

Victoria University 2015 Annual Report

Capital thinking. Globally minded.





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Cover image

The Hub has received multiple awards for its unique and intelligent design since it was unveiled in 2013. Located at the heart of Victoria University's Kelburn campus, the Hub is the central point for socialising, study, events and performances. It is spread across 3,400 square metres over three levels and links surrounding buildings with the reconfigured Library, cafés and retail spaces. The Hub also boasts the largest sliding doors in the southern hemisphere, which open onto the Tim Beaglehole Courtyard.

The Hub was designed by Athfield Architects and Architectus, and students were involved in its planning and design.

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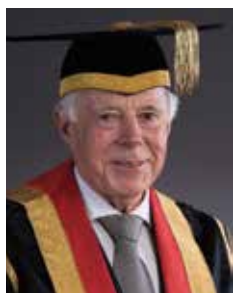
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Introduction from the Chancellor



The year 2015 was an exciting one for the Victoria University of Wellington Council. The University's Strategic Plan for 2015–2019 sets ambitious and aspirational goals as we confirm our status as a world-leading capital city university. During 2015, we focused on defining our academic distinctiveness, growth and research quality and deepening our intellectual influence in the Asia-Pacific

region. Other top priorities have been strengthening engagement with our communities and ensuring that the learning, teaching and student experience offered at Victoria is second to none.

What happens at Victoria inevitably impacts on the fortunes of the city, the region and the nation. Victoria is a major employer, a significant contributor to the regional economy, a centre of intellectual influence and a source of new opportunities through our collaborations with national and international partners.

Victoria's research, learning and teaching and student experience are well aligned with the Government's Tertiary Education Strategy. The role we are playing in developing an emerging engineering hub in the capital city is one example of our commitment to aligning tertiary education to the skills needed by industry. A key initiative in this area is Victoria's partnership with other local tertiary institutes to establish the Wellington ICT Graduate School, which will support Wellington's burgeoning ICT industry and produce graduates equipped for successful careers in this globally significant sector.

During the year, we made positive gains in improving enrolment and retention rates for Māori and Pasifika students and invested in initiatives that build their sense of belonging to the Victoria community. We also maintained our commitment to increasing the quality, quantity and intensity of research activities at Victoria and to fostering links with business and industry to align our research to their needs. One example was the establishment of biotech company Avalia Immunotherapies, which is commercialising research developed by a team that includes staff from Victoria's Ferrier Research Institute.

Increasing international links, another focus of the Tertiary Education Strategy, is a priority for Victoria, with a particular focus on the Asia-Pacific region. As well as forging new relationships with international partners in 2015, we reviewed and refreshed our international recruitment strategies.

A major focus for Council during the year was consultation and implementation of a new structure for the governing body. This resulted from a legislative change that required universities to decrease the size of their councils to a maximum of 12 members. During a two-stage consultation process, Council considered over 3,000 individual submissions and survey responses from staff, students, alumni and stakeholders, as well as listening to views at many staff forums, which were held to discuss the best structure. The process was robust, unique and inclusive and resulted in an excellent outcome—a 12-member Council that is diverse and well equipped to ensure Victoria achieves its ambitious strategic goals. The new Council has four members appointed by the Minister for Tertiary Education and eight appointed by the Council, including the Vice-Chancellor. It includes two academic staff and two students who are elected. We have in place a high-performing Council for a high-performing university and I look forward to working with the new members in 2016.

A particular highlight of 2015 was honouring distinguished alumni of Victoria, including the six recipients of 2015 Distinguished Alumni Awards (Ian Ferguson, Derek Handley, Alan Isaac, the Right Reverend Dr Penny Jamieson, Helen Kedgley and Tamati Kruger) and two recipients of Honorary Doctorates—historian Dr Jock Phillips and Malaysian businessman Tan Sri Halim Saad. It was also a privilege to confer degrees and diplomas on several thousand new graduates at ceremonies in May and December and to celebrate their hard work and achievements.

Council has a strong working relationship with the Senior Leadership Team at Victoria and my thanks to them, and particularly Vice-Chancellor Professor Grant Guilford, for their hard work during the year. I would also like to acknowledge my predecessor, Ian McKinnon, for his dedication and commitment to Victoria in the role of Chancellor, and members of Council whose term concluded at the end of 2015. Thank you for your work and your wisdom—Victoria ends the year well positioned to achieve its goal of growing in both size and influence.

A handwritten signature in black ink, appearing to read 'N Jordan', written over a large, stylized, abstract shape that resembles a triangle or a stylized letter 'A'.

Sir Neville Jordan KNZM CNZM
Chancellor



Council membership for 2015

Officers

Chancellor

Sir Neville Jordan KNZM CNZM

Pro-Chancellor

Emeritus Professor Peter Walls ONZM

Chair, Finance Committee

Roger Taylor MNZM

Vice-Chancellor

Professor Grant Guilford

The date following the names below signifies the most recent term of appointment to the Council. However, all terms finished on 31 December 2015 as a result of a legislative change regarding the structure of university councils.

Members—appointed by the Minister for Tertiary Education

Victoria Heine

2012–16

Neil Paviour-Smith

2013–17

Sir Neville Jordan KNZM

2013–17

John Selby

2012–16

Elected by academic staff

Professor Charles Daugherty ONZM

2013–16

Professor Paul Morris

2013–16

Associate Professor Dolores Janiewski

2014–18

Elected by general staff

Dr Theresa Sawicka

2015–18

Elected by the Court of Convocation

Ian McKinnon CNZM QSO JP

2015–18

Hon. Justice Matthew Palmer

2015–18

Helen Sutch

2015–18

Emeritus Professor Peter Walls ONZM

2013–16

Student representative

Stella Blake-Kelly

2015

Co-opted by the University Council

Graeme Mitchell

2009–17

Rick Zwaan

2015

Roger Taylor MNZM

2011–17

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

Charles Finny

2009–16

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

Brenda Pilott

2008–16

VICTORIA

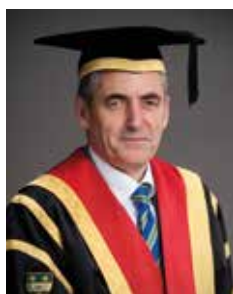
UNIVERSITY OF WELLINGTON

TE WHARE WĀNANGA
O TE ŪPOKO O TE IKA A MĀUI



Pipitea Campus
Papa Akoranga o Pipitea

Vice-Chancellor's overview



There were many highlights for Victoria University in 2015—from significant research outcomes and improved global university rankings to positive educational achievements and the rise of new, state-of-the-art buildings. Overall, 2015 was the year when Victoria significantly advanced its goal of being a world-leading capital city university and one of the great global-civic universities.

This ambitious vision requires more than an advantageous location—it also relies upon a proven record of excellent research, teaching and public engagement across local, national and global communities and a roadmap, in the form of the University's Strategic Plan.

Victoria is in a unique position to enrich national culture and lead thinking on major societal, economic and environmental issues. Its location not only offers privileged access to the country's political centre, public sector, corporate communities, national archives and taonga, it also positions the University to foster meaningful engagement to address far-reaching and complex problems. The University's academics are prolific commentators, participate regularly in public debates and lectures and have established collaborations to strengthen and extend the reach of the University's intellectual influence.

Victoria sits among the top 3 percent of the world's more than 7,000 universities. We ranked in the top 100 in the world for 11 subjects in the 2015 QS World University Rankings, with Law achieving an outstanding top-50 result. Victoria Business School's top international reputation was further enhanced by a glowing review from the accreditation team of the Association to Advance Collegiate Schools of Business.

Throughout the year, the University demonstrated why it is New Zealand's first-ranked university for research quality. Last year, more than 1,390 publications resulted from the work of Victoria researchers, equating to more than two publications per researcher. This does not include other forms of dissemination such as creative works and performances. This influential body of research has had—and will have for decades to come—a substantial impact on human knowledge.

Many individuals were recognised for their excellence in both research and teaching. Among them were Professor Colin Wilson, who was made a Fellow of the Royal Society for his research into volcanoes; Dean of Engineering, Professor Dale Carnegie, who received an Ako Aotearoa Teaching Excellence Award; and Dr Anna Jackson, who received the 2016 Katherine Mansfield Menton Fellowship.

Victoria received a significant number of highly competitive research grants from, among others, the Ministry for Business, Innovation and Employment, the Marsden Fund and the Health Research Council of New Zealand. Special mention should go to the School of Biological Sciences, which received five of the 13 Marsden grants awarded to Victoria, confirming the School's standing as a top-class centre for research in this area. It was pleasing to end 2015 on a high note, with a generous \$7 million endowment from the Gama Foundation to support the work of the Institute for Governance and Policy Studies (IGPS). This builds on initial funding from the Foundation when the IGPS was established in 2012.

Significant progress was made in implementing Victoria's Digital Learning and Teaching Strategy, with 98 percent of courses having information and documents available through Blackboard, the University's online learning and

teaching platform. Other initiatives include lectures being recorded on video for later review by students and the introduction of Zoom technology, which is allowing synchronised teaching between different locations—for example, between our teaching space in Auckland and our Wellington campuses.

Talented senior management is integral to a leading university. During the year, we welcomed a number of outstanding people to our Senior Leadership Team: Professor Jennifer Windsor, Pro-Vice Chancellor and Dean of Humanities and Social Sciences and Pro Vice-Chancellor of Education; Professor Mark Hickford, Pro Vice-Chancellor and Dean of Law; Professor Frazer Allan, Deputy Vice-Chancellor (Engagement); Mark Loveard, Chief Operating Officer; and Professor Wendy Larner, our new Provost.

Victoria's first staff-wide survey was held in 2015 and produced very positive results. It was especially heartening to see that 85 percent of staff agree or strongly agree with the University's vision, mission, purpose and values.

A key objective for Victoria is revitalising the civic university tradition with a national and international outlook. We are committed to engaging with local communities while participating in worldwide issues, building cross-nation partnerships and, above all, preparing critically informed, globally confident, civic-minded graduates. It has been pleasing to see that our students continue to feel extremely positive about Victoria, as they complete their journey towards graduation, evidenced by the results of the 2015 Student Experience Survey. Eighty-eight percent of students rated our services and facilities as good or very good, and 90 percent indicated that they see Victoria as a safe and vibrant environment.

Gains were made in the area of enrolling and retaining more talented students from disadvantaged groups in the community, with growing numbers of Pasifika and Māori students studying at Victoria. Many of the latter are supported by scholarships provided through a partnership programme we have with iwi.

There was also good progress with our capital development programme. In February, we opened Katharine Jermyn Hall, bringing to 3,000 the number of beds we have available for students. We opened new premises in Auckland, providing an excellent platform for Victoria to deepen its engagement with New Zealand's biggest city. Our new science building on Kelburn campus took shape, as did the redevelopment of Rutherford House on Pipitea campus.

Last year was my second as Vice-Chancellor, and I have found it a privilege to work alongside the talented and committed staff at this University. I take this opportunity to thank them and also members of the University Council, the University's partners, stakeholders, students, alumni and donors for helping to make 2015 a successful year for Victoria.

A handwritten signature in black ink, appearing to read 'Grant Guilford', with a long horizontal stroke extending to the right.

Grant Guilford
Vice-Chancellor

At a glance

Globally ranked in 2015*



Top
1%

of the world's universities for arts and humanities, social sciences and management *

In the top
50

law schools in the world

Top
2%

of the world's universities in engineering, technology and natural sciences disciplines

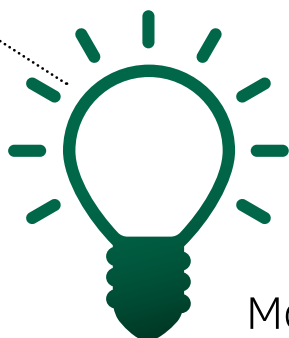
In the top
100

in the world for accounting and finance, art and design, development studies, education, English language and literature, geography, history, law, linguistics, psychology and sociology

Research

#1

in New Zealand for research quality**



\$49 m

in external research revenue, up 18%

More than
1,390

publications resulting from work of Victoria researchers^

Financial performance

\$402 m

Total revenue

\$383 m

Total expenditure

Triple crown



Victoria is one of just 73 commerce faculties to achieve the triple crown of international commerce accreditations†

Students

88%

of students rate our services and facilities as 'good' or 'very good'

80.8%

of EFTS are under 25[†]

15,431

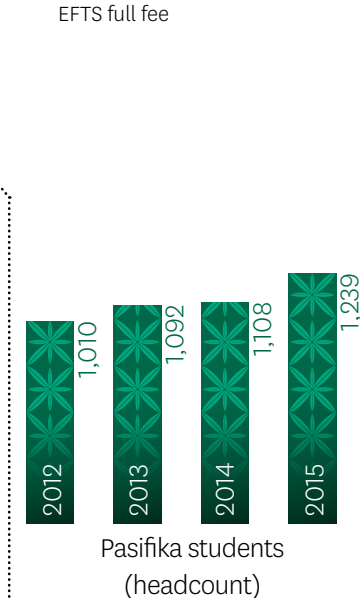
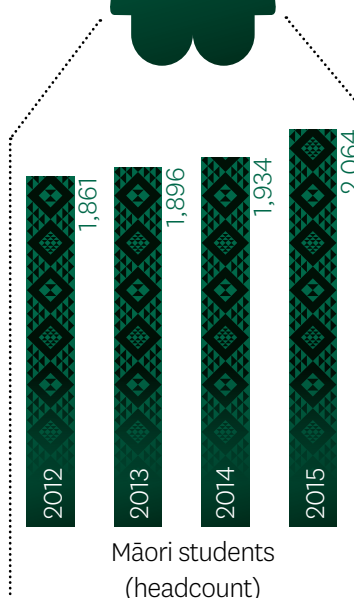
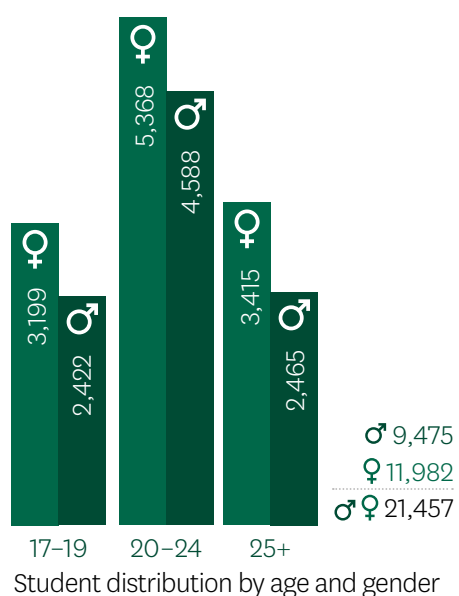
EFTS government funded

5,652

qualifications awarded at graduation ceremonies

1,547

EFTS full fee



Staff

85%

of staff agree or strongly agree with the University's vision, mission, purpose and values

968

teaching and research staff

2,073

staff (FTE)[‡]

