


Capital Thinking.
Globally Minded.





Tuatara are a taonga of New Zealand and have a unique place in our national identity and natural heritage.

Since the 1940s our staff and students have been working hard behind the scenes to ensure the species survives and thrives. From an intensive breeding programme in partnership with iwi and conservation organisations, through to development of safe habitats and a focus on conservation management we are committed to their success.

Pictured is one of 23 tuatara hatched at Victoria in 2014 as part of a joint initiative to help save a threatened population of tuatara from extinction.

Cover image: This new installation by local New Zealand artist Sam Duckor-Jones consists of three ceramic sculptures and can be found on Level 3 of the Kelburn Library. The artwork, *Naked in a flowerbed is when a poem will be read*, is one of a series of pieces installed in the Library during 2014, to further improve the student experience following completion of its recent refurbishment.

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Introduction from the Chancellor



I am pleased to write this introduction to the 2014 Annual Report of Victoria University of Wellington. The year opened with the arrival of Victoria's next Vice-Chancellor, Professor Grant Guilford, which was marked by a most appropriate ceremony on Te Herenga Waka Marae. Emeritus Professor Pat Walsh, as reported in the 2013 Annual Report, led the University with distinction during his nine years, with Victoria in a strong position for Professor Guilford

under whose leadership there have been further major developments and outstanding achievements, including a new Strategic Plan.

Important to the success of any major organisation is the positive interaction between its governing body and senior management. There is more than sufficient evidence that this has been so, Victoria remaining at the forefront of tertiary education, in learning and teaching, in research, and in the student experience.

Strategic Plan 2015–2019

Council acknowledges the considerable work of Professor Guilford, so immediately on appointment, in the development of the next Strategic Plan, confirmed and "signed off" by Council in September. Confirming the strategic direction of the University is a major responsibility of Council.

The Council itself held focus groups to determine key challenges and the Vice-Chancellor is to be commended on the programme he followed to ensure all in the University plus interested external parties were heard.

The Strategic Plan sets a clear path, expressed in the vision that *Victoria University of Wellington will be a world-leading capital city university and one of the great global-civic universities*, with that vision being underpinned by the University's mission to *undertake excellent research, teaching and public engagement in the service of local, national, regional and global communities*.

The Plan lists six primary strategies (refer to the 'Year in Review' section of this Annual Report), with the goals having been well consulted. Ambition is evident here, with amongst other targets a marked increase in student numbers, a community of world-class scholars choosing to work at Victoria, and an increase and diversification in revenue.

Tertiary Environment: University Governance

The tertiary environment continues to be challenging in a number of areas but Victoria is committed to meeting these challenges to ensure it offers an appropriate environment for research, for teaching and learning, and for the student experience, thus the University contributing effectively to the betterment of society.

The demands on a governing body are considerable, with a range of issues to address. Accordingly, it is important that within a governing body there are the necessary skills plus an understanding of universities. Specific skills in

such areas as finance, law, property and international are critical for effective university governance, just as are an understanding and an appreciation of a university's core activities of research and of teaching and learning, and hence the value to Council of having a mix of members.

It was proposed by the government that Councils should be reduced to 12 in size, with four seats being held by the Ministerial appointees and at least one seat being held by a person of Māori descent. With this reduction in numbers the Council must still ensure there are that range of skills and that understanding of universities. The Council's actual position when submitting on the Bill was that it would be better to have 14 rather than 12 in order to meet that structure of University governance.

Capital Development

During 2014 Council approved the building of a major new science block on the Kelburn campus, where the increasing opportunities for biological sciences can be better met, with work underway before the end of the year. It also approved an upgrade at the Pipitea campus to Rutherford House, the home of the Victoria Business School. Here, there will be modern, fit-for-purpose teaching and learning spaces along with an appropriate library, retail outlets and a social area similar to the award-winning Hub at the Kelburn campus.

Both these projects meet the strategic direction of the University, ensuring teaching and research is well supported by appropriate facilities. Further, with the upgrade at Pipitea it ensures Victoria not only has a well-established Business School but has appropriate facilities to enable maximum interaction with external bodies.

2014 saw the construction of Victoria's 11th hall of residence, Katharine Jermyn Hall, bringing the number of beds available to students to 3,000. Katharine Jermyn was involved in the University for over 40 years and was committed to student welfare and to Victoria's academic integrity. The naming also enables the University to celebrate the critical role of our general staff in making the University the successful institution it is today.

Council also approved the purchase from Housing New Zealand of the Gordon Wilson building sited at 314 The Terrace. This is a further step in Victoria's long-term capital plan, with the University now exploring various options for utilising the site which has the potential to be a new front door to the Kelburn campus.

These developments serve as evidence of the Council's confidence in the University's future which comes from Council's recognition of the commitment of the Vice-Chancellor and the Senior Leadership Team in managing such developments.

Academic Matters

Victoria is committed to a sound academic environment in which the research and the learning and teaching can flourish, as stated in the goals of the Strategic Plan and reported on at Council to inform its deliberations.

The University can reflect on 2014 as another successful academic year.

The outstanding result must be the 2014 Marsden Fund round, with our researchers receiving 25 Marsden Fund grants (16 Standard grants and nine Fast-Start grants) worth \$12.1 million. This represented nearly 22 percent of total Marsden funding.

Council also acknowledges Victoria's pleasing results in the 2014 QS World University Rankings, with law ranked 49th, arts and humanities ranked 60th equal and social sciences and management ranked 67th equal in the world.

Council has also been pleased with the success of a number of academic staff who received prestigious awards and fellowships, further emphasising the quality of research at Victoria. The emphasis on ensuring appropriate structures, processes and support are in place is well recognised by the Council, with Professor Guilford building further on these foundations.

It is appropriate here to acknowledge the outstanding contribution of Professor Neil Quigley during his many years at Victoria and to congratulate him on his appointment to the Vice-Chancellorship of Waikato University.

During 2014 Council also approved the transfer of ownership of Te Kōkī New Zealand School of Music (NZSM) to Victoria University. It was agreed that the NZSM name would still be used by Victoria. NZSM would retain current government funded EFTS, 18 staff having been transferred from Massey University to Victoria, and there would be continued use of Massey's facilities with agreed transition timelines.

Awards and Honours

Council, of course, is involved in the Graduation ceremonies and it is an honour for the Chancellor, as also for the Pro-Chancellor, to confer and congratulate those graduating—in 2014, numbering nearly 3,500, which included 120 PhDs, at the actual Ceremonies. The Graduation Ceremonies require considerable organisation and the work here of University staff is acknowledged.

The 2014 graduation ceremonies also saw the University confer the honorary degrees confirmed by Council on award-winning author, Eleanor Catton, international criminal law scholar, Professor Roger Clark, and world authority in early Chinese history and archaeology, Dr Noel Barnard.

Professor John Psathas was awarded a Higher Doctorate in the degree of Doctor of Music (DMus) for the immense body of work he has contributed. Six concertos were the major pieces taken into consideration when awarding the Higher Doctorate.

The other award approved by Council is the Hunter Fellow. In 2014 this was awarded to Dr Jock Phillips, one of New Zealand's eminent historians, recognising his outstanding contribution to the advancement of Victoria University through his 12 years as a member of the University Council.

Friends of the University

Council records its thanks to many individuals and organisations which support the University. Victoria acknowledges particularly those who serve on advisory groups and other bodies directly associated with Victoria. I also mention here Elaine McCaw, Chair of the Foundation, for the leadership she has shown of this important organisation.

The role of 'friends' for a university can never be underestimated. They understand and support its mission, in some cases by simply speaking well of it but also often in making a tangible contribution. They are valued and appreciated. In this regard, I want to express appreciation to those public and private sector organisations which have joined with the University in specific areas of research, including in the establishment of Chairs. I also acknowledge those who attend public events such as inaugural lectures of new Professors and to those who simply recognise the role Victoria has in Wellington and in its contribution to the broader society.

University Council

During 2014 Council continued to ensure that the University's current Investment Plan for 2013–15 was meeting the expectations of the Tertiary Education Commission (TEC): focused on Māori and Pacific learners; excellence and distinctiveness; and the links of research activities to economic enhancement.

The full Council meets each month, giving consideration to the issues raised by Council members and to those brought forward by the Vice-Chancellor and members of the Senior Leadership Team, such issues often having been considered first at Council Committee level.

At the end of 2014 the two student representatives, David Alsop and Sonya Clark (also President of VUWSA), completed their terms on Council. Both showed a real appreciation of the responsibilities of governance.

During the year there were changes to the membership of the Council. Associate Professor Dolores Janiewski was elected Academic Staff Representative to fill the remaining term of Associate Professor Megan Clark who retired in February 2014. In elections at the end of 2014 Dr Theresa Sawicka was re-elected General Staff representative and Stella Blake-Kelly was elected as the Student Member for 2015 (the new VUWSA President, Rick Zwaan, will also join Council in 2015). In the Court of Convocation election Dr Matthew Palmer QC and Helen Sutch were elected for a new term and Ian McKinnon was elected unopposed to fill the remaining term of the late Rosemary Barrington.

The Council acknowledges Associate Professor Megan Clark for her contribution during three years on Council and I also extend my thanks to Graeme Mitchell, the Pro-Chancellor, and to all 2014 Council members for their commitment to Victoria through the time they give serving the University. I also would like to record the Council's thanks to the Vice-Chancellor, to all members of the Senior Leadership Team, the academic staff and general staff, and to Caroline Ward for her outstanding service to Council as its Secretary.

Conclusion

In September of 2014 I indicated to Council that I believed after five years as Chancellor, following five years as Pro-Chancellor, it was time for me to step down from the office. It is both an honour and a privilege to hold such an appointment, doubly so when one has benefited directly from the University, being a graduate and once a member of the Student Executive.

Sir Neville Jordan now becomes Chancellor with Peter Walls as Pro-Chancellor and I have every confidence in the leadership they will provide Victoria over the next period, both having had wide-ranging experience in governance and both having a real commitment to Victoria.

I want to thank the members of the Council with whom I have served over the years for their support and advice and I certainly also acknowledge the two Vice-Chancellors during my period in office, Professor Pat Walsh and Professor Grant Guilford – two outstanding leaders of Victoria.



Ian McKinnon
Chancellor

Governance

The University Council

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

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

The Vice-Chancellor

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

Governance documents

Strategic Plan and Investment Plan

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

We are required to produce an Investment Plan by the Tertiary Education Commission (TEC). The Investment Plan is an articulation of how the goals in the Strategic Plan will be achieved. It is the responsibility of Council to ensure that the University is managed in accordance with that plan, by determining the policies for its implementation.

Annual Budget

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

Annual Report

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

Committees of the Council

The University Council has appointed, under section 193 of the Education Act 1989, specific committees, each with terms of reference. Each committee operates within the relevant provisions of the Education Amendment Act 1990 and the Local Government Official Information and Meetings Act 1987.

Academic Board

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

Audit and Risk Committee

The Audit and Risk Committee is responsible for assisting Council in discharging its responsibilities relative to financial reporting, oversight of risk management and compliance with legislation. The Committee's scope encompasses the University and its subsidiaries. The Committee meets on a regular basis with the External and Internal Auditors of the University, giving full consideration to their reports, as it will to the Risk Register presented to it on a regular basis by senior management.

Finance Committee

The objective of the Finance Committee is to give Council timely assistance in discharging its responsibilities for assuring the quality and integrity of the financial management of the University. This includes financial planning and strategy, financial control, financial reporting, the management of risk and the monitoring of financial performance.

Campus Development Committee

The objective of the Committee is to assist the Council in discharging its responsibilities relative to property and facilities issues, including proposed building developments and student accommodation and to exercise any delegations from Council as required.

Governance Committee

The Governance Committee is responsible for advising Council on its role, processes and performance, including the fulfilment of Council's statutory responsibilities. Governance Committee members are appointed by Council.



Standing l-r: Neil Paviour-Smith, Associate Professor Dolores Janiewski, John Selby, Dr Theresa Sawicka, David Alsop, Caroline Ward (Secretary to Council), Emeritus Professor Peter Walls, Charles Finny, Victoria Heine, Sir Neville Jordan

Sitting l-r: Professor Charles Daugherty, Roger Taylor, Brenda Pilott, Professor Grant Guilford (Vice-Chancellor), Ian McKinnon (Chancellor), Graeme Mitchell (Pro-Chancellor), Helen Sutch, Professor Paul Morris, Sonya Clark

Honorary Degrees and Hunter Fellowships Committee

The Honorary Degrees and Hunter Fellowships Committee is responsible for making recommendations to Council regarding the criteria, conferment or award for/of an honorary degree, Hunter Fellowship, or any other honorary award which Council may wish to bestow.

Te Aka Matua—Māori Advisory Committee

The objective of the Māori Advisory Committee is to provide Council with timely advice on the University's relations with Māori communities as they support the development and implementation of the Strategic Plan. The Committee receives reports and makes recommendations to Council about its responsibilities as they concern Māori communities.

Vice-Chancellor's Performance Review Committee

The Vice-Chancellor's Performance Review Committee aids Council to meet its responsibility to monitor and evaluate the Vice-Chancellor's performance, as prescribed in section 180 of the Education Act 1989.

Council membership for 2014

Officers

Chancellor

Ian McKinnon CNZM QSP JP

Pro-Chancellor

Graeme Mitchell

Chair, Finance Committee

Roger Taylor MNZM

Vice-Chancellor

Professor Pat Walsh until 28 February 2014

Professor Grant Guilford from 3 March 2014

Members—appointed by the Minister for Tertiary Education

Victoria Heine

March 2012-16

John Selby

March 2012-16

Sir Neville Jordan KNZM

July 2013-17

Neil Paviour-Smith

July 2013-17

Vice-Chancellor

Professor Pat Walsh

2005-February 2014

Professor Grant Guilford

From March 2014

Elected by academic staff

Professor Charles Daugherty ONZM

2013-16

Associate Professor Dolores Janiewski

September 2014 to 2018

Associate Professor Megan Clark

2011-February 2014 (retired)

Professor Paul Morris

2013-16

Elected by general staff

Dr Theresa Sawicka

2015-18

Elected by the Court of Convocation

Ian McKinnon CNZM CSO JP

2015-16

Helen Sutch

2015-18

Dr Matthew Palmer QC

2015-18

Emeritus Professor Peter Walls ONZM

2013-16

Student Representative

David Alsop

2014

Co-opted by the University Council

Graeme Mitchell

2009-17

Sonya Clark

2014

Roger Taylor MNZM

2011-17

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

Brenda Pilott

2008-16

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

Charles Finny

2009-16



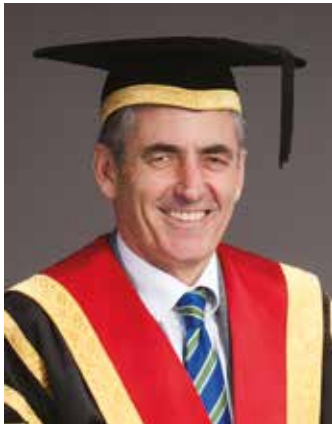
VICTORIA

UNIVERSITY OF WELLINGTON
TE WHARE KŪKĪANGA
PŪ TE SPŪRŪ O TE IKA A MĀKI



Education

Vice-Chancellor's commentary



Quality and ambition are the two main characteristics an incoming Vice-Chancellor wishes to find in a university. I am pleased to report that both traits characterise Victoria University—a testament to the leadership of my predecessor Professor Pat Walsh.

The quality of the University is manifest across all of its functions and is amply demonstrated in the pages that follow. For instance, the University's reputation as

New Zealand's first-ranked university for research quality, derived from its success in the 2012 Performance-Based Research Fund, was reaffirmed in 2014 by its stunning performance in the highly competitive Marsden Fund. Victoria was awarded 25 Marsden Fund grants, the largest number we have ever received. Victoria's success rate per applicant in the Marsden Fund was 35 percent higher than the next best university. Special mention must go to our Faculty of Humanities and Social Sciences researchers, who secured approval for eight of the nine Marsden projects awarded nationally in their field. It was also gratifying to see a broad spread of faculties receive funding, with Victoria Business School and the faculties of Law, Science and Engineering also represented.

Other research successes included the Government's decision to continue funding the MacDiarmid Institute Centre of Research Excellence based at Victoria, the two-year James Cook Fellowships won by Professor Phil Lester and Professor Geoff Whittle, the Fellowship of the Royal Society awarded to Professor Tim Naish, the Rutherford Discovery Award received by Dr Jonathan Halpert and the Pou Aronui Award to Professor Lydia Wevers.

The quality of the University's teaching was highlighted by the Ako Aotearoa National Tertiary Teaching Excellence Award received by Dr Teresia Teaiwa for her work in Pacific Studies, and by the University's extremely positive Academic Quality Agency's audit in which 12 commendations and seven affirmations were received. Over 90 percent of our students highly rated the University's services and facilities. We were also delighted to celebrate the graduation of 15 Māori PhD students, a larger number than any prior year.

At Victoria, the employability of our students is at the core of our teaching and student experience. However, we treat employability as something much broader than skills training for a first job. Our degrees provide scope for exploration, with emphasis placed on students developing creative and critical thinking skills, global perspectives, effective communication skills and the ability to work independently and collaboratively.

For the thousands of young adults at Victoria, the experience outside the classroom is just as important as the one inside. There is a wide range of opportunities for students, including the world-leading Victoria Plus and Victoria International Leadership Programme, more than 130 clubs and societies and the increasingly popular Victoria Abroad, our overseas exchange programme. There is scope for every student to grow as a person during their time here.

Victoria was also proud to support a number of initiatives for young entrepreneurs. The inaugural Venture Up accelerator programme, hosted by Victoria's School of Design, allows promising young entrepreneurs and graduates of The Lion Foundation Young Enterprise Scheme to work on their business ideas over an intensive six-week period. An entrepreneurship boot camp over the summer run by Victoria's commercialisation office and sponsored by BizDoJo, supported six student teams as they worked to turn their concepts into viable businesses.

Another proxy for quality can be found in the international university benchmarking exercises. Although these assessments do not do justice to universities without medical schools, Victoria has nevertheless performed exceptionally well in the international rankings. Our law, humanities, social sciences and management disciplines all ranked within the top one percent of the world's approximately 7,000 universities. Our Faculties of Science, Engineering, Architecture and Design are now achieving similar accolades, and the Victoria Business School retained the elite 'triple crown' of international business school accreditations.

The ambition of the University—for both itself and for its region—is perhaps best highlighted by the adoption of an unreservedly ambitious strategic plan; a plan which is in keeping with the confidence and aspirations of the University's Council, staff, students, alumni and communities. Our vision is for Victoria to be a world-leading capital city university; one of the great global-civic universities.

