and the steps needed to achieve them.

Victoria's outcomes framework

New Zealand Government's long-term strategic direction for tertiary education

"Create and share new knowledge that contributes to New Zealand's economic and social development and environmental management." Tertiary Education Strategy 2010–2015 (TES) page 18

Victoria's high-level outcomes

What is Victoria seeking to influence, over the next three to five years, to create long-term positive change in social state for New Zealanders?

Outcome 1

New knowledge from Victoria's research supports sustainable economic growth and prosperity for New Zealanders.

Outcome 2

A more educated and skilled workforce and society.

Outcome 3

Improved social, cultural and environmental development of New Zealand.

Impact

What difference is Victoria making?

High-quality research builds on New Zealand's knowledge base, responds to the needs of the economy and addresses environmental and social challenges.

Victoria's graduates raise the skills and knowledge of the current and future workforce to meet labour market demand and social needs.

Academic staff contribute to systems of governance and policy that are strong, responsive and value for money.

Outputs

What is Victoria committed to delivering in a particular year?

The University's annual outputs and the outcomes to which they contribute are detailed in its SFSP. Taken together the outputs and outcomes influence the Government's desired high-level outcomes of economic, social and environmental development.

This SSP reports on the 2011 outputs proposed in the SFSP within the 2011 Investment Plan.

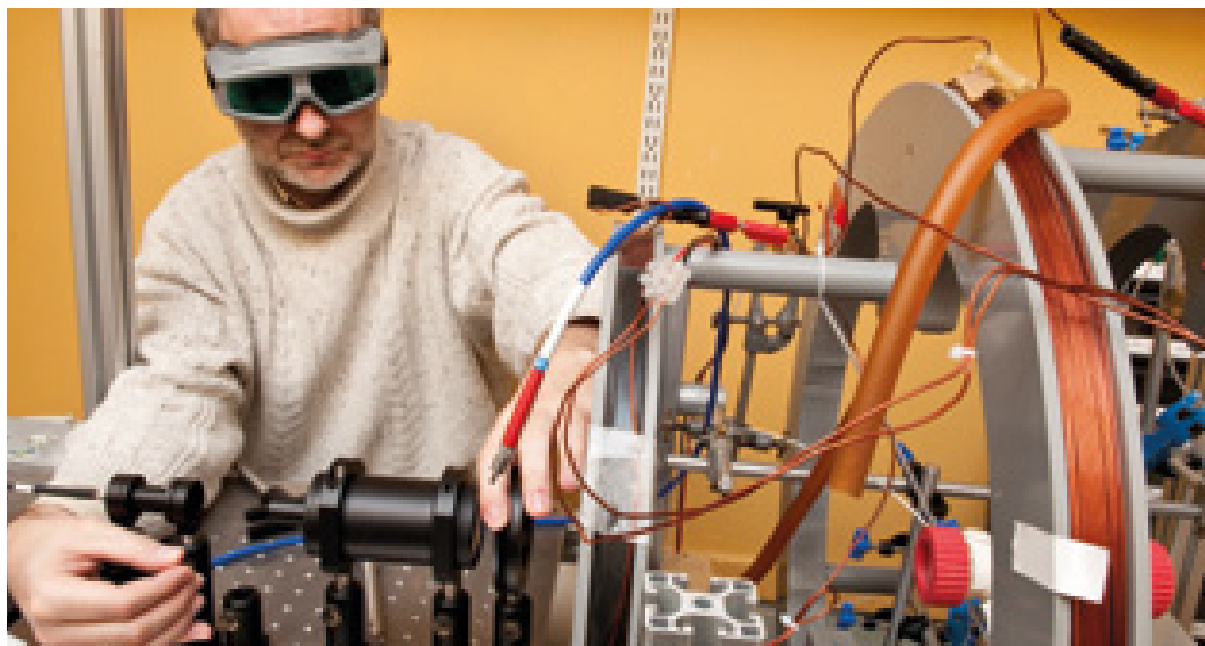
Processes

How Victoria is going to do this.

Enhance leadership capability in research, and make appointments that strengthen areas of research excellence.

Foster student success, with particular attention paid to students in their first year, and focus on recruiting the best possible students.

Recruit and develop people who apply their scholarly and professional expertise to areas that support New Zealand's sustainable economic growth, social development and environmental management.



Pictured above: Postdoctoral Fellow Dr Petrik Galvosas adjusting part of a laser beam setup.

Outcome 1

New knowledge from Victoria's research supports sustainable economic growth and prosperity for New Zealanders.

The Research Strategy 2007 guides the development of Victoria's research performance and culture. Over the course of 2011, Victoria continued its implementation with activities aimed at strengthening research excellence in each academic unit of the University and progressively increasing the proportion of postgraduate research students.

Research intensity distinguishes universities from all other educational institutions. Victoria's Strategic Plan 2009–2014 acknowledges the significance of research through the Research Strategic Goal: *Dramatically improve Victoria's overall research performance by focusing resources on developing and rewarding research excellence, particularly in areas of disciplinary and interdisciplinary strengths, and creating new knowledge that has a major social, economic or scholarly impact.* In short, Victoria has committed to developing a strong research culture, creating new knowledge in internationally recognised fields of human endeavour.

Strengthening research performance and culture

Activities in 2011 across the University aimed to sustain and enhance the trajectory towards dramatically improved research performance and a stronger research culture, realising the goals of the Research Strategy 2007, through:

- ⊞ strong, active management of Victoria's performance in the three areas of research activity supported by PBRF funding streams (quality evaluation of research performance of individual academic and research staff; completion of postgraduate research degrees by students, primarily at PhD level; and external research income)
- ⊞ strategic developments aimed to shape the future of Victoria as an internationally significant research-intensive university. As well as aspiring to produce internationally recognised research that has major social, economic and/or scholarly impact, Victoria actively supported the TES aspiration for "... high quality research to build on New Zealand's knowledge base, respond to the needs of the economy and address environmental and social challenges". (TES, page 6)

Research students

A strong postgraduate research culture is a clear measure of research intensity at a university. Victoria has worked persistently to grow the number of research students, to provide better management and educational experiences for them, and to develop a university-wide strong postgraduate research culture. Key process improvements have included:

- ⊞ The implementation of a Faculty of Graduate Research (FGR). During 2011, the FGR implemented managed PhD final examination processes, ensuring consistency of practice across the University.
- ⊞ Rising investment in PhD scholarships. Victoria has substantially increased investment in new PhD scholarships. During the period 1 January to 31 December 2011, 885 applications were received for Victoria PhD Scholarships, up from 328 in 2009. Of these, 90 percent were from international students.
- ⊞ By the end of December 2011, postgraduate research student EFTS numbered 1,098 (6.3 percent of total EFTS), an increase of 58 percent from 2005.

MEASURE OF SUCCESS: OUTCOME 1

- ⊞ The Research Strategy 2007 is implemented: developing leadership capability in research, integrating teaching and research, implementing research plans and making appointments that strengthen areas of research excellence in each academic unit of the University.
- ⊞ The proportion of research postgraduate EFTS is increased progressively.
- ⊞ The numbers and proportion of research active academic staff are increased.

2011 Contributing Objectives	2011 Actual		
1. Publish 90 books, scholarly editions and edited collections, and 2,300 chapters, articles, reviews, reports, conference presentations and creative outputs.	Books, scholarly editions and edited collections: 96 Chapters, articles, reviews, reports, conference presentations and creative outputs: 2,283 Note: all such publications are quality assured by internationally accepted systems. Publishing decisions are made by third parties, normally on the advice of external experts.		
2. Achieve TEC-defined research commitments:	2011 Actual	2010 Actual	2009 Actual
2.1 There will be at least 90 doctoral (PhD) and 200 Master's research degree completions.	PhD completions: 151 Master's completions: 351	PhD completions: 130 Master's completions: 176	PhD completions: 70 Master's completions: 177
2.2 External research income will be >\$32.6 million.	\$34,451,981	\$32,595,392	\$32,038,397

Note: The quality of theses is ensured by the examination system. Master's theses are examined by a disciplinary expert from outside the University. PhD theses have at least one external examiner, and one examiner from outside New Zealand.



Pictured above: Students at The Big Play Out Orientation event.

Outcome 2

A more educated and skilled workforce and society.

Victoria's graduates have met the standards required to complete their qualifications, thereby improving the level of education in society and contributing to a more educated and skilled workforce. This supports the TES aspiration to "Raise the skills and knowledge of the current and future workforce to meet labour market demand and social needs." (TES, page 6)

Learning and Teaching Strategy 2010

Victoria made good progress in 2011 towards implementing its comprehensive Learning and Teaching Strategy 2010, the overarching goal of which is to establish a distinctive vision for undergraduate learning and teaching at Victoria. This was an important step towards achieving the learning and teaching goal of the Strategic Plan: *Strengthen Victoria's high-quality research-led learning and teaching environment, and reward and celebrate learning and teaching excellence in all its forms.*

One of the aims of a review of undergraduate education at Victoria was to ensure that graduates gain the knowledge, skills and intellectual flexibility that will prepare them for future success. Shifting from volume to quality, developing a distinctive educational identity and avoiding programme and course proliferation, as well as unhelpful internal competition, were key drivers. Clear and coherent learning pathways were established to offer intellectual challenge and a culture of rigorous enquiry.

Initiatives to support teaching innovation

A focus on continuous improvement drove 10 learning and teaching projects in 2011. These received internal contestable funding. Six projects related to the use of digital technology to improve teaching and learning:

- ▣ Improving skills acquisition and assessment through use of video recording playback of real time simulation for nursing students.
- ▣ Developing self-directed e-learning tools and student engagement in COMP 102, a Computer Science course.
- ▣ Developing digital exhibitions of Faculty of Architecture and Design students' work to improve teacher feedback and student reflection.

The remaining projects evaluated teaching methods, building cross-cultural understanding and student-centred research.

Academic quality assurance

As part of its commitment to academic quality assurance, Victoria followed a schedule of academic programme reviews. Reviews are formally conducted and have external and international panellists appointed for their disciplinary expertise. This is a critical step in assuring the university community that every discipline is delivering high-quality teaching, is conducting research that informs teaching and advances the discipline. It provides evidence that those graduating with degrees in a particular discipline are of the standard expected by the international community.

A review panel assesses the engagement of staff in learning and teaching, the integration of research into the learning and teaching activities, and links to relevant academic, social and professional communities. Recommendations are made with responsibilities and timeframes. In 2011, the following programmes were reviewed: Music, Education Policy and Implementation, Criminology, Certificate of University Preparation, Religious Studies, History, Creative Writing, Psychology, Information Systems and Information Management.

Improving student success

Seeking to improve student success against the TEC-prescribed educational output performance indicators, a 'Students at Risk of Failure' programme was created during 2011 for implementation in 2012. Also, a 2011 evaluation of mentoring and peer support for Māori and Pasifika students assessed the difference made by such initiatives, recommending a more coordinated approach to reduce duplication and improve the effectiveness of interventions. This will be actioned in 2012.

MEASURE OF SUCCESS: OUTCOME 2

Student success is enhanced through the implementation of the 2010 Learning and Teaching Strategy. In particular, engagement and leadership in learning and teaching are enhanced, and a teaching quality project focuses on ensuring that academic programmes and teaching delivery are informed by current research and scholarship, and are relevant and accessible for students.

2011 Contributing Objectives	Provisional as at 31 December 2011
3. Foster student success through the achievement of these TEC-defined educational commitments ³ .	
3.1 The qualification completion rate for all students will be 66.9% .	65.8%
3.2 The qualification completion rate for students aged under 25 will be 62.1% .	56.7%
3.3 The successful course completion rate for all students will be 84.2% .	84.5%
3.4 The successful course completion rate for students under 25 will be 84.0% .	84.5%

- 3 These educational outputs performance indicators required by the TEC provided one measure of learning and teaching performance in 2011. The TEC-prescribed educational performance commitments are based on 2009 information. In Victoria's case, numbers were distorted in 2009 because that was the last year that Victoria claimed 1 EFTS for each research student, no matter how much of a year they had enrolled for. This practice was changed in 2010, and the distortion disappeared in 2011.

Also, the 2011 data reported here are based on the December 2011 Single Data Return (SDR). However, this is not final 2011 annual data because the TEC does not finalise 2011 data until April 2012. (The April 2012 SDR includes 2011 information.) Once this April 2012 SDR is finalised, we expect to be closer to the targets.