* QS World University Rankings 2015

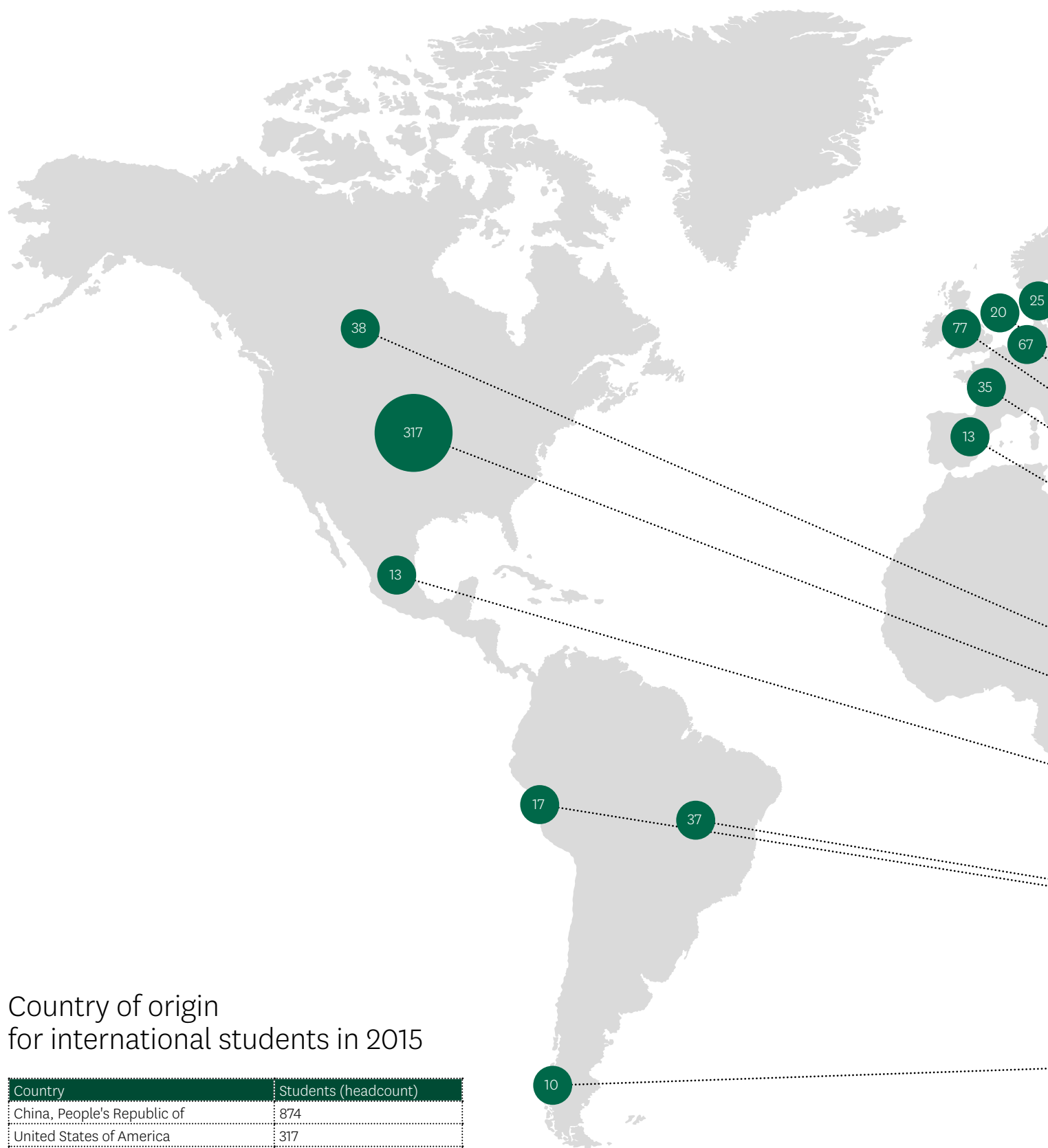
** 2012 Performance-Based Research Funding Quality Evaluation

† Victoria University's Symplectic Elements database, retrieved 26 February 2016

‡ Results correct September 2015. The triple crown is achieved through accreditation by the three largest and most influential business school accreditation associations: AACSB (Association to Advance Collegiate Schools of Business), AMBA (Association of MBAs) and EQUIS (European Quality Improvement System)

§ Equivalent full time as of December 2015

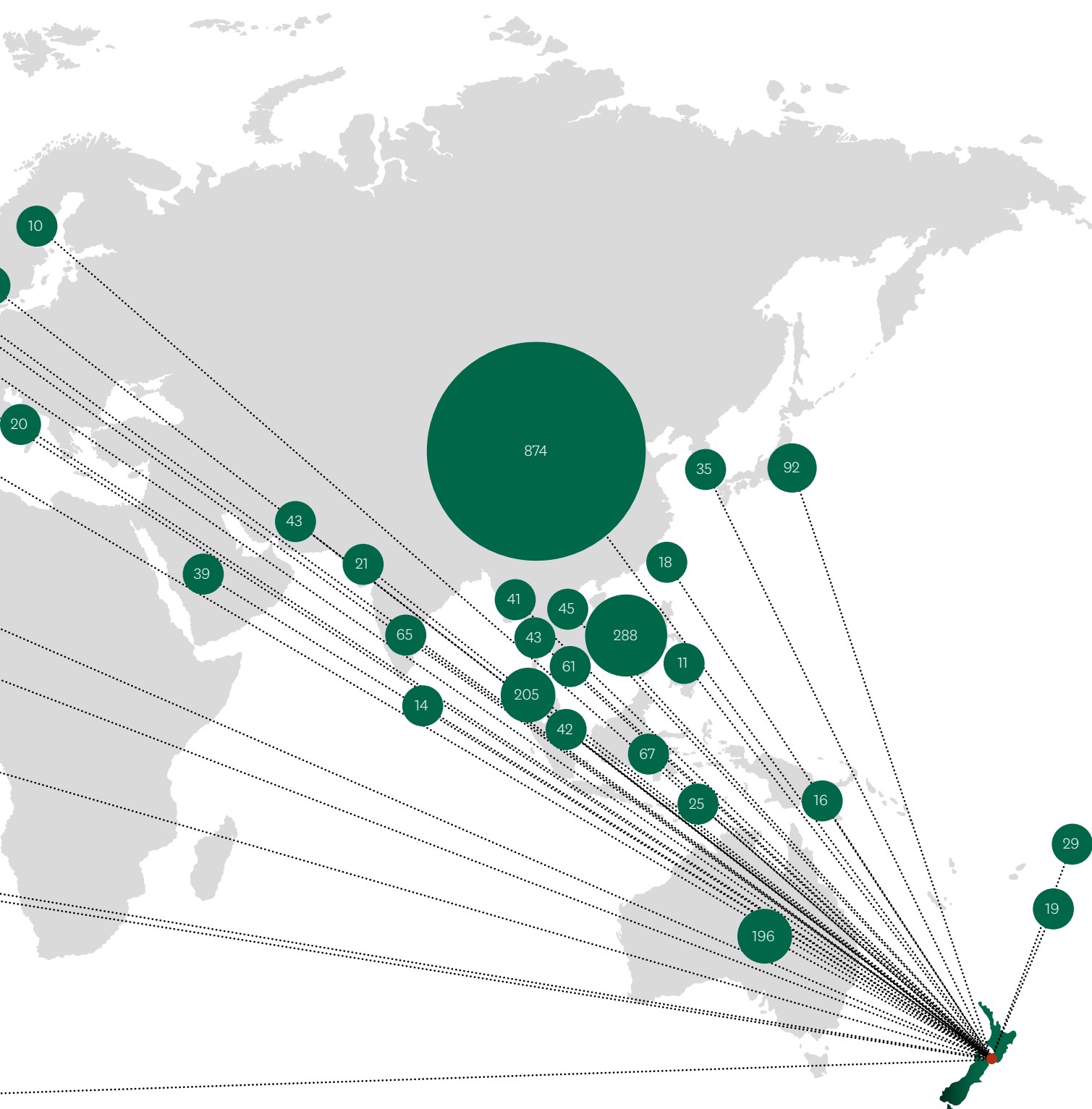
¶ Full-time equivalent



Country of origin for international students in 2015

Country	Students (headcount)
China, People's Republic of	874
United States of America	317
Viet Nam	288
Malaysia	205
Australia	196
Japan	92
United Kingdom	77
Germany	67
Indonesia	67
India	65
Cambodia	61
Laos	45
Thailand	43

Country	Students (headcount)
Iran	43
Singapore	42
Myanmar	41
Saudi Arabia	39
Canada	38
Brazil	37
France	35
Korea, Republic of	35
Samoa	29



Country	Students (headcount)
Timor-Leste	25
Denmark	25
Pakistan	21
Italy	20
Netherlands	20
Tonga	19
Taiwan	18
Peru	17
Papua New Guinea	16

Country	Students (headcount)
Sri Lanka	14
Mexico	13
Spain	13
Philippines	11
Chile	10
Sweden	10
Other	190

Total: 3,178





From left: Georgie Keyse, Jaz O'Donnell, senior lecturer David Maskill and Darius Balfort examine a print from the Adam Art Gallery exhibition *Traces of the Wake: The Etching Revival in Britain and Beyond*.

Year in review

The year 2015 was successful for Victoria University. A major focus was implementing the University's Strategic Plan and taking action towards achieving our ambitious goals for the future. Victoria's strategy builds on its areas of distinctiveness and strength and outlines key areas for development that will support Victoria to become a world-leading capital city university and one of the great global-civic universities.

During the year, Victoria increased its international connections and enhanced engagement with a range of communities, while continuing to improve its world-class learning and teaching environment.

The heart of the University lies with its people. The positive results of the annual Student Experience Improvement Survey and Victoria's first-ever staff survey demonstrate Victoria's success is founded on more than academic excellence. Victoria has a thriving, creative, forward-looking community, and it is well positioned to embrace the challenges and opportunities the future will bring.

Academic distinctiveness

In 2015, the University progressed development of Victoria's eight distinctive areas of academic emphasis. These areas are multidisciplinary, span research and teaching and are focused on delivering impact and societal outcomes. During the year, steering groups were established for the eight themes and they began work on defining and delivering a plan to advance the themes locally, nationally and beyond. To inform the work of the steering groups, a survey was launched in December inviting staff to identify how their research, teaching and area of work aligns with Victoria's academic themes.

The groups began developing underpinning documents such as vision statements and identifying potential interorganisational collaborations and opportunities to apply Victoria's expertise to important issues and initiatives. By the end of 2015, terms of reference were approved for two themes, and drafts were completed for a further three.

Victoria's areas of distinctive academic emphasis are:

- advancing better government
- cultivating creative capital
- enabling our Asia-Pacific trading nation
- enhancing the resilience and sustainability of our natural heritage and capital
- enriching national culture
- improving health and wellbeing in our communities
- spearheading digital futures
- stimulating a design-led, high-value manufacturing region.



Learning and teaching

The University strives to provide outstanding learning and teaching and a student experience that is second to none. This vision extends beyond the traditional classroom setting to include the whole University campus, its culture, environment and microcommunities that offer diverse opportunities for learning.

Improving the student experience

In July, Victoria opened The Bubble—a large room in the Student Union Building (pictured left) in which students are invited to relax between their studies. Designed to be a safe and comfortable home away from home, The Bubble is also a place where trained student wellbeing leaders coordinate activities, provide peer support and make referrals to appropriate University staff and services.

National recognition



Victoria is proud of its talented and world-class teaching staff, many of whom received external recognition during the year as recipients of awards, fellowships and appointments. Professor Dale Carnegie (pictured) was one staff member whose hard work in the classroom captured attention outside the University when he was awarded an Ako Aotearoa Tertiary Teaching Excellence Award—one of New Zealand's highest teaching accolades.

Industry-driven education

Victoria partnered with local tertiary institutes WelTec and Whitireia to establish the Wellington ICT Graduate School, with funding provided by the Tertiary Education Commission. Students at the School will learn technical skills and gain an experiential education that will enable them to contribute to Wellington's burgeoning ICT industry, as well as launch successful careers in this globally significant sector.

New degrees to meet changing demand

Victoria continues to expand its programmes offered at postgraduate level, with six new Master's degrees approved by the Committee on University Academic Programmes during the year. Notable additions include new Master's degrees in Victoria's fast-growing Faculty of Engineering and in Biomedical Science, an area of strength for Victoria. A new degree to be offered by Victoria Business School will help graduates to augment their existing skill set with business analysis capability.

Leader in women's issues and gender studies



Last year, the University acknowledged four staff who have made outstanding contributions in the fields of women's issues and gender studies. Associate Professors Elisabeth McDonald, Dolores Janiewski and Allison Kirkman, along with Professor Charlotte Macdonald (pictured) have all dedicated part of their academic work to gender and sexuality. In 2015, each was presented with a long service award, which marked 25 years at Victoria.

Going digital

The University's focus on digital learning and teaching recognises the increasing importance of technology to the student learning experience and the need to ensure students have ready access to key course information, materials and resources. In 2015, it was agreed that all courses would make documents and information available through the University's online learning and teaching platform Blackboard.

Innovative solution

A revolutionary monitoring system for diabetes sufferers invented by School of Design student RuiFeng Yeo was named in the top 20 international entries in the prestigious James Dyson Award. RuiFeng's innovation, which includes a waterproof watch, a small implant that sits beneath the skin and a smartphone app, has potential to change the way diabetes sufferers monitor their blood glucose levels.

Giving students a voice

The 2015 Student Experience Improvement Survey showed students continue to view the University as a positive place to study. Eighty-eight percent of students rated our services and facilities as good or very good, and 90 percent see Victoria as a safe and vibrant environment—up 5 percent on last year. There was a 14 percent improvement on 2014 in the number of students who agreed Victoria works in partnership with its students and listens to the student voice.



Research

From Marsden grants to Health Research Council funding, London Royal Society Fellowships to major international awards, Victoria researchers continued to demonstrate the University's national and international excellence and leadership in research in 2015.

Research success

In 2015, the University received \$50 million in external research funding, up \$7.5 million on 2014. This included \$5 million over three years awarded to five cutting-edge Victoria research projects in the 2015 Ministry of Business, Innovation and Employment funding round and \$8 million in Marsden Fund grants for 13 projects that span three faculties and two research centres.

Royal Society honours



In May, Professor Colin Wilson (pictured) was elected as a fellow of the Royal Society of London, the first New Zealander since 2006 to receive the honour. This fellowship includes many of the world's most eminent scientists, engineers and technologists from the United Kingdom and the Commonwealth. Professor Wilson's achievement recognises his research into volcanoes and his world-class contributions to the understanding of explosive volcanism and crustal magmatism.

Climate change research recognised

Victoria is renowned nationally for its leadership in research, international debate and policy development on climate change issues. In 2015, Dr Nicholas Golledge from the University's Antarctic Research Centre (pictured left), and Dr Kevin Norton from the School of Geography, Environment and Earth Sciences, were among 12 leading, emerging New Zealand scientists to receive Rutherford Discovery Fellowships, worth \$800,000 over five years. Dr Golledge's fellowship will further understanding of how the Antarctic ice sheet will respond to global warming and its effect on future sea-level rise. Dr Norton's fellowship will support research that aims to predict more accurately the response of soil to accumulating CO₂ in the atmosphere.

International partnerships

In December, Victoria signalled its intention to champion cybersecurity in New Zealand with the announcement that it has signed a collaborative agreement with the United States federally funded Software Engineering Institute at Carnegie Mellon University and New Zealand firm Total Risk to develop training, advice and protection services in cybersecurity. The University also hosted an industry briefing, featuring world renowned cyber-crime expert Kristopher Rush from the United States.

An outstanding contribution

In August, the University celebrated the election of long-standing staff member Professor Martha Savage as a fellow of the American Geophysical Union. Professor Savage is the first woman in New Zealand to be elected into the prestigious fellows programme, which annually honours a select few members who have made exceptional contributions in the fields of earth and space science.

Other highlights

Many other staff members were recognised with funding or fellowships. Three significant accolades include:



- Dr Melanie McConnell (pictured) was awarded \$1,036,746 from the Health Research Council of New Zealand for her revolutionary research that could change the way we treat cellular diseases such as brain cancer and Alzheimer's.
- In August, Professor Campbell McLachlan QC was elected to the Institut de Droit International—a scholarly society devoted to the study of international law. Only three other New Zealanders have been awarded this honour.
- Professor Jacqueline Cumming was made a fellow of the Australasian College of Health Service Management for her leadership in the health and aged care industries.



Engagement

Public programmes



Victoria reaches out to the public with a broad programme of public events, exhibitions, workshops and seminars. Inaugural professorial lectures, hosted by Vice-Chancellor Professor Grant Guilford, continued to attract large audiences with more than 2,100 people attending the 11 lectures delivered in 2015. Topics ranged from modern Chinese literature and culture and climate variability and predictability to the ethics of patriotism and the importance of design when debating disasters and recovery.

Victoria also collaborates on public programmes with other organisations. One example in 2015 was a partnership with the National Library of New Zealand, in which 11 Victoria academics delivered public talks on the subject of conflict. The talks attracted large audiences and have led to plans for the University and the National Library to collaborate on other initiatives.

In 2015, the University had a major role in helping Wellington celebrate its 150th anniversary as a capital city by offering free public events, including performances by Te Kōki New Zealand School of Music, a science and design showcase for children, exhibitions, public lectures and debates.