The origin of this vision dates back to the University's founding in 1897. Prominent amongst the motives for the establishment of Victoria was the pressing need for the nation's capital and its region to be supported by a public university. Today, Victoria views this mandate of civic engagement in a global context and is determined to ensure that its local communities benefit from the University's internationally respected academic excellence. We have redefined the 'local civic-university' as the 'global-civic university'.

To get there, we have settled on an inter-woven cluster of strategies—the first of which is the adoption of a distinctive academic emphasis for Victoria which draws upon our position as New Zealand's globally ranked capital city university. As one would expect, enhancing the quality, quantity and impact of our research is also at the heart of the Strategic Plan—as is providing a holistic learning, teaching and student experience that is second to none. Securing the intellectual potential put at risk through experience of disadvantage, deepening engagement with alumni, benefactors and communities, and deepening Victoria's intellectual influence in the Asia-Pacific region are also strategies integral to our future.

2014 also marked a significant year in terms of Victoria's investment in facilities and infrastructure for the future. As noted by the Chancellor, a number of major capital works projects are now well underway. A new 12,000m² science teaching and research building is due for completion in 2017 and the redevelopment of Rutherford House and the Faculty of Architecture and Design are designed to improve student spaces and promote integration with the city. Together with the establishment of a new hall of residence and additional space in Auckland to provide a base for taught master's programmes these initiatives will support the University's growth in numbers and the quality of the overall student experience.

We farewelled a number of senior staff in 2014 and I would like to take this opportunity to thank the following people for their significant contributions to the University.

After 24 years at Victoria, and nine years as Vice-Chancellor, Emeritus Professor Pat Walsh left a University which had gone from strength to strength under his leadership and I would like to thank him for his dedication and commitment to our staff and students.

Provost Professor Neil Quigley's outstanding leadership qualities and hard work have been recognised in his appointment as Vice-Chancellor at the University of Waikato, starting in 2015.

Professor Penny Boumelha retired from her role as Deputy Vice-Chancellor (Academic) where she had successfully overseen the development of many initiatives to ensure Victoria offers a quality student experience and a first-rate learning environment.

Also retiring was Professor Deborah Willis, Dean and Pro Vice-Chancellor of Humanities and Social Sciences and Pro Vice-Chancellor of Education who had skilfully led the humanities faculty with great drive and enthusiasm for more than 10 years.

These staff, and many others like them, exhibit a real willingness to go beyond the call of duty. Whether it is to deliver excellence in research, or to ensure that students have the best possible experience, or to provide support to our community, all Victoria's staff exhibit a high level of commitment, professionalism and ambition.

The development of our new Strategic Plan required us to pause to consider our shared future. As mentioned above, we now envision Victoria University of Wellington as a world-leading capital city university; one of the great global-civic universities. The 2014 year has positioned us to set confidently about making this happen.



Grant Guilford
Vice-Chancellor

At a glance

Victoria University of Wellington is New Zealand's globally ranked, capital city university.

Top
1%
of the world's 7,000 universities' law, humanities, social sciences and management disciplines*

Globally ranked in 2014

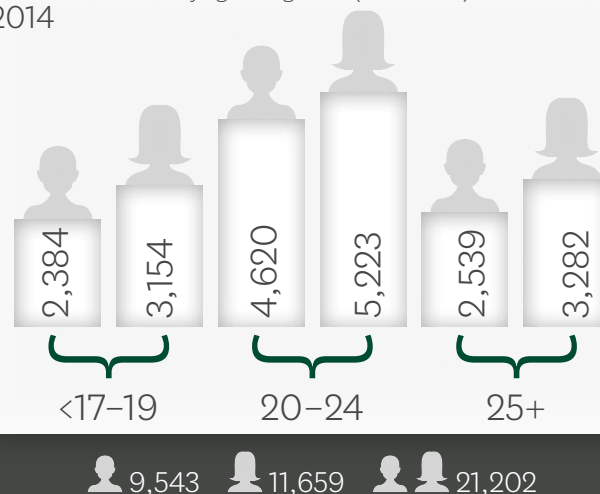
- Our law school ranks within the top 50 in the world.
- Victoria ranks 60th in the world for arts and humanities.
- Victoria's business school is one of only 60 commerce faculties worldwide to achieve the highly sought after 'Triple Crown' of international commerce accreditations.†
- Our earth scientists rank amongst the top 150 of such groups in the world. This is fitting recognition of their pioneering work in areas such as geoscience and climate change.

\$42.5m
in external research revenue

#1 in New Zealand for research quality[‡]

Over
25%
increase on 2013

Student distribution by age and gender (Headcount) 2014



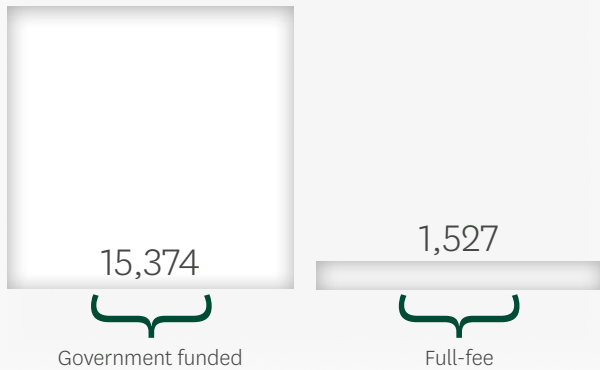
Over
90%
students rate our services and facilities highly[#]

Financial performance

380.6m
Total revenue

Total expenditure
364.0m

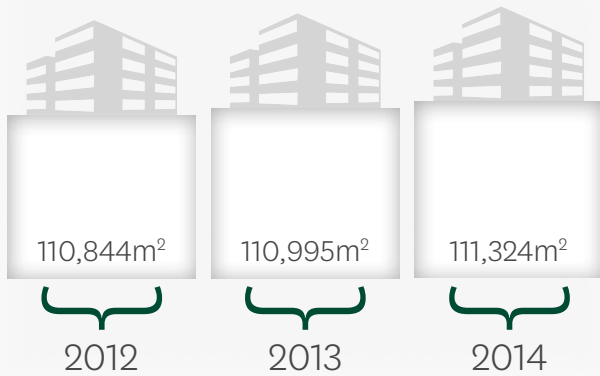
Equivalent Full-time students
2014



449

first-year students supported with Excellence Scholarship

Net usable m² occupied



Qualifications Awarded



4,902

Certificates, Diplomas, Degrees, Honours,
Master's and PhDs awarded

1,990

Staff (full-time equivalent)

930

Teaching and research staff

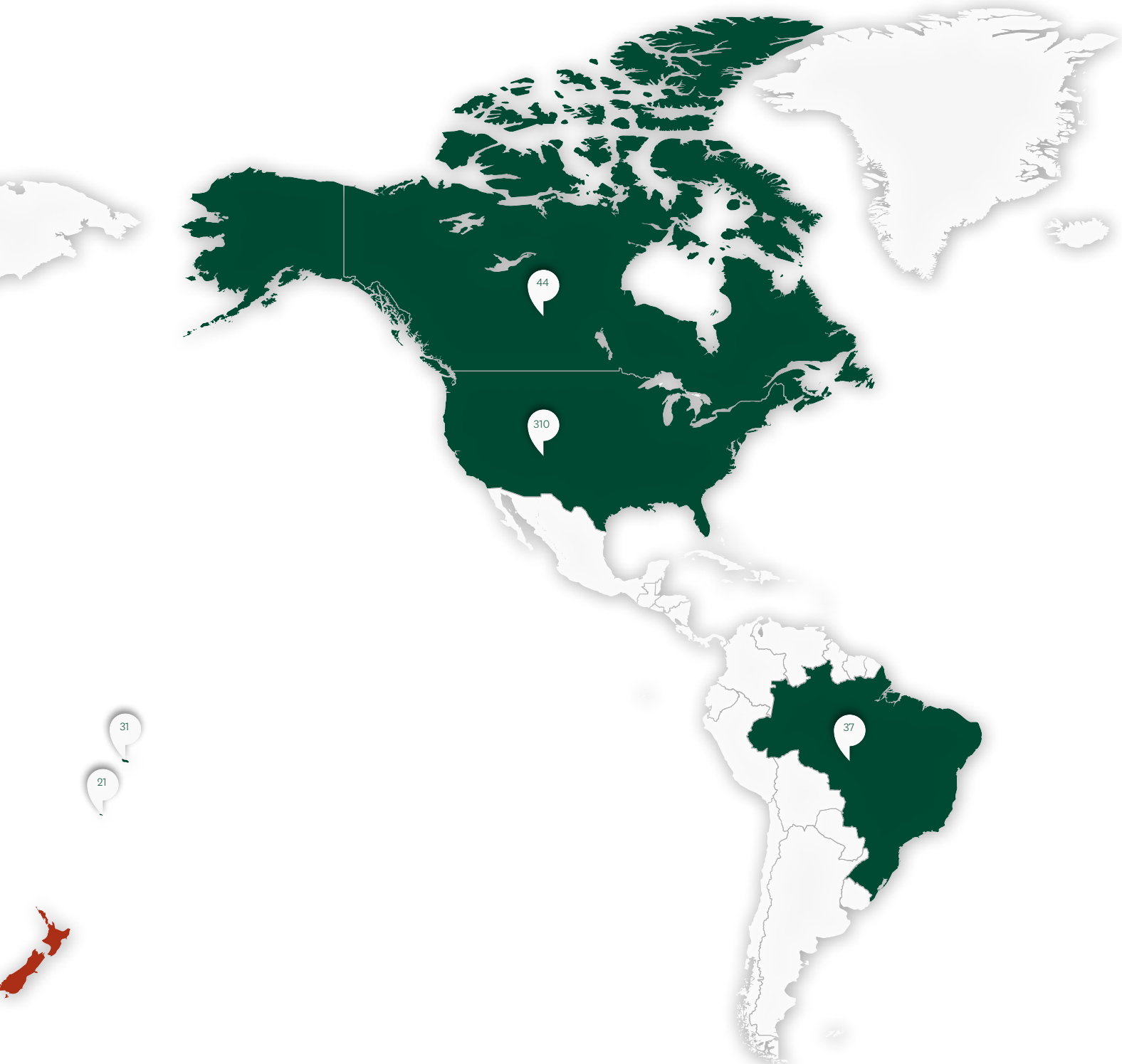
617	Certificates and diplomas
2,879	Degrees
283	Postgraduate certificates and diplomas
374	Honours
602	Master's
147	PhDs

*QS World Rankings by subject.

†The Triple Crown is achieved through accreditation by the three largest and most influential business school accreditation associations: AACSB—The Association to Advance Collegiate Schools of Business, AMBA—The Association of MBAs and EQUIS—European Quality Improvement System.

‡2012 Performance Based Research Funding Quality Evaluation.

*Overall rating from the 2014 Student Experience Improvement Survey.



Myanmar	39
Brazil	37
Korea, Republic of	35
Samoa	31
Timor-Leste	24
Pakistan	21
Tonga	21
Italy	20
Netherlands	18

Sri Lanka	17
Taiwan	17
Denmark	13
Norway	12
Spain	12
Sweden	10
Other	199

Total: 3,078



This artwork was carved by Victoria alumnus Jamie Boynton. It represents a manaia, a demi-god sometimes depicted as a fish and at other times a bird. This ancient art form, found in the earliest of Māori carvings, reminds us of the need for humility towards other people, towards knowledge and towards learning. A manaia forms part of the Victoria University crest, an initiative of Victoria's first Māori Studies Professor, Sir Hirini Moko Mead.

Victoria's strategic direction

Vision

Victoria University of Wellington will be a world-leading capital city university and one of the great global-civic universities.

Mission and Purpose

Victoria University of Wellington's mission is to undertake excellent research, teaching and public engagement in the service of local, national, regional and global communities.

Primary Strategies

- 1 Adopt a distinctive academic emphasis
 - 2 Enhance research quality, quantity and impact
 - 3 Provide a holistic learning, teaching and student experience that is second to none
 - 4 Secure the intellectual potential put at risk through experience of disadvantage
 - 5 Deepen engagement with alumni, benefactors and communities
 - 6 Deepen Victoria University's intellectual influence in the Asia-Pacific region
-

Enabling Strategies

- 1 Double the community of world-class scholars choosing Victoria
 - 2 Attain the scale, quality and academic profile of leading public universities
 - 3 Optimise the University's organisation, processes, facilities and use of resources
 - 4 Increase and diversify sustainable revenue
 - 5 Communicate the quality, values and distinctiveness that define Victoria
-

Values

Victoria University of Wellington's core ethical values are respect, responsibility, fairness, integrity and empathy. These values are manifested in our commitment to civic engagement, sustainability, inclusivity, equity, diversity and openness. We prize intellectual rigour and independence, academic freedom, critical inquiry and excellence.

Year in review

Our vision is for Victoria University to be a world-leading capital city university and one of the great global-civic universities.

In 2014 Victoria University staff, students, alumni and stakeholders worked together to define a vision for what Victoria needs to achieve. The outcome of those discussions was a new Strategic Plan that uses our previous accomplishments and areas of strength to lay out a roadmap to achieve ambitious goals for our future.

A focus on excellence, engagement with our communities and defining what makes Victoria distinctive, are all themes in the new strategic plan that will enable Victoria to build on our previous success.

Adopt a distinctive academic emphasis

As part of the strategic planning process, we defined our distinctive areas of academic emphasis—grouping current capability, research and teaching in areas of strength across the University.

Victoria has selected a number of multi-disciplinary themes that will:

- draw upon our position as New Zealand's globally ranked capital city university
 - be underpinned by excellent, fundamental, disciplinary-based research
 - promote an outlook that goes beyond disciplinary, school, faculty and other traditional boundaries
- frame and develop Victoria's distinctive teaching, research and public engagement endeavours
 - contribute to local, national and global challenges with a particular emphasis on Wellington, New Zealand and the wider Asia-Pacific region.

Advancing better government

As a capital city university, we facilitate the interaction of world-class scholars, vibrant communities and the diverse governments of the Asia-Pacific region, helping them work together for the betterment of our societies.

Close-up on restorative justice

In 2014, a professorial chair in restorative justice was established to provide a focus for collaborative research and teaching on restorative justice theories, policies and practices.

Professor Chris Marshall (pictured) is the inaugural holder of the Diana Unwin Chair in Restorative Justice. He says New Zealand has been a world leader in the field, especially in its use of family group conferences, but this has waned because of limited investment in research and the ongoing professional development of practitioners.

Professor Marshall will be working to address this by undertaking interdisciplinary research, leading public policy discussions, offering professional development for practitioners and providing teaching and postgraduate supervision in restorative justice theory and practice. This work will provide the mechanisms to enable a victim to be able to regain trust in a person who has done them wrong.

The Chair is funded by the G Trust, Ministry of Justice, Ministry of Social Development, Ministry of Education, Department of Corrections, New Zealand Police and the New Zealand Defence Force, through the Victoria University Foundation.



Enabling our Asia-Pacific trading nation

New Zealand's economic wellbeing and future growth depends on its success as a trading nation. To have a flourishing economy and successful trading relationships, we must understand international and business practice and our own national identity and place in the world, while having a deep understanding of the identities and cultural practises of our partner nations.

BNZ Chair in Business in Asia

Professor Siah Hwee Ang took up the role as BNZ Chair in Business in Asia in 2014. The Chair has been formed in partnership with BNZ, Ministry of Foreign Affairs and Trade, Ministry of Business, Innovation and Employment, and New Zealand Trade and Enterprise. The objectives of the Chair are to produce research, promote debate and support stakeholders in understanding and helping to overcome the challenges of accessing markets in Asia and ensuring the success of New Zealand business in Asia.

Providing practical business advice

Dr Revti Raman, a senior lecturer in Victoria's School of Marketing and International Business, has been funded by the India New Zealand Education Council for research focusing on providing practical advice for doing business in India. While New Zealand and India are both democratic political systems with colonial backgrounds, the cultures, languages, regulations and justice systems of the two countries are significantly different. Dr Raman is collaborating with a researcher from Guru Nanak Dev University, Amritsar on the 18-month project and the pair plan to publish a small book for practitioners.

Spearheading our digital futures

Digital advances have opened up a world of new possibilities for both knowledge creation and dissemination to enrich society. At Victoria we are exploring the opportunities that digital innovation can provide to our communities—from making education more accessible online, to enhancing research power and the breaking down of global barriers.

Student project takes the world stage



A robotic lamp which has human traits created by Victoria University students became an internet sensation and was selected for two international conferences during 2014.

Pinokio (pictured), collaboratively designed by Adam Ben-Dror and Shanshan Zhou from the School of Design, has been viewed over one million times on Vimeo. In 2014, Adam was invited to speak about the lamp and his explorations into interaction design robotics at the four-day Robo-Forum conference held in Moscow and the lamp featured in the Digital Revolution world touring exhibition.

Cultivating creative capital

Creative capital is the capacity of our community to imagine and to express new possibilities through creative activity. It is the genius behind art, music and writing. It is also the curiosity and insight that finds new solutions to complex problems. Creativity is inherent to the research process, it drives innovation in design and it underpins the entrepreneurship that establishes new businesses or social endeavours.

Honouring the sacrifice of wartime through music



Te Kōki New Zealand School of Music's Professor John Psathas (pictured) is leading a groundbreaking new cinematic performance in commemoration of the First World War.

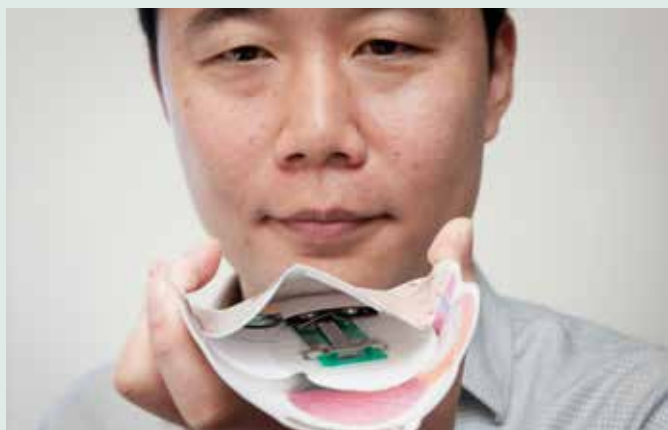
No Man's Land aims to bring together musicians from around the world to play an original piece of music honouring the sacrifice of individuals from many of the nations affected by the Great War. These musical collaborations are to be fused into a unique 70-minute film, to be projected alongside live musicians on-stage.