In attempts to improve the success rate of Pasifika students, Victoria made a strong Pasifika appointment in 2011, and set stretch targets for the University to aspire to. We are now on track to lift achievement with the adoption of the Pasifika Success Strategy, and many of Victoria's equity activities and proactive interventions support increased recruitment, retention and achievement of Māori and Pasifika students.



Pictured above: PhD student Nurul Che Zaudin works on using nanoemulsions to deliver growth hormones to plants.

Outcome 3

Improved social, cultural and environmental development of New Zealand.

Staff further Victoria's role as a critic and conscience of society, and take part in projects that influence public policy—adding value to society and improving New Zealand's social, cultural and environmental development. The skills that they bring to New Zealand's governance and public affairs enhance the prospects for systems of governance and policy-making that are strong, responsive and provide necessary value for money.

Over the course of 2011, in line with the Public Contribution Strategic Goal, Victoria continued to *Communicate and apply scholarly expertise to enrich culture and society and to contribute to an understanding and resolution of challenges facing local, national and international communities*. This was furthered through activities such as those aimed at improving the regulatory environment for business; lifting the performance of the public sector; supporting innovation and improved business management; and ensuring New Zealand has the skills it needs. A sampling follows.

Changes in the School of Government

Following extensive feedback from the communities it serves, recommendations from a 2010 review of the School of Government were implemented in 2011. As a result of the review, the School has new leadership (management and governance) and a new location within the Faculty of Commerce and Administration. These changes position the School to better carry out its mission—to build public sector capability through teaching programmes; improve public sector governance through research into public management and administration; and contribute to scholarship in important areas of public policy.

Contributing to economic and social development

The Institute for the Study of Competition and Regulation (ISCR) and the Centre for Accounting, Governance and Taxation Research (CAGTR) had a continuing focus on improving the regulatory and business environment. ISCR benefited New Zealand's business environment through the production of economic research on industries, institutions, markets and contracts.

During 2011, biomedical and clinical innovation, addiction research, new knowledge from geochemistry, geothermal and earthquake research, and future directions with marine biology, microbiology, chemical genetics, proteomics, material science and nanotechnology all contributed to strengthening the infrastructure needed to support New Zealand's development and productivity.

Judges, civil servants, parliamentarians, journalists and scholars from New Zealand and abroad have continued to benefit from The New Zealand Centre for Public Law, in Victoria's Faculty of Law. The Centre's work stimulates awareness of, and interest in, public law issues, and provides a forum for their discussion through a programme of conferences, lectures, seminars and roundtables.

Speakers of te reo Māori have a valuable resource in the Faculty of Law's Te Kaupapa reo-a-Ture/The Legal Māori Project. Supported by a Marsden Fund grant, this project assists speakers of te reo Māori to use Māori vocabulary to describe Western legal concepts.

Commercialisation of innovation is another way in which university-based research is contributing to improvements in productivity. In 2011, Victoria's commercialisation company, Victoria Link Ltd, operated under a new business model designed to improve the cost-effectiveness of services and increase funding available to support commercialisation. This focused on bringing university research into the community through industry connections, business growth services and start-up support.

During 2011, a prominent example of Victoria's staff acting as 'a source of critical thinking' was the University's high profile during the 2011 General Election. Political scientist, Dr Jon Johansson, gave expert comment during the TVNZ leaders' debates and on election night. On the night, Dr Richard Arnold, from the School of Mathematics, Statistics and Operations Research, provided statistical analysis to forecast the result. In the lead up to the election, Professor Nigel Roberts toured the country on behalf of the Electoral Commission to explain the referendum on the voting system. As a panellist on the Electoral Referendum, Dr Maria Bargh provided commentary on Radio New Zealand National.

MEASURE OF SUCCESS: OUTCOME 3

Staff apply scholarly expertise to an understanding and resolution of challenges facing local, national and international communities.

2011 Contributing Objectives ⁴	2011 Actual	2010 Actual
4. Victoria's academic community, "a source of critical thinking and intellectual talent" (TES, page 18), contributes to society through advice provided (in the target ranges below) to government boards, national bodies and international bodies:		
⊕ Government: 175–200	Government: 146	Government: 155
⊕ National bodies: 450–500	National bodies: 310	National bodies: 292
⊕ International bodies: 475–525	International bodies: 605	International bodies: 499

- 4 One aspect of Victoria's contribution, as 'a source of intellectual talent' is, in a small way, evaluated through a survey (contributing objective 4) that measures the level, range and type of communication. Responses are subject to some variance from year to year. These shifts represent natural variation, rather than meaningful change.



Pictured above: Information Management tutor Nadia Ali helps out a student.

Outputs and processes

Victoria undertakes a range of activities in the areas of student experience, external relationships, capability, resources and equity in order to make progress towards achieving the high-level outcomes stated in the Outcomes Framework Chart on page 49.

Student experience

Increasingly, the student experience in all its dimensions is seen as critical in determining academic success.

Activities in 2011 focused on improving student retention, progression and providing an outstanding student experience. This aimed to ensure a positive and encouraging learning environment, ultimately supporting the achievement of:

- ▣ new knowledge from Victoria's research adding to New Zealand's economic and social development
- ▣ a more educated and skilled workforce and society.

Targets 5.1, 5.2 and 5.3 below are three of the TEC's prescribed educational output performance indicators that are common to all New Zealand universities.

This section of the SSP identifies a selection of indicators, enablers and 'touch points' for assessing quality, progress and success in activities that support the outcome of positive, long-term change in social state for New Zealanders.

During 2011, Victoria undertook a comprehensive Student Experience Improvement survey (6 below) to measure students' perceptions of the services and facilities available to help them succeed academically. The survey covered a broad range of topics, including but not limited to: the physical environment, the use technology (eg. Blackboard) to support learning, the Library, engagement with faculty and school, communication and study-related services. The survey will be repeated in 2012 to measure the success of initiatives implemented following the 2011 survey and give direction on where improvement needs to be targeted next.

2011 Performance Target	Provisional as at 31 December 2011
5. Achieve TEC-defined commitments ⁵ :	
5.1 76.9% of enrolled students will be aged under 25.	77.2%
5.2 The student retention rate will be 81.9% .	81.2%
5.3 The student progression rate for levels 1 to 4 will be 81.0% .	84.2%
6. First-year students report no less than 83% satisfaction with the impact of student academic services on their experience at Victoria.	ACHIEVED: The overall satisfaction rating with student services at Victoria shows at least 89% either satisfied or very satisfied.

Strategic Plan connection: "Engage students as active and lifelong members of an inclusive and supportive community of higher learning through an outstanding academic, social and cultural experience that equips them to make a significant contribution to local, national and international communities." (Student Experience Goal)⁵

⁵ See footnote 2, page 48.



Pictured above: Graduate Diploma of Adult Literacy and Numeracy students in the Faculty of Education.

External relationships

In 2011, the University continued to make sound progress in developing relationships that maximise its contributions to society. The high level of university-wide professional accreditations of Victoria's qualifications is worthy of note. While qualifications are the actual outputs, relationships with professional bodies, specific approval and professional accreditation processes are an external measure of the professional acceptability of Victoria's qualifications.

Similarly, the drawing together of the clinical focus of the hospital (Capital Coast District Health Board) with the academic interests of Victoria to support health research, education and training enables significant research outputs.

An example is Associate Professor Anne La Flamme's current work on the immune regulation of disease, particularly the pivotal role of one specific immune cell, the macrophage, in the regulation of pro-inflammatory diseases such as multiple sclerosis.

Such achievements and developments, along with a history of success with significant partnerships and collaborative relationships, enable Victoria to influence the achievement of:

- ⊕ a more educated and skilled workforce and society
- ⊕ the improved social, cultural and environmental development of New Zealand.

2011 Performance Target	2011 Actual
7. Establish or maintain professional accreditation of relevant programmes.	<p>ACHIEVED:</p> <p>Faculty of Architecture and Design</p> <ul style="list-style-type: none"> New Zealand Institute of Architects (NZIA) New Zealand Institute of Landscape Architects (NZILA). <p>Faculty of Commerce and Administration</p> <ul style="list-style-type: none"> AACSB International—Association to Advance Collegiate Schools of Business (AACSB), achieved in both business and accounting European Quality Improvement System (EQUIS) Association of MBAs (AMBA) TedQual (World Tourism Organisation) New Zealand Institute of Chartered Accountants (NZICA) CPA Australia Chartered Institute of Management Accountants (CIMA) Association of Certified Chartered Accountants (ACCA) Records and Information Management Professionals Australasia (RIM Professionals Australasia) Library and Information Association of New Zealand Aotearoa (LIANZA). <p>Faculty of Education</p> <ul style="list-style-type: none"> New Zealand Teachers Council (NZTC) New Zealand Psychologists' Board—provisional accreditation. <p>Faculty of Engineering</p> <ul style="list-style-type: none"> The Institution of Professional Engineers New Zealand (IPENZ)—provisional accreditation. <p>Faculty of Humanities and Social Sciences</p> <ul style="list-style-type: none"> New Zealand Nursing Council. <p>Faculty of Law</p> <ul style="list-style-type: none"> Council of Legal Education. <p>Faculty of Science</p> <ul style="list-style-type: none"> New Zealand Psychologists' Board.
8. Implement memorandum of understanding with Capital and Coast District Health Board to align health education, training and research.	<p>ACHIEVED: Victoria's Graduate School of Nursing, Midwifery and Health and the postgraduate laboratory are now located at Wellington Hospital, providing innovative teaching, training and research opportunities. Specific 2011 developments included a Postgraduate Diploma in Clinical Research, a Master of Clinical Research and special topic biomedical papers taught by hospital clinicians.</p>

Strategic Plan connection: "Build and maintain mutually beneficial relationships which maximise Victoria's contributions to society, support its aspirations, and enhance national and international recognition of the quality of its teaching and research." (External Relationships Goal)

Capability

The right type and level of capability is an important determinant of Victoria's ability to drive progress towards the following outcomes:

- ▣ new knowledge from Victoria's research adds to New Zealand's economic and social development
- ▣ a more educated and skilled New Zealand workforce and society
- ▣ improved social, cultural and environmental development of New Zealand.

Despite intense global competition for academics and increasing financial constraints, Victoria made a range of strategically important appointments in 2011. These will enable progress to be strengthened on recently developed strategic initiatives: engineering; biomedical sciences and health; creative imagination; government, law, national identity and public life; and Chinese business, language and culture.

During 2011, Victoria increased the proportion of high-calibre commencing students. This was evidenced by a substantial increase in the numbers of students awarded Victoria Excellence scholarships—from 270 in 2010, to 418 in 2011. The scholarship is awarded automatically to enrolled students who have achieved NCEA Level 2 endorsed with Excellence. The greatly increased number of scholarships awarded shows that the number of outstanding school leavers attending Victoria has increased sharply.

Further significant 2011 capability enhancing initiatives aimed at managing enrolment to give preference to students on the basis of academic achievement, financially supporting outstanding students, strengthening governance of Victoria and sustaining capability through carefully planned staff development.

Exceptional students and staff were celebrated and rewarded: scholarships for students; and for staff, annual excellence awards in teaching, research, administration, public contribution, and health and safety.