Significant endowment

In 2015, the Victoria University Foundation received its largest-ever single endowment of \$7 million, from Grant and Marilyn Nelson of the Christchurch-based Gama Foundation. This generous contribution was made in support of the public policy research carried out by the Institute for Governance and Policy Studies (IGPS), based at Victoria. The IGPS was established in 2012 after an earlier endowment of \$3 million from the Gama Foundation. The additional funds will increase the Institute's capacity to facilitate discussion and debate on public policy.

Leading debate on big issues

Victoria academics had a strong presence in the media, making regular contributions to debates on issues of national importance. Print and online media outlets published opinion pieces authored or co-authored by Victoria staff on topics including live sheep shipments, the flag debate and the facts and fiction around superannuation to migration, climate change deniers and politics.

National launch



In April, Victoria hosted the launch of the Government's national influenza immunisation campaign, highlighting the University's track record of providing free flu vaccinations to staff and students. Victoria's Deputy Vice-Chancellor (Engagement) Professor Frazer Allan and the Minister of Health, Dr Jonathan Coleman (pictured) both received influenza shots at the launch.

Inspiring the next generation

About 250 secondary school students took part in the New Zealand United Nations Conference held at Victoria University in July. The Minister of Education Hon. Hekia Parata and Deputy Vice-Chancellor (Engagement) Professor Frazer Allan welcomed the students to the four-day event that would allow them to broaden their understanding of international diplomacy and global challenges, and hone their skills in critical thinking, negotiation and leadership.

Māori at Victoria

Victoria's observance of Te Tiriti o Waitangi is outlined in the Strategic Plan as one of the University's underpinning values. Victoria is committed to a range of initiatives in this area, including increasing Māori student recruitment, retention and achievement rates, contributing to te reo Māori and tikanga Māori and building long-term and positive relationships with Māori stakeholders.

Working with iwi

Victoria has a number of scholarship and awards partnerships with iwi through which Māori agencies match the University's contribution dollar for dollar. Victoria invested \$250,000 in this initiative in 2015. Examples include a partnership with Te Pūtea Whakatupu Trust that has generated \$50,000 in scholarships for Māori commerce students and a partnership with Nga Tangata Tiaki o Whanganui that has led to \$100,000 worth of scholarships. In addition, nearly \$500,000 was offered to Māori first-year students through Victoria Achiever and Excellence scholarships. Several other partnerships are in development to enhance research collaborations and the contribution of mātauranga Māori (Māori knowledge) to the University's curriculum development.

Enrolment growth



Steady progress is being made, with the number of domestic equivalent full-time Māori students increasing overall by 140 since 2010, and by 80 between 2014 and 2015.

Enriching national culture

In February, the Faculty of Education's Māori education division, Te Kura Māori, released its second te reo Māori educational app, Puna. The app, made free to the public, includes language-based games to build vocabulary and spelling of children or those beginning to learn Māori.



Pasifika

One of the University's primary strategies is to reach out to groups currently under-represented in its student body and foster a nurturing educational environment in which these students can thrive. An important strand of this strategy is to significantly increase the number of Pasifika students studying at Victoria and encourage progression into postgraduate study.

Student population

Steady progress was made in 2015 in increasing Pasifika student enrolments, with the number of domestic equivalent full-time Pasifika students increasing by 150 since 2010, and by 86 since 2014.

Pasifika space on campus

During the year, Victoria opened Wan Solwara, a dedicated Pasifika space in the main University Library for group and individual study, which also houses the Library's Pasifika collection. Library staff work closely with Pasifika student associations and organised four celebrations during Pasifika language weeks in 2015, enabling Pasifika students to share their culture with others in a way that celebrates both Victoria's diversity and its inclusiveness.

Developing Pasifika leaders



The Victoria International Leadership Programme helps motivated students develop the skills they need to become globally minded and internationally competent engaged leaders. In December, the first cohort (pictured above with University dignitaries) of Pasifika students graduated from the intensive, extracurricular programme that encourages students to reflect on the challenges faced by leaders around the world and take action. The University shared news of this milestone across multiple local and national media channels to encourage other Pasifika students to take advantage of the programme.





Alumni

The University is, and will continue to be, distinguished internationally by the success of its alumni. One of Victoria's primary strategies is to increase engagement with alumni and increase opportunities for alumni to contribute to the student experience.

Honouring esteemed alumni



In June, the University honoured the outstanding achievements of six alumni with the presentation of Distinguished Alumni Awards. The 2015 winners were Olympic gold medallist Ian Ferguson, entrepreneur Derek Handley, acclaimed businessman Alan Isaac, pioneer within the Anglican Church the Right Reverend Dr Penny Jamieson, artist and curator Helen Kedgley, and Tamati Kruger, Māori advocate and Treaty negotiator (pictured).

Keeping connected

In July, more than 300 guests attended an event at Parliament hosted by Hon. Steven Joyce and Chris Bishop MP to honour the outstanding contributions of selected Victoria teaching and research staff and top student researchers. Among those attending were alumni, current students, donors and stakeholders from industry and business.

Alumna turns ideas into solutions



Victoria alumni continue to make a significant impact on the national and international stages. One illustration of graduate success in 2015 was the establishment of biotech company Avalia Immunotherapies, which has alumna Dr Shivali Gulab (pictured) as its chief executive. Avalia is advancing research in immunotherapy technology for cancer treatment that has been developed by Victoria's Ferrier Research Institute together with the Malaghan Institute of Medical Research and the University of Otago. Avalia's novel vaccine therapy aims to harness the body's own immune system to treat a specific cancer or infectious disease.

Graduation milestones

During the year, more than 3,000 students crossed the stage to be awarded more than 3,700 qualifications at 10 graduation ceremonies. Many thousands of friends and families joined graduates at multicultural celebrations held at the Michael Fowler Centre, Te Herenga Waka Marae and in the Hunter Council Chamber.

At two of the ceremonies held in December, Honorary Doctorates were awarded to Dr Jock Phillips and Tan Sri Halim Saad. Dr Phillips has retained close ties with Victoria since he graduated with a Bachelor of Arts in 1968 and his standing as one of the country's top historians has been acknowledged through many awards and honours.

Tan Sri Halim Saad is one of Malaysia's top businessmen responsible for leading large-scale projects in modernising Malaysia. The Victoria alumnus has given back to Victoria in many ways since he graduated in 1977. For example, he supports the Don Trow Visiting Fellowship that funds visiting, highly regarded researchers to undertake accounting research at Victoria.



People and community

More than 2,573 staff were employed either full time or part time at the University in 2015. The University recognises that the calibre and contribution of its staff is fundamental to the University achieving its strategic goals.

World-class campuses



Major construction at three of the University's campuses continued throughout 2015 and is on track to reach completion dates. These campus development projects include a new science teaching and research building on the Kelburn campus, the redevelopment of Rutherford House on the Pipitea campus and refurbishment and strengthening work to Victoria's Te Aro campus. Plans for relocating Victoria's Faculty of Education from Karori to Kelburn in 2016 were finalised during the year.

In April, Victoria opened the doors to its new premises in downtown Auckland. Two Victoria Business School Master's programmes are offered at the new premises, which also has seminar rooms for teaching and provides a base from which Victoria can offer course advice to prospective students, hold events and meetings.

New senior appointments

Victoria announced several new senior appointments in 2015, all of which demonstrated the University's ability to attract outstanding academic leaders and managers.

- Internationally respected social scientist Professor Wendy Larner took up the position of Provost.
- Wellington-based businessman Mark Loveard was appointed Chief Operating Officer.
- Professor Jennifer Windsor from the University of Minnesota was appointed Pro Vice-Chancellor and Dean of Humanities and Social Sciences, and Pro Vice-Chancellor of Education.
- Public and Māori law issues specialist Dr Mark Hickford was appointed Pro Vice-Chancellor and Dean of Law.
- Janet Fletcher, previously with director information services at the University of New South Wales, joined Victoria as a new librarian in December.

A positive working environment

Last year, the University contracted an external research and consulting company to run its first staff-wide survey, which achieved a 73 percent response rate. More than 80 percent of participants responded favourably when asked if they believe in the University's mission, purpose and values. Eighty-six percent indicated that they are proud to tell people they work for Victoria and 81 percent agreed or strongly agreed that the University's future is positive.

A sustainable future



An area of academic distinctiveness for the University is enhancing the resilience and sustainability of our natural heritage and capital. This is reflected in Victoria's teaching and research and its commitment to reducing its environmental footprint. Those efforts were recognised last year when Victoria received two honours at the Pacific-wide Green Gown sustainability awards for tertiary institutes. In 2015, the University continued to reduce carbon emissions from buildings and transportation on campus, which have decreased by 12 percent since 2007. The increased efficiency has saved millions of dollars in operating costs. Other 2015 projects include energy-saving retrofits of university houses and providing incentive packs to encourage sustainable commuter options. The University also supported a number of student-driven initiatives such as the energy saving competition between two halls of residence and a weekly on-campus fresh produce market.



Internationalisation

Victoria's international outlook is a distinctive strength and a major contributor to the University achieving its vision of becoming a world-leading capital city university. The University's international profile enables it to attract high-achieving students and staff, and allows its scholars to establish international research collaborations.

Globally ranked

Victoria's position among the world's universities improved significantly in 2015, with the University moving up 46 places on its 2014 ranking in the QS World University Rankings, released in September. Victoria was ranked 229th equal out of more than 3,500 surveyed universities. In QS World University Rankings by subject and faculty, Victoria's Law faculty was ranked 45th in the world, arts and humanities achieved the 59th position and social sciences and management ranked 72nd equal.

Bringing the world to Victoria



The University's Centre for Strategic Studies was integral in advancing this area of distinctiveness. Throughout the year, the Centre hosted a series of visitors from universities, governments and think-tanks, and held roundtables on contemporary Asia-Pacific and global security challenges that engaged diplomats, officials, postgraduate students and scholars.

In the middle of the year, the Centre also brought out internationally acclaimed Thai scholar and commentator Dr Thitinan Pongsudhirak as the 2015 Sir Howard Kippenberger Chair. During his eight-week tenure, Dr Pongsudhirak delivered public talks and led roundtable discussions around the country. He also presented the annual Sir Howard Kippenberger public lecture at the University, entitled *Global disorder and Asia-Pacific consequences: A Southeast Asia view*.

Advancing better government

The first two cohorts graduated from the Papua New Guinea Foreign Service Training Programme, delivered through Victoria's School of Government during 2015. The programme resulted from an agreement between Victoria, the Ministry of Foreign Affairs and Trade and the Papua New Guinea Department of Foreign Affairs to build Papua New Guinea's capability to take advantage of global opportunities.

Student diversity



With students from more than 100 other countries, Victoria International's role in recruiting and supporting international students at Victoria is vital to providing a richly diverse student community.

In 2015, international students made up 14.8 percent of the student population. The University's goal is to increase this figure to 18 percent. Victoria International identified Latin America as a market with strong potential and, after a scoping mission in late 2015, began developing a tailored marketing strategy.

Victoria recognises the growing global importance of the Asia-Pacific region and, during 2015, undertook various engagements to deepen the University's intellectual influence in this region.

Victoria is the lead university in a collaborative programme with Auckland and Canterbury universities that sees Malaysian accounting undergraduates complete their degrees in New Zealand. In 2015, 46 accounting students came to Victoria from the Malaysian business school owned by 2015 Honorary Doctorate recipient Tan Sri Halim Saad to complete their degrees.

International outreach

In April, Vice-Chancellor Grant Guilford visited Brazil and Chile as part of a delegation led by the Minister of Tertiary Education, Skills and Employment Hon. Steven Joyce. The mission allowed Victoria to deepen educational links with foreign universities and identify future collaboration opportunities with research institutes, particularly in science and technology.

The Vice-Chancellor, together with Pro Vice-Chancellor (International Engagement) Professor Rob Rabel, also joined a delegation led by Prime Minister John Key to Viet Nam in November. During the tour, Victoria officially launched the joint delivery of its Master of Arts in Teaching English to Speakers of Other Languages with Ho Chi Minh City University of Education.



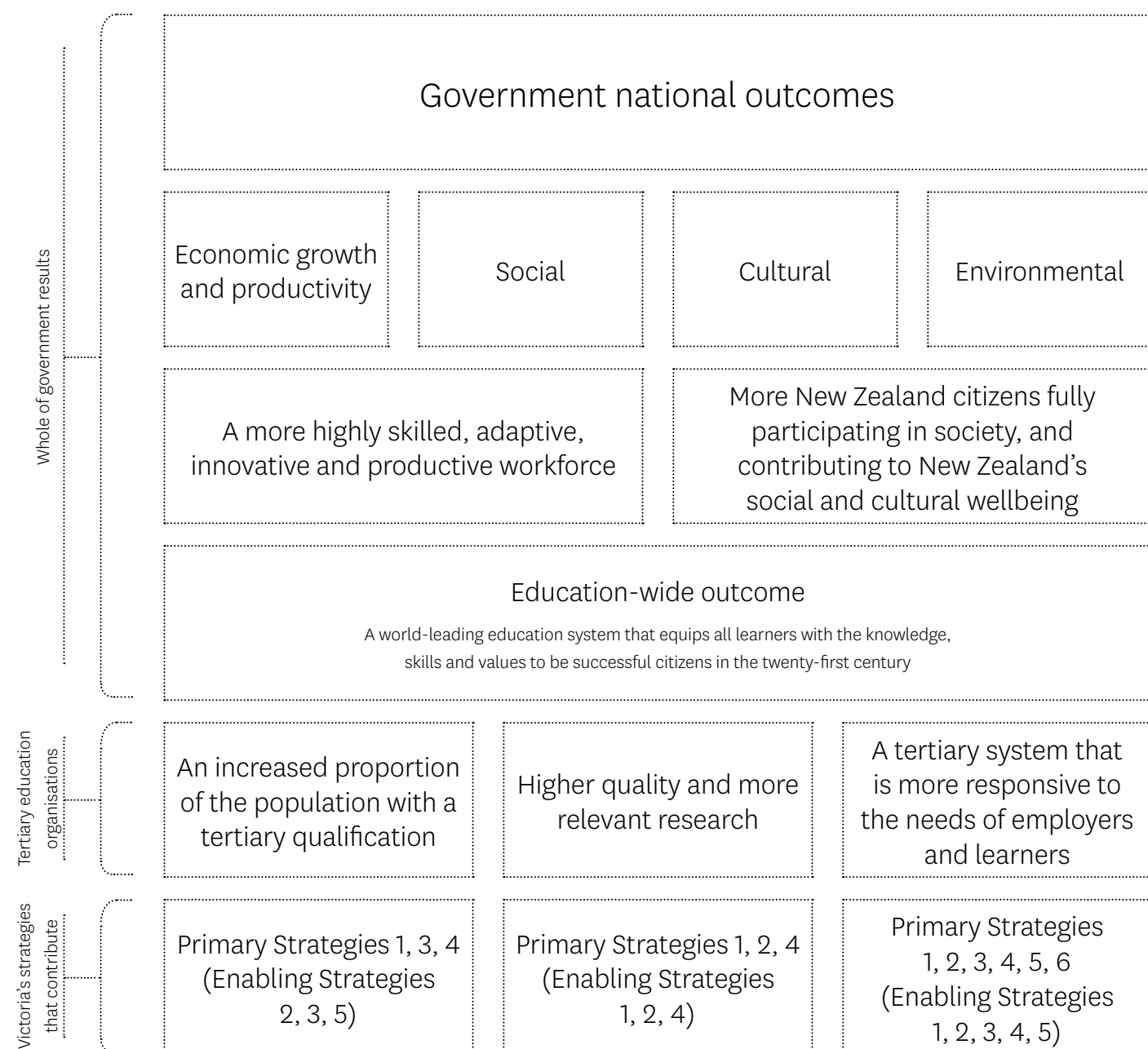
Statement of Service Performance

For the Year ended 31 December 2015

The development of the new Tertiary Education Strategy by the Government in 2015 and our new strategic plan in 2014 has enabled us to rethink how we respond to government priorities and national outcomes. The strategic plan is organised around six primary strategies that are supported by five enabling strategies. The primary strategies focus on our core activities related to research, learning and teaching, public engagement, stakeholders, the student experience and our place locally, regionally, nationally and internationally. The enabling strategies are focused on creating the capability, scale, organisational excellence, facilities, resources and reputation that are critical to our success. The plan outlines a 20-year path for Victoria that sets the direction for Victoria to become a world-leading capital city university and one of the great global-civic universities.