Professor Psathas' significant contributions as a New Zealand composer were recognised in the December graduation ceremonies, during which he was awarded a Higher Doctorate in the degree of Doctor of Music.

Stimulating a design-led, high-value manufacturing region

Wellington is arguably the high-tech capital of New Zealand, and as its university, Victoria is committed to supporting the next generation of innovators.

Researcher leads charge for child-safe batteries



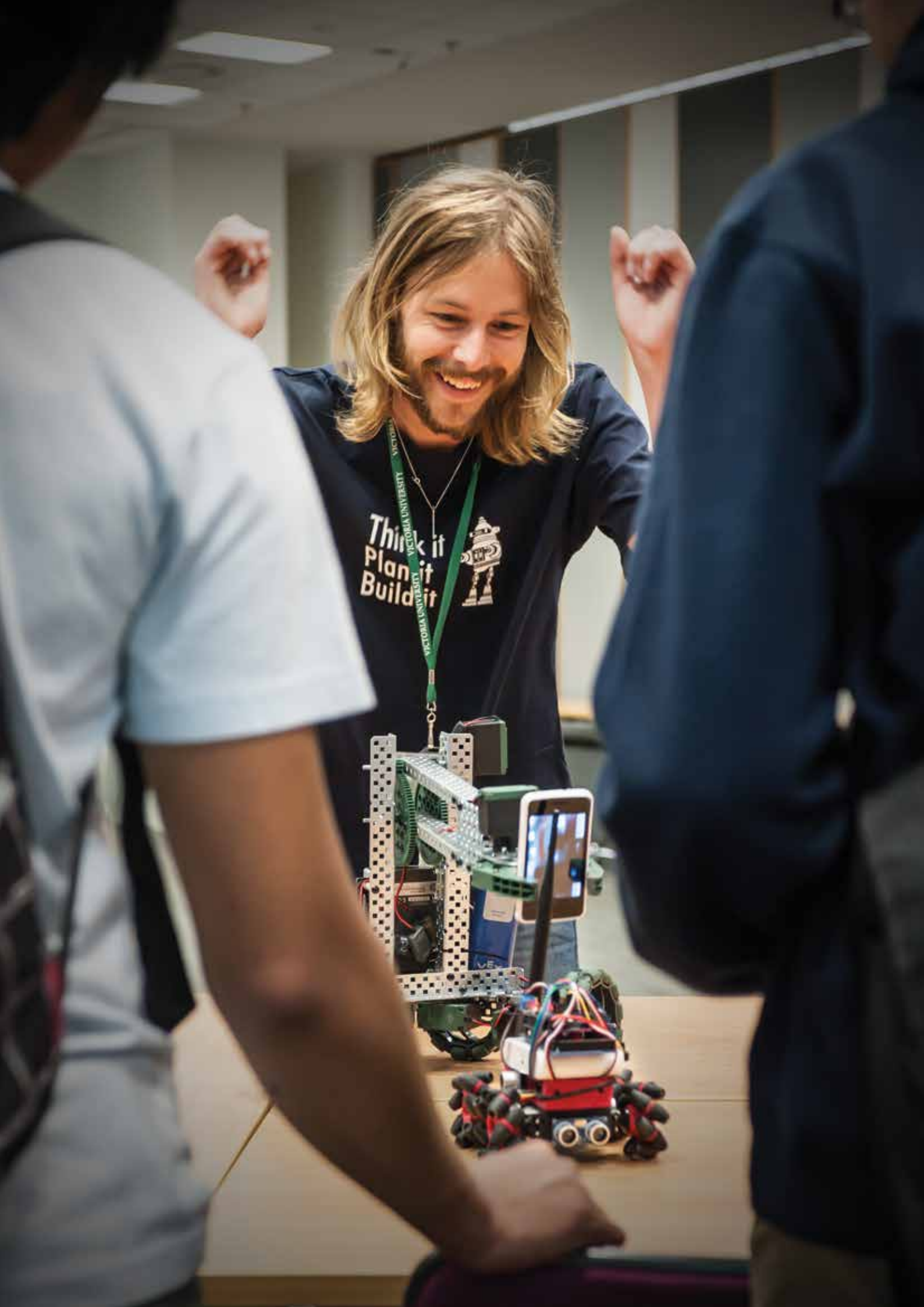
Innovative battery technology designed at Victoria could soon help save the lives of young children all over the world.

Industrial Design lecturer Jeongbin Ok (pictured left) has developed a solution to minimise the damage of swallowing coin-sized, button cell lithium batteries, commonly found in electronic devices such as toys and remote controls.

In collaboration with one of the world's largest battery manufacturers, Mr Ok has spent the last three years developing modifications to button batteries. His invention involves applying a thin layer of highly concentrated food colouring to the surface of batteries during production. The food colouring is activated by saliva, so if a child swallows a battery it will immediately stain their mouth.

Viclink, the University's commercialisation office, has helped Mr Ok put in place a joint development and licensing agreement. Production is expected to begin in 2015.

Mr Ok's research has been conducted with support from the Consumer Product Safety Commission in the United States and Consumer Affairs New Zealand.



Think it
Plan it
Build it



VICTORIA UNIVERSITY

Enhancing the resilience and sustainability of our natural heritage and capital

Victoria is a world-leader in resilience to natural disasters, environmental sustainability, natural heritage and sustainable development of natural resources, managed and built environments. We have the capacity and commitment to make a real contribution to the world's natural challenges—from local disasters such as earthquakes through to the global impacts of climate change, loss of biodiversity and invasive species.

In 2014, Victoria became the first New Zealand university to appoint an Assistant Vice-Chancellor (Sustainability). Professor Charles Daugherty was appointed to the new role, underscoring the importance of sustainability to New Zealand's future. This role will be responsible for leading a University-wide programme on sustainability, resilience and natural capital.

Improving health and wellbeing in our communities

How our society thrives depends on the ecosystems that support us, the quality of our built environment, the vibrancy of our culture, along with advances in biomedical research and health care.

World-leading research being carried out in this area comes from the newly formed Robinson Research Institute that, in 2014, signed a strategic partnership agreement with NASDAQ-listed Superconductor Technologies Inc. This partnership will see the Institute's innovative technology used for new applications in the health and energy industries.

Early childhood education specialists Ali Glasgow and Dr Lesley Rameka were appointed to the Advisory Group on Early Learning established by Minister of Education Hekia Parata in 2014. Their skills and experience will contribute to important work to ensure all children in New Zealand have consistent teaching and learning from birth to eight years of age.

Victoria is also home to the independent research organisation, the Malaghan Institute of Medical Research which provides unique opportunities for collaboration between our staff and students. In 2014 the team at Malaghan made huge advances with its asthma vaccine technology, among other important discoveries in its specialist areas of immunology and vaccine research.

Enriching national culture, civil society and global citizenship



As New Zealand's capital city university, Victoria has a unique role in—and responsibility for—enriching national culture, civil society and global citizenship.

Victoria's Stout Research Centre, part of the Faculty of Humanities and Social Sciences, has long been a leader in this field. In 2014 the Centre hosted a public symposium to explore New Zealand's national identity as well as hosting a Wellington Seminar Series to encourage the city's most passionate supporters to share their perspectives and thoughts on Wellington.



The Centre's director, Professor Lydia Wevers (pictured), received the 2014 Pou Aronui Award from the Royal Society of New Zealand, acknowledging her dedication to promoting the study and enjoyment of New Zealand's literature, history, arts and culture.



Enhance research quality, quantity and impact

In 2014, Victoria researchers continued to lead national and international thinking on significant issues facing our communities, gaining the highest levels of recognition for their innovative, world-class and highly relevant research.

Researchers throughout the University apply their expertise to address issues of concern to local, national and international communities. From understanding the impacts of climate change to addressing the complex challenges involved in building a well-functioning society, Victoria is committed to harnessing the creativity of our brightest minds. We apply this capability widely, from driving technological gains to crafting the music and poetry that help us define who we are.

From a record year in the Marsden Fund grants, to James Cook and Rutherford Discovery Fellowships and major international prizes, Victoria researchers continued to demonstrate the University's national and international excellence and leadership in research in 2014:

- Victoria researchers had their most successful year since 2009 in securing external research funding. Over \$42 million was awarded, including over \$7 million from the Ministry of Business, Innovation and Employment in its 2014 contestable science investment round to five projects involving Victoria researchers in the high-value manufacturing and services, biological industries, and energy and minerals categories.

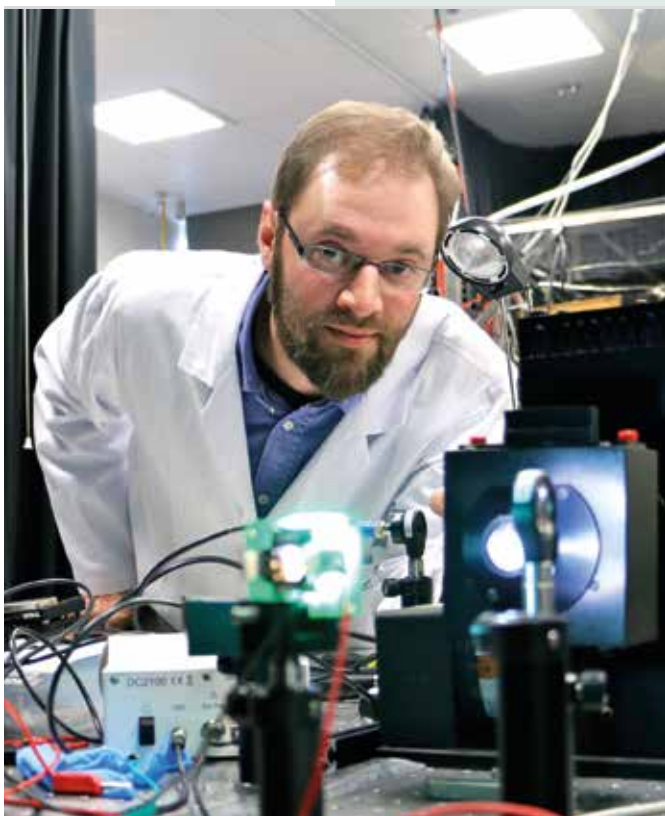


- In May, senior members of the science community gathered at Victoria for the launch of the draft National Statement of Science Investment by Minister of Science and Innovation Hon Steven Joyce (pictured above). The event marked a period of consultation on the Government's preferred direction for science funding.
- Victoria researchers are increasingly publishing in the most prestigious scientific journals, as is evinced by the announcement in 2014 that Victoria greatly improved its position in the Nature Publishing Index Asia-Pacific, rising more than 200 places to 93rd for 2013.

- In May, a team of researchers from Victoria's Ferrier Research Institute and GlycoSyn won the 2014 Best New Innovation award at the Janssen Annual Excellence Awards. The award recognised their work in developing a new oral triple-negative breast cancer drug. The drug was developed in collaboration with the Albert Einstein College of Medicine in New York.
- Michael Norris, a senior lecturer in composition at Te Kōkī New Zealand School of Music, won the 2014 SOUNZ Contemporary Award at the APRA Silver Scroll Awards for his work *Inner Phases*.
- Professor Tony Smith, Pro Vice-Chancellor and Dean of the Faculty of Law, was appointed to a distinguished legal role at the University of Cambridge. He will be the Arthur Goodhart Visiting Professor in Legal Science for 2015–16.
- Professor Tim Naish, Director of Victoria's Antarctic Research Centre, became the first New Zealand recipient of the Martha T. Muse Prize for Science and Policy in Antarctica. The Prize is awarded by the Tinker Foundation and administered by the Scientific Committee on Antarctic Research and is a global award in recognition of Professor Naish's outstanding research into understanding Antarctica's response to past and present climate change and the role of Antarctica's ice sheets in global sea-level change.



- Professor Kate McGrath (pictured) was selected as a finalist in the Innovation and Science section of the 2014 Westpac and Fairfax Women of Influence awards. Professor McGrath, who was based in the School of Chemical and Physical Sciences and was until recently Director of the MacDiarmid Institute for Advanced Materials and Nanotechnology, helped lead the Institute's successful bid for renewed government funding and was also appointed the University's Vice-Provost (Research) during the year.



Record success in Marsdens

In November, Victoria was awarded 25 Marsden Fund grants out of 101 granted nationwide—the largest number ever received by the University in a single year. This is a higher success rate per researcher than that of any other university, a feat similar to that achieved last year with the announcement of Victoria's top rank in the Performance Based Research Fund quality evaluation. The Marsden result again highlights that Victoria is the most research intensive university in New Zealand.

Victoria researchers received Marsden funding worth \$12.1 million, consisting of 16 Standard grants and nine Fast-Start grants, which support researchers in the early stages of their careers. A particular highlight was in the humanities and social sciences, where Victoria received eight of the nine grants awarded nationally.

One of the recipients is Dr Jonathan Halpert (pictured) from the School of Chemical and Physical Sciences. Jonathan, who also received a prestigious Rutherford Discovery Fellowship in 2014, will use his Fast-Start grant to progress his research exploring new materials to improve the efficiency of solar power through harnessing nanoparticles.

Other projects range from research into security intelligence, vaccine development and sea ice to black holes and Māori legal traditions.

The Marsden Fund is administered by the Royal Society of New Zealand, on behalf of the Government, to support excellence in fundamental research.




Rankings remain strong

International university rankings are one measure of the quality of learning and teaching and research offered at Victoria. In 2014, the University continued to be recognised in the top percentage points of global institutions.

In the QS World University Rankings for 2014 Victoria was ranked 275th equal overall, consistent with previous years, placing the University in a global ranking superior to 96 percent of the world's more than 7,000 universities.

Highlights included law being ranked in the top 50, with the arts and humanities being ranked 60th equal in the world and the areas of social sciences and management being ranked 67th equal. Education also ranked in the 51–100 bracket.

In the Times Higher Education World University Rankings for 2014, Victoria held its overall position in the 276–300 band. In the 2014–2015 subject rankings, Victoria was ranked 92nd in the world for arts and humanities.



“My commitment to nurturing an environment of excellence in teaching and learning comes from a sense of profound responsibility.”

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

In addition to Victoria's tradition of research excellence, we are focused on providing a world-class learning experience that contributes towards a more educated, cohesive and creative society.

In 2014, Victoria continued to celebrate excellence in teaching amongst our staff. A significant piece of work in the learning and teaching sphere took place in the form of the five-yearly academic audit.

The University continued to review its suite of academic programmes and courses, with the introduction of additional taught Master's programmes and new undergraduate courses designed to cater for the future employability of students.

Teaching excellence

A particular highlight in 2014 was the Ako Aotearoa National Tertiary Teaching Excellence Award presented to Dr Teresia Teaiwa (pictured left), a senior lecturer in Pacific Studies. Dr Teaiwa is the first Pasifika woman to receive an Ako Aotearoa award and was praised for her unique teaching approach that 'challenges not only a European philosophy around learning and teaching, but also Pasifika peoples' confidence in their ways of knowing and achieving'.

The University also received a glowing report in its 2014 academic audit report, conducted every five years by the Academic Quality Agency.

Overall, Victoria received 12 commendations and seven affirmations from the audit panel, covering areas such as the University's commitment to teaching excellence, the strength of its strategic planning, its engagement and partnership with students and a focus on participation and retention.

The panel particularly commended Victoria for initiatives that focus on Māori and Pasifika students, its work on developing the suite of academic handbooks for students and the establishment of our Faculty of Graduate Research.

The panel also commended the focus on student-centred initiatives. Highlights from 2014 have included the creation of Victoria's distinctive Student Charter and Graduate Profile, in partnership with students, to guide the development of resilient, capable and confident graduates whose critical thinking, creativity and highly developed communication skills prepare them for dynamic career outcomes and global citizenship.

Overall the panel made eight recommendations that Victoria had already identified in its self-review. These included the continued implementation of the University's Strategy for Digital Learning and Teaching through to the development of an academic integrity standard.

Leading programmes and faculties

Other international recognition included Victoria's Landscape Architecture programme being placed second-equal in the International Landscape Architecture Exhibition of University Projects at the 8th Biennial of Landscape Architecture in Barcelona.



In addition, the prize for the top designed landscape in the world, the Rosa Barba prize, was awarded to the Auckland Waterfront Project (pictured)—designed in association with Victoria senior lecturer in Landscape Architecture, Martin Bryant.

Victoria Business School had its EQUIS accreditation confirmed for a further three years, endorsing the School's high international standing. EQUIS is the accreditation system of the European Foundation for Management Development and one of the accreditations that make up the prestigious 'triple crown' of international accreditations for business schools. Victoria's Business School is one of only approximately 65 commerce faculties worldwide with the 'triple crown'.

New courses and programmes

Victoria continues to expand its suite of taught Master's programmes which can be completed in one calendar year (180 points). These cater for the growing domestic and international demand for programmes that enhance professional skills and enhance career prospects through deepening knowledge.

In 2014, three new programmes were offered for the first time: the Master of e-Government, Master of Professional Economics and Master of Secondary School Leadership. In addition a new Master of Political Science and Master of Education will be offered in 2015 and New Zealand's first Master's degree in Meteorology is scheduled to be available at Victoria from 2016.

Victoria is also expanding its offering of programmes through premises in central Auckland, with the Master of Information Studies and Master of Information Management scheduled to be offered at the new location in 2015.

In the undergraduate arena, the University's new BA Internships programme, launched in 2013, has proven popular with students and the number of organisations taking part grew significantly. More than 40 private and commercial organisations in the Wellington region partnered with Victoria in 2014 including Creative Commons, the Department of Internal Affairs, the New Zealand Army, New Zealand Symphony Orchestra, Oxfam and Te Papa Tongarewa. Students registered in the course gain academic credit as well as real-world experience by working voluntarily for up to 100 hours for a partner organisation. The course also includes a taught component where students have an opportunity to reflect on, share and discuss what they have learnt in the workplace.

A global experience

In 2014, Times Higher Education ranked Victoria's international outlook to be within the top 50 of the world's universities.

With approximately 3,000 international students, a highly internationalised faculty and research and study agreements with partner universities and institutes across the world, Victoria's student experience is informed by a global perspective.

In 2014, 182 students took the opportunity to complete a Victoria Overseas Exchange, spending a trimester, or even a full year, studying in another country.

New exchange partnerships were formed with universities in Brazil, Mexico, South Korea, the Netherlands and the United Kingdom, and Victoria welcomed 213 students from partner universities across the world to complete their exchange in Wellington.

The Victoria Overseas Exchange programme benefits from a partnership with the *Dominion Post*, which provides financial support to a number of students through a global citizen exchange scholarship.