2011 Performance Target	2011 Actual
9. Maintain the current commitment to supporting outstanding students by continuing to offer 100 new PhD, plus 35 Master's by thesis, scholarships to postgraduate research students, and 300 new scholarships to high-achieving school leavers.	ACHIEVED: 127 PhD Doctoral Scholarships were offered in 2011. 42 Master's by thesis scholarships were offered in 2011, and 418 Victoria Excellence Scholarships, based on NCEA Level 2 results, to high-achieving entry-level students.
10. Implement a managed enrolment system to give preference to students on the basis of academic achievement.	ACHIEVED: In order to give preference to students on the basis of academic achievement, applicants were ranked according to their entrance qualification performance. A guaranteed entrance score was set at 120 for NCEA, with comparable scores set for other university entrance qualifications. Special admission applicants were required to have their academic credentials assessed to prove readiness for degree-level study.
11. Maintain a programme of at least four Council workshops each year on Victoria's strategies, policies and processes.	ACHIEVED: The following programme of workshops took place: Capital Expenditure: The Medium Term Outlook—progress towards the Campus Development Framework 2006–2016 and potential areas for improvement or development. <ul style="list-style-type: none"> • Exploring Victoria's academic identity: undergraduate education issues—objectives of the review and main issues of undergraduate education for consultation and advice. • Victoria's Internationalisation Strategy and China Strategy. • Foreign and domestic fee setting: exploring different methodologies for setting foreign and domestic student fees. • Campus Hub Development. • Te Aka Matua: Māori Advisory Committee—background of the role of Te Aka Matua, in light of the University's Treaty of Waitangi commitments. • 2011 key achievements and strategic results: progress towards the University's core and supporting goals, recently developed strategic initiatives, and 2011 awards and honours. • Council performance: feedback on members' review of Council's 2011 performance.
12. Implement the annual published programme of staff development (allocation of at least 2.4% of university salary budget) for academic staff, general staff and those with management responsibilities.	ACHIEVED: Over the course of 2011, 2.7% of the university salary budget was allocated for staff training and development. As well as sustaining capability, this staff development programme aimed to prepare academic and general staff for emerging challenges facing the University.

Strategic Plan connection: "Retain, develop and recruit high-quality people who contribute to Victoria's success through outstanding leadership, scholarship and administration, through positive external engagements, and through quality governance and management." (Capability Goal)

Resources

Victoria's mission and high-level outcomes cannot be achieved without successfully meeting financial criteria and achieving fiscal targets.

Meeting 2011 fiscal targets was a particularly positive result in the current economic climate, particularly with domestic tuition fee revenue falling below the budget target for domestic enrolments.

This result, together with the alignment of budget processes with wider strategic goals, strengthened Victoria's ability to influence the achievement of:

- ▣ new knowledge from Victoria's research adds to New Zealand's economic and social development
- ▣ a more educated and skilled New Zealand workforce and society
- ▣ improved social, cultural and environmental development of New Zealand.

2011 Performance Target	2011 Actual
13. Achieve fiscal targets agreed by Council, including maintaining the financial ratios connected with the University's debt covenant.	ACHIEVED: all targets met—Council, debt covenant and the TEC (surplus, operating cash inflows/outflows and liquid funds ratio).
14. Manage enrolment of domestic students, as described in the Investment Plan's mix of provision.	Victoria achieved 96.8% of its Investment Plan EFTS target, undershooting by 0.2% the expected tolerance band (97–103%). While this was a relatively minor undershoot, it reflects changing patterns of demand and a determination to improve the quality of course offerings. For example, demand appears to have dropped in 'i' category (teacher education) but the underlying cause of this is the discontinuation of the three-year undergraduate early childhood teaching degree, and its replacement by a one-year graduate diploma. Both the drive to improve the quality of the qualification, and the uncertainties surrounding the future funding of early childhood services have contributed to an apparent lessening of demand. The University is confident that the range of measures put in place for 2012 enrolment will avoid an EFTS undershoot in future.
15. Achieve the 2011 milestones in Victoria's Strategic Asset Management Plan 2010–2030.	ACHIEVED: major 2011 project milestones: <ul style="list-style-type: none"> • 'Hub' construction on schedule. • Upgrades completed for: <ul style="list-style-type: none"> – Student Union Building – Robert Stout Building Levels 3 and 4 – Student Accommodation housing portfolio was upgraded. • Asset renewal projects underway in: von Zedlitz and Kirk Buildings, Hugh Mackenzie Lecture Theatre and Karori Campus. • 2012–2031 Strategic Asset Management Plan finalised. • Draft Campus Plan presented and debated at a Council workshop. • The NZSM Building project remains under discussion with Massey University.
16. Enrol full-fee international students in line with targets approved as part of the annual budget.	ACHIEVED: Victoria exceeded its 2011 budget target of 1,650 full-fee international EFTS by enrolling 1,747 international EFTS—9.7% higher than 2010.

Strategic Plan connection: "Ensure the long-term academic and financial viability of Victoria by increasing and diversifying income, and by reallocating resources to support strategic goals." (Resources Goal)

Equity

Many of Victoria's 2011 equity activities supported the increased recruitment, retention and achievement of Māori and Pasifika students.

A comprehensive range of services was available to Māori and Pasifika students in 2011: an outreach programme to prepare for success at university; scholarships at all levels; mentoring in all faculties; and various customised approaches to pastoral care.

In 2011, the recently appointed Associate Vice-Chancellor (Pasifika) led a series of initiatives aimed at improving the achievement of Victoria's Pasifika students. Following a collaborative process involving all Pro Vice-Chancellors and Central Service Unit representatives, this resulted in the Pasifika Student Success Framework. It takes the shape of an action plan focused on improving Pasifika student enrolment, retention and completion.

An evaluation of mentoring and peer support programmes for Māori and Pasifika students identified the range of peer support and mentoring programmes and initiatives currently available for Māori and Pasifika students at Victoria.

It provided a descriptive overview, a snapshot of both formal and informal mentoring. This, together with funding sources and staffing costs, was identified as phase one of the project. Phase two, in 2012, will evaluate the effectiveness of the programmes and initiatives.

These activities, together with recently established strong Pasifika leadership and Victoria's commitment to the Treaty of Waitangi, strengthened Victoria's ability to influence the achievement of:

- ▣ a more educated and skilled New Zealand workforce and society
- ▣ improved social, cultural and environmental development of New Zealand.

Commitment to the Treaty of Waitangi is articulated in Victoria's Strategic Plan. This works on two levels: it is a general commitment to Māori as tangata whenua and Treaty partners, and it is an overarching strategic goal for the University. Objectives are set and reported on each year in the University's Annual Plan.

2011 Performance Target	Provisional as at 31 December 2011
17. Implement a managed enrolment system in a way that provides opportunities for defined equity groups, taking into consideration the following TEC-defined commitments ⁶ :	
17.1 9.2% of enrolled students will be Māori.	9.7%
17.2 4.6% of enrolled students will be Pasifika.	4.5%
17.3 The qualification completion rate for Māori students will be 53.5% .	56.8%
17.4 The qualification completion rate for Pasifika students will be 54.2% .	41.2%
17.5 The successful course completion rate for Māori students will be 77.8% .	77.3%
17.6 The successful course completion rate for Pasifika students will be 62.8% .	67.2%
18. Offer 80 entry-level achiever scholarships to targeted equity groups.	ACHIEVED: 87 entry-level achiever scholarships were offered for study in 2011; 72 were taken up.

Strategic Plan connection: "Provide an inclusive and representative environment for staff and students that is conducive to equity of opportunity for participation and success." (Equity Goal)

⁶ See footnote 2, page 48.

Lights over Wellington

During the Rugby World Cup, Victoria University got into the spirit by teaming up with sponsors Fuji Xerox, Dimension Data, EMC, Mainzeal, Downer and NEC Business Solutions to project high-powered beams from buildings at each of Victoria's Kelburn, Te Aro and Pipitea Campuses. The resulting light show added to the vibrant atmosphere of the city during the festivities.





2011 FINANCIAL OVERVIEW

The financial outcome for the University and its controlled entities reflects the continued progress made against the Strategic Plan in a challenging environment. Tight fiscal management, coupled with a growth in income from controlled trusts, has helped the University to achieve a robust financial result in 2011 despite an unexpected decline in student numbers.

Trend statement

Summarised below are some of the key financial measures and trends for the University Group over the last five years.

	2007	2008	2009	2010	2011
	\$000	\$000	\$000	\$000	\$000
Financial performance					
Total revenue	289,397	300,880	313,159	332,262	336,798
Surplus for the year	16,728	9,541	12,803	18,529	14,514
Financial position					
Total current assets	76,663	63,851	63,851	64,030	65,144
Total non-current assets	565,560	621,893	621,893	659,068	681,436
Total assets	642,223	685,744	685,744	723,098	746,580
Total current liabilities	55,866	62,216	62,216	65,008	69,875
Total non-current liabilities	12,236	35,559	35,559	53,354	57,747
Total liabilities	68,102	97,775	97,775	118,362	127,622
Total community equity	574,121	587,969	587,969	604,736	618,958
Statistics					
Surplus to total revenue	5.8%	3.2%	4.1%	5.6%	4.3%
Surplus to total assets	2.6%	1.4%	1.9%	2.6%	1.9%

Summary of 2011 results versus TEC and Ministry of Education financial measures

The University Group surplus, which includes the consolidated results of all subsidiaries and associates, was \$14.5 million for the year, \$0.7 million above budget and a return of 4.3 percent on revenue of \$337 million, and 2.3 percent on net assets of \$619 million.

Included within the consolidated surplus is a surplus of \$2.3 million from the Victoria University of Wellington Foundation arising mainly from funds raised but not yet spent. If this amount is deducted from the surplus, the balance of \$12.2 million represents an operating surplus return of 3.6 percent. This falls just inside the University Fiscal Strategy range of 3.5 to 4.5 percent, and above the TEC minimum guideline of 3 percent. The University's performance against the key TEC and Ministry of Education financial targets is summarised below.

Figure 1: TEC and Ministry of Education financial targets

MEASURE / OBJECTIVE	TARGET	2011 CONSOLIDATED UNIVERSITY ACTUAL
Maximum commercial debt borrowings	Borrowing limit of \$50m for 2011	\$45m
Net surplus (before abnormal items) as % of total revenue	Not less than 3% for 2011	3.6%
Cash ratio [operating cash receipts/operating cash payments]	At least 111%	119%
Debt to debt plus equity ratio [debt includes: bank overdrafts, current portions of term loans, less cash balances and short-term liquid investments]	Not to exceed 15%	7%
Interest cover ratio [EBIT to interest]	No less than 3 times	15.3
Debt cover ratio [long-term debt to EBITDA]	No more than 2 times	0.9

University Fiscal Strategy

The University Fiscal Strategy approved by Council in 2010 sets overall targets for the financial operating performance of the University. These targets were set at a level to ensure the institution operates in a financially responsible manner, efficiently uses its resources, provides for strategic expenditure and maintains the long-term viability of the institution. As can be seen in Figure 2 below, the University comfortably met all of these fiscal targets.

Figure 2: University Fiscal Strategy financial targets

MEASURE / OBJECTIVE	TARGET	2011 CONSOLIDATED UNIVERSITY ACTUAL
Return on revenue [surplus as a percentage of total revenue]	3.5%–4.5%	4.3%
Return on net assets (equity) [surplus as a % of net assets]	1.5%–2.5%	2.3%
Liquid ratio [cash plus accounts receivable: accounts payable]	1:1	1.3
Asset management [percentage of capital expenditure/depreciation]	Should be at least equal to depreciation	179%
Debt management [percentage of borrowing/total assets]	Should be lower than 20%	6%
Debt management [interest expense/operating surplus before interest]	Should be lower than 33%	7%

Income and expenditure analysis

The University Parent surplus (excluding subsidiaries and associates), was \$12 million versus a budget of \$14 million. Despite being below budget, this was a pleasing result considering the drop in domestic student revenue compared with budget (\$5.6 million). Victoria recorded a decline in student EFTS to just under 97 percent of Investment Plan, compared with the 103 percent level registered in 2010.

The reduction in student numbers resulted from fewer new student enrolments and a tightening of Victoria's student entry criteria. These measures, in compliance with government policy, provided priority admissions to school leavers with guaranteed entry scores, new requirements for students over 20 without University Entrance and strict adherence to the University's Academic Process Statute. Lower domestic student revenue was partially offset by increased government grants (PBRF income) and minor increases in other income.

Through tight fiscal management, university costs were held to \$2.3 million below budget, despite higher depreciation costs from an accelerated building programme, and higher insurance and building maintenance costs.

Looking forward to 2012, insurance premiums have increased by \$2 million, and this additional financial burden will need to be carefully managed by the University in the context of its overall financial result.

Capital expenditure

The University manages its funding and operating cost base to ensure there is continued capacity for planned strategic investment in core plant, equipment and facilities, and this capital programme continued throughout 2011, with excellent progress made on the University's upgrade to its Kelburn Campus. The Campus Hub project involves the construction of a new central building with social spaces, the refurbishment of the Library and Student Union Building, and the creation of new outdoor areas. This will create a vibrant heart to the Kelburn Campus. In addition to the Student Union and Hub, investment continued to be made in core IT equipment, library resources and scientific equipment. A similar level of capital investment is budgeted in the coming year in the lead up to the Campus Hub completion in early 2013. Total capital expenditure for the year was \$54.4 million versus a budget of \$56.2 million.