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

Outcomes and performance framework



The Statement of Service Performance that follows details the outputs for 2015 and is organised around our own strategies and how they contribute to the government outcomes of a more highly skilled, adaptive, innovated and productive workforce with more citizens fully participating in society and contributing to New Zealand's social and cultural wellbeing.

Indicators required by the Tertiary Education Commission (TEC) are marked *

Indicators that are new for this year and where previous years' information is not provided are marked +

Primary strategies

1 . Adopt a distinctive academic emphasis

	2015 Actual	2015 Target
Develop a process to further refine and implement themes including:+	Achieved and in progress	Processes and implementation plans developed
<ul style="list-style-type: none"> • appointment of steering groups • refinement of themes and subthemes • participation of staff in themes • alignment of research centres and institutes • alignment of academic programmes to themes • allocation of budget and support 		
Establish six of the eight distinctive academic emphasis themes +	Achieved	Six themes are implemented

Various rates of progress have been achieved in relation to the implementation of the eight themes across the University. More specifically, activities that have been achieved and are in progress are:

- Steering groups were appointed by agreement with the Senior Leadership Team (SLT) after the university-wide launching of each theme. The launch followed a process that involved appointment of an initial writing team for each of the themes and release of the discussion document developed by the writing team to the University community. An official launch forum was then led by the Vice-Chancellor (VC) and Vice-Provost (Research) (VPR), following which feedback was sought from the University community. The SLT was then invited to nominate potential members for each steering group, who were considered by the SLT, and a final composition agreed. The VPR then invited steering group members to join the group.
- The themes were launched throughout 2015. The most developed theme is Advancing Better Government. This theme has three subthemes and milestones have been set and approved by the VC. The identification of themes and subthemes is in progress for the other seven themes.
- Through the forums and the call for feedback, all staff had the opportunity to participate in the themes. Ongoing participation is being fostered through a variety of formats, including virtual and face to face. This will continue in 2016.
- The alignment of research centres and institutes occurs once the VC has signed off on the Terms of Reference for each of the themes and the defining of the subthemes and milestones. It is envisaged that some centres and institutes will be merged and more strongly associated with particular themes, and other centres and institutes will be connected to a lesser extent. Alignment and association of centres and institutes with themes will continue throughout 2016.
- Alignment of academic programmes to themes is a developing process led by the scholarly community and their interest in the theme, in a similar vein to the alignment of the research centres and institutes. The major activity in this area will take place in 2016. It is envisaged that staff will be virtually attached to the themes and their substantial affiliation will remain with their academic school or area.
- Budgets for each theme have been established and allow for the appointment of an administrative support person, a communications representative, a Development Office representative, a Human Resources representative and a Research Office representative, and in addition to funding to support direct activities of the themes. Additionally, the VPR oversees the support for all the themes and calls upon various central service units as required.

All eight themes have been launched and steering groups finalised. Terms of Reference for two themes have been approved by the VC and drafts for a further three themes have been completed. It is intended that the remaining themes will be advanced during 2016.

2. Enhance research quality, quantity and impact

	2015 Actual	2015 Target	2014 Actual	2013 Actual
Develop a measure for citations that effectively represent the disciplines and research at Victoria +	Achieved	Measure agreed, tested and implemented	+	+
Develop a measure for the number of new invention disclosures +	Achieved	Measure agreed, tested and implemented	+	+
External research income (as part of PBRF reporting requirements; \$ million) *	49.4	32.1	42.5	31.5

Working with the VPR and the Library, it was agreed that the measure for citations would be based on citations per publication over a three-year period using both the Web of Science and Scopus databases. Each of these databases has a different methodology and draws from a different set of publications for citations, hence a measure for each will be used.

All invention disclosures are processed through Viclink Ltd, the commercial company of the University. A new disclosure is counted only if Viclink staff assess that the disclosure has commercial merit; some initial disclosures are not included in the final measure as they have been proven not to be novel, have already been commercialised or have no significant market potential.

The target for external research income of \$32.1 million was set before the full impact of the addition of the Ferrier and Robinson Research Institutes to Victoria was known. In 2015, there was a strong result for both research institutes. In addition, a significant donation was received to fund a new research chair at the University and this has contributed to the strong result.

3. Provide a holistic learning, teaching and student experience that is second to none

	2015 Provisional ¹	2015 Target	2014 Provisional	2013 Provisional
	%	%	%	%
Course completion rate for all SAC-funded students *	86.7	86.5	86.3	85.4
Course completion rate for commencing Māori students +	76.3	>76.0	+	+
Course completion rate for commencing Pasifika students +	64.1	>68.0	+	+
Course completion rate for commencing students	83.3	85.0	+	+
Course completion rate for Māori students *	80.7	82.0	80.4	79.4
Course completion rate for Pasifika students *	72.8	76.5	71.9	70.6
Course completion rate for students aged under 25 *	86.8	86.5	86.4	85.4
Student retention rate *	86.2	86.5	85.5	85.7

	2015 Actual	2015 Target	2014 Actual	2013 Actual
Develop a measure that reflects employment outcomes for graduates +	Achieved	Measure agreed, tested and implemented	+	+
Number of organisations that accredit professional programmes or recognise Victoria has met their standards	17	17	17	17
Number of students on exchange (inbound)	271	220	213	202
Number of students on study abroad (outbound)	237	220	182	256
Number of students who achieved awards in extracurricular programmes:				
- VicPlus	73	100	49	39
- Victoria International Leadership Programme (VILP)	77	100	72	62
Proportion of courses evaluated that achieve scores of 'good' or 'very good' for the 'overall effectiveness' indicator (%)	75	>70	76.8	76.1
Proportion of teachers evaluated who achieve scores of 'good' or 'very good' for the 'overall effectiveness' indicator (%) +	86	>70	+	+
Proportion of students rating services and facilities as 'good' or 'very good' in the Student Experience Improvement Survey (%)	88	>90	90.4	90.4

Course completion rates have increased over 2014 performance in all cases where previous results are available. There has been steady improvement in these rates for the past three years. Although the provisional results have not reached target in several cases, it is expected that the results will rise when the final number of completions is known and published in mid-2016.

After discussion, particularly with the Careers and Employment office, it was agreed that the measure should include the proportion of graduates of the total who responded to the Graduate Destination Survey in 2015 who were in employment but excluding those who were in further study or not seeking employment. The survey, with the new measure, was run late in 2015 and a follow-up survey is planned for 2016 with respondents of the 2015 Graduate

¹ Final results for certain TEC-defined indicators will not be available until later in 2016. Provisional results are provided, although targets are set on the basis of final results as required by the TEC. For comparative purposes, provisional results are provided for previous years.

Destination Survey. This will allow better information to be provided about the graduate attributes being used by respondents in their employment and give a longer view of their employment after graduation. Results will be reported in the 2016 Annual Report, in addition to those of 2016 graduates.

A variety of organisations, both national and international, recognise or accredit the programmes we offer and/or the institution. In fields such as accounting and engineering, the recognition assists students with the acceptance of their qualifications for employment and further study. It can also help in the recruitment of academic and professional staff in international markets.

More than 1,200 students are actively involved in the VicPlus and VILP leadership programmes, which include extracurricular activities that complement their degrees and promote civic engagement. A combined VicPlus and VILP award ceremony was held late in 2015, in which 47 students received the VILP award, 48 students received the VicPlus award and several students received both awards.

The evaluation of courses and teachers is one way the University receives feedback from students. The results for both this year have exceeded targets. The information is also used to inform teaching practice and course organisation.

4. Secure the intellectual potential put at risk through experience of disadvantage

	2015 Actual	2015 Target	2014 Actual	2013 Actual
Commencing Māori student EFTS +	554	540	+	+
Commencing Pasifika student EFTS +	291	275	+	+
Proportion of Māori students (%) *	10.7	10.4	10.2	9.7
Proportion of Pasifika students (%) *	5.8	5.5	5.2	5
Proportion of professors and associate professors who are female (%)	29.8	Increase over the 2014 result	29.5	24.9

	2015 Provisional	2015 Target	2014 Provisional	2013 Provisional
	%	%	%	%
Māori retention rate *	81.6	82.5	80.1	79.4
Pasifika retention rate *	80.5	79.5	76.1	70.5

Results for indicators under this strategy not only reflect our own strategic direction but also address the Government's priorities in the Tertiary Education Strategy. The results, which have been improving over time, show that activities to enhance Māori and Pasifika participation, performance and retention are having the desired effect.

- Māori and Pasifika students already enrolled at the University are supported by Te Rōpū Āwhina and Te Pūtahi Atawhai programmes, which provide students with mentoring, advice and support. New premises for Te Pūtahi Atawhai in the Student Union building have led to increased use by staff and students of the services offered by the programme.
- Significant initiatives to assist Māori include refocusing recruitment activities to take a team approach to addressing the strategic plan initiative to enrol 1,000 more Māori students over the next 20 years. Faculties have also been active in increasing activities to support Māori students, including communication that targets Māori students, wānanga study sessions, specific tutorials for Māori and reviewing courses to increase and ensure appropriate Māori content.
- For Pasifika students, effective activities have focused on targeted recruitment initiatives, including an outreach programme and community engagement (including information evenings for parents and families). Faculties have investigated best practice in learning and teaching to engage Pasifika students. This includes reviewing course content and its relevance and a variety of assessment methods. Establishing more Pasifika study spaces and their increasing use has given students a stronger sense of belonging and contributed to the retention of Pasifika students.
- As with other provisional indicators, we expect that the retention rates will exceed target when final results are known later in 2016.

5. Deepen engagement with alumni, benefactors and communities

	2015 Actual	2015 Target
Develop a survey to assess the quality of engagement with stakeholders +	In progress	Survey agreed, tested and implemented
Develop strategies for engagement with priority stakeholders to align with the Strategic Plan +	In progress	Strategies agreed and implemented

Staff have worked with Colmar Brunton to develop a survey that asks stakeholders for feedback on how Victoria engages with them and what they would like to see in the future. Stakeholders have been defined and different versions of the survey, both qualitative and quantitative, have been developed to meet the needs of each group. The survey and approach were approved by Victoria's Human Ethics Committee in late 2015 and the survey will begin in February 2016.

Strategies for engagement with priority stakeholders are incorporated within the consultation draft of an Engagement Strategy. Once feedback is received, it will be incorporated into the strategy document and the plan will be implemented in 2016.

6. Deepen Victoria University's intellectual influence in the Asia-Pacific region

	2015 Actual	2015 Target
Develop an engagement approach to the Asia-Pacific region +	In progress	Approach is developed and agreed
Establish the criteria and parameters for a network of capital city universities +	In progress	Criteria and parameters agreed
Proportion of international students from the Asia-Pacific region (% headcount) +	84.9	84.6

Several activities are underway to enhance our engagement with the Asia-Pacific region. Some examples include exploration of the Latin American market, specialised recruitment activities in Southeast Asia in conjunction with the Ministry of Foreign Affairs and Trade, collaboration with the Assistant Vice-Chancellor (Pasifika) to build Victoria's profile in Polynesia and Melanesia, development of the draft University Engagement Strategy with a prominent Asia-Pacific focus, development of multifaceted country strategies for countries within the region that are the most significant for Victoria and enhanced partnerships with targeted universities and other institutions in the region.

Significant discussion and work has been undertaken to explore the potential for the creation of a network of capital city universities. Examples of activities include interviews with stakeholders, a stocktake of existing networks and the value they offer and the benefits of joining such networks. A draft document was prepared that includes what an ideal network might look like, potential partners or members of such a network and themes for the network that align with our strategic direction and might also appeal to others who could become involved in the network. The VC and the International Engagement team made several visits to potential partners to discuss the establishment of the network. During 2016, this information will be used to further refine the details of the network and its members and for a timetable of activities to take the establishment of the network to the next level.

Enabling strategies

1. Double the community of world-class scholars choosing Victoria

	2015 Actual	2015 Target	2014 Actual	2013 Actual
Commencing postgraduate EFTS	809.2	Increase over 2014 result	604.3	+
Develop a staff engagement survey +	Achieved	Survey agreed, tested and implemented		
Number of annual Master by Thesis completions *	315	295	352	296
Number of annual PhD degree completions *	184	150	180	153
Number of Māori students who have completed research degrees	16	20	30	38
Number of Pasifika students who have completed research degrees	10	12	7	9
Proportion of academic staff who are Māori (%)	4.2	Increase over 2014	5.5	-
Proportion of academic staff who are Pasifika (%)	1.7	Increase over 2014	1.6	-
Proportion of professional staff who are Māori (%)	7.4	Increase over 2014	7.2	-
Proportion of professional staff who are Pasifika (%)	4.2	Increase over 2014	4.4	-
Proportion of the University salary budget allocated for training and development (%)	2.8	2.6	2.8	2.7

The significant increase in commencing postgraduate EFTS over 2014 results is largely attributable to increases in the Faculty of Engineering and the Faculty of Education. The latter's increase is due to changes in initial teacher education in which the programme has changed from an undergraduate to postgraduate offering.

The University chose an Australian company, Voice Project, with links to Macquarie University, to run a survey of staff engagement during 2015. The organisation has had experience of running such surveys for many New Zealand and Australian universities. Voice Project assisted with the design and administration of the survey and subsequent analysis. By involving the organisation in the survey, it is possible to benchmark and compare our results with similar organisations. A 73 percent participation rate was achieved and the VC hosted a series of staff forums to discuss the results of Your Voice-Victoria Staff Survey. The results suggested several areas that might be considered as priorities for future development. A follow-up poll was conducted in late 2015 to determine which areas staff thought should take precedence in 2016. Priorities identified for additional work will be led by members of the SLT. It is intended that the staff survey be run again in two years' time.

Research degree completions fluctuate from year to year and are dependent upon progress made by students each year, which is affected by many factors that are often beyond their control and that of their supervisors. This year's completions, although slightly below target, have in most cases shown increases over 2014 performance.

Ethnicity is self-identified, and approximately 80 percent of staff provided information on up to two ethnicities. In 2015, staff of Te Kōkī New Zealand School of Music (NZSM) were incorporated fully into the University, which impacted on ethnicity percentages. Depending upon the addition of staff each year, there are both positive and negative fluctuations on the proportion of various ethnic groups within the University's population.

2. Attain the scale, quality and academic profile of leading public universities

	2015 Actual	2015 Target
	%	%
Proportion of commencing research postgraduate EFTS of the University's total EFTS	2	1.3
Proportion of commencing taught postgraduate EFTS of the University's total EFTS	2.8	1.6
Proportion of international students (headcount)	14.8	12.6
Proportion of Māori research postgraduate EFTS of the University's total EFTS	0.3	0.3
Proportion of Māori taught postgraduate EFTS of the University's total EFTS	0.8	0.7
Proportion of Pasifika research postgraduate EFTS of the University's total EFTS	0.2	0.2
Proportion of Pasifika taught postgraduate EFTS of the University's total EFTS	0.6	0.3
Proportion of research postgraduate EFTS of the University's total EFTS	6.3	6.4
Proportion of taught postgraduate EFTS of the University's total EFTS	10.8	10.5
Total EFTS increase by 1.5 percent per annum	Not achieved	1.5% more EFTS than EOY 2014

EFTS increased by approximately 60 from 2014 to 2015. This represents a 0.4 percent increase. Although the increase was not as significant as desired, there were increases in both government-funded and full-fee-paying students in 2015.

3. Optimise the University's organisation, processes, facilities and use of resources

	2015 Actual	2015 Target
Develop a University-wide model for monitoring time and cost of academic and administrative activities +	Not achieved	Model is developed, agreed and implemented
Major capital projects delivered on time and budget	In progress	Milestones and budgets met

Two pilot studies at a school level have yielded useful observations, but a cost benefit analysis of rolling out a comprehensive and reliable data gathering system across the University to generate required costing data has not proved compelling. The project has been reprioritised.