Nathan Tse, a first-year student studying a BCom/BA conjoint degree majoring in Finance and International Relations, was selected as one of four New Zealand delegates to attend the APEC Voices of the Future programme in November. The programme runs alongside the APEC CEO Summit, an annual gathering of top CEOs, business leaders and diplomats from the Asia-Pacific region. The topic for the programme was 'Challenges of education and employment faced by youth in the Asia-Pacific region'.



Advancing digital learning and teaching

The Ministry of Education granted \$200,000 each to Dr Sydney Shep, Reader in Book History at Wai-te-ata Press, and Dr Azra Moeed, a senior lecturer in the School of Education Policy and Implementation, to advance their research into leading-edge teaching and learning initiatives.

Dr Shep's research is advancing knowledge in the area of digital teaching, and is exploring how university students and teachers use digital media to support learning in history-informed subjects. Her project involves creating a massive online open course (MOOC), a digital history portal and self-reflective e-portfolios.

Victoria's Library further developed its collection in 2014 and now provides access to over 280,000 e-books. A new, expanded website was implemented and the introduction of a new library management system and search tool is scheduled for introduction in mid-2015. These future-focused cloud-based tools will provide efficiencies and improved reporting and are increasingly being used by the world's top universities.

In addition, the redevelopment of the Kelburn Library was completed in 2014 and a new Antarctic-themed reading room (pictured) opened on Level 5, made possible through a generous donation by Dr Lee Seng Tee.

The redevelopment of the Kelburn Library also led to the creation of distinct Māori and Pasifika spaces for collections and learning in 2014—Te Taratara ā Kae and Wan Solwara.



Student-run pre-election debate. Credit Rick Zwaan

Student leadership

In December, the annual celebration of the Victoria Leadership Programmes' Awards was held. Victoria has been offering the extracurricular programmes—Victoria Plus and the Victoria International Leadership Programme—for six years, during which time they have attracted over 3,000 registrations. The awards celebration marked the achievements of around 150 students who completed the programmes in 2014.

Students also take leadership roles as Campus Coaches, mentoring Māori and Pasifika students, volunteering for Disability Services, providing academic support to other students through the Student Learning Service and by helping international students.

In the Wellington community, students make a difference through volunteering for a wide variety of charities and the recent Growing Graduates initiative, in partnership with Wellington City Council, has led to students helping plant thousands of native trees on Wellington's town belt.

In July, the University supported the Victoria University of Wellington Students' Association (VUWSA) to hold a student leadership conference at the Kelburn campus. Students also organised a pre-election debate in the Hub (pictured), where local politicians answered questions and discussed policies on a range of issues affecting tertiary students.



Creative focus on Māori and Pasifika perspectives

The International Institute of Modern Letters developed a new creative writing course for students wanting to write from or about Māori and Pasifika perspectives. Te Hiringa A Tuhi is being taught by award-winning novelist and Victoria creative writing graduate Dr Tina Makereti (pictured).

Offered for the first time in Trimester Two, the course caters for people interested in writing fiction, poetry or creative non-fiction informed by Māori or Pasifika viewpoints, cultures and origins, the process of colonisation, or questions of identity and belonging.



PhD student Eldon Tate. Credit Fairfax NZ

Students take a world view



Victoria students continued to demonstrate their unique talents in 2014, with a number of students achieving success on the world stage. Highlights included:

- Music and Development Studies student Katherine McIndoe (pictured), who won the 2013 Commonwealth Essay Competition, was one of 100 young people selected worldwide to participate in 33Fifty, the Commonwealth Youth Leadership Programme held in conjunction with the opening of the Commonwealth Games in Glasgow.
- PhD student Eldon Tate (pictured top), a nanotechnology researcher, won a \$10,000 AMP scholarship at the Do Your Thing awards to help make safe drinking water more accessible by developing a new type of solar water treatment system.
- Design student Zach Challies was selected as the New Zealand finalist

for the James Dyson Award for his Master's project—a 3D printed prosthetic nose.

Responsive student services

The University's Student Experience Strategy guides activities and services towards ensuring students have a world-class experience at Victoria.

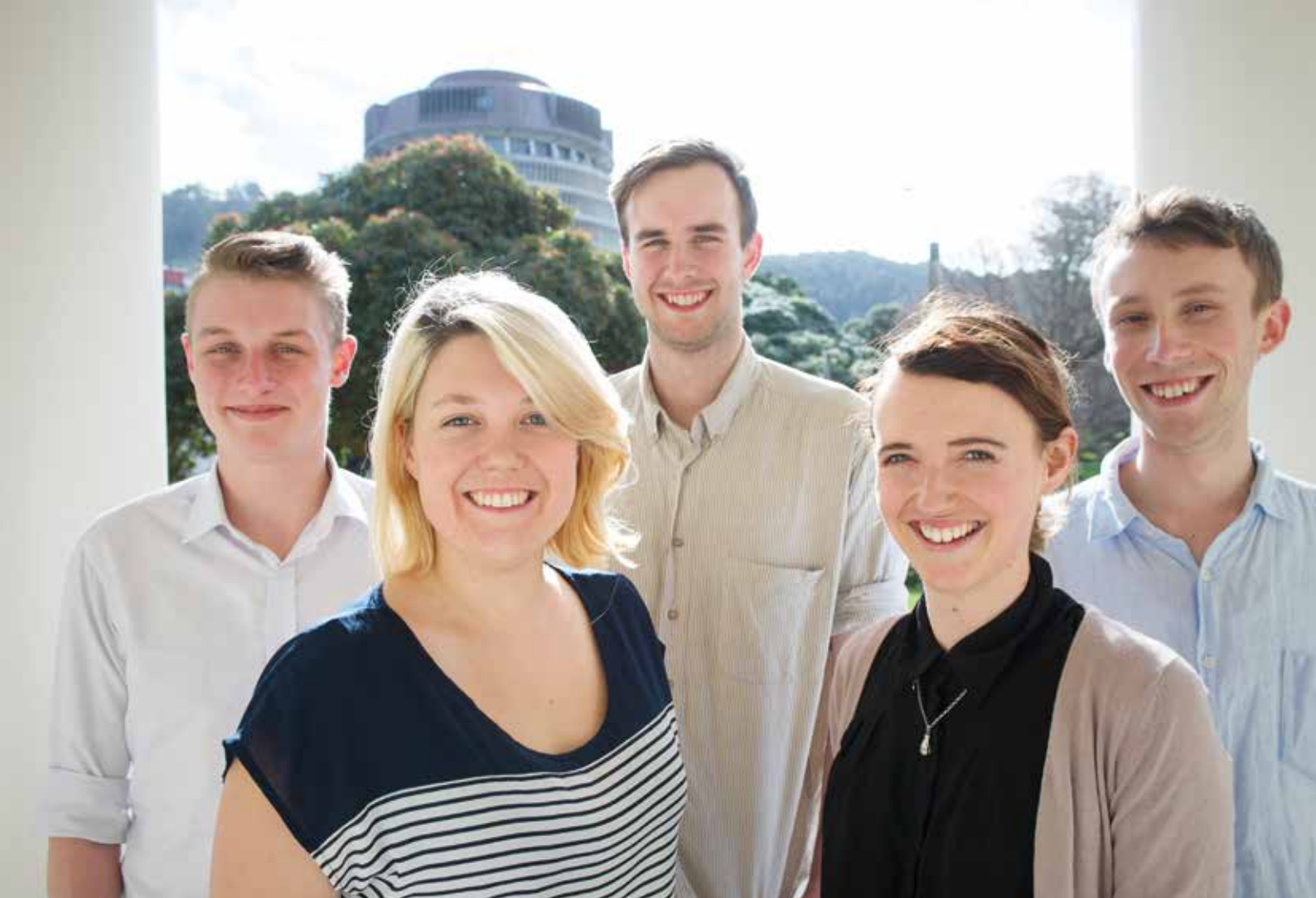
We have worked to improve the quality of the student experience in recent years, which is measured in part through the annual student experience improvement surveys.

In 2014, the fourth survey was conducted, with current students providing feedback on a range of non-teaching activities, facilities and services.

The key findings were very encouraging and show we offer students a safe and vibrant campus. Overall, Victoria's services meet student needs with 90 percent of students surveyed rating the University's services and facilities as good or very good. In addition, 80 percent of students surveyed rate study and student life services as good or very good.

We are working with students to improve the wellbeing of our community. Initiatives include establishing a working group to oversee a wellbeing promotion framework, providing better connections to the University community and looking to improve students' transition into university life.

These findings are supported by the academic audit conducted by the Academic Quality Agency in 2014.



Ours team Asher Emanuel, Chris McIntyre, Ollie Neas, Stella Blake-Kelly and Molly McCarthy.

Prestigious scholarships

Victoria students also received prestigious scholarships during the year placing them amongst the world's best:

- Athene Laws, studying economics, and Rory Little, studying biotechnology, were awarded highly competitive Woolf Fisher Trust scholarships, worth around \$300,000 each, to undertake PhD study at the University of Cambridge.
- Susannah Shaw, who is studying for a Master of Laws, was awarded a prestigious Frank Knox Memorial Fellowship to study at Harvard University.
- Victoria Psychology graduate Kate Bray was awarded the William Georgetti scholarship towards her PhD and clinical training in neuropsychology at the University of Melbourne.

Enhancing the student experience

In a new initiative, Victoria launched the Cap App Challenge in 2014, in partnership with VUWSA and Creative HQ. The unique competition was designed to help enhance the experience students have in the city, by developing new app ideas that boost Wellington students' everyday connection and interaction with the city.

With \$15,000 in prizes available, the competition attracted entries from entrepreneurs and innovators keen to capture what makes Wellington a world-leading capital city university. Full details are available at capapp.co.nz.

Students lead youth engagement publication

A group of Victoria students launched *Ours*, an online and print publication in the lead up to the 2014 General Election to attempt to reverse the trend of political disengagement among young people in New Zealand.

Ours was the brainchild of law and arts students Ollie Neas and Asher Emanuel and appeared in the *New Zealand Herald* over three weeks, to provide a platform for young people to start conversations about what matters to them. As the project developed, former *Salient* magazine editors and staff also became involved as volunteers. *Ours* is available to read online at ours.co.nz.

Sporting success

Our supreme athletes and administrators from a variety of sports were honoured at the 2014 Victoria University Blues Awards. A total of 30 Blues were presented by the Vice-Chancellor, and VUWSA President Sonya Clark, in October.

New Zealand swimming and surf lifesaving representative and biomedical sciences student Samantha Lee was named Sportsperson of the Year. Māori Sportsperson of the Year went to Chapman Kutia for squash and President of the Victoria University Rowing Club Sean Durkin was named Sports Administrator of the Year.



Graduation celebrations



3,500

students graduated



3,859

degrees, diplomas and certificates



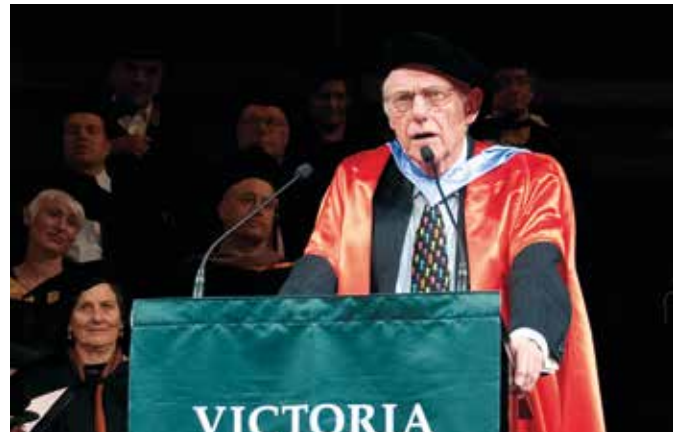
including

120 PhDs

Victoria's graduation ceremonies are a highlight of the University calendar. In 2014, nearly 3,500 students graduated with 3,859 degrees, diplomas and certificates being awarded, including 120 PhDs. Three honorary degrees were also awarded in 2014.



Writer Eleanor Catton (pictured above) received the honorary degree of Doctor of Literature during the May graduation. She has a Master of Arts in Creative Writing from Victoria University, conferred with Distinction in 2008, and a Bachelor of Arts, conferred with First Class Honours in 2009. She has received multiple awards for both her novels, *The Rehearsal* and *The Luminaries*, including the prestigious 2013 Man Booker Prize for *The Luminaries*. Ms Catton was awarded the Canadian Governor General's Literary Award for fiction and was made a Member of the New Zealand Order of Merit.



Also in May, pre-eminent public international law, human rights and criminal law scholar Professor Roger Clark received the honorary degree of Doctor of Laws. Roger graduated from Victoria in 1964 with a Bachelor of Arts and Bachelor of Laws. He added a Master of Laws in 1967 and Doctor of Laws from Victoria in 1997, along with a Master of Laws and a Doctorate in Juridical Science from Columbia University in New York. Professor Clark has played a significant role in international human rights law—especially in helping to establish the International Criminal Court in The Hague.

A world authority in the field of early Chinese history and archaeology, Dr Noel Barnard, received an honorary degree of Doctor of Literature during the December graduation. Dr Barnard completed his undergraduate studies in History and Geography at Victoria University, then moved to Sydney and was awarded one of the first PhD scholarships offered by the Australian National University (ANU). Dr Barnard is internationally renowned for his knowledge of early Chinese history and archaeology and, in particular, metallurgy. His focus has been on the interpretation of inscriptions, especially those found on the bronze vessels of the Zhou dynasty (110–221 BC).

A rare higher doctorate in Music was awarded to Professor John Psathas from the Te Kōkī New Zealand School of Music in December for the immense body of work he has contributed to his field. Six concertos were the major pieces of work taken into consideration. Examiners noted the number of prestigious commissions and international performances of the works submitted as part of Professor Psathas' portfolio, describing them as evidence of his eminent international status as a composer.

Secure the intellectual potential put at risk through experience of disadvantage

Victoria remains focused on continuing to develop and support initiatives that will increase enrolments of talented students currently denied access to university study by their social, cultural or financial circumstances or by disabilities.

A new Ngā Rourou-ā-Iwi Scholarship programme is inviting iwi to match, dollar-for-dollar, a contribution by the University up to \$10,000 per annum, for scholarships or awards to students belonging to that iwi and attending Victoria. Ngāti Maniapoto and Ngāti Kahungunu have already indicated their interest in the initiative which is part of a wider strategy to increase engagement with iwi and Māori stakeholders.

As of December 2014, \$1 million in school leaver scholarships were available to Māori students enrolled to start their tertiary studies at Victoria in 2015.

Overall, 449 high achievers were supported in 2014 with Victoria Excellence Scholarships. These scholarships, valued at \$5,000, are available to first-year students based on their academic performance in Year 12.

The vast majority of Māori commerce students have been choosing to enrol in mainstream business programmes, with the specialist Māori business programme continuing to attract low student numbers. In 2014, Victoria made the decision to close the Māori business programme which will allow for savings to be redirected into new initiatives to benefit Māori commerce student academic performance and Māori economic development.

Victoria's Disability Services celebrated its 20-year anniversary in 2014. Since its establishment in 1994, the service has developed into one of New Zealand's leading providers in disability services. Paul Gibson, the Disability Commissioner and a Victoria graduate, gave the keynote speech at the celebration event. The number of students accessing Disability Services has grown steadily from 200 in 1994 to 1,092 in 2014. Many of those students have complex or multiple impairments, which means that to thrive they need high quality services and an inclusive study environment.

Disability Services works in partnership with Can Do, the representative group for students with disabilities, and peer support is also provided by participants in the Victoria Plus extracurricular programme.

Victoria's groundbreaking research and focus on developing material to support the deaf community was recognised when the University received the 2014 New Zealand Sign Language Employer Award.

A new monitoring and reporting framework, Malaga A le Pasifika, was developed in 2014 to improve accountability and measure effectiveness of Pasifika-related interventions across the student lifecycle.

Māori and Pasifika leadership recognised

Victoria has talented and dedicated staff, both Māori and non-Māori, working for Māori academic opportunities and success. This includes the appointments this year of a new Professor of Māori Studies, Assistant Vice-Chancellor (Māori Research) and a Māori History lectureship:

- A Deputy Vice-Chancellor (Māori) role was created to ensure Māori leadership at the highest levels of Victoria in keeping with the University's commitment to the Treaty of Waitangi. Professor Piri Sciascia, who has been a senior leader at Victoria for 14 years, has been appointed to this position.
- Professor Rawinia Higgins was appointed to a new part-time fixed-term position of Assistant Vice-Chancellor (Māori Research) with the title of Professor of Māori Studies.

In addition, the reporting line of New Zealand's first and only Assistant Vice-Chancellor (Pasifika) has been elevated to the Provost, reflecting Victoria's commitment to Pasifika communities.





Deepen engagement with alumni, benefactors and communities

As a global-civic university, Victoria's mission is to not only undertake excellent research and teaching, but also public engagement in the service of local, national, regional and global communities.

Highlighting the University's commitment to broader and deeper engagement, Professor Frazer Allan was appointed to a new Deputy Vice-Chancellor (Engagement) role. This position will be central to developing partnerships with Victoria's communities. Professor Allan was previously the head of the Institute of Veterinary, Animal and Biomedical Sciences at Massey University.

The University's busy schedule of public events, lectures, symposia and conferences continued in 2014, providing a valuable way of connecting with our communities.

Highlights during the year included:



Prime Minister Rt Hon. John Key, speaking at the Post-Election Conference.

- The 2014 Post-Election Conference in December, organised by political scientists from Victoria's School of History, Philosophy, Political Science and International Relations. This conference, held at Parliament, was open to the public who were able to hear leaders from all the main political parties give their perspectives on how the election played out. The post-election conferences have been organised by Victoria since 1987 and the insights captured in associated books.
- Researchers from all faculties shared their expertise by giving presentations at seminars, writing opinion pieces and giving commentary to media. This engagement included Victoria staff sharing their expertise at the Festival of Education held in Wellington in March and providing commentary on the 2014 election. Victoria devoted a webpage to commentators on the General Election and the Students' Association also hosted a debate at Kelburn campus in the lead-up to polling day.

- The Chancellor and the Vice-Chancellor held stakeholder functions in Auckland, Wellington and Christchurch, engaging with high-profile audiences on Victoria's new Strategic Plan. They also met with the Prime Minister, Rt Hon John Key, when he visited the Kelburn campus in March to outline plans for a public discussion and referendum on New Zealand's flag.
- In November, the University co-sponsored, with the MacDiarmid Institute for Advanced Materials and Nanotechnology, a national forum *A Place to Live* held in Whanganui. The four-day conference focused on how to improve environments and economies of the country's regions and smaller centres.
- The New Zealand Contemporary China Research Centre held a conference to discuss China's future. A book was subsequently published, *China at the Crossroads: What the Third Plenum Means for China, New Zealand and the World*, edited by the Centre's acting director, Peter Harris.
- In June, *The Value of the Māori Language: Te Hua o Te Reo Māori* was launched by Minister of Māori Affairs Dr Pita Sharples. The book was co-edited by Victoria Professor Rawinia Higgins and teaching fellow Vincent Olsen-Reeder with Associate Professor Poia Rewi from the University of Otago, and aims to reawaken consciousness of the value of Māori language.