The University continues to engage with engineers to review the seismic assessments of its buildings. Whilst the majority of the institution's buildings have good seismic ratings, upgrading work will continue over the next few years to address any identified improvement options.

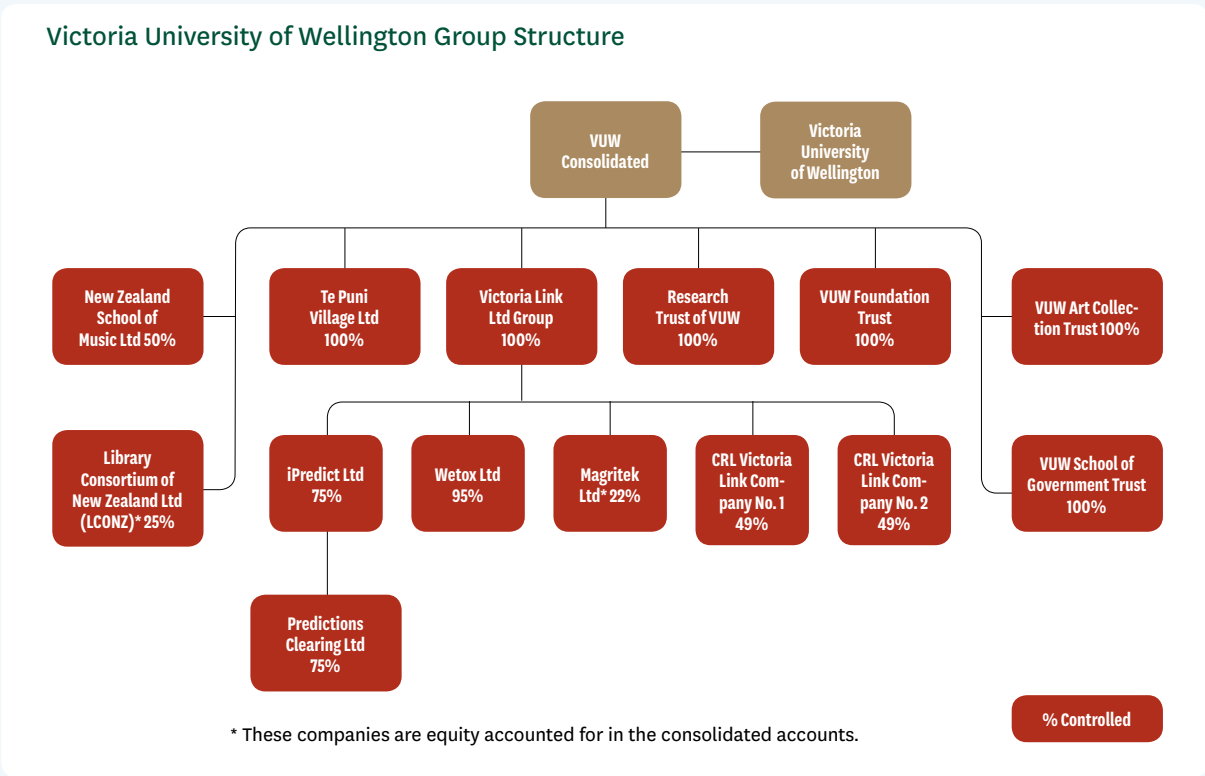
Liquidity

Management of funds in a period of high capital expenditure has been prudent and cash reserves at year end increased by \$2.5 million on the previous year. With total assets of \$746 million, a flexible bank loan facility in place of \$45 million ensures that the financial position of the consolidated University continues to be robust, providing strength and capacity for future years.

The future financial environment is expected to be increasingly challenging, but the University is well positioned to meet these challenges.

Subsidiaries and associates

The University Group includes a number of controlled entities and associates, the most significant of which are the Research Trust, the Victoria Link Group (the commercialisation arm of the University) and the University Foundation (Charitable Trust to support university fundraising).



The Research Trust recorded a small surplus of \$0.3 million for the year, compared with a deficit of \$0.1 million in 2010. The Research Trust was established to generate research income on behalf of the University, and to administer spending on research projects and postgraduate scholarships. As research projects often span one or more years, the surplus or deficit generated by the Trust in any year can fluctuate due to inconsistencies between the timing of money brought into the Trust, and the corresponding outflow of funds on research projects. External research income (including funding for postgraduate scholarships) generated directly in the Research Trust in 2011 was \$27.1 million, matching research income generated in 2010. This is a good result given the increasingly constrained research funding environment in New Zealand.

The Victoria Link Group recorded a small deficit of \$0.1 million, a result which was ahead of budget, and boosted by returns on the company's investment in nanofibre technology. In addition, there were exciting advances in the Group's subsidiary company Wetox, which late in 2011 won a significant funding contract from the Ministry for the Environment to develop its innovative liquid-waste treatment technology.

The Victoria Foundation had an outstanding year with actual funds received increasing by \$1.9 million over 2010. In common with the Research Trust, the surplus for the Foundation will fluctuate on an annual basis according to the balance between funds received and expenditure on donor projects; for example, scholarships. The increased level of funding received from the Foundation is providing tangible assistance to the University achieving its strategic goals.

Conclusion

The 2011 consolidated financial result is satisfactory and reflects the University's ongoing commitment to making progress against the goals set out in the Strategic Plan. 2011 proved to be a challenging year, particularly with regard to softening student demand. Despite that challenge, the University achieved a positive financial return, and maintains its robust financial position going forward.



Wayne Morgan

Chief Financial Officer



STATEMENT OF RESPONSIBILITY

The management of Victoria University of Wellington accepts responsibility for:

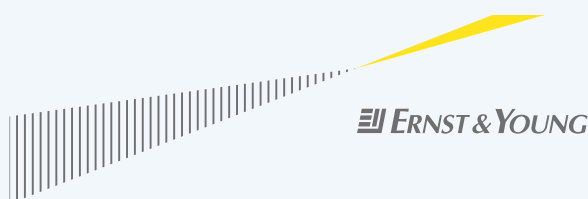
- ⊞ the preparation of the annual Financial Statements and Statement of Service Performance and the judgements used in them
- ⊞ establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of Council and management of Victoria University the Financial Statements and Statement of Service Performance for the financial year ended 31 December 2011 fairly reflect the financial position and operations of Victoria University and the group.

Ian McKinnon
Chancellor

Professor Pat Walsh
Vice-Chancellor

19 March 2012



Independent Auditor's Report

TO THE READERS OF VICTORIA UNIVERSITY OF WELLINGTON AND GROUP'S
FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE FOR THE
YEAR ENDED 31 DECEMBER 2011

The Auditor-General is the auditor of Victoria University of Wellington (the University) and group. The Auditor-General has appointed me, Stuart Mutch, 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 her behalf.

We have audited:

- ▣ the financial statements of the University and group on pages 69 to 93, that comprise the statement of financial position as at 31 December 2011, the statement of comprehensive income, statement of movements 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 48 to 60.

Opinion

In our opinion:

- ▣ the financial statements of the University and group on pages 69 to 93:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the University and group's:
 - financial position as at 31 December 2011; and
 - financial performance and cash flows for the year ended on that date;
- ▣ the statement of service performance of the University and group on pages 48 to 60 fairly reflects the University and group's service performance achievements measured against the performance targets adopted for the year ended 31 December 2011.

Our audit was completed on 19 March 2012. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and statement of service performance are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the University and group's preparation of the financial statements and statement of service performance that fairly reflect the matters to which they relate. We consider internal control 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.

An audit also involves evaluating:

- ▣ the appropriateness of accounting policies used and whether they have been consistently applied;

- ⊞ the reasonableness of the significant accounting estimates and judgements made by the Council;
- ⊞ the adequacy of all disclosures in the financial statements and statement of service performance; and
- ⊞ the overall presentation of the financial statements and statement of service performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Council

The Council is responsible for preparing financial statements that:

- ⊞ comply with generally accepted accounting practice in New Zealand; and
- ⊞ fairly reflect the University and group's financial position, financial performance and cash flows.

The Council is also responsible for preparing a statement of service performance that fairly reflects the University and group's service performance achievements.

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

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

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

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



Stuart Mutch
Ernst & Young

On behalf of the Auditor-General
Wellington, New Zealand

FINANCIAL STATEMENTS

Statement of comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	Consolidated			University	
		2011	2011	2010	2011	2010
		Actual	Budget	Actual	Actual	Actual
		\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
Government grants		148,789	148,169	143,915	145,915	141,097
Domestic tuition fees		69,083	75,128	70,953	68,282	69,857
International tuition fees		30,008	29,756	27,048	29,809	26,932
Research support		35,061	32,828	35,525	20,374	21,011
Commercial		19,324	16,170	21,546	9,397	9,630
Other student fees		22,001	22,521	19,513	24,268	21,742
Other revenue	1	12,532	11,558	13,762	5,787	7,655
Total revenue		336,798	336,130	332,262	303,832	297,924
Expenditure						
People	2	185,878	183,793	178,680	172,243	164,103
Occupancy	3	23,700	23,263	23,823	21,071	21,410
Operating	3	78,529	81,614	79,503	64,000	62,409
Interest expense		1,007	1,457	1,115	1,670	1,541
Depreciation and amortisation		33,243	32,162	30,772	32,873	30,454
Total expenditure		322,357	322,289	313,893	291,857	279,917
Share of associates surplus/(deficit)	11	73	-	160	-	-
Surplus		14,514	13,841	18,529	11,975	18,007
Other comprehensive income						
Decrease in revaluation reserve	9	-	-	(1,251)	-	(1,251)
Total comprehensive income		14,514	13,841	17,278	11,975	16,756

Statement of financial position

AS AT 31 DECEMBER 2011

		Consolidated			University		
		2011 Actual \$000	2011 Budget \$000	2010 Actual \$000	2011 Actual \$000	2011 Budget \$000	2010 Actual \$000
	Note						
Current assets							
Cash and cash equivalents	5	33,776	18,250	30,306	13,508	3,200	16,297
Investments	6	15,701	15,366	14,883	398	1,418	398
Accounts receivable and accruals	7	5,453	9,112	10,489	4,761	4,000	8,623
Pre-paid expenses		8,790	9,140	7,245	8,347	7,000	6,932
Other current assets	8	1,424	340	1,107	102	300	128
Total current assets		65,144	52,208	64,030	27,116	15,918	32,378
Non-current assets							
Property, plant and equipment	9	674,269	678,927	651,572	673,480	678,181	651,234
Intangibles	10	5,884	7,283	5,985	5,797	7,221	5,890
Investments in related parties	11	1,283	1,369	1,511	2,581	851	1,851
Total non-current assets		681,436	687,579	659,068	681,858	686,253	658,975
Total assets		746,580	739,787	723,098	708,974	702,171	691,353
Current liabilities							
Accounts payable and accruals	12	30,919	34,370	26,336	26,585	30,500	22,864
Revenue in advance	13	17,191	15,171	18,248	7,208	7,500	9,935
Research grants unexpended		8,324	7,653	7,754	4,307	3,500	3,754
Related party borrowings	16	–	–	–	15,000	9,000	16,000
Employee entitlements	14	13,441	14,795	12,670	13,255	14,580	12,544
Total current liabilities		69,875	71,989	65,008	66,355	65,080	65,097
Non-current liabilities							
Employee entitlements	14	12,747	12,013	11,354	12,757	12,000	11,369
Bank borrowings	15	45,000	35,940	42,000	45,000	36,452	42,000
Total non-current liabilities		57,747	47,953	53,354	57,757	48,452	53,369
Total liabilities		127,622	119,942	118,362	124,112	113,532	118,466
Community equity							
Retained earnings		308,948	309,835	294,726	274,852	277,377	262,877
Reserves		310,010	310,010	310,010	310,010	311,262	310,010
Total community equity		618,958	619,845	604,736	584,862	588,639	572,887
Total liabilities and community equity		746,580	739,787	723,098	708,974	702,171	691,353