Major capital projects are the Gateway building and the Rutherford House extension. Both projects are progressing well and will be completed on time. [Gateway building mid-2017 and the Rutherford House extension end 2016.] Both projects have a limited level of budget uncertainty due to unexpected site and design issues, with final resolution expected during 2016. Other sizeable projects substantially completed in 2015 include the staged refurbishment of Te Aro campus, relocation of Massey NZSM and Faculty of Education to Kelburn campus, heritage works and refurbishment in Hunter building, Rutherford House lift upgrades, fit out of Katharine Jermyn Hall, seismic strengthening of Easterfield and Vivian Street buildings, asbestos removal in Cotton building and refurbishment of student accommodation properties.

4. Increase and diversify sustainable revenue

	2015 Actual	2015 Target
Achieve real revenue growth of a minimum of 3 percent per annum +	5.6%	Revenue growth exceeds 3%
Increase the amount of revenue from non-SAC-funded sources +	7% increase over 2014	Increase over 2014
Revenue retained as surplus for reinvestment +	4.8%	3.5%

Real revenue, revenue from non-SAC-funded sources and revenue retained as surplus all exceeded target as a result of the strong performance for donation revenue and greater contributions from the Ferrier and Robinson Research Institutes.

5. Communicate the quality, values and distinctiveness that define Victoria

	2015 Actual	2015 Target	2014 Actual	2013 Actual
Develop a communications plan for themes of distinctive academic emphasis +	In progress	Plan developed and implemented	+	+
Number of expert contributions on topical issues in broadcast media (radio and television)	432	425	466	479
Number of inaugural professorial lectures	11	At least 10	9	11

Communications work continues at the pace of the distinctive themes, which are at varying stages of development. A senior communications staff member has been allocated to support each of the themes and initiatives have included writing and publishing content about the themes for internal and external communications channels. Where possible, key messaging has been developed for the themes and these messages are included in speeches, presentations and pitches to media. Work has also occurred in the web area, with intranet sites being developed for two themes. Preparation for an external web page for each theme is underway, including development of a design template and creating the capability for content generated by the University to be automatically displayed on the appropriate web page. Where appropriate, communications advice has been provided to the steering groups running the themes.



Student levies

The Student Services Levy and a separate Student Assistance Levy are paid by all students in order to contribute to the development of a learning community in which students can participate fully. The Student Services Levy also improves services that can facilitate academic success and a positive experience for students. Victoria offers a range of student services to support academic success. A few are fully levy-funded, some are partially funded by the levy and some are funded entirely from other sources. The levy enables some services to be offered without individual user charges.

Victoria staff work in partnership with the Advisory Committee on the Student Services Levy (ACSSL), an oversight body with student representatives who consult with the Victoria University of Wellington Students' Association (VUWSA) executive, the Student Academic Committee (comprising faculty-based representatives) and the Student Equity and Diversity Committee (Māori and equity-based groups) before presenting its recommendation on changes to the levy.

In 2013/4, the ACSSL oversaw a strategic review of all services funded by the levy to identify a strategic approach for determining the mix of student services that meet desired student outcomes.

Student feedback on the quality and level of services provided is gathered during an annual Student Experience Improvement Survey and through other user satisfaction surveys. An annual report on what money has been allocated and how services have performed against agreed key performance indicators (KPIs) is available to all students on the University website.

The revenue from the levies can be used only for those services that fall within certain defined categories, as shown below.

The Student Services Levy and the Assistance Levy together made a small surplus in 2015, although expenditure across service categories was largely in line with the original budget. Any surpluses made by the levy are ring-fenced to contribute to expenditure on the government-specified service categories in a subsequent year. All levy-related income and expenditure is ring-fenced within the University's accounting system.

In 2015, an internal student studying 25 points or more was charged \$704 (GST inclusive) for the Student Services Levy. A Student Assistance Levy of \$24 (GST inclusive) was paid by all students, which generated revenue of \$484,553 in 2015. The total Compulsory Student Service Fee per student in 2015 was \$728, which translates to \$710 per equivalent full-time student.

The activities and functions listed below are grouped according to the service categories as outlined in the Ministry of Education's direction on compulsory student service fees.

Advocacy and legal advice

Advocacy services delivered by the University manage a range of resolution activities in relation to student complaints, disputes, appeals, pastoral (including accommodation) issues and academic disputes. Under this Ministerial category, VUWSA is also contracted to deliver an independent advocacy service and train and support class representatives and faculty delegates to ensure that students have a meaningful and independent voice at Victoria.

Careers information, advice and guidance

Career and Employment aims to increase the employability of Victoria students. Students are assisted to make study and career choices through career and course advice and assessment activities. Assistance is also provided with job applications, CVs and interview skills.

Counselling services and pastoral care

Student Counselling supports students so they can succeed both personally and academically. Other support services such as Te Pūtahi Atawhai and the student support coordinators based in halls provide a range of pastoral care services including peer mentoring. A range of welfare services such as food bank delivery are provided by VUWSA.

Employment information

Victoria provides information on jobs through publications, career expos, employer/industry presentations and through an online service called CareerHub, which features study-related job vacancies and is currently used by more than 9,000 students.

Service category	Advocacy and legal advice	Careers information, advice and guidance	Counselling services and pastoral care	Employment information	Financial support and advice (including Hardship Fund)
Revenue	\$000	\$000	\$000	\$000	\$000
2015 SSL income	775	1,317	2,040	350	449
Student Assistance Levy	0	0	0	0	485
Income from other sources	0	36	323	19	95
Total income	775	1,353	2,363	369	1,029
Total cost	794	1,347	2,292	380	885
Net surplus/(cost)	(19)	6	71	(11)	144

Financial support and advice

Victoria's student finance advisers aim to help remove the financial barriers to student achievement. As well as providing financial support and advice, the service administers the Hardship Fund and teaches financial literacy.

The Student Assistance Levy contributes to the Hardship Fund (which has had a separate bank account since the fund was set up in 1991) and is available to assist students if they experience short-term emergency (for example, unforeseen flatting or family problems) or one-off immediate needs (for example, assistance with necessary dental costs). Applications submitted by students to the fund are considered by a committee with staff and student representatives.

Health services

Victoria's Student Health service aims to keep students healthy so that they can achieve well academically and better enjoy their time at the University. Disability Services work alongside students with temporary and ongoing impairments to ensure they are able to fully engage and achieve in their studies.

Media

The weekly *Salient* magazine is published and circulated by VUWSA and is produced entirely by students. The magazine provides opportunities for students to enhance vocational skills and be part of a community alongside academic pursuits.

Childcare services

Early Childhood Services provide up to 72 FTE places for children of Victoria students. During 2015, 111 families accessed these places.

Clubs and societies

Victoria supports a range of political, cultural, sports, faith-based and academic clubs and societies on campus. Assistance is provided to more than 130 clubs and societies through the provision of meeting rooms, activity spaces and resources, training programmes and advice on club financial management.

Sports, recreation and cultural activities

Recreation services contribute to the wellbeing of Victoria students. Services operate largely from the Hub and the Recreation Centre at Kelburn campus and at Pipitea Fitness. They offer sports leagues, tailored fitness and other programmes, recreational facilities and venues for student events and activities.

	Health services	Media	Childcare services	Clubs and societies	Sports, recreation and cultural activities	Total
	\$000	\$000	\$000	\$000	\$000	\$000
	2,979	155	177	1,500	1,832	11,574
	0	0	0	0	0	485
	2,153	0	0	13	530	3,169
	5,132	155	177	1,513	2,362	15,228
	5,134	153	177	1,551	2,470	15,183
	(2)	2	0	(38)	(108)	45



2015 financial overview

The financial surplus for the University and its consolidated entities was \$18.4 million, a 4.6 percent return on revenue and 2.7 percent on net assets. Real revenue growth of 5.5 percent was achieved, while total external research income from all sources¹ totalled \$49.4 million, a 16 percent increase on the prior year. These growth metrics demonstrate the strong progress being made against the University's Strategic Plan financial KPIs. Contributing to the positive financial result was a strong contribution from the Victoria University of Wellington Foundation (the fundraising arm of the University). If the results of the Foundation are excluded, the surplus was \$7.9 million, 2.2 percent of revenue.

Trend statement

	2011	2012	2013	2014	2015
	\$000	\$000	\$000	\$000	\$000
Financial performance					
Total revenue	336,798	349,163	357,902	380,553	401,856
Surplus for the year	14,514	18,780	17,613	16,498	18,405
EBITDA	48,764	53,775	54,807	56,192	59,143
Financial position					
Total current assets	65,144	63,812	74,811	92,832	98,151
Total non-current assets	681,436	681,467	682,144	698,055	763,942
Total assets	746,580	745,279	756,955	790,887	863,427
Total current liabilities	69,875	74,389	70,866	82,542	98,151
Total non-current liabilities	57,747	52,852	50,438	55,259	78,468
Total liabilities	127,622	127,241	121,304	137,801	176,619
Total community equity	618,958	618,038	635,651	653,086	686,808
Statistics					
Surplus to total revenue	4.3%	5.4%	4.9%	4.3%	4.6%
Surplus to total assets	1.9%	2.5%	2.3%	2.1%	2.1%
Current assets to current liabilities	93%	86%	106%	112%	101%
Assets to equity	121%	121%	119%	121%	126%

Earnings before interest and depreciation of \$59 million generated strong cash flows, which underpin the financial strength of the University and provide resources for the renewal of University assets and execution of the Strategic Plan.

Despite a decline in domestic school-leaver numbers and increased global competition across the university sector, Victoria achieved steady growth in both domestic and international student numbers. The pipeline effect of new enrolments should see this trend continue into 2016. Costs overall were above budget due to higher than budget revenues with offsetting costs from higher research, commercial and other income, as well as increased investment in key strategic initiatives such as scholarships and the establishment of multidisciplinary academic 'themes'.

The University's balance sheet remained in a strong position, with total assets of \$863 million, a \$72 million increase on the previous year. This increase was driven by capital investment totalling \$91 million in areas such as digital learning and teaching resources, science equipment and continued work on the University's two major building projects—the new Gateway building for the Faculty of Science and the re-development of Victoria Business School's Pipitea campus. Assets also reflect a \$17 million increase in value resulting from the triennial revaluation of land and buildings. Working capital continues to be tightly managed, and investment was supported through bank debt of \$58 million (an increase of \$23 million on the prior year), against an available bank facility of \$150 million.

Victoria University's Strategic Plan outlines a direction that will continue to build on recent successes, to consolidate the University's position as a world-leading capital city university and one of the great global-civic universities. Attracting greater numbers of top students, domestic and international, and growing commercial revenues will require ongoing investment in staff and infrastructure. Although the funding environment is challenging, the University is well placed to achieve further revenue growth.

¹ Research revenue quoted is measured using TEC's Performance-Based Research Fund criteria.

Statement of responsibility

The management team 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; and
- 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 2015 fairly reflect the financial position and operations of Victoria University and the Group.



Sir Neville Jordan, KNZM
Chancellor



Professor Grant Guilford
Vice-Chancellor

18 April 2016

Audit Report



Chartered Accountants

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 2015

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

Opinion on the financial statements and the statement of service performance

We have audited:

- the financial statements of the University and group on pages 43 to 67, that comprise the statement of financial position as at 31 December 2015, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the University and group on pages 29 to 34.

In our opinion:

- the financial statements of the University and group on pages 43 to 67:
- present fairly, in all material respects the University and group's:
 - financial position as at 31 December 2015; and
 - financial performance and cash flows for the year then ended;
- comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Reporting Standards.
- the statement of service performance of the University and group on pages 29 to 34 presents fairly, in all material respects, the University and group's service performance achievements measured against the proposed outcomes described in the investment plan for the year ended 31 December 2015.

Our audit was completed on 18 April 2016. 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 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 the statement of service performance are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the 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 the performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the statement of service performance, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the University and group's financial statements and statement of service performance 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 the disclosures in the financial statements and the statement of service performance; and
- the overall presentation of the financial statements and the statement of service performance.

Audit Report



We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the statement of service performance. Also we did not evaluate the security and controls over the electronic publication of the financial statements and the statement of service performance.

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 present fairly 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 presents fairly the University and group's service performance achievements measured against the proposed outcomes adopted in the investment plan.

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

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

Responsibilities of the Auditor

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

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

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

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

Financial statements

Statement of comprehensive revenue and expense for the year ended 31 December 2015

	Note	Consolidated			University		
		Actual	Budget	Actual	Actual	Budget	Actual
		2015	2015	2014	2015	2015	2014
		\$000	\$000	\$000	\$000	\$000	\$000
Revenue							
Government grants		132,762	132,198	128,461	132,762	132,198	127,447
Performance-Based Research Fund revenue		30,097	30,366	28,788	30,097	30,366	28,471
Domestic tuition fees		83,888	84,250	79,833	83,934	84,250	79,379
International tuition fees		30,942	31,417	29,369	30,942	31,418	29,298
Research	16	42,487	42,613	42,547	27,626	26,087	28,113
Commercial		14,582	14,336	15,214	13,927	12,523	12,832
Other student fees	1	41,568	41,268	38,212	38,991	38,310	35,367
Other revenue	1	12,071	10,047	10,808	7,485	5,991	9,076
Foundation revenue	1	13,459	8,000	7,321	-	-	-
Total revenue		401,856	394,495	380,553	365,764	361,143	349,983
Expenses							
People	2	208,179	207,862	197,016	199,349	199,422	187,879
Occupancy	3	33,339	32,242	30,898	32,360	31,510	29,468
Operating	3	101,034	99,643	96,235	85,447	78,492	79,477
Finance costs	4	526	999	854	1,092	1,647	1,455
Depreciation and amortisation	10,11	40,373	41,222	39,041	40,143	41,017	38,503
Total expenses		383,451	381,968	364,044	358,391	352,088	336,782
Share of associate's deficit	12	-	(25)	(11)	-	-	-
Surplus		18,405	12,502	16,498	7,373	9,055	13,201
Surplus (excluding Victoria University of Wellington Foundation)		7,882	8,722	12,378	7,373	9,055	13,201
Other comprehensive revenue and expense							
Movements in revaluation reserve	10	15,201	-	(3,166)	15,201	-	(3,166)
Movements in cash-flow hedge reserve		116	-	-	116	-	-
		15,317	-	(3,166)	15,317	-	(3,166)
Total comprehensive revenue and expense		33,722	12,502	13,332	22,690	9,055	10,035

Statement of financial position as at 31 December 2015

	Note	Consolidated			University		
		Actual	Budget	Actual	Actual	Budget	Actual
		2015	2015	2014	2015	2015	2014
		\$000	\$000	\$000	\$000	\$000	\$000
Current assets							
Cash and cash equivalents	6	34,427	25,708	41,166	18,650	12,014	22,703
Investments and other financial assets	7	43,756	34,490	29,640	-	2,300	-
Accounts receivable and accruals	8	7,983	6,814	9,347	8,466	4,300	7,296
Pre-paid expenses		10,497	10,003	10,668	8,677	9,800	10,373
Other current assets	9	2,822	2,460	2,011	118	70	175
Loans to related parties	19	-	-	-	3,100	-	1,100
Total current assets		99,485	79,475	92,832	39,011	28,484	41,647
Non-current assets							
Property, plant and equipment	10	752,283	724,433	687,749	751,776	724,323	687,583
Intangibles	11	11,174	13,412	9,942	11,174	13,286	9,791
Investments in related parties	12	485	2,480	364	2,010	3,900	2,106
Total non-current assets		763,942	740,325	698,055	764,960	741,509	699,480
Total assets		863,427	819,800	790,887	803,971	769,993	741,127
Current liabilities							
Accounts payable and accruals	13	48,736	31,472	39,813	45,906	28,126	36,453
Revenue in advance	14	30,366	24,225	22,692	16,276	10,807	11,759
Related party borrowings	19	-	-	-	17,000	13,000	13,000
Employee entitlements	15	15,319	14,019	15,106	15,194	13,949	15,018
Deferred revenue—contractual obligation	16	3,020	3,385	4,301	3,020	3,385	4,301
Finance lease	18	710	727	630	710	727	630
Total current liabilities		98,151	73,828	82,542	98,106	69,994	81,161
Non-current liabilities							
Employee entitlements	15	16,687	14,354	14,084	16,687	14,354	14,084
Deferred revenue—contractual obligation	16	2,240	1,844	3,884	2,240	1,844	3,884
Finance lease	18	1,541	1,558	2,291	1,541	1,558	2,291
Bank borrowings	17	58,000	66,000	35,000	58,000	66,000	35,000
Total non-current liabilities		78,468	83,756	55,259	78,468	83,756	55,259
Total liabilities		176,619	157,584	137,801	176,574	153,750	136,420
Net assets		686,808	662,216	653,086	627,397	616,243	604,707
Community equity							
Retained earnings		384,347	371,906	365,942	324,937	325,933	317,564
Other reserves		302,461	290,310	287,144	302,460	290,310	287,143
Total community equity		686,808	662,216	653,086	627,397	616,243	604,707
Total liabilities and community equity		863,427	819,800	790,887	803,971	769,993	741,127