- Victoria's Adam Art Gallery hosted a number of public exhibitions during the year, including *The Personal Effects of Kim Dotcom* (pictured) by Berlin-based New Zealand-born artist Simon Denny.
- 2014 also saw the launch of the Victoria Public Lecture Series to better showcase the academic expertise on offer to the Wellington community. Throughout the year highlights included a capacity crowd for the inaugural lecture of Professor Damien Wilkins, Director of the International Institute of Modern Letters (IIML) as well as Professor Jack Vowles' inaugural lecture on why, when voter turnout is declining, we should value everyone's votes.

Fostering innovation and entrepreneurship

Victoria continued to play an important role in facilitating innovation through a series of partnered events and programmes to support young entrepreneurs.

In June, the Vice-Chancellor hosted a public lecture at the National Library entitled 'The insider's guide to innovation'. The talk featured Professors Damien Wilkins (creative writing), Simon Fraser (design) and Kate McGrath (science) who spoke about creativity and innovation in their respective fields.

The University announced its support for the inaugural *Venture Up* accelerator programme, which took place in early 2015. The programme has been designed to allow promising young entrepreneurs and graduates of The Lion Foundation Young Enterprise Scheme to work on their business ideas over an intensive six-week period, with mentoring from high-profile business and innovation leaders. The programme was hosted by Victoria's School of Design and participants were provided with accommodation at the University's Boulcott Hall.

In November, Victoria partnered with BizDojo in Wellington to present *What Comes First: Innovation or Entrepreneurship?* This public talk pitched two teams of experts against each other to discuss the pros and cons of innovation and entrepreneurship in terms of growing New Zealand's economy.

BizDojo also sponsored an entrepreneurship boot camp over the summer of 2014–15 run by Victoria's commercialisation office, Viclink, to support six student teams as they worked to turn their concepts into viable businesses.

This initiative coincided with the *Live the Dream* programme, also held over summer, which focused on social and environmental youth-led ventures, hosted by Victoria's School of Design and run by the Inspiring Stories Trust.

Activities, such as the annual Business Case competition organised by Victoria Business School, provide students the opportunity to hone their communication skills, meet top industry professionals and test themselves against the best tertiary students from around the country.

Victoria also announced a collaborative bid with Wellington Institute of Technology (WelTec), Whitireia New Zealand and a number of Wellington businesses, to establish a Wellington-based ICT Graduate School, a new programme launched as part of the Government's objectives to deliver industry-focused education and research that builds connections between tertiary education providers and high-tech firms. A full proposal will be submitted by March 2015.

Growing community partnerships

Victoria participated in a number of civic partnerships during the year. The University was a supporting partner of the New Zealand Festival and Writers Week, in which Victoria writers, actors and a translator took part. In addition, members of Te Kōki New Zealand School of Music played in musical performances during the wider festival and a new work by Professor John Psathas, *Between Zero and One*, was performed by Strike Percussion. In addition:



- Victoria continued its partnership with the Summer Shakespeare Trust. Each February, many Victoria alumni, staff and students come together to help create the annual show. The 2014 production was a modern-day biker gang rendition of *Macbeth* (pictured) and brought Wellingtonians flocking to the Botanical Gardens.
- Victoria supported the second New Zealand IceFest, held in Christchurch during September and October. Staff helped to develop the Antarctic Time Travel exhibition, in collaboration with GNS Science, Lincoln University and NIWA. Partnerships with Massey and Otago universities also led to three of the leading international speakers visiting Wellington for a panel discussion on integrating art, design and science, and performances of the play *HeLa*.



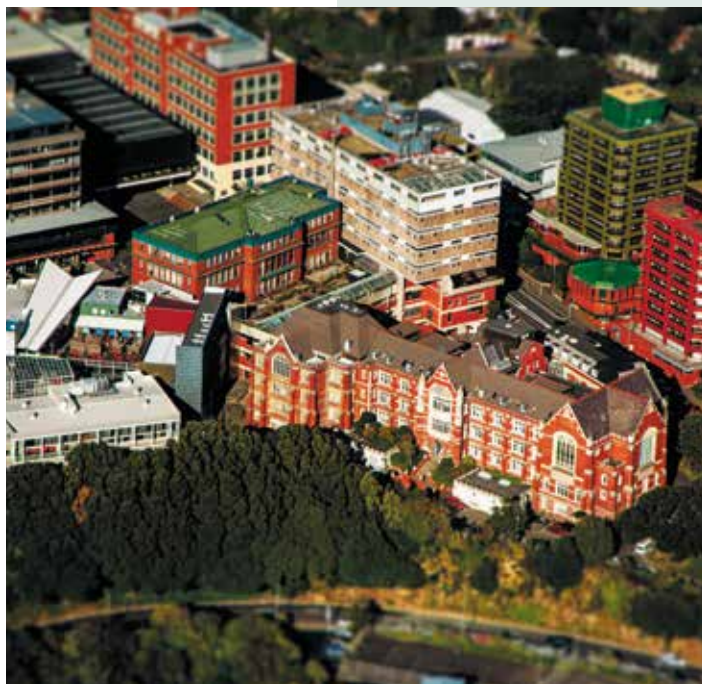
Skilled Migrants Programme graduation

- The School of Linguistics and Applied Language Studies supported students to graduate from the Workplace Communication for Skilled Migrants programme. The programme helps under-employed and unemployed professional migrants gain experience and language skills for the New Zealand labour market. It is supported by the Rotary Club of Wellington, the Johnson Group, Vic Careers and Victoria's Language in the Workplace project.
- The New Zealand Centre for Literary Translation collaborated with the New Zealand Book Council and Wai-te-ata Press to organise the inaugural Moving Words—a literary translation prize for secondary schools. Those shortlisted travelled from as far as Auckland and Invercargill to collect their prizes at a reception held in December.
- There were also partnerships on a more personal level, one of many being the hosting of 18 students and three academic staff from Beijing's China University of Political Science and Law for a short course on politics, international relations and law. The students lived with Wellington families.

Bequests for significant projects

In 2014, Victoria received two substantial bequests which contributed to a stellar year for the Victoria University of Wellington Foundation. Overall, the Foundation reported \$7.3 million total revenue, an increase on \$6.9 million in 2013.

The number of individuals, corporations and charitable foundations who have chosen to partner with Victoria on projects that will ultimately benefit our communities and our region has been heartening as we head into a major fundraising campaign.



Carbon-emitting fossil fuels decision has welfare of all at heart

In November 2014, the University announced its intention to join a growing international movement to move out of investing in carbon-emitting fossil fuels. The move is a response to the danger of climate change and is accompanied by an ongoing effort to reduce Victoria's carbon footprint.

Victoria's charitable trust, which manages the funds raised on behalf of the University, has never held significant investments in the fossil fuel industry but, reflecting Victoria's objectives, is now moving to confirm this investment exclusion.

Victoria joins a number of international universities, including ANU, Stanford and Glasgow, which are withdrawing from investment in fossil fuels or from coal.

At the time of the announcement, Vice-Chancellor Professor Grant Guilford said it was important that "universities stand by their research, that they take every opportunity to stimulate and inform debate and that they remain unwavering in their commitment to sustainability".



Bringing the world to Wellington

The University continued to bring the world's top thinkers to Wellington to share their expertise with the academic community and enhance civic engagement through conferences, lectures and events. Highlights in 2014 included:

- A public talk on global sustainability by Professor Yuan T Lee (pictured), President of the International Council for Science, which attracted approximately 300 people.
- Professor Julia Black from the London School of Economics presented the 2014 Sir Frank Holmes Memorial Lecture in Policy Studies on the topic of learning from regulatory disasters.
- Professor Jef de Brabander from the University of Texas Southwestern Medical Center delivered the annual Ferrier Lecture on antibiotic drug studies that could provide new treatments for life threatening infections.
- Dr Elaine Bernard, Executive Director of the Labor and Worklife Program at Harvard Law School, was hosted by Victoria to give workshops and public seminars in Wellington and Auckland on the role of trade unions in the modern business environment and society.
- Professor Richard Bauckham, Emeritus Professor of the universities of St Andrews and Cambridge, gave a series of public lectures in Wellington on the New Testament as the 2014 St John's Visiting Scholar in Religion, co-hosted by Victoria and St John's in the City.



The Victoria alumni community

We greatly value our relationships with alumni and continue to develop and maintain these links in New Zealand and internationally.

A number of alumni events and meetings were held in the Asia-Pacific region during 2014, including in Indonesia, Malaysia, Singapore, Thailand and Viet Nam, with international events also held in London and New York.

In Thailand, the Vice-Chancellor signed an agreement with the Devawongse Institute of Foreign Affairs to further develop Victoria's professional development training for Thai officials and to extend relationships with the Thai Ministry of Foreign Affairs.

Locally, events were held in Auckland, Wellington and Christchurch including two young alumni events especially for graduates under 35, and a parliamentary event was hosted by Victoria graduate and Deputy Prime Minister, Hon. Bill English (pictured top right).

We also welcome the contribution our alumni make to the student experience. Victoria students are offered a plethora of additional activities to complement their studies and help them prepare for their future careers. The University has been developing an increasingly robust suite of mentoring programmes in recent years, using our linkages with businesses and alumni to provide unique opportunities for our students. Examples include the Alumni as Mentors programme and the recently introduced BA Internship programme.



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

Victoria is ideally positioned to influence government policy and practice in the region. To do this effectively we must continue to build our relationships with the public sector and the diplomatic community while retaining the independence to engage critically.

Supporting and complementing the work already underway in the academic areas of advancing better government and enabling our Asia-Pacific trading nation, a number of other activities took place in 2014.

- In 2014, Victoria's Centre for Strategic Studies continued to host its series of roundtable discussions on matters of strategic importance to New Zealand. The Centre was ranked the third most effective think tank in the Southeast Asia and Pacific region in the 2014 Global Go To Think Tank Index Report produced by the University of Pennsylvania



- The International Perspectives by Political Leaders series, opened by the Prime Minister, Rt Hon John Key (pictured), was organised by Victoria and the New Zealand Institute of International Affairs.
- The Chancellor and Vice-Chancellor took the opportunity to outline Victoria's plans for the future at a reception for Wellington ambassadors and high commissioners earlier in the year.
- A three-year programme developed by the Centre for Lifelong Learning in partnership with the Papua New Guinea Government is designed to develop the knowledge of public policy officials. The programme began in 2014 with 30 diplomats attending modules in Wellington and Papua New Guinea.

Victoria continued to develop international relationships that deliver benefits to our staff and students, while also contributing to improving New Zealand's global connectedness and economic growth. Highlights in 2014 included:

- The signing of a memorandum of understanding with the University of Kuala Lumpur in Malaysia to establish a new international programme in Engineering. Students have already taken up the opportunity to complete one year of credit towards Victoria's Bachelor of Engineering while based in Kuala Lumpur, then transfer to Wellington to complete their degree.
- The University strengthened ties with Chinese astronomers as part of Victoria's participation in the Square Kilometre Array radio telescope project. A memorandum of understanding was signed with the Chinese National Astronomical Observatories, which will see staff work together on a number of projects including the establishment of a summer school programme in China.



Understanding Southeast Asia

Victoria's links with Southeast Asia were further strengthened with the introduction of the Understanding Southeast Asia course in 2014. Twenty five students spent two weeks undertaking intensive course work in Wellington at Victoria University then five weeks travelling through Viet Nam, Cambodia, Thailand, Laos, Singapore and Indonesia.

During their time in the region, the students received briefings, attended workshops and interacted with staff and students from local partner universities as well as with community groups and New Zealand diplomats and companies. The off-shore component of the course received \$300,000 of funding from the Prime Minister's new Scholarships for Asia programme.

The programme is a genuine 'NZ Inc.' initiative that is closely aligned with the educational objectives of the Government's recent ASEAN Strategy.

Vice-Provost (International Affairs) Professor Rob Rabel described it as, "heartening to see Victoria working alongside a range of our international stakeholders to help young people from New Zealand understand how important our Asian neighbours are to this country's future and to connect them with future Asian leaders".



Enabling our success

- Double the community of world-class scholars choosing Victoria.
- Attain the scale, quality and academic profile of leading public universities.
- Optimise the University's organisation, processes, facilities and use of resources.
- Increase and diversify sustainable revenue.
- Communicate the quality, values and distinctiveness that define Victoria.

To help us achieve our goals, Victoria has also developed a platform of enabling strategies that focus on creating the capability, scale, organisational excellence, facilities, resources and reputation that are critical for success.

In 2014, the University continued implementing its Capability Strategy / Te Rautaki Kaiaka, which provides an integrated framework for staff capability planning in a way that supports the University's mission, Treaty of Waitangi commitments and strategic goals.

Key areas of work in the area of capability included managing the University's staff development programmes, supporting change, facilitating Victoria's academic promotion and staff excellence awards processes and supporting the implementation of the Pasifika Staff Success Plan. A new organisation-wide Staff Mentoring and Coaching Framework was also finalised during the year.



NZSM graduate soprano Isabella Moore, who won the 2014 Lexus Song Quest.

Exciting developments for music education

2014 was a significant year for Te Kōkī New Zealand School of Music (NZSM).

In July, it was announced that the School had become fully part of Victoria, resulting in the transfer of 34 staff from Massey University to Victoria, and all students being enrolled in NZSM courses through Victoria.

The development offers new and exciting opportunities for students, staff, key stakeholders and the Wellington community and will enable both Victoria and Massey universities to build on what the School has achieved since its inception in 2006.

A new permanent director of NZSM was also appointed during the year. Euan Murdoch, formerly chief executive of Chamber Music New Zealand, returns to Victoria to take up the role in January 2015.

Mr Murdoch has extensive connections with the local music community and will be working to ensure the School continues to establish an international profile through its research and teaching programmes. Mr Murdoch says the School must also "champion and advocate for the essential place of music in our daily lives".

Senior appointments

In March, Professor Grant Guilford took up the role of Vice-Chancellor following the conclusion of Emeritus Professor Pat Walsh's tenure of nine years. Professor Guilford was previously Dean of Sciences at the University of Auckland.

Professor Pat Walsh



Professor Walsh and Chancellor Ian McKinnon speak to external guests at a farewell function at Victoria.

Emeritus Professor Walsh began his career at Victoria in 1981 as a lecturer in Industrial Relations. He quickly rose through the academic ranks to become Professor of Human Resource Management and Industrial Relations, before venturing into management in 1996 and eventually taking on the roles of Dean and Pro Vice-Chancellor of Commerce and Pro Vice-Chancellor of Research. He was appointed Vice-Chancellor in 2005.

His contribution to Victoria as Vice-Chancellor was immense. He recognised the role the University played in the life of the capital city, while also ensuring that Victoria developed strong international relationships.

Research performance dramatically improved in his time as Vice-Chancellor. Enrolment numbers of PhD and research Master's students more than doubled over the course of his tenure. Several new research centres were established, including the New Zealand Contemporary China Research Centre, the New Zealand India Research Institute, the Institute for Governance and Policy Studies and the New Zealand Climate Change Research Institute.

A number of major building projects were completed during Professor Walsh's nine years as Vice-Chancellor. They include The Hub, which totally transformed the Kelburn campus and the Alan MacDiarmid Building, now housing the Faculty of Science.

He oversaw Victoria's growing reputation as one of New Zealand's leading science universities, as well as introducing engineering to the University. Both were achieved without compromising the quality of Victoria's traditional strengths in humanities, law and commerce.

Further new strategic appointments were made later in 2014 to assist Victoria achieve its vision of being a world-leading capital city university:

- Professor Neil Quigley, who has been a senior leader at Victoria for the past 17 years, was appointed as Victoria's first Provost—a role increasingly used in top universities globally. The role of Provost is responsible for ensuring Victoria's teaching and research programmes are high quality, unified and relevant to both domestic and international communities and enriched by innovative research.

- Professor Quigley's leadership qualities were subsequently recognised by Waikato University, and he will take up the role of Vice-Chancellor at that institution in early 2015.
- Associate Professor Allison Kirkman, who was Head of the School of Social and Cultural Studies and acting director of Va'aomanu Pasifika, was appointed as the University's new Vice-Provost (Academic and Equity).
- Professor Kate McGrath was appointed Vice-Provost (Research), (see page 22).

In 2014, there were two senior retirements. Professor Penny Boumelha retired from the role of Deputy Vice-Chancellor (Academic) she had held since 2009 and Professor Deborah Willis retired from the role of Pro Vice-Chancellor and Dean of the Faculty of Humanities and Social Sciences and Pro Vice-Chancellor of Education.

Professor Boumelha was a highly visible champion of the policy areas within her portfolio, ensuring a continued focus on the quality of teaching and learning, and charting new territory in addressing a range of equity issues. She was a strong advocate for academic values and brought this perspective to discussions.

Professor Willis became Acting Head of Department at the School of Education in 1989 and Pro Vice-Chancellor in 2004. It is a testament to her work that eight of the nine projects approved for Marsden Fund grants in the Humanities and Social Sciences in 2014 were awarded to Victoria. Victoria's Arts and Humanities were ranked 60th equal in the world in the QS World University Rankings for 2014, and Social Sciences 67th equal. Professor Willis' replacement is Professor Jennifer Windsor, from the University of Minnesota.



Faculty of Law Pro Vice-Chancellor and Dean Professor Tony Smith will step down in mid-2015 as he has been appointed to the prestigious position of Arthur Goodhart Visiting Professor in Legal Science at Cambridge University. Leading Wellington public and Māori law issues specialist Dr Mark Hickford has been appointed as the new Pro Vice-Chancellor and Dean and will take up the role in May 2015.

Three new Dean appointments were also made in 2014. Professor David Harper is Victoria's new Dean of Science, Professor Dale Carnegie the Dean of Engineering and Dr Robin Skinner the Dean of Architecture and Design.

Enhancing science teaching and research at Victoria

science teaching and research building on the
Kelburn campus—to be completed in late 2017



Incoming Chancellor Sir Neville Jordan with Chancellor Ian McKinnon at a ceremony to mark the beginning of the science building project.

Positioning Victoria for the future

The University announced two significant campus development projects in 2014—a new science teaching and research building on Kelburn campus and the redevelopment of Rutherford House at Pipitea campus.