Statement of movements in equity

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	Consolidated			University	
		2011	2011	2010	2011	2010
		Actual \$000	Budget \$000	Actual \$000	Actual \$000	Budget \$000
Community equity at start of the year		604,736	606,004	587,458	572,887	574,688
Surplus for the year		14,514	13,841	18,529	11,975	13,951
Other movements		(291)	–	–	–	–
Other comprehensive income						
Increase/(decrease) in revaluation reserve		–	–	(1,251)	–	–
Community equity at end of the year		618,958	619,845	604,736	584,862	588,639
Community equity attributed to						
Equity holders of the parent		618,958	619,845	604,736	584,862	588,639
Non-controlling interest		–	–	–	–	–
Community equity represented by:						
	Note	Consolidated			University	
		2011	2011	2010	2011	2010
		Actual \$000	Budget \$000	Actual \$000	Actual \$000	Budget \$000
Accumulated funds						
Opening balance		294,726	295,994	276,197	262,877	264,677
Net surplus for the year		14,514	13,841	18,529	11,975	13,951
Other movements		(291)	–	–	–	–
Closing balance		308,949	309,835	294,726	274,852	278,628
Asset revaluation reserve						
Opening balance		310,010	310,010	311,261	310,010	310,011
Increase/(decrease) in revaluation reserve		–	–	(1,251)	–	–
Closing balance		310,010	310,010	310,010	310,010	310,011
Community equity at end of the year		618,958	619,845	604,736	584,862	588,639

Statement of cash flows

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	Consolidated			University	
		2011	2011	2010	2011	2010
		Actual	Budget	Actual	Actual	Budget
		\$000	\$000	\$000	\$000	\$000
Operating activities						
<i>Cash was provided from</i>						
Government grants		147,833	148,169	144,857	144,963	145,477
Revenue from fees		159,160	184,535	153,579	142,775	161,616
Interest		1,514	1,745	1,137	835	413
Dividends		1,242	1,200	143	25	–
Cash donations		1,810	–	3,370	1,542	–
Other revenue		24,498	–	29,678	14,626	–
		336,057	335,649	332,764	304,766	307,506
<i>Cash was applied to</i>						
Employees		183,655	182,288	178,973	171,249	170,674
Suppliers		96,357	101,371	103,735	79,283	84,988
Interest paid		1,007	1,457	1,115	1,670	1,442
		281,019	285,116	283,823	252,202	257,104
Net cash flows from operating activities		55,038	50,533	48,941	52,564	50,402
Investing activities						
<i>Cash was provided from</i>						
Sale of fixed assets		245	–	257	976	–
Sale of investments		2,229	–	1,693	62	–
		2,474	–	1,950	1,038	–
<i>Cash was applied to</i>						
Purchase of fixed assets		54,123	53,348	50,605	53,200	53,098
Purchase of investments		545	1,151	2,396	2,868	3,090
Purchase of intangible assets		2,374	3,090	4,156	2,323	97
		57,042	57,589	57,157	58,391	56,285
Net cash flows from investing activities		(54,568)	(57,589)	(55,207)	(57,353)	(56,285)
Financing activities						
<i>Cash was provided from</i>						
Bank borrowings		33,000	25,000	30,000	33,000	12,000
Advance from intercompany		–	–	–	15,000	1,000
		33,000	25,000	30,000	48,000	13,000
<i>Cash was applied to</i>						
Repayment of bank borrowings		30,000	30,000	25,000	30,000	7,214
Repayment of intercompany advance		–	–	–	16,000	13,000
		30,000	30,000	25,000	46,000	20,214
Net cash flows from financing activities		3,000	(5,000)	5,000	2,000	(7,214)
Net cash flows for the year		3,470	(12,056)	(1,266)	(2,789)	(13,097)
Add cash at start of the year		30,306	30,306	31,572	16,297	16,297
Cash at end of the year	5	33,776	18,250	30,306	13,508	3,200

Reconciliation of surplus to net cash flow from operating activities

FOR THE YEAR ENDED 31 DECEMBER 2011

	Consolidated		University	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
Surplus	14,514	18,529	11,975	18,007
Add/(less) changes in working capital items				
Decrease/(increase) in accounts receivable	5,036	(2,379)	2,818	(4,371)
Decrease/(increase) in pre-paid expenses	(1,545)	(302)	(1,415)	(290)
Decrease/(increase) in other assets	352	235	706	26
Increase/(decrease) in accounts payable	4,583	(895)	4,766	(2,266)
Increase/(decrease) in pre-paid revenue	(1,057)	1,630	(2,727)	2,398
Increase/(decrease) in research grants unexpended	1,327	790	553	790
Increase/(decrease) in employee entitlements	771	(221)	711	(236)
Net movements in working capital items	9,467	(1,142)	5,412	(3,949)
Add non-cash items				
Depreciation and amortisation	33,243	30,772	32,873	30,454
Other non-cash items	(3,772)	(137)	–	–
Non-cash donation	(650)	(265)	–	–
Add/(less) movements in non-current assets and liabilities				
Net (gain)/loss on asset disposal	916	1,223	916	1,127
Net (surplus)/deficit of associate company	(73)	(160)	–	–
Increase/(decrease) in employee entitlements	1,393	121	1,388	152
Net movements in non-cash items	31,057	31,554	35,177	31,733
Net cash inflow from operating activities	55,038	48,941	52,564	45,791

Notes to the financial statements

NOTE 1—OTHER REVENUE

	Consolidated		University	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
Dividends	1,242	143	25	37
Donations	1,415	3,370	1,542	3,501
Gain/(loss) on sale of property, plant and equipment	(3)	96	–	95
Interest	1,412	1,197	783	579
Scholarships and sponsorship	1,720	2,413	42	91
Sundry income	2,974	3,699	3,395	3,352
Other non-operating income	3,772	2,844	–	–
	12,532	13,762	5,787	7,655

The interest amount is predominantly income from cash which is surplus to immediate requirements and which has been invested on call or on short-term deposits. In 2011, interest rates have been between 2.50 percent and 5.00 percent (2010: 3.50 percent to 8.25 percent).

Donations received includes funds provided by the Victoria University of Wellington Students' Association Trust for ongoing renovation of the Kelburn Campus of \$1.2 million.

NOTE 2—PEOPLE

	Consolidated		University	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
Salaries	170,370	166,930	157,232	152,661
Contractors	3,412	3,221	3,275	3,187
Entitlements	12,096	8,529	11,736	8,255
	185,878	178,680	172,243	164,103

NOTE 3—OCCUPANCY & OPERATING COSTS

	Consolidated		University	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
The following items are included within occupancy & operating costs:				
Audit fees: Ernst & Young	282	258	187	173
Internal audit and other fees to other providers	229	250	272	275
Property leases	6,625	5,696	5,993	4,892
IT leases	2,536	2,467	2,447	2,410
Losses on disposal of property, plant and equipment	916	1,223	916	1,223
Bad debts written off/(recovered)	(133)	22	(133)	27
Increase/(decrease) to provision for doubtful debts	133	(22)	133	(27)
Information technology	4,122	4,140	3,768	3,709
Grants and scholarships	21,303	22,240	24,451	23,801
Insurance	2,402	2,001	2,273	1,894
Travel and accommodation	10,352	9,335	4,106	3,967
	48,767	47,610	44,413	42,344

NOTE 4—FINANCIAL INSTRUMENTS

The accounting policies for financial instruments have been applied to the line items below:

	Consolidated		University	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
Financial assets				
Loans and receivables				
Cash and cash equivalents	33,776	30,306	13,508	16,297
Debtors and other receivables	5,453	10,489	4,761	8,623
Investments	277	306	152	152
Other current assets	1,670	1,353	348	374
	41,176	42,454	18,769	25,446
At fair value through profit or loss				
Government bonds	9,084	8,151	–	–
International managed funds	2,841	2,866	–	–
Listed shares	3,253	3,314	–	–
	15,178	14,331	–	–
Financial liabilities				
At fair value through profit or loss—held for trading				
Forward foreign exchange contract	–	145	–	145
Interest rate swaps	44	170	37	141
	44	315	37	286
Financial liabilities at amortised cost				
Accounts payable excluding employee entitlements	28,833	24,361	24,570	20,979
Bank borrowings	45,000	42,000	45,000	42,000
Related party borrowings	–	–	15,000	16,000
	73,833	66,361	84,570	78,979

Financial risk management objectives and policies:

MARKET RISK

Interest rate risk

The University and Group is exposed to interest rate risk on bank borrowings and at call deposits. Short-term deposits are not exposed to interest rate risk because they are entered into using a fixed interest rate. Borrowings at variable interest rates expose the Group to interest rate risk. The Group manages its interest rate risk by utilising interest rate swaps and forward rate agreements. \$6 million of the total borrowings are covered by interest rate swaps (2010: \$12 million). See Note 15 for more information.

Currency risk

The Group is exposed to foreign exchange risk for 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 University and 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 sensitivity for currency risk is considered to be immaterial.

Price risk

The fair value of shares in listed companies and units in managed funds will fluctuate as a result of changes in market prices. Market prices for a particular share may fluctuate due to factors specific to the individual share or its issuer, or factors affecting all shares traded in the market. This price risk is managed by diversification of the portfolio. The sensitivity for price risk is considered to be immaterial.

CREDIT RISK

Credit risk is the risk that a third party will default on its obligation to the University and 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 give rise to credit risk.

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

The University and Group limits the amount of credit exposure to any one financial institution for term deposits to no more than 33 percent of total investments held. The group invests funds only with Registered Banks with high credit ratings and for a period not exceeding 91 days.

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

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

CAPITAL MANAGEMENT

The University and Group's capital is its equity, which comprises general funds, property valuation reserves and fair value through comprehensive income reserves. Equity is represented by net assets.

The University and Group is subject to the financial management and accountability provisions of the Education Act 1989, which includes restrictions in relation to: disposing of assets or interests in assets, ability to mortgage or otherwise charge assets or interests in assets, granting leases of land or buildings or parts of buildings and borrowing.

The University and 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 University and Group's equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing the University and 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.

NOTE 5—CASH AND CASH EQUIVALENTS

From time to time during the year, cash which was surplus to immediate requirements was invested at call or on short-term deposit. Short-term deposits involved investing for periods of up to three months during 2011. If required, these short-term deposits can be converted to cash overnight. The carrying amounts of cash and cash equivalents represent fair values.

Refer to note 15 in respect of interest rates attributed to these investments.

	Consolidated		University	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
Cash at bank	10,286	9,633	4,163	6,012
Bank on call deposits	670	11,945	–	10,285
Short-term deposits	22,820	8,728	9,345	–
Total cash and cash equivalents	33,776	30,306	13,508	16,297
Comprising:				
Funds held by controlled trusts*	8,708	7,443	–	–
Funds held from bequests and donations**	8,813	3,466	8,813	3,466

* Restrictions have been placed on the use of these funds by the donors and they will be used for specified purposes. Until the University fulfils the donor's request, the funds are held in trust.

** The University holds funds in respect of 104 bequests and donations. In the case of 101 of these bequests and donations, the rules provide for the awarding of a prize, scholarship or other award to students in specific areas of study within the University.

The conditions for the remaining 3 bequests provide for the holding of public lectures in particular subjects, the upkeep of a Museum of Geology and for other particular forms of expenditure for the furtherance of teaching and research by the university community.

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

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

NOTE 6—INVESTMENTS

	Consolidated		University	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
Federated Superannuation Systems for Universities:				
FSSU advances (loans and receivables)	152	152	152	152
Shares and convertible notes	7	7	7	7
Investment in companies:				
New Zealand Synchrotron Group Limited	239	239	239	239
Loans to staff	125	154	–	–
Other investments:				
Investments held by controlled trusts at fair value through profit or loss	15,178	14,331	–	–
	15,701	14,883	398	398

FEDERATED SUPERANNUATION SYSTEMS FOR UNIVERSITIES

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

NEW ZEALAND SYNCHROTRON GROUP LIMITED

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

STAFF LOANS

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

OTHER INVESTMENTS

Other investments held by controlled trusts include investment in shares, managed funds, government stock and other fixed interest securities of various New Zealand and offshore entities. The Australian equities and fixed interest securities are instruments quoted on an active market. The international managed funds are valued using a valuation technique where the majority of inputs are quoted in an active market. All other investments are recognised at fair value through the surplus within the Statement of Comprehensive Income. By investing in these various entities, concentration of credit risk is minimised whilst maximising return in a manner consistent with the Group's investment policies.