Statement of changes in equity for the year ended 31 December 2015

	Note	Consolidated			University	
		Actual	Budget	Actual	Actual	Budget
		2015	2015	2014	2015	2014
		\$000	\$000	\$000	\$000	\$000
Community equity at 1 January		653,086	649,714	639,754	604,707	593,313
Surplus for the year		18,405	12,502	16,498	7,373	13,201
Transfer of subsidiary operations of parent	12	-	-	-	-	1,359
Other comprehensive income						
Increase/(decrease) in revaluation reserve	10,11	15,201	-	(3,166)	15,201	(3,166)
Increase in cash-flow hedge reserve		116	-	-	116	-
Community equity at 31 December		686,808	662,216	653,086	627,397	604,707
Community equity attributed to						
Equity holders of the parent		686,808	662,216	653,086	627,397	604,707
Community equity represented by:						
Accumulated funds						
Opening balance		365,942	359,405	349,444	317,563	303,003
Transfer of subsidiary operations of parent	12	-	-	-	-	1,359
Surplus for the year		18,405	12,502	16,498	7,373	13,201
Closing balance		384,347	371,907	365,942	324,936	317,563
Asset revaluation reserve						
Opening balance		287,144	290,309	290,310	287,144	290,310
Increase/(decrease) in revaluation reserve	10,11	15,201	-	(3,166)	15,201	(3,166)
Closing balance		302,345	290,309	287,144	302,345	290,310
Cash flow hedge reserve						
Opening balance		-	-	-	-	-
Increase in cash-flow hedge reserve		116	-	-	116	-
Closing balance		116	-	-	116	-
Community equity at 31 December		686,808	662,216	653,086	627,397	604,707

Statement of cash flows for the year ended 31 December 2015

	Note	Consolidated			University	
		Actual	Budget	Actual	Actual	Budget
		2015	2015	2014	2015	2014
		\$000	\$000	\$000	\$000	\$000
Cash flow from operating activities						
Receipts from government grants		132,728	162,564	128,461	132,728	127,447
Receipts from Performance-Based Research Fund		30,097	-	28,471	30,097	28,471
Receipts from tuition fees		119,950	115,668	107,898	118,581	107,396
Receipts from research, commercial and other		112,876	104,784	99,203	86,975	75,316
Interest received		2,565	1,394	1,397	1,420	1,355
Dividends received		79	25	321	69	-
Receipts from cash donations		10,951	7,102	4,970	213	602
Payments to employees		(207,115)	(205,889)	(192,100)	(195,418)	(188,094)
Payments to suppliers		(134,676)	(130,218)	(122,298)	(118,726)	(99,733)
Interest paid		(525)	(999)	(854)	(1,092)	(1,455)
Goods and services tax (net)		367	-	2,984	189	2,545
Net cash flow from operating activities		67,297	54,431	58,453	55,036	53,807
Cash flows from investing activities						
Receipts/(payments) for investments		(12,281)	(4,914)	(4,741)	96	(2,413)
Other receipts		-	-	12,660	-	12,660
Purchase of property, plant and equipment		(84,085)	(79,167)	(48,269)	(83,515)	(48,269)
Net cash flow to investing activities		(96,366)	(84,081)	(40,350)	(83,419)	(38,022)
Cash flows from financing activities						
Proceeds from borrowings		58,000	66,600	35,000	58,000	35,000
Repayment of borrowings		(35,000)	(38,000)	(37,500)	(35,000)	(37,500)
Proceeds from/(payments for) related party borrowings		-	(600)	-	2,000	(1,500)
Finance lease payments		(670)	(716)	(831)	(670)	(831)
Net cash flow from/(to) financing activities		22,330	27,284	(3,331)	24,330	(4,831)
Net (decrease)/increase in cash and cash equivalents		(6,739)	(2,366)	14,772	(4,053)	10,954
Cash and cash equivalents at beginning of the year		41,166	28,074	26,394	22,703	11,749
Cash and cash equivalents at end of the year	6	34,427	25,708	41,166	18,650	22,703

Reconciliation of surplus to net cash flow from operating activities for the year ended 31 December 2015

	Consolidated		University	
	Actual	Actual	Actual	Actual
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Surplus	18,405	16,498	7,373	13,201
Add non-cash items				
Depreciation and amortisation	40,373	39,041	40,144	38,503
Increase in non-current employee entitlements	-	1,146	-	1,146
Other non-cash items	-	(2,545)	-	(3,500)
Add/(less) items classified as investing or financing activities				
(Gains)/losses on disposal of property, plant and equipment	880	1,129	880	1,129
(Gains)/losses on investments held at fair value	(2,287)	(2,262)	-	-
Add/(less) changes in working capital items				
(Increase)/decrease in accounts receivable	752	(424)	(780)	(985)
Increase in deferred revenue	(277)	(4,475)	(88)	(4,475)
Decrease in accrued interest	756	-	163	-
(Increase)/decrease in pre-paid expenses	168	(683)	1,697	(508)
Decrease in inventories	56	-	56	-
(Increase)/decrease in other current assets	-	180	-	(104)
Decrease in accruals	(1,651)	-	(4,952)	-
Decrease in provision for bad debts	(60)	-	(60)	-
Increase in accounts payable	3,449	6,301	3,472	7,330
Increase in employment provisions	962	1,599	3,827	1,649
Decrease in GST (net)	367	-	189	-
Increase/(decrease) in intercompany account	104	-	(163)	-
Decrease in work in progress	(868)	-	-	-
Increase in bond deposit	(265)	-	-	-
Decrease in revenue received in advance	6,433	2,948	3,278	422
Net cash flow from operating activities	67,297	58,453	55,036	53,807

Notes to the financial statements

1 Revenue

Revenue from other sources comprises:

- “Other student fees” for accommodation and services provided to students.
- “Other revenue” includes interest earnings of \$1.8m (2014: \$1.9m) and sundry revenue of \$10.3m (2014: \$8.1m). The interest amount is predominantly income from cash that is surplus to immediate requirements and that has been invested on call or on short-term deposits. In 2015, interest rates have been between 2.1% and 4.7% (2014: 3.0% and 4.7%).
- “Foundation revenue” includes donations received into the University’s charitable fundraising arm of \$10.9m (2014: \$4.7m), and fair-value investment gains of \$2.4m (2014: \$1.8m).

2 People

	Consolidated		University	
	Actual	Actual	Actual	Actual
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Salaries	192,156	183,164	183,823	174,340
Contractors	4,121	3,527	3,728	3,383
Entitlements	11,902	10,325	11,798	10,156
	208,179	197,016	199,349	187,879

3 Occupancy and operating

	Consolidated		University	
	Actual	Actual	Actual	Actual
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
The following items are included within occupancy and operating expense:				
Audit fees: Ernst & Young	320	333	190	190
Other fees paid to the auditors (accounting advisory services)	8	17	8	17
Internal audit and other fees to other providers	180	256	180	256
Property leases	13,055	12,321	12,940	11,681
IT leases	2,530	2,302	2,504	2,266
Losses on disposal of property, plant and equipment	905	1,096	905	1,094
Information technology	4,520	4,349	4,260	4,015
Grants and scholarships	28,718	29,251	21,579	29,367
Insurance	2,892	4,288	2,787	4,111
Travel and accommodation	13,885	13,401	5,655	5,319
	67,013	67,614	51,008	58,316

4 Finance costs

	Consolidated		University	
	Actual	Actual	Actual	Actual
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Interest on borrowings	1,407	653	1,973	1,254
Finance charge on finance lease	161	201	161	201
Capitalised borrowing costs	(1,042)	-	(1,042)	-
	526	854	1,092	1,455

5 Financial instruments

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

	Consolidated		University	
	Actual	Actual	Actual	Actual
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
FINANCIAL ASSETS				
Loans and receivables				
Cash and cash equivalents	34,427	41,166	18,650	22,703
Debtors and other receivables	7,983	9,347	8,466	7,296
Investments	88	88	-	-
Loans to related parties	-	-	3,100	1,100
Other current assets	2,704	1,836	-	-
	45,202	52,437	30,216	31,099
At fair value through surplus or deficit				
Investments	43,339	29,460	-	-
Derivative financial instruments	329	92	116	-
	43,668	29,552	116	-
FINANCIAL LIABILITIES				
Financial liabilities at amortised cost				
Accounts payable excluding accruals	21,958	16,462	20,859	15,349
Bank borrowings	58,000	35,000	58,000	35,000
Related party borrowings	-	-	17,000	13,000
	79,958	51,462	95,859	63,349

Financial risk management objectives and policies

Unless otherwise stated, the carrying value equates to fair value on all financial assets and liabilities.

(a) Market risk

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 Group 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 Group entered into multiple foreign-exchange contracts during 2015 to mitigate any such risk, and held USD\$2.55m of forward exchange contracts at 31 December 2015 with a fair value of \$38,000. These contracts are held to offset exchange rate risk on expected purchases in USD.

The Victoria University of Wellington Foundation holds \$23m of investments at fair value through surplus or deficit, which are invested in a range of foreign denominations and are exposed to foreign exchange risk. A 10 percent movement in the New Zealand dollar against all currencies would give rise to a \$0.5m gain or loss that would equally impact equity.

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. A 10 percent movement in the market price of investments at fair value through surplus or deficit would give rise to a \$2.4m gain or loss that would equally impact equity.

Fair-value interest rate risk

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

Cash flow interest rate risk

The Group is exposed to cash flow interest rate risk due to the exposure created by borrowings and investments issued at variable interest rates. Generally, the Group raises long-term borrowings at floating rates using interest swaps in order to manage the cash flow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if the Group borrowed at fixed rates directly. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals, the difference between fixed-term contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts, and applies hedge accounting to ensure fair value fluctuations on our interest rate portfolio are taken to other comprehensive revenue or expense.

The fair value of interest rate swaps totals \$116,000 (2014: nil). The fixed interest rates of interest rate swaps vary from 2.8% to 3.2%.

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

University and Group	2015 Basis points	
	-150	+150
	\$000	\$000
Potential effect of movement in interest rates on secured loans	60	(60)

(b) Credit risk

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

In the normal course of business, the Group is exposed to credit risk from cash and term deposits with banks, debtors 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 Group limits the amount of credit exposure to any one financial institution for term deposits to no more than the greater of \$40m or 33% of total investment held. The Group invests funds only with registered banks with high credit ratings and for a period not exceeding 270 days.

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

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

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

(c) Liquidity risk

Other than bank borrowings, all accounts payable are expected to be repaid within six months. No bank borrowings are repayable within twelve months. The University incurred an interest expense of \$526,000 during 2015, net of capitalised borrowing costs and interest on finance leases. For contractual cash flow of the loan, refer to note 17.

6 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held on call with banks and other short-term highly liquid investment with original maturities of three months or less.

If required, short-term deposits can be converted to cash overnight.

The carrying amounts of cash and cash equivalents represents their fair value.

	Consolidated		University	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Cash at bank	5,442	14,377	528	8,308
Bank on-call deposits	21,850	6,391	18,122	4,245
Short-term deposits	7,135	20,398	-	10,150
Total cash and cash equivalents	34,427	41,166	18,650	22,703
Including				
Funds held by controlled trusts*	13,196	28,330	-	-

*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. Other than for trust funds, it is not practicable for the University to provide further detailed information about the restrictions.

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.

7 Investments and other financial assets

	Consolidated		University	
	Actual	Actual	Actual	Actual
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Other investments	88	88	-	-
Investments at fair value through surplus	43,668	29,552	-	-
	43,756	29,640	-	-

Quantitative disclosure of fair-value measurement hierarchy for investments as at 31 December 2015:

	Consolidated			Consolidated		
	2015	2015	2015	2014	2014	2014
	\$000	\$000	\$000	\$000	\$000	\$000
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investments—International shares	415	-	-	466	-	-
Investments—International shares fund	-	16,887	-	-	11,777	-
Investments—Australian shares	177	-	-	189	-	-
Investments—Australian shares fund	-	6,374	-	-	4,216	-
Investments—International fixed interest	482	-	-	430	-	-
Investments—International fixed interest fund	-	9,695	-	-	6,881	-
Investments—New Zealand fixed interest	274	-	-	320	-	-
Investments—New Zealand fixed interest fund	-	7,035	-	-	3,181	-
Investments—Unlisted shares	-	-	2,000	-	-	2,000
Derivative financial instruments—Forward foreign exchange	-	213	-	-	92	-
Derivative financial instruments—Interest rate swaps	-	116	-	-	-	-
	1,348	40,320	2,000	1,405	26,147	2,000

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

The fair value of the investment in listed shares and fixed interest instruments in Level 1 was obtained using quoted bid price at balance date.

The fair value of the investment in managed funds, which are classified in Level 2, was obtained using closing unit prices as at balance date, published by the respective fund managers.

The fair value of the forward foreign exchange contracts was determined using a present value model with reference to current forward exchange rates for contracts with similar maturity profiles at balance date. The fair values of interest rate swaps have been determined by calculating the expected cash flows under the terms of the swaps and discounting these values to present value.

The fair value of the investment in unlisted shares in Level 3 was determined using observable price data and other relevant models used by market participants.

8 Accounts receivable and accruals

	Consolidated		University	
	Actual	Actual	Actual	Actual
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Receivables	8,020	8,608	8,408	7,171
Less: provision for doubtful debts	(54)	(44)	(50)	(40)
Other	17	783	108	165
	7,983	9,347	8,466	7,296

Ageing of receivables

	Consolidated		University	
	Actual	Actual	Actual	Actual
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Not past due	5,885	7,132	7,200	6,304
Past due 1 to 30 days	1,068	1,087	516	747
Past due 31 to 60 days	550	187	303	53
Past due 61 to 90 days	214	130	137	13
Past due over 91 days not impaired	249	28	202	14
Past due over 91 days impaired	54	44	50	40
	8,020	8,608	8,408	7,171

9 Other current assets

	Consolidated		University	
	Actual	Actual	Actual	Actual
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Inventory	118	175	118	175
Research—work in progress	2,704	1,836	-	-
	2,822	2,011	118	175

10 Property, plant and equipment

Consolidated	Land \$000	Buildings, improvements & infrastructure \$000	Computers & networks \$000	Plant & equipment \$000	Art collection & heritage \$000	Capital work in progress \$000	Total \$000
Cost and valuation							
Balance as at 1 January 2014	94,330	489,152	34,073	80,734	83,158	16,067	797,514
Additions	5,293	14,547	5,632	11,509	6,971	60,281	104,232
Disposals and reclassifications	-	(398)	(9,096)	(4,928)	(4)	(50,056)	(64,482)
Valuation movement	-	(3,166)	-	-	-	-	(3,166)
Balance as at 31 December 2014	99,623	500,135	30,609	87,315	90,125	26,291	834,098
Additions	265	12,291	5,270	10,317	7,323	91,599	127,065
Disposals and reclassifications	-	-	(4,165)	(4,384)	-	(35,049)	(43,598)
Transfers	-	-	-	-	-	(4,985)	(4,985)
Valuation movement	6,712	(38,182)	-	-	-	-	(31,470)
Balance as at 31 December 2015	106,600	474,244	31,714	93,248	97,448	77,856	881,110
Depreciation and impairment							
Balance as at 1 January 2014	-	23,302	23,270	43,460	33,644	-	123,676
Depreciation for the year	-	16,476	4,876	8,806	5,825	-	35,983
Disposals and reclassifications	-	(397)	(8,711)	(4,203)	-	-	(13,311)
Balance as at 31 December 2014	-	39,381	19,435	48,063	39,469	-	146,348
Depreciation for the year	-	16,320	5,169	9,180	6,423	-	37,092
Disposals	-	-	(4,163)	(3,779)	-	-	(7,942)
Valuation movement	-	(46,671)	-	-	-	-	(46,671)
Balance as at 31 December 2015	-	9,030	20,441	53,464	45,892	-	128,827
Net book value							
As at 1 January 2014	94,330	465,850	10,803	37,274	49,514	16,067	673,838
As at 31 December 2014	99,623	460,754	11,174	39,252	50,654	26,292	687,749
As at 31 December 2015	106,600	465,214	11,273	39,784	51,556	77,856	752,283