These projects will help ensure the University provides a first-class student experience and achieves its goal of being a globally ranked capital city university.

The new science building (pictured bottom right) will add 12,000 square metres of science teaching, research and laboratory facilities to the Kelburn campus, encompassing modern teaching and research environments designed for the digital age and collaborative work. The new building will improve the University's infrastructure and better connect Victoria's science facilities. It is expected to be completed by the end of 2017.

Rutherford House (pictured top right) will have a six-floor annexe added that will provide modern teaching spaces, and the ground and mezzanine floors will be redeveloped to include informal learning and teaching

spaces and retail facilities. This redevelopment will also create a focal point for students and staff engaging with local business and government communities. The lower levels have been designed to be a social area, similar to the award-winning Hub at Victoria's Kelburn campus.

Redevelopment work also commenced at the Te Aro campus, with some strengthening work being carried out in addition to the relocation of the main entrance to a more public facing position and a reconfiguration of the ground floor.

In addition, Victoria purchased Housing New Zealand's Gordon Wilson building and site at 314 The Terrace. This purchase will support Victoria's goal of being more connected to the city of Wellington, as the site has the potential to be a new 'front door' to the Kelburn campus.

From 2015 a new high-rise hall of residence, Katharine Jermyn Hall, will be available for 390 first-year students. The hall has been named in memory of Katharine Jermyn, a long-serving member of staff who was dedicated to student welfare and made significant contributions in the Faculty of Humanities and Social Sciences and in the University's academic administration.



Statement of Service Performance

For the year ended 31 December 2014

In 2014, the Victoria University community worked together to develop a new strategic plan that will influence our activities, initiatives and outcomes from 2015. The goals and priorities contained within the new plan will enable us to build on our previous successes and areas of expertise to continue to strengthen New Zealand's position in the global knowledge economy by the creation and dissemination of knowledge and the development of graduates who will shape and lead our country's future.

While the University is transitioning to reporting on the goals outlined in its new strategic plan, the high level focus on delivering outcomes for New Zealand and our communities remains.

Our outcomes framework sets out how we seek to achieve this and, in doing so, contribute to the Government's vision for a world-leading education system that equips all New Zealanders with the knowledge, skills and values to be successful citizens in the 21st century. Our high-level outcomes reflect the University's continued focus on research, learning and teaching and public engagement.

The Statement of Service Performance (SSP) details the University's output performance indicators for 2014, what difference these make and our progress towards, and contribution to, the high-level outcomes we seek to achieve for New Zealand.

The document is a legislative requirement and reports against the Statement of Forecast Service Performance (SFSP) in the University's 2013–15 Investment Plan. The Investment Plan is agreed with the Tertiary Education Commission (TEC) and is centred on how the University will use government funding to advance the priorities in the Tertiary Education

Strategy 2010–15, therefore meeting the needs of students, society, the labour market and the economy.

Performance indicators of educational outputs include reference to Te Kōkī New Zealand School of Music (NZSM) activities and people, as required by TEC. NZSM was a joint venture between Massey and Victoria universities until 30 June 2014, and during that time Victoria was the institution of enrolment. On 1 July 2014 NZSM transferred to the ownership of Victoria University of Wellington.

Indicators required by TEC are marked with an asterisk (*).

Victoria's Outcomes Framework

Outcomes	New Zealand's education vision: All New Zealanders are equipped with the knowledge, skills and values to be successful citizens in the 21st century		
<i>What is Victoria seeking to influence, over the next 5–10 years, to create long-term positive change in social state?</i>	1. New knowledge that addresses issues of significance to New Zealand and to the world	2. A more educated and skilled workforce and society	3. Scholarly or professional expertise that contributes to external communities
Impact	Value added to industry, society and economy	In all its degrees, Victoria fosters critical and creative thinking, communication skills, leadership and global mindedness	Victoria listens, responds, innovates, connects and partners
<i>What difference or impact is Victoria making?</i>			
Outputs	Victoria's outputs are indicated in the performance measures below and reflect those contained in the Statement of Forecast Service Performance section of the University's Investment Plan		
<i>What is Victoria committed to delivering in a particular year? Outputs are stepping stones towards achieving the desired outcomes</i>			
Inputs	<ul style="list-style-type: none"> • Enhance leadership capability in research • Make appointments that strengthen areas of scholarly excellence • Intensify engagements • Provide facilities and equipment that support research 	<ul style="list-style-type: none"> • Enrich the experience of students • Enhance teaching capability • Continue to enhance the campus environment through improved facilities, infrastructure and equipment to support learning and teaching 	<ul style="list-style-type: none"> • Collaborate with local, national and international communities • Engage in meaningful interactions with overseas universities • Engage with partners in business, the public and voluntary sectors • Apply Victoria's skills to problems of policy, management and innovation in society

Research

Outcome 1: New knowledge that addresses issues of significance to New Zealand and to the world

Victoria contributes at a global and local level by developing and disseminating new knowledge through the research of our staff and students. As outlined in the Year in Review section of this Annual Report, there are many examples of our staff and students working with peers, businesses and communities to develop and share new knowledge and research outcomes. Victoria's standing as a research intensive university was reiterated with the outstanding Marsden funding results.

- Five Victoria projects received Government support from the high-value manufacturing services fund, one of which is developing clean-energy technology that could allow extensive integration of wind, solar and geothermal power into the main electricity grid.
- A team of researchers at Ferrier Research won an international award for their work developing a new oral triple-negative breast cancer drug.
- Professor Phil Lester is investigating how to reduce the impact parasites are having on declining bee populations in North America, Europe and New Zealand.
- Professor Chris Marshall was appointed to the Diana Unwin Chair of Restorative Justice in 2014. The sponsored Chair serves as the focus for collaborative, interdisciplinary research and teaching on restorative justice theory and practice, both within the justice sector and beyond.

• In 2014, a total of 180 students completed their PhD, having undertaken research spanning a wide variety of disciplines. Among other things, their research revealed:

- why a significant portion of heart attack patients do not respond to commonly used treatments
- that if electric vehicles were widely available, New Zealanders would buy enough of them to reduce greenhouse gas emissions from the transport sector by one-fifth over the next 18 years
- how technology could revitalise te reo Māori for the next generation
- that certain native plants are key to kākāpō's survival.

In addition, we use a number of performance indicators to monitor the quantity, quality and type of research Victoria is undertaking to contribute to industry, society and the economy. These indicators show that research performance has remained high during 2014.

	2014 Actual	2014 Target	2013 Actual	2012 Actual
Improve research performance of selected areas of disciplinary or inter disciplinary strength and adopt strategies to improve research performance				
Number of annual Master by Thesis completions*	352	350	296	352
Number of annual PhD degree completions*	180	165	153	128
Number of Summer Research Scholarships	249	300	262	231
Proportion of postgraduate research EFTS of the University's total EFTS (%)	6.4	6.6	6.5	6.6
External Research Income (as part of PBRF reporting requirements; \$s million)*	42.5	29.0	31.5	39.5

- Research degree completions increased considerably in 2014 both at Master's and PhD levels. The results reflect the ongoing efforts being made to ensure students complete qualifications in a timely manner.
- Summer Research Scholarships are a wonderful opportunity for students to conduct research for businesses and other organisations, gaining valuable experience. While the number was down slightly from

2013, these scholarships are attracting a lot of interest from the business community and a diverse range of students.

- The number of research postgraduate students has remained relatively constant at approximately 1,100 in 2014. The proportion has also remained relatively constant over that past several years in the 6.4–6.6 percent range.

Learning and teaching

Outcome 2: A more educated and skilled workforce and society

Victoria is committed to the Victoria Learning Partnership—a framework that places learners at its centre. In developing the partnership approach, Victoria has set out a distinctive Student Charter and Graduate Profile to guide the development of resilient, capable and confident graduates, whose critical thinking, creativity and highly developed communication skills will prepare them well for dynamic career outcomes and global citizenship.

In 2014, an Academic Audit panel commended Victoria for its approach, particularly for initiatives focused on Māori and Pasifika students; our commitment to teaching excellence; the strength of our strategic planning, engagement and partnership with students; and our focus on retention and academic frameworks.

There were plenty of examples that illustrate Victoria's success in developing students with the skills to prepare them for global careers, including:

- The launch of the BA Internship programme, in which undergraduate students gain credit for work placements in government agencies and other workplaces.
- The development of a number of taught Master's programmes, including New Zealand's first Master of Meteorology, in partnership

with MetService (see page 26).

- An innovative collaboration between the BMW Group and the School of Design, in which 24 third-year students were challenged to design non-structural elements for BMW and Mini.
- A number of Victoria students were selected for highly sought-after internship opportunities with global companies, including:
 - Computer Science and Mathematics student Valerie Chan was selected to undertake a rare Summer Trainee Engineering Programme internship at Google's Sydney headquarters.
 - Commerce student Mathew Rexs has an internship at the Hong Kong Economic and Trade Office (HKETO) in Australia.
- Victoria held its standing in international rankings, with the faculties of Law, Education and Humanities and Social Sciences achieving excellent results that placed them well within the top 100 in the world.
- Victoria Business School had its EQUIS accreditation confirmed for a further three years, endorsing the School's high international standing. The School is among just 60 business schools worldwide that hold the 'triple crown', which includes AACSB (Association for the Advancement of Collegiate Schools of Business) and AMBA (Association of MBAs).

	2014 Actual	2014 Target	2013 Actual	2012 Actual ¹
Maintain a high-quality of research led teaching that leads to excellent academic outcomes for students				
At least one academic member of staff is awarded the National Tertiary Teaching Excellence Award	1	1	0	1
Proportion of courses evaluated that are achieving student evaluation scores below 2.2 for the "overall effectiveness" indicator (in a range of 1 to 5, with a score of 1 being the highest achievement) (%)	76.8	73.0	76.1	-
Number of qualifications awarded (excluding Certificates of Proficiency)	4,902	5,500	4,811	4,829
Number of professional programmes accredited	18	18	18	18

- Student feedback is sought in a number of ways at Victoria, from the Student Experience Improvement Survey, through to the feedback from class representatives, and the more formal students' evaluations of their courses. Overall, the results have shown that students are provided with a quality learning and teaching environment at Victoria, as is evidenced

by the fact course evaluation has remained high over the two years, with 2014 above target.

- Professional programmes are retaining their accreditation, a key indicator of their quality.

	2014 Provisional	2014 Target	2013 Provisional	2012 Provisional ²
Maintain a high-quality of research-led teaching that leads to excellent academic outcomes for students				
	%	%	%	%
Course completion rate for all SAC funded students*	86.3	86.1	85.4	85.6
Course completion rate for students aged under 25*	86.4	86.0	85.4	85.7
Qualification completion rate for all SAC funded students*	70.7	77.3	67.2	66.6
Qualification completion rate for students aged under 25*	63.8	68.8	62.0	60.5
Student Retention rate*	85.5	82.3	85.7	81.0

- Course and qualification completion rates have trended steadily upward over the past three years indicating improving outcomes for students. While qualification completion rates have not reached their 2014 targets,

the general trend of improvement shows the ongoing emphasis on helping students complete their qualifications and achieve excellent academic outcomes.

¹ In 2013, new indicators were introduced. For some, but not all, 2012 comparative information has been provided where available.

² Final results for certain TEC defined indicators are not available until later in 2015 and provisional results are provided. Targets are set on the basis of final results as required by the TEC. For comparative purposes, provisional results for 2012-13 are included.

	2014 Actual	2014 Target	2013 Actual	2012 Actual
Achieve better academic outcomes for Māori and Pacific learners				
Number of Māori students that have completed research degrees	30	55	38	17
Number of Pasifika students that have completed research degrees	7	25	9	11

The number of Māori and Pasifika students completing research degrees is an indicator of these students progressing into the highest levels of study; a major outcome of the Government's Tertiary Education Strategy. Victoria sets itself ambitious and aspirational targets for 2014. The number of Māori students completing research degrees has

not reached the levels of 2013 although they exceed the 2012 number. Similarly, the number of Pasifika students completing research degrees for 2014 was below target. However, the increased focus on attracting and retaining Māori and Pasifika students in undergraduate programmes should result in an improvement in the future.

	2014 Provisional	2014 Target	2013 Provisional	2012 Provisional
Achieve better academic outcomes for Māori and Pacific learners				
	%	%	%	%
Course completion rates for Māori students	80.4	81.5	79.4	79.3
Course completion rates for Pasifika students	71.9	75.7	70.6	70.7
Qualification completion rate for Māori students	57.0	70.2	59.9	58.2
Qualification completion rate for Pasifika students	48.6	61.6	45.2	52.7

The targets for Māori and Pasifika students course completion rates were aspirational. The provisional course completion rates for both Māori and Pasifika students were somewhat below the targets set for 2014. However, these rates will rise when the final numbers of completions are known and published in mid-2015. Both rates showed increases over those of the previous years.

Victoria is experiencing an increase in Māori and Pasifika enrolments over those of 2013 due to our ongoing efforts to boost these numbers. This has, however, had an impact on the qualification completion rates for these students in 2014 due to the larger volume enrolled at the beginning of their studies. This is a known problem with the TEC qualification completion measure; TEC requires stretch targets for these indicators.

	2014 Actual	2014 Target	2013 Actual	2012 Actual
Improve the quality of our learning environment to position Victoria as a university of choice for high-achieving students				
Proportion of Māori students*	10.2%	10.2%	9.7%	9.9%
Proportion of Pasifika students*	5.2%	5.5%	5.0%	4.6%
Proportion of undergraduate students under 25*	81.2%	77.4%	79.7%	79.2%
Proportion of school leavers admitted from outside the Wellington area	60.1%	59.0%	64.4%	-
Number of first year students supported with Excellence Scholarships	449	400	480	-

Victoria has maintained the number of Māori and Pasifika students choosing to study here.

The student body has included a higher proportion of under 25-year-olds in its undergraduate programmes than in the previous three years.

The majority of school leavers attending Victoria are from outside the Wellington region reflecting the attraction of studying at a globally ranked capital city university.

The commitment to attracting high achieving students is evidenced by the number of Excellence Scholarships that were awarded through the provision of additional funding in 2014.

	2014 Actual	2014 Target	2013 Actual
Provide a distinctive international educational experience for Victoria's students			
Number of signed twinning and articulation programmes	18	15	18
Number of intercultural exchange programmes	119	105	117
Number of students on exchange (inbound)	213	220	202
Number of students on study abroad (outbound)	182	220	256
Proportion of full fee paying international students (%)	9.2	10.0	9.8

While the number of full fee paying students was lower than hoped in 2014, Victoria attracted a higher number of new international students

compared to 2013. The pipeline effect should see numbers increase overall in 2015.

	2014 Actual	2014 Target	2013 Actual
Provide students with an outstanding academic, social and cultural experience within a supportive community			
Number of students that achieved awards in extra-curricular programmes			
VicPlus	49	50	39
Victoria International Leadership Programme (VILP)	72	110	62
Proportion of students rating services and facilities as "good" or "very good" in the Student Experience Improvement Survey			
	%	%	%
All	90.4	>90.0	90.4
International only	87.9	>90.0	90.2
Māori only	89.3	>90.0	89.2
Pasifika only	92.8	>90.0	93.2
Under 25s only	91.8	>90.0	91.4
Student satisfaction with the accommodation advocacy and placement service	79.1	>75.0	69.4

Public contribution

Outcome 3: Scholarly or professional expertise that contributes to external communities

In keeping with our global-civic university tradition, Victoria staff engage and develop mutually beneficial relationships with many businesses, organisations and communities.

Through public lectures and media commentary, by taking on advisory roles and acting as the critic and conscience of society, our academic staff offer expert viewpoints that enrich national culture and lead the thinking on major societal and environmental issues.

Victoria's contribution to Wellington, New Zealand, and the wider Asia-Pacific region is enabled through high-quality engagement, including:

- Before and after the 2014 General Election, Victoria staff held a number of public events and provided expert commentary on proceedings, culminating with political scientists from the School of History, Philosophy, Political Science and International Relations hosting the 2014 Post-Election Conference at Parliament.
- Professor John Psathas, from Te Kōkī New Zealand School of Music, received \$1 million in funding to create a 70-minute film, *No Man's Land*,

featuring musicians from around the world playing an original piece of music to commemorate World War I (see page 18).

- In the New Year's Honours list, Pro Vice-Chancellor and Dean of Commerce, Professor Bob Buckle, was made an Officer of the New Zealand Order of Merit for services to business and education.
- The Stout Research Centre hosted a free public symposium to explore New Zealand's national identity, and the Wellington Seminar Series to encourage the city's most passionate supporters to share their thoughts on why Wellington is a living city.
- Victoria co-sponsored a national forum in Whanganui, titled A Place to Live, which focused on how to improve environments and economies of the country's regions and smaller centres.
- A number of activities focusing on innovation and entrepreneurship took place in 2014, including a public lecture at the National Library exploring the link between creativity and innovation and a debate entitled 'What Comes First: Innovation or Entrepreneurship?' held at BizDojo.

	2014 Actual	2014 Target	2013 Actual
Communicate and apply scholarly expertise to enrich culture and society, and to contribute to an understanding and resolution of challenges facing local, national and international committees			
Number of community education courses			
	49	80	65
Number of expert contributions on topical issues in broadcast media (radio and television)			
	466	425	479
Number of inaugural professorial lectures open to the public			
	9	13	11
Number of regionally delivered lectures open to the public			
	5	11	8
Number of staff serving on government advisory boards and/or committees			
	158	150 to 200	154
Number of staff serving on international bodies advisory boards and/or committees			
	755	475 to 525	624
Number of staff serving on national bodies advisory boards and/or committees			
	403	350 to 400	367

- Staff continue to regularly and actively engage on topics of national interest by providing expert commentary.
- Inaugural professorial lectures and regional lectures provide an opportunity for staff to engage and inform the public about their area of expertise. Lecture topics covered such areas as the public nature of public libraries by Professor Anne Goulding of the School of Information Management, the crisis in the pharmaceutical industry by Professor Bart Ellenbroek of the School of Psychology, declining voter turnout by Professor Jack Vowles of the School of History, Philosophy, Political Science and International Relations and the role of trust in restorative justice processes by Professor Chris Marshall of the School of Government.

- Involvement in advisory boards and committees is yet another way that Victoria's staff use their expertise both nationally and internationally. Levels of involvement by staff in 2014 have increased across all categories we monitor. This is particularly notable in the involvement of staff on Māori advisory boards and committees as noted below under the section related to the Treaty.