	Consolidated	
	2011	2010
	\$000	\$000
Investments quoted in an active market (level 1):		
Australasian equity instruments	129	137
Fixed interest instruments	979	961
Investments valued using a valuation technique where the majority of inputs are quoted in an active market (level 2):		
Equity instruments	3,124	3,177
Fixed interest instruments	8,105	7,190
International managed funds	2,841	2,866
	15,178	14,331

NOTE 7—ACCOUNTS RECEIVABLE

	Consolidated		University	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
Receivables	5,482	9,222	4,463	7,110
Less: provision for doubtful debts	(64)	(197)	(59)	(192)
Goods and Services Tax	–	1,306	350	1,621
Other	35	158	7	84
	5,453	10,489	4,761	8,623

Ageing of receivables

	Consolidated		University	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
Current	2,889	5,161	3,039	4,945
1 to 30 days	997	1,827	986	1,427
31 to 60 days	546	541	233	396
61 to 90 days	785	689	35	182
> 91 days	265	1,004	170	160
	5,482	9,222	4,463	7,110

RELATED PARTY RECEIVABLES

For amounts, terms and conditions of related party receivables refer to note 16.

NOTE 8—OTHER CURRENT ASSETS

	Consolidated		University	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
Inventory	117	140	102	128
Research—work in progress	1,307	967	–	–
Taxation receivable	–	–	–	–
	1,424	1,107	102	128

TAXATION

The Group has New Zealand tax losses available to carry forward of \$956,306 which has a tax effect of \$286,892 subject to shareholder continuity being maintained as required by New Zealand tax legislation (2010: \$956,306 and tax effect \$286,892).

The Group has no unrecognised deductible temporary differences (tax effect of \$Nil) (2010: \$Nil and tax effect of \$Nil).

Deferred tax assets arising from losses of \$286,892 (2010: \$286,892) and temporary differences of \$Nil (2010: \$Nil) are not recognised due to it not being probable that future taxable profits in the subsidiary will be derived.

NOTE 9—PROPERTY, PLANT AND EQUIPMENT

	Consolidated						
	Land	Buildings & improvements	Computers & networks	Plant & equipment	Art collection & heritage	Capital work in progress	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cost and valuation							
As at 1 January 2010	88,967	414,881	25,286	57,479	54,634	49,532	690,779
Additions	–	55,912	5,652	10,404	7,227	–	79,195
Disposals	–	(1,069)	(2,921)	(3,994)	–	–	(7,984)
Valuation movement	–	–	–	–	–	–	–
Reclassifications	–	–	–	–	–	(28,397)	(28,397)
Balance as at 31 December 2010	88,967	469,724	28,017	63,889	61,861	21,135	733,593
Additions	415	13,153	4,827	11,864	7,162	17,687	55,108
Disposals	–	(370)	(98)	(1,260)	–	(333)	(2,061)
Valuation movement	–	–	–	–	–	–	–
Balance as at 31 December 2011	89,382	482,507	32,746	74,493	69,023	38,489	786,640
Depreciation and impairment							
As at 1 January 2010	–	3,792	13,128	25,521	16,831	–	59,272
Depreciation for the year	–	12,705	5,339	6,925	3,267	–	28,236
Disposals	–	147	(2,883)	(4,002)	–	–	(6,738)
Valuation movement	–	1,251	–	–	–	–	1,251
Balance as at 31 December 2010	–	17,895	15,584	28,444	20,098	–	82,021
Depreciation for the year	–	13,683	5,547	7,675	3,866	–	30,771
Disposals	–	(194)	(81)	(146)	–	–	(421)
Valuation movement	–	–	–	–	–	–	–
Balance as at 31 December 2011	–	31,384	21,050	35,973	23,964	–	112,371
Net book value							
As at 1 January 2010	88,967	411,089	12,158	31,958	37,803	49,532	631,507
As at 31 December 2010	88,967	451,829	12,433	35,445	41,763	21,135	651,572
As at 31 December 2011	89,382	451,123	11,696	38,520	45,059	38,489	674,269

NOTE 9—PROPERTY, PLANT AND EQUIPMENT (continued)

	University						
	Land	Buildings & improvements	Computers & networks	Plant & equipment	Art collection & heritage	Capital work in progress	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cost and valuation							
As at 1 January 2010	88,967	414,882	25,188	56,603	54,633	49,494	689,767
Additions	–	55,911	5,542	10,374	7,228	–	79,055
Disposals	–	(1,069)	(2,926)	(3,783)	–	–	(7,778)
Valuation movement	–	–	–	–	–	–	–
Reclassifications	–	–	–	–	–	(28,347)	(28,347)
Balance as at 31 December 2010	88,967	469,724	27,804	63,194	61,861	21,147	732,697
Additions	415	13,153	4,807	11,140	7,162	17,687	54,364
Disposals	–	(370)	(98)	(1,267)	–	(333)	(2,068)
Valuation movement	–	–	–	–	–	–	–
Balance as at 31 December 2011	89,382	482,507	32,513	73,067	69,023	38,486	784,993
Depreciation and impairment							
As at 1 January 2010	–	3,788	13,041	25,111	16,831	–	58,771
Depreciation for the year	–	12,705	5,301	6,683	3,267	–	27,956
Disposals	–	151	(2,914)	(3,752)	–	–	(6,515)
Valuation movement	–	1,251	–	–	–	–	1,251
Balance as at 31 December 2010	–	17,895	15,428	28,042	20,098	–	81,463
Depreciation for the year	–	13,683	5,506	7,402	3,866	–	30,457
Disposals	–	(194)	(80)	(148)	–	–	(422)
Balance as at 31 December 2011	–	31,384	20,854	35,296	23,964	–	111,498
Net book value							
As at 1 January 2010	88,967	411,094	12,147	31,492	37,802	49,494	630,996
As at 31 December 2010	88,967	451,829	12,376	35,152	41,763	21,147	651,234
As at 31 December 2011	89,382	451,123	11,659	37,771	45,059	38,486	673,480

	University	
	2011 \$000	2010 \$000
Asset revaluation reserve		
Land	78,252	78,252
Buildings & fit-outs	223,298	223,298
Infrastructure	8,460	8,460
Total	310,010	310,010

Land, buildings and infrastructure assets were independently valued as at 30 November 2009 by Mr CW Nyberg and Mr MJ Bevin, registered valuers with Darroch Limited and members of the New Zealand Institute of Valuers.

NOTE 9—PROPERTY, PLANT AND EQUIPMENT (continued)

LAND

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

BUILDINGS

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

INFRASTRUCTURE

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

GENERAL

Under the Education Act 1989, the University is required to obtain prior consent of the Ministry of Education to dispose of or sell assets where the value of those assets exceeds an amount determined by the Minister of Education. There were no such disposals made in 2011 (2010: \$Nil).

The carrying amounts of all property, plant and equipment are reviewed on an ongoing basis. Any impairment in value is recognised immediately.

NOTE 10—INTANGIBLES (IT SOFTWARE)

	Consolidated		University	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
Cost and valuation				
Opening balance	12,897	9,647	12,758	9,585
Additions	2,374	4,026	2,323	3,949
Disposals	(6)	(776)	(3)	(776)
Closing balance	15,265	12,897	15,078	12,758
Accumulated amortisation and impairment				
Opening balance	6,912	5,151	6,868	5,145
Amortisation for the year	2,473	2,537	2,415	2,499
Disposals	(4)	(776)	(2)	(776)
Closing balance	9,381	6,912	9,281	6,868
Net book value	5,884	5,985	5,797	5,890

NOTE 11—INVESTMENT IN RELATED PARTIES

Name	Percentage owned	Balance date	Principal activity
Controlled trusts			
Victoria University of Wellington Foundation	100	31 Dec	Fundraising for the University
Research Trust of Victoria University of Wellington	100	31 Dec	Conducts academic research
Victoria University of Wellington Art Collection Funding Trust	100	31 Dec	Supports the University's art collection
VUW School of Government Trust	100	31 Dec	Provides research and education
Subsidiaries			
Te Puni Village Limited	100	31 Dec	Provides student accommodation
Victoria Link Limited	100	31 Dec	Commercialisation of research
iPredict Limited	75	31 Dec	Operates a predictions market
Predictions Clearing Limited	75	31 Dec	Manages trust funds
Wetox Limited	95	31 Dec	Develops waste-water treatment technology
Associates			
Library Consortium of New Zealand Limited	25	31 Dec	Provides library services
Magritek Holdings Limited (via Victoria Link Limited)	22	31 Dec	Develops nuclear magnetic resonance technology
NZ Tertiary Education Consortium Limited*	17	31 Dec	Provides education services
CRL Viclink Company No1 Limited	49	31 Dec	Commercialisation of research
CRL Viclink Company No2 Limited	49	31 Dec	Commercialisation of research
Joint ventures			
New Zealand School of Music Limited**	50	31 Dec	

* The University acquired a 16.66 percent shareholding in New Zealand Tertiary Education Consortium Limited (NZ TEC), which was treated as an associate within the Group as the Group has a strong representation on the board of NZ TEC. During the year the NZ TEC shareholders approved a voluntary solvent liquidation of all remaining equity to shareholders, and therefore at 31 December 2011 the University's shareholding is valued at \$Nil.

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

The financial statements from associates and the joint venture are presented below as at 31 December 2011.

	Associates		Joint venture	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Current assets	6,812	3,805	2,356	2,378
Non-current assets	303	619	301	279
Total assets	7,115	4,425	2,657	2,657
Current liabilities	2,082	657	634	879
Non-current liabilities	–	–	85	–
Total liabilities	2,082	657	719	879
Net assets	5,033	3,768	1,939	1,778
Revenue	4,065	3,248	4,229	4,057
Expenses	(4,088)	(2,860)	(4,068)	(3,609)
Net surplus/(deficit) of associates	(23)	388	161	448

Any capital commitments and contingent liabilities arising from the Group's interest in joint venture are disclosed in notes 17 and 18 respectively.

NOTE 12—ACCOUNTS PAYABLE AND ACCRUALS

	Consolidated		University	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
Accounts payable	9,932	8,216	8,648	6,528
Contract retentions	411	404	411	404
Deposits held on behalf of students	2,152	2,432	2,152	2,432
Employee entitlements	2,086	1,830	2,015	1,740
Goods and Services Tax	55	–	–	–
Other accruals	16,283	13,309	13,359	11,615
Forward foreign exchange contract	–	145	–	145
	30,919	26,336	26,585	22,864

RELATED PARTY PAYABLES

For amounts, terms and conditions of related party payables refer to note 16.

NOTE 13—REVENUE IN ADVANCE

	Consolidated		University	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
Pre-paid tuition fees	5,372	7,249	6,387	8,121
Pre-paid government grants	380	1,335	380	1,332
Deferred revenue	10,998	9,182	–	–
Other revenue in advance	441	482	441	482
	17,191	18,248	7,208	9,935

NOTE 14—EMPLOYEE ENTITLEMENTS

	Consolidated		University	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
Current liabilities				
Annual leave	10,612	9,813	10,426	9,669
Sick leave	7	6	7	6
Retiring & long service leave	2,822	2,851	2,822	2,869
Balance at end of the year	13,441	12,670	13,255	12,544
Non-current liabilities				
Annual leave	172	161	175	166
Sick leave	7	6	4	6
Retiring & long service leave	12,568	11,187	12,578	11,197
Balance at end of the year	12,747	11,354	12,757	11,369

The retiring, long service and sick leave was independently assessed as at 31 December 2011 by Mr G Lee, an actuary with Aon Consulting New Zealand Limited 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 and resignation rates are the most important. The projected cash flow is then discounted back to valuation date at the valuation discounted rates.

Discount rates range from 3.56 percent for the first projected year increasing to 5.74 percent in 10 years and beyond (2010: 4.34 percent to 6.11 percent).

Salary projection allows for a 1.80 percent increase in year 1 and 2, 2.00 percent increase per year thereafter (2010: 1.00 percent to 2.50 percent).