10 Property, plant and equipment (continued)

University	Land	Buildings, improvements & infrastructure	Computers & networks	Plant & equipment	Art collection & heritage	Capital work in progress	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cost and valuation							
Balance as at 1 January 2014	94,330	489,152	33,830	78,507	83,153	16,065	795,037
Additions	5,293	14,547	5,632	11,034	6,970	60,284	103,760
Disposals and reclassifications	-	(398)	(9,096)	(4,926)	(4)	(49,248)	(63,672)
Valuation movement	-	(3,166)	-	-	-	-	(3,166)
Balance as at 31 December 2014	99,623	500,135	30,366	84,617	90,117	27,101	831,962
Additions	265	12,291	5,269	9,903	7,323	91,448	126,499
Disposals and reclassifications	-	-	(4,165)	(4,384)	-	(35,052)	(43,601)
Transfers	-	-	-	-	-	(4,985)	(4,985)
Valuation movement	6,712	(38,182)	-	-	-	-	(31,470)
Balance as at 31 December 2015	106,600	474,244	31,470	90,136	97,440	78,515	878,405
Depreciation and impairment							
Balance as at 1 January 2014	-	23,302	23,035	42,222	33,643	-	122,202
Depreciation for the year	-	16,476	4,875	8,293	5,826	-	35,470
Disposals and reclassifications	-	(397)	(8,711)	(4,185)	-	-	(13,293)
Balance as at 31 December 2014	-	39,381	19,199	46,330	39,469	-	144,379
Depreciation for the year	-	16,320	5,169	8,950	6,423	-	36,862
Disposals	-	-	(4,163)	(3,778)	-	-	(7,941)
Valuation movement	-	(46,671)	-	-	-	-	(46,671)
Balance as at 31 December 2015	-	9,030	20,205	51,502	45,892	-	126,629
Net book value							
As at 1 January 2014	94,330	465,850	10,795	36,285	49,510	16,065	672,835
As at 31 December 2014	99,623	460,754	11,167	38,287	50,650	27,104	687,583
As at 31 December 2015	106,600	465,214	11,265	38,634	51,548	78,515	751,776

10 Property, plant and equipment (continued)

	Consolidated	
	Actual	Actual
	2015	2014
	\$000	\$000
Asset revaluation reserve		
Land	87,967	81,255
Buildings & infrastructure	214,378	205,889
Total	302,345	287,144

Land, buildings and infrastructure assets were independently valued as at 1 December 2015 by Mr P. Todd, registered valuer with Darroch Limited and member of the New Zealand Institute of Valuers.

Land—The valuation of land occupied by non-residential buildings (i.e., the campuses) takes into account various aspects, including zoning, title implications, alternate uses, subdivision and development potential. The valuation of land occupied by residential properties uses a market approach that 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, improvements and infrastructure—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 that is based on the replacement construction costs, which is intended to reflect current materials and technology that provide the same level of utility as present assets. Residential buildings and properties located in the Wellington CBD are valued based on the market value that is the estimated price for properties should an exchange occur between a willing buyer and willing seller in an arm's length transaction. As part of the revaluation process, the independent valuer provided the Group with an estimation of useful lives.

Restriction on title—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 2015 (2014: \$nil). The carrying amounts of all property, plant and equipment are reviewed on an ongoing basis.

The rate for capitalisation of borrowing costs was 6.5%.

11 Intangibles (IT software)

	Consolidated		University	
	Actual	Actual	Actual	Actual
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Cost and valuation				
Opening balance	19,105	18,464	18,839	18,240
Additions/transfers	4,985	6,069	4,985	5,737
Disposals	(2,914)	(5,428)	(2,825)	(5,138)
Reclassifications	(151)	-	-	-
Closing balance	21,025	19,105	20,999	18,839
Accumulated amortisation				
Opening balance	9,163	10,461	9,048	10,327
Amortisation for the year	3,281	3,059	3,281	3,033
Disposals	(2,593)	(4,357)	(2,504)	(4,312)
Closing balance	9,851	9,163	9,825	9,048
Net book value	11,174	9,942	11,174	9,791

12 Investment in related parties

Name	Percentage owned	Balance date	Principal activity
Controlled entities			
<i>Controlled trusts</i>			
Victoria University of Wellington Foundation Trust	100%	31-Dec	Management of fund raised 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
<i>Subsidiary companies</i>			
Te Puni Village Limited	100%	31-Dec	Provides student accommodation
Victoria Link Limited	100%	31-Dec	Commercialisation of research
iPredict Limited	100%	31-Dec	Operates a predictions market
Predictions Clearing Limited	100%	31-Dec	Manages trust funds
Wetox Limited	95%	31-Dec	Develops waste-water-treatment technology
Boutiq Science Limited	84%	31-Mar	Provides nanoparticle solutions
New Zealand School of Music Limited (dormant)	100%	31-Dec	Teaching and research relating to music
Auramer Bio Limited	100%	31-Dec	Develops aptamer-sensing technologies
Associates			
Library Consortium of New Zealand (wound up December 2015)	25%	31-Dec	Provides library IT support services
Crablink Limited	40%	31-Dec	Conducts software development
Fiero Interactive Limited	40%	31-Dec	Conducts software development
Swibo Limited	10%	31-Dec	Electronic retailing
Avalia Immunotherapies Limited	38%	31-Dec	Develops cancer immunotherapies

13 Accounts payable and accruals

	Consolidated		University	
	Actual	Actual	Actual	Actual
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Accounts payable	12,172	9,911	11,073	8,798
Contract retentions	1,699	804	1,699	804
Deposits held on behalf of students	8,087	5,747	8,087	5,747
Other accruals	26,778	23,351	25,047	21,104
	48,736	39,813	45,906	36,453

14 Revenue in advance

	Consolidated		University	
	Actual	Actual	Actual	Actual
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Prepaid tuition fees	11,885	10,241	11,475	10,146
Deferred revenue on research contracts	13,622	10,711	-	-
Other revenue in advance	4,859	1,740	4,801	1,613
	30,366	22,692	16,276	11,759

15 Employee entitlements

	Consolidated		University	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Current liabilities				
Annual leave	12,806	12,209	12,681	12,122
Retirement, long service and individual service leave	2,513	2,897	2,513	2,896
Balance at end of the year	15,319	15,106	15,194	15,018
Non-current liabilities				
Retirement, long service and individual service leave	16,687	14,084	16,687	14,084
Balance at end of the year	16,687	14,084	16,687	14,084

The retiring, long service and sick leave was independently assessed as at 31 December 2015 by Mr Charles Hett MA FNZSA, an actuary with Deloitte.

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

The discount rate applied was a single rate of 3.58% (2014: 4%). The salary projections assume 2% increase every year (2014: 2%). Resignation rates vary with age and the length of service and are reflective of the experience of company superannuation schemes of New Zealand. No explicit allowance has been made for redundancy.

16 Deferred revenue—contractual obligation

	Consolidated		University	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Opening balance	8,185	-	8,185	-
Funds received on transfer of Institutes	-	12,660	-	12,660
Research revenue recognised	(2,925)	(4,475)	(2,925)	(4,475)
	5,260	8,185	5,260	8,185
Made up of				
Current portion	3,020	4,301	3,020	4,301
Non-current portion	2,240	3,884	2,240	3,884
Total	5,260	8,185	5,260	8,185

The University has an obligation as a result of two research teams transferring into the University from Callaghan Innovation Limited, a Crown research institute. The University has committed to funding these institutes for three years. This contractual obligation provision was assigned a fair value and a liability has been recognised.

17 Bank borrowings

The University entered into the following loan facility agreements:

Name of bank	Facility limit	Term	Tranche A	Tranche B
Bank of New Zealand	\$75m	Split equally between 3 and 5 years	Limit \$37.5m Maturity October 2018	Limit \$37.5m Maturity October 2020
ASB Bank Limited	\$75m	Split equally between 3 and 5 years	Limit \$37.5m Maturity October 2018	Limit \$37.5m Maturity October 2020

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

The facilities under the Loan Agreements are unsecured, but the lending banks receive the benefit of various financial and other covenants under a Negative Pledge Deed.

As at 31 December 2015, \$58m (2014: \$35m) of the above facilities have been drawn down. They are made up from \$36m Tranche A and \$22m Tranche B. None of the facilities are repayable within 12 months. Interest rates on borrowings are reset for a period not exceeding 180 days.

18 Finance leases

The fair value of finance leases is \$2.2m (2014: \$2.9m). Fair value has been determined using contractual cash flows discounted using a rate based on market borrowing rates at balance date from 3% to 4.7% (2014: 3% to 4.7%).

Analysis of finance lease

	Consolidated		University	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Total minimum lease payments payable				
No later than one year	831	831	831	831
Later than one year and not later than five years	1,661	2,492	1,661	2,492
Total minimum lease payments	2,492	3,323	2,492	3,323
Future finance charges	241	402	241	402
Present value of minimum lease payments	2,251	2,921	2,251	2,921
Present value of minimum lease payments payable				
No later than one year	710	630	710	630
Later than one year and not later than five years	1,541	2,291	1,541	2,291
Total lease liabilities	2,251	2,921	2,251	2,921

Finance leases have been entered into for administrative and scientific equipment to support research.

The University will own the assets at the end of the lease.

19 Related party note

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

a) Transactions with key management personnel

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

Remuneration includes meeting attendance fees, honoraria paid and salaries to Council members and key management personnel and 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).

	Consolidated and University	
	2015	2014
Council members		
Remuneration	\$139,000	\$115,000
Members	19	20
Senior Leadership Team		
Remuneration	\$3,662,000	\$3,234,000
Members	13	10
Total key management personnel remuneration	\$3,801,000	\$3,349,000
Total members	32	30

	Consolidated and University	
	Actual	Actual
	2015	2014
	\$000	\$000
Directors' fees		
Victoria Link Limited	35	32
Boutiq Limited	-	17

Allowance for impairment loss on trade receivables

For the year ended 31 December 2015, the Group has not made any allowance for impairment loss relating to amounts owed by related parties as the payment history has been excellent (2014: \$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.

20 Commitments

Property, plant and equipment commitments

Detailed below are those projects for which firm commitments have been made at 31 December 2015. Commitments include planned maintenance costs and capital expenditure projects.

	Consolidated	
	Actual 2015 \$000	Actual 2014 \$000
Total contracted projects	67,533	41,928

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

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

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

	Consolidated	
	Actual 2015 \$000	Actual 2014 \$000
Disposals and reclassifications		
Due not later than one year	12,332	11,048
Due between one and two years	12,406	9,329
Due between two and five years	32,368	21,495
Due later than five years	98,489	65,230
	155,595	107,102

21 Events after balance date

There were no events subsequent to balance date requiring disclosure in the financial statements (2014: nil).

22 Adjustment to the comparative year financial statements

The table below explains the recognition and measurement adjustments to the 31 December 2014 comparative information resulting from the transition to the new Public Benefit Equity (PBE) accounting standards. In the previous financial year, grants received in relation to the provision of a service or for a specific project were recognised as revenue on a percentage of completion basis. However, PBE IPSAS 23 requires revenue from non-exchange transactions, such as grants, to be recognised as revenue as soon as the inflow of resources can be recognised as an asset in the financial statements, unless the inflow of resources meets the definition of, and recognition criteria for, a liability. Non-exchange revenue from grants can only be deferred and recognised as a liability if there is a condition attached to the grant that requires an entity to use the grant as specified by the grantor or return of the cash (or other resources transferred under the grant) if the entity does not perform as specified. Under the new PBE accounting standards, \$4.1m of revenue received in advance has been recognised as an operating adjustment to accumulated funds as at 1 January 2014.

Statement of financial position	NZ IFRS (PBE) 2014 \$000	Adjustment \$000	PBE Accounting Standards 2014 \$000
Revenue received in advance	26,795	(4,103)	22,692
Equity as at 1 January	635,651	4,103	639,754
Equity as at 31 December	662,446	-	662,446

23 Explanations of major variances against budget

Explanations for major variations against the budget information at the start of the financial year are as follows:

Statement of comprehensive revenue and expense

- Foundation revenue was \$5.5m favourable to budget as a result of higher donations.
- Occupancy and operating costs were \$2m unfavourable to budget as a result of increased facilities management costs such as accelerated maintenance, greater provision of campus security services and a greater requirement for consultant services in the area of facilities planning.

Statement of financial position

- Cash and cash equivalents are \$8.7m higher than budgeted as a result of timing of receipts from research grants, timing of library invoices and receipt of Wellington ICT Graduate School funding.
- Investments are \$9.1m higher than budgeted as a result of higher donations that have been invested.
- Property, plant and equipment is higher than budget by \$27.9m. Land and buildings were revalued in 2015, causing an increase of \$15.1m to net book value, which was not budgeted. The remainder of the increase was caused by work in progress reflecting the accelerated development on major building projects.
- Accounts payable and accruals are \$16.7m higher than budgeted as a result of higher year-end accruals, particularly those related to capital expenditure as a result of the capital development programme.
- Revenue in advance is \$6.1m higher than budgeted as a result of timing of ongoing research projects.
- Bank debt is \$8.0m lower than budgeted as a result of the higher cash position.
- The changes in the statement of comprehensive revenue and expense resulted equally in the difference between budgeted and actual equity.

24 Statement of accounting policies for the year ended 31 December 2015

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

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

The financial statements of the University and Consolidated Group (the Group) for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the Victoria University of Wellington Council (the University Council) on 18 April 2016.

BASIS OF PREPARATION

The financial statements have been prepared on a going concern basis, and the accounting policies set below have been applied consistently to all periods presented.

Statement of compliance

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). These financial statements have been prepared in accordance with NZ GAAP. They comply with Tier 1 PBE Accounting Standards and other applicable financial reporting standards, as appropriate for PBEs. These financial statements are the first financial statements presented in accordance with the new PBE Accounting Standards.

Measurement base

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, except where specifically identified in the following policies.

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the Entity and its subsidiaries and associates is New Zealand dollars.

CHANGES IN ACCOUNTING POLICY

Transition to PBE accounting standards

The material adjustments arising on the transition to the new PBE accounting standards are explained in note 22.

Borrowing costs

During the year, the University applied a voluntary change in accounting policy to provide reliable and more relevant information due to ongoing development projects and related financing. The policy changed from treating all borrowing costs as an expense to capitalising borrowing costs that

relate to qualifying assets. The retrospective impact was assessed as immaterial. All relevant standards have been complied with.

Hedge accounting policy

The University introduced a hedge accounting policy during the year. The University believes that hedge accounting provides a more meaningful reporting of true interest costs. The impact of this change is reflected in the other comprehensive revenue and expense.

SIGNIFICANT ACCOUNTING POLICIES

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

Basis of consolidation

The Group financial statements are prepared on a consolidation basis, which involves adding together like items of assets, liabilities, equity, revenue, expenses and cash flows on a line-by-line basis. All significant intra-group balances, transactions, income and expenses are eliminated on consolidation. The Group financial statements comprise the financial statements of the University, its subsidiaries (including controlled trusts and companies) and investments in associates as at 31 December each year. The investments in associates have been recognised at fair value through surplus or deficit. The principal activities of the subsidiaries and associates are further described in note 12. All significant inter-entity transactions have been eliminated on consolidation.

Revenue

Revenue is measured at fair value. The University recognises revenue from individual categories of transaction as follows.

Government grants and student fees

Government grants are recognised as revenue on entitlement in return for the teaching of courses to which the grant relates, unless there is an obligation to return the funds if the conditions of the grant are not met. If there is an obligation to return the funds, the grants are initially recorded as deferred revenue and recognised as revenue when the conditions of the grant are satisfied.

Student tuition fees are primarily recognised as a deferred revenue liability upon initial recognition. There is a withdrawal period in which students have the right to a refund. At the end of the withdrawal period and where all the conditions are met, the funds are recognised as revenue.