What we do to achieve our outcomes is as important as how we do it—through building our organisational capability and resources and ensuring an equitable and diverse working and learning environment that reflects our commitment to Māori as tangata whenua and Treaty partners.

Capability and resources

Ensuring Victoria has the capability and resources to successfully achieve its strategic goals remained a priority in 2014, and a number of appointments and development projects were undertaken. Sound financial management and attracting and retaining quality professional and academic staff were also key to ensure the University has the resources to support its strategic initiatives. Highlights from 2014 included:

- Professor Grant Guilford took up the role of Vice-Chancellor and Chief Executive following Professor Pat Walsh’s tenure of nine years. Further new senior appointments were made later in 2014 to assist Victoria achieve its vision of being a world-leading capital city university, as well as one of the world’s great civic universities (see page 43).
- There was a continued focus on capital development, with work beginning on a new science research and teaching building on the Kelburn campus, the redevelopment of Rutherford House at the Pipitea campus and the redevelopment of the Faculty of Architecture and Design at Te Aro (see page 44).

- Victoria continued to participate in the UniForum benchmarking exercise, which is designed to examine relative efficiencies of central service units. Other participants include institutions from both Australia and New Zealand, providing for international comparisons. Results continue to show Victoria runs a cost-effective operation.

In addition to meeting resourcing targets, Victoria continues to build mutually beneficial partnerships. Highlights from the year include:

- Victoria signed an agreement with the Devawongse Institute of Foreign Affairs to further develop Victoria’s professional development training for Thai officials and to extend relationships with the Thai Ministry of Foreign Affairs.
- The New Zealand Centre for Literary Translation collaborated with the New Zealand Book Council and Wai-te-ata Press to organise the inaugural Moving Words—a literary translation prize for secondary schools.

	2014 Actual	2014 Target	2013 Actual
Ensure the long-term academic and financial viability of Victoria by the retention, recruitment and development of high quality staff and prudent financial management			
Proportion of the University salary budget allocated for training and development (%)	2.8	2.6	2.7
Return on revenue (surplus as a percentage of total revenue)	4.1	3.5-4.5	-
Return on net assets (Equity) (surplus as a percentage of net assets)	2.4	1.5-2.5	-
Debt management (interest expense/operating surplus before interest) (%)	5.2	< 33	-
Liquid ratio (Cash plus accounts receivable plus investments: accounts payable)	1.9 : 1	1 : 1	-
Debt management (percentage of borrowing/total assets)	4.4	< 20	-
Asset management (percentage of capital expenditure/depreciation)	138	100 (at least equal to depreciation)	-

Equity

Victoria recognises the need to focus resources on certain groups to lift the overall performance of the University. These include Māori students and staff, Pasifika students and staff, men or women working in professions or disciplines in which they are underrepresented, as well as students from socioeconomically disadvantaged backgrounds and people with disabilities. This focus was further highlighted in the development of the University’s new Strategic Plan, which states, “Victoria will increase enrolments of talented students currently denied access to university study by their social, cultural or financial circumstances or by disabilities. Victoria will enrol 1,000 Māori students over and above the current number and reach a similarly increased proportion of Pasifika students.”

Activities and initiatives to support these aspirations in 2014 included:

- One million dollars’ worth of school leaver scholarships were offered to Māori students enrolled to start their tertiary education at Victoria in 2015.
- Victoria continued its successful community outreach programmes for Māori and Pasifika in partnership with 15 schools in the Wellington region. These schools include all five decile 1 to 3 schools in the region as well as other schools with a high number of Māori and Pasifika students.

In 2013, the programme was extended with a pilot initiative trialed in three of these 15 schools (Taita College, decile 3; Naenae College, decile 2; and Wainuomata High School, decile 4). This pilot was developed to extend the outreach programme to students of all ethnicities. The pilot initiative was taken up permanently in 2014.

- The Te Rōpū Āwhina programme of the Faculties of Science, Engineering and Architecture and Design uses mentors to work with teachers and pupils in six Āwhina Cluster Secondary Schools (local, low- to mid-decile) and professionals in the Pacific Āwhina Community Cluster.
- Pacific Studies senior lecturer Dr Teresia Teaiwa received a 2014 Ako Aotearoa Tertiary Teaching Excellence award that recognised her teaching approach, which is tailored to the needs of Pasifika students (see page 25).
- The launch of a new creative writing course, Te Hiringa A Tuhi, for students to write from Māori or Pasifika perspectives.
- Victoria’s Disability Services, tasked with supporting students and staff, celebrated its 20-year anniversary (see page 32).

	2014 Actual	2014 Target	2013 Actual
Provide an inclusive and representative environment for staff and students that is conducive to equity of opportunity for participation and success			
Number of low decile schools (1 to 3) participating in the Outreach Programme	5	6	6
Proportion of female staff in positions with the title of Professor or Associate Professor (%)	29.5	25.0	24.9
Proportion of academic staff who are Pasifika ³ (%)	1.6	1.8	-
Proportion of general staff who are Pasifika (%)	4.4	4.5	-

Tiriti o Waitangi / Treaty of Waitangi

The University seeks to meet its obligations under the Treaty of Waitangi. Our obligations and responsibilities are formally expressed through the Treaty of Waitangi Statute, which is the formal expression of Victoria's commitment to Māori as tangata whenua and Treaty partners.

The Te Aka Matua advisory body provides the University Council with advice on our responsibilities toward, and relations with, Māori communities. Toihuarewa, the university-wide virtual faculty, serves as the forum for Māori academic issues at the University, ensuring appropriate Māori content in our teaching and research programmes.

Our approach to meeting our obligations was demonstrated in a variety of ways during the year, as highlighted earlier in this report, including:

- The implementation of a new senior leadership structure that includes the position of Deputy Vice-Chancellor (Māori), who will lead activities relating to Māori student enrolments and provide strategic leadership both within the University and in the wider community and with iwi.
- Professor Rāwinia Higgins was appointed to a new part-time fixed-term position of Assistant Vice-Chancellor (Māori Research) with the title of Professor of Māori Studies.
- The *Value of the Māori Language: Te Hua o Te Reo Māori* was launched by Minister of Māori Affairs Dr Pita Sharples. The book aims to reawaken consciousness of the value of Māori language.

	2014 Actual	2014 Target	2013 Actual
Fulfil the responsibilities and obligations of the University under the Treaty of Waitangi			
Number of staff serving on Māori advisory boards and/or committees	31	18	16
Proportion of academic staff who are Māori ⁴ (%)	5.0	5.5	-
Proportion of general staff who are Māori (%)	7.2	7.9	-

³ Ethnicity is self-identified and many staff choose not to provide information on their ethnic background. Approximately 20 percent of staff have chosen not to provide this information.

⁴ Ethnicity is self-identified and many staff choose not to provide information on their ethnic background. Approximately 20 percent of staff have chosen not to provide this information.

Student Services Levy

The Student Services Levy is paid by all students in order to contribute to the development of a learning community, in which students can participate fully. The levy also improves services that can facilitate academic success and a positive experience. 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 students to discuss how the levy is allocated. In 2010, an Advisory Committee on the Student Services Levy (ACSSL) was established as an oversight structure and the student representatives on that committee consult with the student association executive, the Student Academic Committee (comprising faculty-based representatives) and the Student Equity and Diversity Committee (Māori, and equity-based groups) before presenting their recommendation on changes to the levy.

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 is also available to all students on the University website.

In addition, members of the University Council discuss student fees, including the levy, at a forum open to all students. This student fee forum occurs prior to the University Council fee setting meeting and is a way to engage students on how funding is used and to gain feedback.

A strategic review of all services funded by the Student Services Levy is currently underway. In 2014, an online tool was used to consult with students, and more than 15 percent responded. The MySay Budget Simulator provided students with the opportunity to look at the current budget for student services and provide feedback on how they thought the levy could be allocated in future.

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

The Student Services Levy made a small loss in 2014, although expenditure across service categories was largely in line with the original budget. The loss is partially offset by levy surpluses from previous years, however a small deficit will be carried forward into 2015. 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 2014, an internal student studying 25 points or more was charged \$690 (GST inclusive) for the Student Services Levy. The activities and functions listed below are grouped according to the Ministerial service categories:

Advocacy and legal advice

Advocacy services delivered by the University manage a range of resolution activities in relation to student complaints, disputes, appeals, pastoral (including accommodation) issues and academic disputes. Under this Ministerial category, Victoria University of Wellington Students' Association (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 Services aims to increase the employability of Victoria students. Students are assisted to make study and career choices through career, course advice and assessment activities. Assistance is also provided with job applications, CVs and interview skills.

Counselling services and pastoral care

Victoria has a Counselling Service to support students so they can succeed both personally and academically. Other support services such as Te Pūtahi Atawhai and VUWSA provide a range of pastoral care such as peer mentoring and food bank delivery.

Employment information

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

Financial support and advice

Victoria's Financial Support and Advice Service aims to remove the financial barriers to student achievement. As well as providing financial support and advice, the service administers a hardship fund and teaches financial literacy.

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 works alongside students with temporary and ongoing impairments to ensure they are able to fully engage and achieve in their studies.

Service Category	Advocacy and legal advice	Careers information, advice and guidance	Counselling services and pastoral care	Employment information	Financial support and advice
Revenue	\$000	\$000	\$000	\$000	\$000
2014 SSL income	785	1,152	1,937	334	400
Income from other sources	2	37	321	20	92
Total income	788	1,188	2,258	353	491
Total costs	876	1,206	2,158	347	482
Net surplus/(cost)	(88)	(17)	100	6	9



Media

VUWSA is contracted to publish and circulate the weekly *Salient* magazine which is produced by students, providing opportunities to enhance vocational skills and be part of a community alongside academic pursuits.

Childcare services

Childcare Services provides 104 FTE places for children of Victoria students at three centres with those places used by up to 200 students at any given time on a part-time basis.

Clubs and societies

Victoria offers a Clubs and Societies service to support the wide range of political, cultural, sports, faith-based and academic clubs and societies on campus. Assistance is provided to over 125 clubs and societies—through the provision of meeting rooms, activity spaces and resources they can book and use, 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 Rec Centres at Kelburn and Pipitea offering 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
	2,843	153	177	1,558	1,674	11,013
	2,081	0	0	6	513	3,071
	4,924	153	177	1,564	2,187	14,084
	4,842	153	177	1,524	2,393	14,158
	83	0	0	40	(206)	(74)

Financial information

2014 financial overview

The financial surplus for the University and its consolidated entities was \$16.5 million, a 4.3 percent return on revenue and 2.5 percent on net assets. For the University only, excluding the Foundation and consolidated entities, the surplus was \$13.2 million, 3.8 percent of revenue.

These results exceeded the University's fiscal targets despite a competitive market for student enrolments and restrained central funding and reflect the commitment of management and staff to operate efficiently and effectively with available resources.

Earnings before interest and depreciation at \$56.4 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.

The financial surplus was achieved in the context of static school leaver numbers and disappointing international student revenues. Other revenues included a 26 percent increase in research revenue, increased Performance-Based Research Fund (PBRF) revenue and higher returns from growth in student accommodation. Cash balances at year end increased by \$14.6 million, total fixed assets increased by \$15.9 million and bank debt reduced by \$2.5 million. Contributing to the positive financial result was a strong contribution from the Victoria University of Wellington Foundation (the fundraising arm of the University). A combination of above target fundraising and a further year of high investment returns generated a very positive result for the Foundation.

Trend statement

	2009	2010	2011	2012	2013	2014
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Financial performance						
Total revenue	313,159	332,262	336,798	349,163	357,902	380,553
Surplus for the year	12,803	18,529	14,514	18,780	17,613	16,498
(Decrease) in revaluation reserve	(13,826)	(1,251)	-	(19,700)	-	(3,166)
Total comprehensive income/(loss) for the year	(1,023)	17,278	14,514	(920)	17,613	13,332
Financial position						
Total current assets	61,501	64,030	65,144	63,812	74,811	92,832
Total non-current assets	637,355	659,068	681,436	681,467	682,144	698,055
Total assets	698,856	723,098	746,580	745,279	756,955	790,887
Total current liabilities	63,165	65,008	69,875	74,389	70,866	86,645
Total non-current liabilities	48,233	53,354	57,747	52,852	50,438	55,259
Total liabilities	111,398	118,362	127,622	127,241	121,304	141,904
Total community equity	587,458	604,736	618,958	618,038	635,651	648,983
Statistics						
Surplus to total revenue	4.1%	5.6%	4.3%	5.4%	4.9%	4.3%
Surplus to total assets	1.8%	2.6%	1.9%	2.5%	2.3%	2.1%
Current assets to current liabilities	97%	98%	93%	86%	106%	107%
Assets to equity	119%	120%	121%	121%	119%	122%

University Fiscal Strategy

The University Fiscal Strategy established by Council sets overall targets for the financial performance of the University. These targets were set at levels to ensure the institution operates in a financially responsible manner, efficiently uses its resources, provides for strategic expenditure and maintains the long-term viability of the institution. The 2014 positive results show that the University, including the results of the Foundation, has delivered at the top end of the range for most of the targets, maintaining a robust level of fiscal sustainability and this is after a significant increase in capital expenditure investment compared with 2013.

University Fiscal Strategy financial targets

Measure/objective	Target	2014 Consolidated University actual
Return on revenue [surplus as a percentage of total revenue]	3.5%–4.5%	4.3%
Return on net assets (equity) [surplus as a % of net assets]	1.5%–2.5%	2.5%
Liquid ratio [cash plus accounts receivable: accounts payable]	1:1	1.3:1
Asset management [percentage of capital expenditure/depreciation]	Should be at least equal to depreciation	137%
Debt management [percentage of borrowing/total assets]	Should be lower than 20%	4.4%
Debt management [interest expense/operating surplus before interest]	Should be less than 33%	5.5%

Income and expenditure analysis

The University Parent surplus (excluding the Foundation, other subsidiaries and associates) was \$13.2 million, \$2.7 million above budget and 3.8 percent of Parent revenue. This was a satisfactory result considering static domestic student numbers and the decline in international student revenue.

Lower international student revenue was offset by an increase in PBRF income (a component of government grants). Higher PBRF revenues flow from the excellent results Victoria achieved in the 2012 PBRF Quality Evaluation, and stronger research revenues. Commercial and other income increased due to greater focus on commercial engagement and the increased provision of student accommodation.

Costs overall were above budget due to higher than budget revenues with offsetting costs from higher research, commercial and other income. Considerable restraint was shown by faculties and central services to hold underlying costs at close to previous year levels.

Statement of financial position

The consolidated balance sheet records the strong position of the University at the end of 2014, reflected in lower debt, strong liquidity and growth in investments in core infrastructure and strategic investment. Cash equivalents increased by \$14.6 million, due to the strong surplus, as well as a number of significant capital invoices awaiting settlement at year end. Cash balances have also been boosted by the receipt of advance funding from Callaghan Innovation to fund the Ferrier and Robinson Research Institutes. This funding (reflected in the balance sheet as a current and non-current provision) will be expended over the next two years. Fixed assets increased by \$15.7 million, reflecting the strong capital investment made in strategic capital projects. This included commencement of the new science research and teaching building and the Rutherford House extension projects. Borrowing fell by \$2.5 million to \$35 million from the prior year, as a result of improved liquidity. Employee entitlements increased by \$2.7 million from the prior year mainly due to an increase in the actuarial valuation of the University's retirement and long service leave balances. The balances, valued on a discounted basis, are strongly influenced by fluctuations in the 10-year Government bond rate, which dropped from 4.75 percent to 4.0 percent over the year.

Capital expenditure

The University is a capital intensive institution and management is constantly seeking opportunities to maximise the effectiveness of resources invested in this area. The University has reviewed its long-term asset programme in the context of the new Strategic Plan and significant strategic investment has been identified in addition to normal replacement to ensure buildings are seismically robust and assets are fit-for-purpose in a changing student learning environment.

Capital expenditure increased to \$55 million from \$37.4 million in 2013 as the two major building projects were approved. Investment also increased in building and infrastructure refurbishment, core IT equipment, library resources and scientific and engineering equipment. Total fixed assets grew to \$698 million from \$682 million in 2013.

Subsidiaries and associates

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

The Research Trust was established to generate research income on behalf of the University, and to administer spending on research projects and postgraduate scholarships. External research income (including funding for postgraduate scholarships) generated directly in the Research Trust in 2014 was \$33.1 million, an increase of \$11.7 million compared to 2013. This arose mainly from research revenue generated by the Ferrier and Robinson Research Institutes (which were transferred from the Callaghan Innovation early in 2014) and other sources outside the usual government-funded research agencies.

Victoria Link Limited recorded a near break even result after a revaluation of equity holdings which offset the ongoing development costs of a range of intellectual property-based commercialisation initiatives.

Looking forward

Victoria University's new Strategic Plan outlines a direction that will build on recent successes, particularly in PBRF, to establish the University 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 greater investment in staff and infrastructure. Although the funding environment is challenging, the University is well placed to achieve future growth.



Wayne Morgan
Chief Financial Officer

Statement of responsibility

The management of Victoria University of Wellington accepts responsibility for:

- the preparation of the annual Financial Statements and Statement of Service Performance and the judgements used in them; 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 2014 fairly reflect the financial position and operations of Victoria University and the group.



Sir Neville Jordan
Chancellor



Professor Grant Guilford
Vice-Chancellor

30 March 2015

Audit report

Chartered Accountants



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF VICTORIA UNIVERSITY OF WELLINGTON AND GROUP'S FINANCIAL STATEMENTS AND NON-FINANCIAL PERFORMANCE INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2014

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

We have audited:

- the financial statements of the University and group on pages 63 to 86, that comprise the statement of financial position as at 31 December 2014, the statement of comprehensive income, statement of movement 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 non-financial performance information of the University and group in the statement of service performance on pages 46 to 53.

Opinion

In our opinion:

- the financial statements of the University and group on pages 63 to 86:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the University and groups:
 - financial position as at 31 December 2014; and
 - financial performance and cash flows for the year ended on that date;
- the non-financial performance information of the University and group on pages 46 to 53 fairly reflects the University and group's service performance achievements measured against the performance targets adopted in the investment plan for the year ended 31 December 2014.

Our audit was completed on 30 March 2015. This is the date at which our opinion is expressed.

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

Basis of opinion

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

Material misstatements are differences or omissions of amounts and disclosures that, in our judgment, are likely to influence readers' overall understanding of the financial statements and non-financial performance information. 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 non-financial performance information. The procedures selected depend on our judgment, including our assessment of risks of material misstatement of the financial statements and non-financial performance information, whether due to fraud or error. In making those risk assessments; we consider internal control relevant to the University and group's preparation of the financial statements and non-financial performance information that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the University and group's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgments made by the Council;
- the adequacy of all disclosures in the financial statements and non-financial performance information; and
- the overall presentation of the financial statements and non-financial performance information.