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

NOTE 15—BANK BORROWINGS

The University has an unsecured borrowing facility with The National Bank of New Zealand with a maximum limit of \$50,000,000. As at 31 December 2011 \$45,000,000 (2010: \$42,000,000) of this facility had been drawn down. Interest rates on borrowings are reset for a period not exceeding 180 days. The University's borrowing has been approved by the Minister of Education for the purposes of funding the University's long-term capital development programme.

The University projects that these funds will continue to be required at 31 December 2012. Should short-term operational funds be available to diminish the level of borrowing during the period the University maintains the right to re-draw these funds as and when required. Because of the short-term nature of the interest rate re-set periods associated with the loan the fair value is considered to approximate the carrying value. During the financial year, there have been no defaults or breaches on the repayments of the loan. To minimise the interest rate risk, the University has entered into the following interest rate swaps:

	Amount \$000	Interest rate	Renegotiation
Borrowing: Floating payable	6,000	3.86%	30 March 2010
Interest rate swap—floating receivable	6,000	3.21%	30 March 2010
Interest rate swap—fixed payable	6,000	3.62%	30 March 2010
Effective interest rate		4.27%	

This swap expired on 30 June 2011 and was not extended.

Borrowing: Floating payable	6,000	3.86%	30 March 2010
Interest rate swap—floating receivable	6,000	3.21%	30 March 2010
Interest rate swap—fixed payable	6,000	3.92%	30 June 2012
Effective interest rate		4.57%	

The fair value of interest rate swaps at 31 December 2011 was \$44,000 (2010: \$170,000).

INTEREST RATE SENSITIVITY ANALYSIS (UNIVERSITY ONLY)

The table below illustrates the potential effect on the surplus/deficit and equity (excluding general funds) for reasonably possible market movements, with all other variables held constant, based on exposures at balance date:

	2011 \$000				2010 \$000			
	-15bps Surplus	Other equity	25bps Surplus	Other equity	-15bps Surplus	Other equity	25bps Surplus	Other equity
Financial liabilities								
Secured loan	(44)	0	76	0	(49)	0	84	0

NOTE 16—RELATED PARTY TRANSACTIONS

A) TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

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

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

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

	Consolidated & University	
	2011 \$000	2010 \$000
Salaries and other short-term benefits	3,310	4,098
Post-employment benefits	–	28
Other long-term benefits	–	–
Termination benefits	–	–
	3,310	4,126

Directors' fees paid to Directors of Victoria Link Limited totalled \$21,000 (2010: \$21,000).

Directors' fees paid to Directors of Wetox Limited totalled \$7,875 (2010: \$Nil).

NOTE 16—RELATED PARTY TRANSACTIONS (continued)

B) RELATED PARTY TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

	2011 \$000	2010 \$000
Victoria Link Limited		
Services provided by the University	1,929	2,263
Services provided for the University	17	315
Debtor for services provided by the University	250	209
Creditor for services for the University	–	69
Research Trust		
Services provided by the University	31,061	33,894
Unsecured loans payable by the University	15,000	16,000
Debtor for services provided by the University	1,161	473
Magritek Limited		
Services provided by the University	18	1
Services provided for the University	34	106
Debtor for services provided by the University	–	16
Library Consortium of New Zealand		
Services provided for the University	455	111
Creditor for services for the University	408	329
Victoria University Foundation Trust		
Debtor for services provided by the University	–	120
Grants received by the University	1,019	980
Te Puni Village Limited		
Services provided by the University	2,100	2,100
Services provided for the University	452	237
Creditor for services for the University	–	–
Victoria Link Limited & Magritek Limited		
Services provided by Victoria Link Limited for Magritek Limited	15	–
Victoria Link Limited & iPredict Limited		
Services provided by Victoria Link Limited for iPredict Limited	260	135
Debtor for services provided by Victoria Link Limited	536	558
Research Trust & Magritek Limited		
Services provided by Magritek Limited for Research Trust	–	160

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

NOTE 16—RELATED PARTY TRANSACTIONS (continued)

C) RELATED PARTY TRANSACTIONS BY KEY MANAGEMENT PERSONNEL

	Purchases		Sales	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
Victoria University of Wellington				
David Bibby is a board member of the Malaghan Institute of Medical Research. During the year the transactions between each are as follows:	408	292	70	413
Charles Daugherty is a Trustee of the Karori Sanctuary Trust. During the year the transactions between each are as follows:	–	2	–	–
Seamus Brady is a Trustee of the Victoria University of Wellington Students' Association Trust. During the year the transactions between each are as follows:	–	–	919	–
Seamus Brady is an Officer of the Victoria University of Wellington Students' Association. During the year the transactions between each are as follows:	2,577	–	2,534	–
Patricia McKelvey is the Chair and Roger Taylor the Deputy Chair of The Correspondence School Board of Trustees. During the year the transactions between each are as follows:	–	4	–	6
Ian McKinnon is the Deputy Mayor/Councillor for the Wellington City Council. During the year the transactions between each are as follows:	879	936	–	4
Graeme Mitchell is a Director of Barnardos New Zealand. During the year the transactions between each are as follows:	–	4	–	–
Graeme Mitchell is an Independent Member of the Audit and Risk Committee for the Ministry of Justice. During the year the transactions between each are as follows:	–	2	–	19
James Ogden was a Director of Datam Limited until 30 April 2010. During the year the transactions between each are as follows:	–	125	–	–
James Ogden was a Director of New Zealand Post Limited until 30 April 2010. During the year the transactions between each are as follows:	278	–	1	3
James Ogden was a Director of Kiwibank Limited until 30 April 2010. During the year the transactions between each are as follows:	–	–	–	–
James Ogden is Chair of the Audit Committee of the Ministry of Social Development. During the year the transactions between each are as follows:	–	35	–	164
Jock Phillips is the General Manager Reference for the Ministry of Culture and Heritage. During the year the transactions between each are as follows:	–	3	–	3
Brenda Pilott was the Vice President of the Institute of Public Administration New Zealand until 30 June 2011. During the year the transactions between each are as follows:	–	5	–	4
Neil Quigley is a Trustee of Education New Zealand Trust. During the year the transactions between each are as follows:	–	33	–	89
Neil Quigley is a Board Member of the New Zealand Qualifications Authority. During the year the transactions between each are as follows:	–	3	–	9
Neil Quigley is the Chair of the New Zealand Tertiary Education Consortium. During the year the transactions between each are as follows:	–	–	–	9
Neil Quigley is the Chair of Wellington College Board of Trustees. During the year the transactions between each are as follows:	–	19	–	–
Victoria Link Limited				
David Bibby is a Board Member of the Malaghan Institute of Medical Research (MIMR). During the year the transactions between each are as follows:	–	–	1,395	1,425
Neil Quigley is the Chair of Wellington College Board of Trustees. During the year the transactions between each are as follows:	–	1	–	1
Neil Quigley is the Chair of the New Zealand Tertiary Education Consortium. During the year the transactions between each are as follows:	–	–	278	73
The Research Trust of Victoria University of Wellington				
David Bibby is a Board Member of the Malaghan Institute of Medical Research (MIMR). During the year the transactions between each are as follows:	–	64	–	9,573
Charles Daugherty is a Trustee of the Karori Sanctuary Trust. During the year the transactions between each are as follows:	–	5	–	–
Ian McKinnon is the Deputy Mayor/Councillor for the Wellington City Council. During the year the transactions between each are as follows:	–	1	–	18
Graeme Mitchell is an Independent Member of the Audit and Risk Committee for the Ministry of Justice. During the year the transactions between each are as follows:	–	–	–	44

NOTE 16—RELATED PARTY TRANSACTIONS (continued)

	Purchases		Sales	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
James Ogden is Chair of the Audit Committee of the Ministry of Social Development. During the year the transactions between each are as follows:	–	–	–	469
Roger Taylor is a Trustee of the New Zealand Law Foundation. During the year the transactions between each are as follows:	–	–	792	381
Neil Quigley is a Trustee of Education New Zealand Trust. During the year the transactions between each are as follows:	50	2	246	414
Neil Quigley is the Chair of iPredict Limited. During the year the transactions between each are as follows:	280	–	–	–
Neil Quigley is a Board Member of the New Zealand Qualifications Authority. During the year the transactions between each are as follows:	–	–	1,196	670

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

Outstanding balances at balance date are unsecured, interest free and settlement occurs in cash.

ALLOWANCE FOR IMPAIRMENT LOSS ON TRADE RECEIVABLES

For the year ended 31 December 2011, the Group has not made any allowance for impairment loss relating to amounts owed by related parties as the payment history has been excellent (2010: \$Nil). An impairment assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates to determine whether there is objective evidence that a related party receivable is impaired. When such objective evidence exists, the Group recognises an allowance for the impairment loss.

NOTE 17—CAPITAL COMMITMENTS

PROPERTY, PLANT AND EQUIPMENT COMMITMENTS

Detailed below are those projects for which firm commitments have been made at 1 December 2010. Commitments include planned maintenance costs and capital expenditure projects.

	2011 \$000	2010 \$000
Total contracted projects	35,528	43,316

NON-CANCELLABLE LEASES AND OTHER COMMITMENTS—THE GROUP AS LESSEE

The Group has entered into commercial leases on certain land and buildings (remaining terms of between 5.5 to 77 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:

	2011 \$000	2010 \$000
Due not later than one year	10,417	10,970
Due between one and two years	10,225	9,825
Due between two and five years	17,103	21,464
Due later than five years	11,220	14,766
	48,965	57,025

NOTE 18—CONTINGENT LIABILITIES

The University has entered into various arrangements with student accommodation providers whereby the University has guaranteed a minimum level of occupancy. An approximate charge of \$6,000 (2010: \$6,000) per bed per annum is payable upon falling below the guaranteed occupancy rate. The maximum contingent liability, should no students be placed in the contracted accommodation facilities, is \$6.8 million (2010: \$6.8 million) over the remaining term of the contracts; however, as at 31 December 2011 there is no liability (31 December 2010: \$Nil).

NOTE 19—EVENTS AFTER BALANCE DATE

No significant events occurred after balance date (2010: Nil).

NOTE 20—STATEMENT OF ACCOUNTING POLICIES

THE REPORTING ENTITY

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

The University has designated itself and the Group as public benefit entities for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of the University and Consolidated Group (the Group) for the year ended 31 December 2011 were authorised for issue in accordance with a resolution of the Victoria University of Wellington Council (the University Council) on 19 March 2012.

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

BASIS OF PREPARATION

The accompanying financial statements are presented in accordance with Section 220 of the Education Act 1989, the Crown Entities Act 2004 and New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with NZ IFRS, and other applicable financial reporting standards, as appropriate for public benefit entities.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

The accounting principles followed by the Group are those recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis, with the exception that certain property, plant and equipment have been revalued.

The Group financial statements are prepared on a consolidation basis, which involves adding together like items of assets, liabilities, equity, income, expenses and cash flows on a line-by-line basis. All significant intra-group balances, transactions, income and expenses are eliminated on consolidation. The Group financial statements comprise the financial statements of the University, its subsidiaries, controlled and consolidated trusts, joint ventures and investments in associates as at 31 December each year. The joint venture is consolidated on a proportionate basis while the investments in associates are accounted for using the equity method. The principal activities of the subsidiaries, associates and share of joint ventures are further described in note 11.

CHANGES TO THE PRESENTATION OF COMPARATIVE INFORMATION

Changes to the presentation of the financial statements means amounts will differ to prior years. In some instances the financial statements have been expanded and in other instances compressed. The changes to the presentation of the financial statements were made to improve relevance, reliability and understandability for users. The total comparative balances remain unchanged.

CHANGES IN ACCOUNTING POLICY

There have been no changes in accounting policies during the financial year.

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

NZ IFRS 9 *Financial Instruments* will eventually replace NZ IAS 39 *Financial Instruments: Recognition and Measurement*. NZ IAS 39 is being replaced through the following three main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology and Phase 3 Hedge Accounting. Phase 1 has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus or deficit. The new standard is required to be adopted for the year ended 31 December 2014. The University has not yet assessed the effect of the new standard and expects it will not be early adopted.

FRS-44 *New Zealand Additional Disclosures and Amendments to NZ IFRS to Harmonise with IFRS and Australian Accounting Standards* (Harmonisation Amendments) were issued in May 2011 with the purpose of harmonising Australia and New Zealand's accounting standards with source IFRS and to eliminate many of the differences between the accounting standards in each

jurisdiction. The amendments must first be adopted for the year ended 31 December 2014. The University has not yet assessed the effects of FRS-44 and the Harmonisation Amendments.