Bequests, donations 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 revenue and expense. If there is a condition attached, it would be recognised as a liability until the condition is met, at which time it would be recognised as revenue. These monies are not available for funding the operations of the University. Donations of assets are recorded at fair value on receipt and recognised as revenue.

Research revenue

The initial recognition of the transaction is made when it is probable that the future economic benefits or service potential associated with the contract will flow to the Group, and the fair value of the contract can be measured reliably. Where it is not possible to recognise an asset in this way, there is no recognition of the revenue until cash is received.

For research contracts that are non-exchange transactions: To the extent that there are no conditions attached to the research funds received or receivable and there is no obligation to return the funds to the grantor, revenue is recognised as the research funds are received or become receivable. If there is a condition attached to the funding with performance and return obligations, the funds are recognised initially as a liability to the extent that the conditions remain unfulfilled. That is, if the conditions require the University to repay the funding if performance obligations are not met, the Group assesses the extent of any unfulfilled performance attached to the contract and recognises a deferred revenue liability in the statement of financial position in relation to the unfulfilled performance obligation. Revenue is then recognised as the conditions are fulfilled. Where conditions relate to the achievement of certain milestones, revenue is recognised as the milestones are achieved.

If the conditions require any unspent grant or contract money to be returned to the grantor, the Group makes an assessment towards the end of the individual contract as to whether any surplus is likely to occur that is required to be returned. If the quantum of any surplus can be reliably determined, it is recognised as a liability; to the extent that the expected surplus does not need to be returned, it is recognised immediately as revenue.

For research contracts that are exchange transactions, research funds received are initially recognised as a revenue in advance liability. Revenue is recognised on a percentage of completion basis, based on the proportion of costs incurred as a percentage of the estimated total costs.

Leases

The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Finance leases, which transfer substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in surplus or deficit.

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

Financial assets

Classification of financial assets depends on the purpose for which the instruments are acquired or originated.

Financial assets are classified into the following categories for the purpose of measurement:

- Loans and receivables
- Financial assets at fair value through surplus or deficit.

Financial liabilities are classified into the following categories for the purpose of measurement:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through surplus or deficit.

All financial assets and financial liabilities are initially recognised at fair value. Fair value is determined using quoted prices in the active markets (where available) or other observable inputs. Where neither of these inputs are available, then fair value is determined using observable price data and other relevant models used by the market participants.

All regular-way purchases and sales of financial assets are recognised on the trade date (i.e., 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.

Financial assets at fair value through surplus or deficit

The Group's investments in shares, managed funds and fixed interest securities are classified as financial assets held for trading. 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 surplus or deficit. The valuation of financial assets at fair value through surplus and deficit is determined with reference to the most reliable observable inputs available, such as quoted prices in active markets (where available), using other observable data.

Loans and receivables

Other loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in surplus or deficit 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.

Impairment of loans and receivables 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 uncollectable, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (i.e., not past due). For other financial assets, impairment losses are recognised directly against the instrument's carrying amount.

Derivative financial instruments

Derivative financial instruments are used to manage exposure to interest rate and foreign exchange risks arising from the University's capital expenditure plan on balance date. The University does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently revalued at market value with the resulting gain and loss recognised in the cash flow hedge reserve if they are designated in an effective hedge relationship. Otherwise fair value changes are recognised in surplus or deficit.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, and short-term deposits for a period not exceeding 90 days that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

Hedge accounting

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

Property, plant and equipment

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

Capital work in progress

Capital work in progress is valued on a basis of expenditure incurred and certified gross Progress Claim certificates up to balance date. Work in progress is not depreciated.

Work in progress includes borrowing costs on qualifying assets. The total costs of the project are transferred to the relevant asset class on completion and then depreciated accordingly.

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. Independent registered valuers undertake revaluations of land and buildings every three years, unless there is reason to suggest that the values have changed materially in the intervening years, in which case, a revaluation may be undertaken outside the three-year cycle. Property, plant and equipment revaluation movements are accounted for on a class-of-asset basis.

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 revenue and expense 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 revenue and expense.

Land is measured at fair value by Darroch Limited as at 1 December 2015. The fair value of the land is determined by reference to its highest and best use if vacant, in line with market-based evidence.

Buildings, with the exception of non-specialised properties, have been valued on a component basis by Darroch Limited at optimised depreciated replacement costs as at 1 December 2015.

The optimised depreciated replacement cost methodology is based on the current gross replacement cost of the building less allowances for physical deterioration and optimisation for obsolescence and relative surplus capacity.

Additions

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

Measurement subsequent to initial recognition for non-revalued assets

Computers and network assets and plant and equipment assets are measured after initial recognition at cost less accumulated depreciation and impairment. Art collections and heritage assets are measured after initial recognition at cost less accumulated impairment.

Disposals

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

Depreciation

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

Class of asset depreciated	Estimated useful life	Depreciation rates
Buildings, improvements & infrastructure	8–97 years	Straight line
Computer & networks	2–10 years	Straight line
Plant & equipment	1–100 years	Straight line

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

Intangible assets

Intangible assets represent the value to the Group of major IT systems that have been purchased, developed and implemented. These are capitalised at cost. Subsequent to initial recognition, intangible assets are measured at cost less accumulated amortisation and impairment. Amortisation for 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 revenue and expense through amortisation. Work in progress is recognised at cost to the extent of the expenses incurred on research that are recoverable under the terms of the research contracts.

Accounts payable

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

Employee entitlements

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

With the exception of annual leave, all other employee 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 revenue and expense.

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. Annual leave is classified as a current liability. Long service leave has been accrued for qualifying general staff. The liability is equal to the present value of the estimated future cash flows as a result of employee service provided at balance date as assessed by an independent actuary.

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.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Superannuation schemes

Defined contribution schemes: Obligations for contributions to KiwiSaver, Uni Saver 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 rate 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 after balance date. Borrowing costs are capitalised on qualifying assets.

Equity

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

- Accumulated funds is the Group's accumulated surplus or deficit since the formation of the University adjusted for transfers to/from specific reserves.
- The cash flow hedging reserve reflects the revaluation of derivatives designated as cash flow hedges. It consists of the cumulative effective portion of net changes in the fair value of these derivatives.
- The asset revaluation reserve reflects the revaluation of those property, plant and equipment items that are measured at fair value after initial recognition.

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 controlled entities and 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 2015 was approved by the University Council on 1 December 2014.

Capital management

The Group's capital is its equity, which is represented by net assets. The Group is subject to the financial management and accountability provisions of the Education Act 1989, which includes restrictions in relation to disposing of assets or interests in assets, ability to mortgage or otherwise charge assets or interests in assets, granting leases of land or buildings or parts of buildings, and borrowing. The Group manages its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. The 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 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.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

- Valuation of land and building assets: management relies on the services of independent valuers to assess the carrying values of land and building assets and the remaining useful lives on a triennial basis (refer to note 10).
- Asset impairment judgements will be made where there is reason to suggest that the value of the assets has changed materially since the last valuation (refer to notes 10 and 11).
- Valuation of retirement, long service, service, and sick leave entitlements: management relies on the services of an independent actuary to assess the carrying value of these employee entitlements (refer to note 15).
- Valuation of Level 3 is as per note 7.
- Stage of completion of research projects is regularly assessed to determine the carrying value (refer to note 14).



University Council

Standing, from left: Brenda Pilott, Graeme Mitchell, Professor Paul Morris, Neil Paviour-Smith, Dr Theresa Sawicka, Matthew Palmer, Caroline Ward (Secretary to Council), Charles Finny, Rick Zwaan, Associate Professor Dolores Janiewski, John Selby, Stella Blake-Kelly

Sitting, from left: Ian McKinnon, Victoria Heine, Professor Grant Guilford (Vice-Chancellor), Sir Neville Jordan (Chancellor), Emeritus Professor Peter Walls (Pro-Chancellor), Helen Sutch, Roger Taylor

Council activity

Council 2015 disclosures

Stella Blake-Kelly

- Member, VUWSA Student Media Committee

Professor Charles Daugherty

- Trustee, Karori Sanctuary Trust
- Trustee, Research Trust of Victoria University of Wellington
- Trustee, Endangered Species Foundation New Zealand
- Trustee, Predator Free New Zealand

Charles Finny

- Chair, Education New Zealand
- Board member, Kaurau Estate Ltd
- Board member, New Zealand Film Commission
- Board member, New Zealand Taiwan Trade Development Ltd
- Board member, New Zealand Trade and Enterprise
- Board member, Wellington Employers' Chamber of Commerce
- Board member, Woolyarns Ltd
- Partner, Saunders Unsworth

Grant Guilford

- Board member, Wellington Regional Economic Development Agency

Victoria Heine

- Partner, Chapman Tripp

Sir Neville Jordan

- Executive chair, Endeavour Capital Ltd, New Zealand
- Chair, Endeavour Sustainable Investment AG, Germany
- Chairman, Jordan Foundation

Ian McKinnon

- Chair, New Zealand National Commission for UNESCO
- Vice-president, The Wellington Club (until July 2015)
- Board member, Orchestra Wellington

Graeme Mitchell

- Director, Barnardos New Zealand
- Director, CIGNA Life Insurance New Zealand Ltd
- Director, Lifetime Income Ltd
- Chair, Audit Committee, Ministry of Justice
- Chair, Audit Committee, Ministry of Social Development
- Chair, Audit and Risk Committee, Human Rights Commission
- Chair, External Reporting Board Member, National Provident Fund Board of Trustees
- Independent member, Audit and Risk Management Sub-Committee, Porirua City Council
- Trustee, Local Government Superannuation Scheme
- Honorary Consul General for Norway

Matthew Palmer

- President, Law and Economics Association of New Zealand (until July 2015)
- Director, Scholarships Services Aotearoa (until October 2015)
- Kwa Geok Choo Distinguished Visitor, Faculty of Law, National University of Singapore (January 2016)
- Judge of the High Court of New Zealand (from October 2015)

Neil Paviour-Smith

- Managing director, Forsyth Barr Ltd
- Director, Chartered Accountants Australia and New Zealand
- Director, New Zealand Institute of Chartered Accountants Regulatory Board
- Director, Forsyth Barr subsidiaries and entities (operating)
 - Forsyth Barr Cash Management Nominees Ltd
 - Forsyth Barr Custodians Ltd
 - Forsyth Barr Group Ltd
 - Forsyth Barr (Hamilton) Ltd
 - Forsyth Barr Investment Management Ltd
 - Leveraged Equities Finance Ltd
- Director, NZX Ltd
- Director, The New Zealand Initiative Ltd
- Chairman, Wadestown School Board of Trustees
- Trustee, New Zealand Affordable Art Trust
- Member, Tertiary Education Commission Sector Reference Group

Brenda Pilott

- Employee, Inland Revenue Department

John Selby

- Director, Syl Semantics
- Director, Viclink Ltd
- Director, ServicelQ International
- Chair, Audit and Risk Committee, ServicelQ International
- Chairman, Grosvenor Assurance
- Member, Audit Committee, Ministry of Business, Innovation and Employment

Helen Sutch

- Trustee, Shirley Smith Family Trust
- Chair, Independent Research Review Group, Transparency International New Zealand
- Member, Advisory Board of Women in Sovereign Entities (New York-based organisation)

Roger Taylor

- Director, McKee Nominees Ltd
- Director, Port of Taranaki Ltd
- Director/shareholder, Icon Textiles Ltd
- Director/shareholder, Miti Partners Ltd
- Trustee, Chamber Music New Zealand Foundation
- Trustee, McKee Trust
- Trustee, New Zealand Law Foundation
- Trustee, Nelson Music Festival Foundation
- Trustee, Nelson Music Festival Trust
- Trustee/chair, Nelson School of Music
- Independent chair, Audit Committee, New Zealand Symphony Orchestra

Emeritus Professor Peter Walls

- Chief executive, Chamber Music New Zealand
- Member, Lilburn Trust Music Advisory Committee
- Trustee, Kiwi Music Trust
- Music director, Opus Orchestra

Rick Zwaan

- President, Victoria University of Wellington Students’ Association Inc.
- Trustee, Victoria University of Wellington Students’ Association Trust
- Board member, Student Job Search National Aotearoa Inc.
- Member, Governance Committee, Living Wage Aotearoa New Zealand
- Trustee, Victoria University of Wellington Foundation

Nothing to disclose

- Associate Professor Dolores Janiewski
- Professor Paul Morris
- Dr Theresa Sawicka

Meetings and payments

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

Name	Attendance	Eligible to attend	Payment (\$)
Stella Blake-Kelly	22	24	7,040
Charles Daugherty	5	6	1,600
Charles Finny	26	34	7,680
Grant Guilford	33	42	n/a
Victoria Heine	14	21	4,480
Dolores Janiewski	19	20	6,080
Sir Neville Jordan	42	48	25,280
Ian McKinnon	23	25	7,360
Graeme Mitchell	25	27	7,680
Paul Morris	16	18	4,800
Matthew Palmer	18	29	5,760
Neil Paviour-Smith	22	23	7,040
Brenda Pilott	11	12	3,520
Theresa Sawicka	18	21	5,760
John Selby	26	28	8,320
Helen Sutch	18	25	4,800
Roger Taylor	24	27	8,032
Peter Walls	42	46	15,200
Rick Zwaan	26	27	8,320





Senior Leadership Team (as of December 2015)

From left: Professor Wendy Larner, Provost; Professor Rob Rabel, Pro-Vice Chancellor (International Engagement); Professor Bob Buckle, Pro-Vice-Chancellor and Dean of Commerce; Professor Kate McGrath, Vice-Provost (Research); Professor Grant Guilford, Vice-Chancellor; Mark Loveard, Chief Operating Officer; Professor Frazer Allan, Deputy Vice-Chancellor (Engagement); Allison Kirkman, Vice-Provost (Academic and Equity); Annemarie de Castro, Director Human Resources; Professor Mark Hickford, Pro Vice-Chancellor and Dean of Law; Professor Jennifer Windsor, Pro Vice-Chancellor Humanities and Social Sciences and Education; Professor Mike Wilson, Pro Vice-Chancellor Science, Engineering, Architecture and Design; Vicki Faint, Executive Administrator to the Vice-Chancellor; Professor Piri Sciascia, Deputy Vice-Chancellor (Māori)

Senior Leadership Team disclosures

Professor Frazer Allan

- Trustee, Wellington Trails Trust
- Board member, New Zealand Veterinary Association
- Board member, Wellington Chamber of Commerce
- Board member, Viclink Ltd
- Member, New Zealand Veterinary Association Audit and Risk Committee

Annemarie de Castro

- Director, Adams Properties (Blenheim) Ltd

Grant Guilford

- Board member, Wellington Regional Economic Development Agency

Professor Wendy Larner

- Trustee, Antipode Foundation
- Trustee, Royal Geographical Society, United Kingdom

Mark Loveard

- Board member, Te Puni Village Ltd
- Board member, Viclink Ltd

Professor Emeritus Barrie Macdonald (on SLT until 1 December 2015)

- Director, Cook's Tooth Ltd
- Director and secretary, C. Alma Baker Trust

Professor Kate McGrath

- Director, AuramerBio
- Chair, iPredict Ltd
- Chair, Predictions Clearing Ltd
- Chair, Research Trust of Victoria University of Wellington
- Chair, Viclink Ltd
- Chair, Wetox Ltd
- Trustee, National Energy Research Institute

Professor Piri Sciascia

- Director, Piri.com Ltd
- Chair, Te Māori Manaaki Taonga Trust
- Chair, Te Mangai Paho
- Member, Ngāi Tahu Cultural Fund
- Member, past Chair, Te Kāhui Amokura

Andrew Simpson

(on SLT until 12 June 2015)

- Board member, Te Kōkī New Zealand School of Music
- Board member, Te Puni Village Ltd
- Board member, Viclink Ltd

Professor Mike Wilson

- Director, Viclink Ltd
- Trustee, Malaghan Institute Trust Board
- Board member, The MacDiarmid Institute Board
- Board member, New Zealanders for Health Research Incorporated

Professor Jennifer Windsor

- Trustee, Adam Art Gallery

Nothing to disclose

- Professor Bob Buckle
- Professor Mark Hickford
- Allison Kirkman
- Professor Rob Rabel