As the External Reporting Board is to decide on a new accounting standards framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS with a mandatory effective date for annual reporting periods commencing on or after 1 January 2012 will not be applicable to public benefit entities. This means that the financial reporting requirements for public benefit entities are expected to be effectively frozen in the short term. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

- ▣ Valuation of land and building assets: management relies on the services of independent valuers to assess the carrying values of land and building assets.
- ▣ Valuation of retirement, long service and sick leave entitlements: management relies on the services of an independent actuary to assess the carrying value of these employee entitlements (refer note 14).
- ▣ Impairment: asset impairment judgements will be made based on fair value as at balance date.
- ▣ Stage of completion of research projects as at balance date.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies, which 1) materially affect the measurement of financial performance and financial position and 2) are important to understanding the operations of the University and Group have been applied:

▣ **Government grants and student fees**

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

▣ **Research revenue**

Reflected in the Statement of Comprehensive Income as research grants unexpended, where fulfilment of any contractual obligation is yet to occur.

▣ **Bequests and other monies held in trust**

Bequests and donations received on trust for particular purposes are recorded as revenue on a cash received basis through the surplus within the Statement of Comprehensive Income. These monies are not available for funding the operations of the University.

▣ **Other revenue items**

Where physical assets are acquired for nil consideration the fair value of the asset received is recognised as revenue.

Revenue from sale of goods and services is recognised on sale.

Dividends are recognised when the right to receive payment has been established.

▣ **Operating leases**

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

▣ **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in-hand and short-term deposits with a maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

▣ **Accounts receivable**

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

⊞ Other financial assets

Other financial assets are classified into the following categories for the purposes of measurement:

- loans and receivables and other financial liabilities; and
- financial assets at fair value through profit or loss.

Classification of the financial asset depends on the purpose for which the instruments were acquired or originated.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

⊞ Recognition and derecognition

All regular way purchases and sales of financial assets are recognised on the trade date (ie., the date that the Group commits to purchase the asset). Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place. Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or when the entity transfers substantially all the risks and rewards of the financial assets. If the entity neither retains nor transfers substantially all of the risks and rewards, it derecognises the asset if it has transferred control of the assets.

Loans and receivables

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

Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category “financial assets at fair value through profit or loss”. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on financial assets held for trading are recognised in profit or loss.

IMPAIRMENT OF FINANCIAL ASSETS

At each balance date, the Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

Loans and receivables

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

Financial assets at fair value through profit or loss

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into receivership or liquidation and default in payments are considered objective indicators that the asset is impaired.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

▣ Property, plant and equipment

Property, plant and equipment consists of the following asset classes: land, buildings & improvements, computers & network, plant & equipment, and art collections & heritage.

Land is measured at fair value, and buildings and infrastructure are measured at fair value less accumulated depreciation and impairment losses. All other asset classes are measured at cost, less accumulated depreciation and impairment losses.

▣ Revaluation

Land, buildings and infrastructure are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. The carrying values of revalued assets are assessed annually by independent valuers to ensure that they do not differ materially from fair value. If there is evidence supporting a material difference, then the off-cycle asset classes are revalued. Property, plant and equipment revaluation movements are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive income 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 not recognised in other comprehensive income but is recognised in 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 income.

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 University and Group and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated. 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.

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.

Depreciation

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

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Buildings & improvements	3–76 years	SL
Computers & networks	3–5 years	SL
Plant & equipment	2–15 years	SL
Art collection & heritage	10–20 years	SL

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

Property in the name of the Crown

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

⊞ Intangible assets

Intangible assets represent the cost to the University and Group of major IT systems that have been purchased, developed and implemented. These are capitalised at cost. Amortisation for IT computer software is calculated using a straight-line basis and the amortisation periods are three to five years. This expense is taken to the Statement of Comprehensive Income through amortisation.

⊞ Accounts payable

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

⊞ Employee entitlements

Provisions are recognised when the University has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. With the exception of annual leave, all other entitlements are valued by an independent actuary on an annual basis, with the present obligation appearing on the Statement of Financial Position and movements in those provisions reflected in the Statement of Comprehensive Income.

Liabilities in respect of employee entitlements that are expected to be paid or settled within 12 months of balance date are accrued at nominal amounts calculated on the basis of current salary rates. Liabilities in respect of employee entitlements that are not expected to be paid or settled within that period are accrued at the present value of expected future payments using discounted rates as advised by the actuary.

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

⊞ Superannuation schemes

Defined contribution schemes

Obligations for contributions to KiwiSaver, the New Zealand Universities' Superannuation Scheme and other defined contribution superannuation schemes are recognised as an expense as incurred.

⊞ Borrowings

Borrowings are initially recognised at their fair value net of transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the University or Group has an unconditional right to defer settlement of the liability for at least 12 months after balance date or if the borrowings are expected to be settled within 12 months of balance date.

⊞ Goods and Services Tax (GST)

The Statement of Comprehensive Income and Statement of Cash Flows have been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST with the exception of receivables and payables, which include GST invoiced.

⊞ Income tax

The University is exempt from income tax. However, there are some associates within the group that are not exempt from income tax.

⊞ Budget

The budget is set prior to the beginning of each financial year and is a requirement of the Crown Entities Act 2004. The budget for 2011 was approved by the University Council on 6 December 2010.



COUNCIL ACTIVITY

Council 2011 disclosures

Seamus Brady

President, Victoria University of Wellington Students' Association
Trustee, Victoria University of Wellington Students' Association Trust
Student Representative, Victoria Broadcasting Trust

David Chamberlain

Director, Ascendant Consulting Ltd
Director, Purakau Properties Ltd
Board Member, New Zealand Blood Service
Employee, Kiwibank Ltd

Professor Charles Daugherty

Trustee, Karori Sanctuary Trust
Trustee, Research Trust of Victoria University of Wellington
Alternate Director, Victoria Link Ltd
Board Member, The MacDiarmid Institute
Director, Allan Wilson Centre for Molecular Ecology and Evolution
Trustee, Pest Control Education Trust
Alternate Trustee, Pacific Nanowires Ltd

Kevin Duggan

Treasurer, Tertiary Education Union (Victoria University of Wellington Branch)
Chair, Victoria University of Wellington Staff Club

Charles Finny

Chair, Education New Zealand
Board Member, New Zealand Film Commission
Board Member, New Zealand Trade and Enterprise
Board Member, Kwarau Estate Ltd

Patricia McKelvey

Chair, The Correspondence School Board of Trustees
Chair, Electra Ltd
Acting Chair, Charities Commission

Ian McKinnon

Councillor/Deputy Mayor, Wellington City Council
Director, Wellington International Airport Ltd
Trustee, New Zealand Education and Scholarship Trust

Graeme Mitchell

Director, Barnardos New Zealand
Trustee, Karori Sanctuary Trust
Independent Member, Audit and Risk Management Sub-Committee of Porirua City Council
Independent Member, Audit Committee, Human Rights Commission
Honorary Consul General for Norway
Trustee, National Provident Fund Board of Trustees

Chair, Audit Committee, Ministry of Justice
Chair, Audit Committee, Ministry of Science and Innovation
Board Member, External Reporting Board
Board Member, New Zealand Audit and Assurance Standards Board

James Ogden

Chairman, Audit Committee, Ministry of Social Development
Chairman, Value for Money Advisory Board, Ministry of Social Development
Director, Motor Trade Association Group Investments Ltd
Director, Vehicle Testing Group Ltd
Director, Seaworks Ltd
Director, The Warehouse Group Ltd
Member, Governance Committee, AMP Capital Property Portfolio
Member, Audit Committee, Ministry of Foreign Affairs and Trade
Director, Summerset Group Holdings Ltd
Member, Investment Committee, Pencarrow IV Investment Fund
Member, Nominating Committee, Guardians of New Zealand Superannuation

Brenda Pilott

National Secretary, New Zealand Public
Service Association
Director, Learning State Ltd

Director/Shareholder, Icon Ltd
Director, Port of Taranaki Ltd
Board Member, New Zealand Symphony
Orchestra

Roger Taylor

Deputy Chair, New Zealand
Correspondence School
Trustee, McKee Trust
Chair/Shareholder, TKR Ltd
Trustee, New Zealand Law Foundation
Director/Shareholder, Miti Partners Ltd
Director, Eastland Energy Ltd,
Eastland Port Ltd, Eastland
Infrastructure Ltd

Professor Pat Walsh

Chair, Policy Council, Employers'
Chamber of Commerce
Chair, Knowledge Business Committee,
Wellington Employers' Chamber of
Commerce
Board Member, Employers' Chamber of
Commerce – Wellington Employers'
Chamber of Commerce
Trustee, Dan Long Trust

Nothing to disclose

Rosemary Barrington**Associate Professor Megan Clark****Professor Paul Morris****Jock Phillips****Conrad Reyners****Helen Sutch**

Council meetings attended and payments to Councillors

Twelve Council meetings and workshops were held in 2011. The payments listed below include attendance at Council workshops and committees as well as Council meetings. Council members can elect not to receive payments. The Vice-Chancellor, Professor Pat Walsh, is not eligible to receive fee payments.

Member of Council	Attendance	Eligible to attend	Payment (\$)
Rosemary Barrington	17	19	5,440
Seamus Brady	18	19	5,760
David Chamberlain	13	16	4,160
Megan Clark	10	14	3,200
Charles Daugherty	14	17	Fee paid to the Research Trust of Victoria University of Wellington
Kevin Duggan	15	17	4,800
Charles Finny	15	17	4,800
Patricia McKelvey	14	17	4,480
Ian McKinnon	31	32	24,892
Graeme Mitchell	15	16	4,800
Paul Morris	14	14	4,480
James Ogden	9	14	2,944
Jock Phillips	15	16	No fee paid
Brenda Pilott	7	12	2,240
Conrad Reyners	14	14	4,480
Helen Sutch	27	32	11,200
Roger Taylor	20	21	6,880
Pat Walsh	26	27	Not applicable



SENIOR MANAGEMENT TEAM DISCLOSURES

Professor David Bibby

BTech(Hons) PhD DSc Lough

Trustee, Malaghan Institute of Medical Research

Board Member, MacDiarmid Institute Governing Board

Director, Victoria Link Ltd

Professor Bob Buckle

BCom MCom(Hons) Auck

Director, New Zealand School of Business Ltd

Director, New Zealand Graduate School of Business Ltd

Director, New Zealand School of Management Ltd

Annemarie de Castro

BA Massey, FHRINZ

Director, Adams Properties (Blenheim) Ltd

Professor Neil Quigley

MA Cant, PhD Tor

Trustee, Research Trust of Victoria University of Wellington

Trustee, VUW Art Collection Funding Trust

Director, Bradley Farm Ltd

Chair, iPredict Ltd

Chair, Predictions Clearing Ltd

Chair, New Zealand Tertiary Education Consortium

Chair, Victoria Link Ltd

Director, Wetox Ltd

Director, Te Puni Village Ltd

Chair, Wellington College Board of Trustees

Trustee, Wellington College Foundation

Director, Reserve Bank of New Zealand

Director, New Zealand Qualifications Authority

Chair, Adam Art Gallery

Professor Roberto Rabel

PhD Duke, BA(Hons)

Trustee, Greater Mekong Subregion Tertiary Education Consortium

Trustee, Education New Zealand Trust

Professor Piri Sciascia

BSc BA Otago, Tohunga Huarewa Massey, BA(Hons) DipTchg

Director, Ngāi Tahu Cultural Fund

Director, Toi Māori Aotearoa Ltd

Director, Piri.Com Ltd

Professor Dugald Scott

MA, BEdStuds, DipTchg

Board Member, Victoria Link Ltd

Andrew Simpson

BCom Otago, CA

Board Member, New Zealand School of Music

Professor Pat Walsh

MA Cant, PhD Minn

(See Council members' disclosures of interest on page 94)

Nothing to disclose

Professor Penny Boumelha

MA DPhil Oxon, FAHA

Professor Tony Smith

LLM Cant, LLD Camb, Barrister and Honorary Bencher (Middle Temple)

Professor Deborah Willis

MA Cant, PhD DipTchg

Rutherford House Lecture Theatres