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

We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Council

The Council is responsible for preparing financial statements that:

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

The Council is also responsible for preparing non-financial performance information that fairly reflects the University and group's service performance achievements measured against the performance targets adopted in the investment plan.

The Council is responsible for such internal control as it determines is necessary to enable the preparation of financial statements and non-financial performance information 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 non-financial performance information, whether in printed or electronic form.

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

Responsibilities of the Auditor

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

Independence

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

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



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

Financial statements

Statement of comprehensive income for the year ended 31 December 2014

	Note	Consolidated			University		
		2014	2014	2013	2014	2014	2013
		Actual	Budget	Actual	Actual	Budget	Actual
		\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Revenue							
Government grants		157,249	155,981	153,994	155,918	153,306	151,292
Domestic tuition fees		79,833	79,369	77,067	79,379	78,194	76,102
International tuition fees		29,369	33,837	29,746	29,298	33,647	29,567
Research	16	42,547	39,779	33,639	28,113	25,047	20,242
Commercial		15,214	12,225	12,216	12,832	12,191	11,438
Other student fees		38,212	33,880	34,784	35,367	33,874	32,050
Other revenue	1	18,129	17,853	16,456	9,076	5,417	6,749
Total revenue		380,553	372,924	357,902	349,983	341,676	327,440
Expenditure							
People	2	197,016	198,712	185,101	187,879	186,750	174,055
Occupancy	3	30,898	31,406	27,694	29,468	28,706	26,398
Operating	3	96,235	90,036	90,287	79,477	75,720	73,613
Finance costs	4	854	960	960	1,455	1,594	1,566
Depreciation and amortisation	10/11	39,041	39,079	36,234	38,503	38,794	35,912
Total expenditure		364,044	360,193	340,276	336,782	331,564	311,544
Share of associates surplus/(deficit)	12	(11)	10	(13)	-	-	-
Surplus		16,498	12,741	17,613	13,201	10,112	15,896
Other comprehensive income							
Movements in revaluation reserve	10	(3,166)	-	-	(3,166)	-	-
Total comprehensive income		13,332	12,741	17,613	10,035	10,112	15,896

Statement of financial position as at 31 December 2014

	Note	Consolidated			University		
		2014	2014	2013	2014	2014	2013
		Actual	Budget	Actual	Actual	Budget	Actual
		\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Current assets							
Cash and cash equivalents	6	41,033	26,683	26,394	22,703	13,063	11,749
Investments	7	29,772	28,817	27,311	-	-	-
Accounts receivable and accruals	8	9,348	4,705	8,932	7,296	5,371	6,311
Pre-paid expenses		10,668	12,444	9,983	10,373	9,844	9,845
Other current assets	9	2,011	514	2,191	175	61	71
Loans to related parties	19	-	-	-	1,100	-	-
Total current assets		92,832	73,163	74,811	41,647	28,339	27,976
Non-current assets							
Property, plant and equipment	10	687,749	690,130	673,838	687,583	687,917	672,835
Intangibles	11	9,942	10,772	8,003	9,791	10,768	7,913
Investments in related parties	12	364	1,714	303	2,106	3,856	2,856
Total non-current assets		698,055	702,616	682,144	699,480	702,541	683,604
Total assets		790,887	775,779	756,955	741,127	730,880	711,580
Current liabilities							
Accounts payable and accruals	13	39,813	28,870	33,512	36,453	28,183	29,123
Revenue in advance	14	26,795	25,888	23,847	11,759	14,626	11,337
Related party borrowings	19	-	-	-	13,000	13,000	14,000
Employee entitlements	15	15,106	13,438	13,507	15,018	13,368	13,369
Deferred revenue—contractual obligation	16	4,301	-	-	4,301	-	-
Finance lease	18	630	692	-	630	692	-
Total current liabilities		86,645	68,888	70,866	81,161	69,869	67,829
Non-current liabilities							
Employee entitlements	15	14,084	12,938	12,938	14,084	12,938	12,938
Deferred revenue—contractual obligation	16	3,884	5,700	-	3,884	5,700	-
Finance lease	18	2,291	2,284	-	2,291	2,284	-
Bank borrowings	17	35,000	36,663	37,500	35,000	36,663	37,500
Total non-current liabilities		55,259	57,585	50,438	55,259	57,585	50,438
Total liabilities		141,904	126,473	121,304	136,420	127,454	118,267
Community equity							
Retained earnings		361,839	358,996	345,341	317,563	313,116	303,003
Reserves		287,144	290,310	290,310	287,144	290,310	290,310
Total community equity		648,983	649,306	635,651	604,707	603,426	593,313
Total liabilities and community equity		790,887	775,779	756,955	741,127	730,880	711,580

Statement of movement in equity for the year ended 31 December 2014

	Note	Consolidated			University		
		2014	2014	2013	2014	2014	2013
		Actual	Budget	Actual	Actual	Budget	Actual
		\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Community equity at start of the year		635,651	636,565	618,038	593,313	593,314	577,417
Surplus for the year		16,498	12,741	17,613	13,201	10,112	15,896
Transfer of subsidiary operations to Parent	12	-	-	-	1,359	-	-
Other comprehensive income							
Increase/(decrease) in revaluation reserve	10	(3,166)	-	-	(3,166)	-	-
Community equity at end of the year		648,983	649,306	635,651	604,707	603,426	593,313
Community equity attributed to							
Equity holders of the Parent		648,983	649,306	635,651	604,707	603,426	593,313

Community equity represented by:

	Note	Consolidated			University		
		2014	2014	2013	2014	2014	2013
		Actual	Budget	Actual	Actual	Budget	Actual
		\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Accumulated funds							
Opening balance		345,341	346,255	327,728	303,003	303,004	287,107
Transfer of subsidiary operations to Parent	12	-	-	-	1,359	-	-
Surplus for the year		16,498	12,741	17,613	13,201	10,112	15,896
Closing balance		361,839	358,996	345,341	317,563	313,116	303,003
Asset revaluation reserve							
Opening balance		290,310	290,310	290,310	290,310	290,310	290,310
Increase/(decrease) in revaluation reserve	10	(3,166)	-	-	(3,166)	-	-
Closing balance		287,144	290,310	290,310	287,144	290,310	290,310
Community equity at end of the year		648,983	649,306	635,651	604,707	603,426	593,313

Statement of cash flows for the year ended 31 December 2014

	Note	Consolidated			University		
		2014	2014	2013	2014	2014	2013
		Actual	Budget	Actual	Actual	Budget	Actual
		\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Operating activities							
<i>Cash was provided from</i>							
Government grants, revenue from fees and other revenue		364,033	378,694	348,905	338,630	349,400	327,460
Interest		1,397	897	458	1,355	464	534
Dividends		321	-	79	-	-	26
Cash donations		4,970	5,300	5,525	559	800	556
		370,721	384,891	354,967	340,544	350,664	328,576
<i>Cash was applied to</i>							
Employees		192,100	198,711	185,981	189,700	186,750	174,956
Suppliers		119,314	127,047	115,217	95,582	104,414	102,018
Interest paid		854	1,035	960	1,455	1,594	1,566
		312,268	326,793	302,158	286,737	292,758	278,540
Net cash flows from operating activities		58,453	58,098	52,809	53,807	57,906	50,036
Investing activities							
<i>Cash was provided from</i>							
Net cash acquired	16	12,660	-	-	12,660	-	-
		12,660	-	-	12,660	-	-
<i>Cash was applied to</i>							
Purchase of assets		48,269	55,047	38,735	48,269	53,755	37,650
Purchase of investments		4,874	1,917	3,215	2,413	1,000	398
		53,143	56,964	41,950	50,682	54,755	38,048
Net cash flows from investing activities		(40,483)	(56,964)	(41,950)	(38,022)	(54,755)	(38,048)
Financing activities							
<i>Cash was provided from</i>							
Bank borrowings		35,000	44,155	37,500	35,000	44,163	37,500
		35,000	44,155	37,500	35,000	44,163	37,500
<i>Cash was applied to</i>							
Repayment of bank borrowings		37,500	45,000	45,000	37,500	45,000	45,000
Repayment of intercompany advance		-	-	-	1,000	1,000	6,500
Loans to Group entities		-	-	-	500	-	-
Finance lease payments		831	-	-	831	-	-
		38,331	45,000	45,000	39,831	46,000	51,500
Net cash flows from financing activities		(3,331)	(845)	(7,500)	(4,831)	(1,837)	(14,000)
Net cash flows for the year		14,639	289	3,359	10,954	1,314	(2,012)
Add cash at start of year		26,394	26,394	23,035	11,749	11,749	13,761
Cash at end of the year	6	41,033	26,683	26,394	22,703	13,063	11,749

Reconciliation of surplus to net cash flow from operating activities for the year ended 31 December 2014

	Consolidated		University	
	2014	2013	2014	2013
	\$ 000	\$ 000	\$ 000	\$ 000
Surplus	16,498	17,613	13,201	15,896
Add non-cash items				
Depreciation and amortisation	39,041	36,234	38,503	35,912
Increase/(decrease) in non-current employee entitlements	1,146	(670)	1,146	(574)
Other non-cash items	(2,545)	(1,386)	(3,500)	-
Add/(less) items classified as investing or financing activities				
(Gains)/losses on disposal of property, plant and equipment	1,129	1,648	1,129	659
(Gains)/losses on investments held at fair value	(2,262)	-	-	-
(Decrease) in deferred revenue (note 16)	(4,475)	-	(4,475)	-
Add/(less) changes in working capital items				
Decrease/(increase) in accounts receivable	(424)	(2,928)	(985)	(1,142)
Decrease/(increase) in pre-paid expenses	(683)	2,070	(508)	439
Decrease/(increase) in other current assets	180	-	(104)	-
Increase/(decrease) in accounts payable	6,301	2,484	7,330	965
Increase/(decrease) in revenue received in advance	2,948	(837)	422	(606)
Increase/(decrease) in employee entitlements	1,599	(1,419)	1,649	(1,513)
Net cash inflow from operating activities	58,453	52,809	53,807	50,036

Notes to the financial statements

Note 1—Other revenue

	Consolidated		University	
	2014	2013	2014	2013
	\$ 000	\$ 000	\$ 000	\$ 000
Donations	4,970	5,525	559	556
Investment income	2,584	2,384	-	26
Gain on sale of property, plant and equipment	7	95	7	73
Interest income	2,446	1,075	1,518	533
Insurance proceeds	-	1,450	-	1,450
Sundry income	8,122	5,927	6,992	4,111
	18,129	16,456	9,076	6,749

Donations received includes \$4.4m (2013: \$4.8m) of funds received by the Victoria University of Wellington Foundation, the fundraising arm of the University.

The consolidated investment income includes gains on financial assets at fair value through profit and loss of \$1.8m and dividends received of \$0.3m. These items are collectively attributable to the Victoria University of Wellington Foundation and Victoria Link Limited (2013: \$1.4m and \$0.9m respectively).

The interest amount is predominantly income from cash which is surplus to immediate requirements and which has been invested on call or on short-term deposits. In 2014, interest rates have been between 3.00 percent and 4.70 percent (2013: 2.60 percent to 3.50 percent).

Note 2—People

	Consolidated		University	
	2014	2013	2014	2013
	\$ 000	\$ 000	\$ 000	\$ 000
Salaries	183,164	175,165	174,340	164,439
Contractors	3,527	2,735	3,383	2,703
Entitlements	10,325	7,201	10,156	6,913
	197,016	185,101	187,879	174,055

Note 3—Occupancy and operating costs

	Consolidated		University	
	2014	2013	2014	2013
	\$ 000	\$ 000	\$ 000	\$ 000
The following items are included within occupancy and operating expense:				
Audit fees: Ernst & Young	333	299	190	180
Other fees paid to the Auditors	17	16	17	26
Internal audit and other fees to other providers	256	249	256	249
Property leases	12,321	9,970	11,681	9,288
IT leases	2,302	2,420	2,266	2,352
Losses on disposal of property, plant and equipment	1,096	1,822	1,094	831
Information technology	4,349	3,925	4,015	3,560
Grants and scholarships	29,251	24,850	29,367	28,058
Insurance	4,288	3,987	4,111	3,816
Travel and accommodation	13,400	11,890	5,318	5,001
	67,613	59,428	58,315	53,361

Note 4—Finance costs

	Consolidated		University	
	2014	2013	2014	2013
	\$ 000	\$ 000	\$ 000	\$ 000
Interest on borrowings	653	960	1,254	1,566
Finance charge on finance lease	201	-	201	-
	854	960	1,455	1,566

Note 5—Financial instruments

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

	Consolidated		University	
	2014	2013	2014	2013
	\$ 000	\$ 000	\$ 000	\$ 000
FINANCIAL ASSETS				
Loans and receivables				
Cash and cash equivalents	41,033	26,394	22,703	11,749
Debtors and other receivables	9,348	8,932	7,296	6,311
Investments	88	88	-	-
Loans to related parties	-	-	1,100	-
Other current assets	1,836	2,116	-	-
	52,305	37,530	31,099	18,060
At fair value through profit or loss				
Investments—International shares	466	8,165	-	-
Investments—International shares fund	11,689	-	-	-
Investments—Australasian shares	189	3,838	-	-
Investments—Australasian shares fund	4,216	-	-	-
Investments—International fixed interest	430	-	-	-
Investments—International fixed interest fund	6,881	-	-	-
Investments—New Zealand fixed interest	320	13,720	-	-
Investments—New Zealand fixed interest fund	3,181	-	-	-
New Zealand cash funds	133	-	-	-
Portfolio AUD cash account	3	-	-	-
Portfolio NZD cash account	49	-	-	-
Private banking deposit	35	-	-	-
Derivative financial instruments—Forward foreign exchange	92	-	-	-
Unlisted shares	2,000	1,500	-	-
	29,684	27,223	-	-
FINANCIAL LIABILITIES				
Financial liabilities at amortised cost				
Accounts payable excluding employee entitlements	36,014	28,507	32,730	24,381
Bank borrowings	35,000	37,500	35,000	37,500
Related party borrowings	-	-	13,000	14,000
	71,014	66,007	80,730	75,881

Financial risk management objectives and policies:

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

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 University and 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 Victoria University of Wellington Foundation holds \$23m of investments at fair value through profit and loss, some of which are invested in a range of foreign denominations and are exposed to foreign exchange risk. Such investments are hedged within the managed funds portfolio. The Group entered into multiple foreign exchange contracts during 2014 to offset and mitigate the above risks, and held USD\$3.7m and EUR\$0.2m (notional values) of forward exchange contracts at 31 December 2014, with a fair value of \$0.1m. A 10 percent movement in the New Zealand dollar against all currencies would give rise to a \$2m gain or loss.

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 fair value of investments at fair value through profit or loss would give rise to a \$2.6m gain or loss.

LIQUIDITY RISK

Other than bank borrowings all accounts payable are expected to be repaid within six months. No bank borrowings are repayable within 12-months, and a contractual maturity analysis is disclosed in note 17. The University incurred interest expense of \$0.6m during 2014.

CREDIT RISK

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

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

The University and Group limits the amount of credit exposure to any one financial institution for term deposits to no more than the greater of \$40m or 33 percent of total investments 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 profit and loss are managed by an external fund manager in a range of securities to diversify the risk.

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

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

CAPITAL MANAGEMENT

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

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

The University and Group manages its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. The University and Group's equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing the University and Group's equity is to ensure that it effectively and efficiently achieves the goals and objectives for which it has been established, while remaining a going concern.

Note 6—Cash and cash equivalents

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

Interest rates over this year have ranged from 3.00 percent to 4.70 percent per annum (2013: 2.60 percent to 3.50 percent). The carrying amounts of cash and cash equivalents represent their fair value.

	Consolidated		University	
	2014 \$ 000	2013 \$ 000	2014 \$ 000	2013 \$ 000
Cash at bank	14,244	6,252	8,308	4,879
Bank on call deposits	6,391	9,316	4,245	6,870
Short-term deposits	20,398	10,826	10,150	-
Total cash and cash equivalents	41,033	26,394	22,703	11,749
Including:				
Funds held by controlled trusts*	5,236	8,779	-	-
Restricted funds and bequests	5,870	6,965	5,870	6,965

* 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.

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

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

Note 7—Investments

	Consolidated		University	
	2014	2013	2014	2013
	\$ 000	\$ 000	\$ 000	\$ 000
Loans to staff	88	88	-	-
Investments at fair value through profit or loss	29,684	27,223	-	-
	29,772	27,311	-	-

Staff loans

Loans were granted to the value of \$87,500 to enable selected staff members to purchase shares in an associate company. Loans are interest bearing and are payable on demand. Loans are unsecured.

Investments at fair value through profit or loss

Other investments includes investment in shares, managed funds, government stock and other fixed interest securities of various New Zealand and offshore entities. Victoria University of Wellington Foundation investments are managed by ANZ Bank of New Zealand Limited and revalued to fair value at balance date. Investments are recognised at fair value through the surplus within the statement of comprehensive income. By investing in these various entities, concentration of credit risk is minimised whilst maximising return in a manner consistent with the Group's investment policies.

Quantitative disclosure of fair value measurement hierarchy for investments as at 31 December 2014:

	Consolidated			Consolidated		
	2014	2014	2014	2013	2013	2013
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investments—International shares	466	-	-	8,165	-	-
Investments—International shares fund	-	11,689	-	-	-	-
Investments—Australasian shares	189	-	-	3,838	-	-
Investments—Australasian shares fund	-	4,216	-	-	-	-
Investments—International fixed interest	430	-	-	-	-	-
Investments—International fixed interest fund	-	6,881	-	-	-	-
Investments—New Zealand fixed interest	320	-	-	13,720	-	-
Investments—New Zealand fixed interest fund	-	3,181	-	-	-	-
New Zealand cash funds	-	133	-	-	-	-
Portfolio AUD cash account	3	-	-	-	-	-
Portfolio NZD cash account	49	-	-	-	-	-
Private banking deposit	35	-	-	-	-	-
Derivative financial instruments—Forward foreign exchange	-	92	-	-	-	-
Unlisted shares	-	-	2,000	1,500	-	-
	1,492	26,192	2,000	25,723	-	1,500

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

Level 1—the value is determined using quoted prices (unadjusted) in active markets for identical assets and liabilities the entity can access at the measurement date.

Level 2—the value is determined using inputs other than quoted prices included within Level 1 that are observable for the asset and liability, either directly or indirectly.

Level 3—the value is determined using observable price data and other relevant models used by market participants.

Note 8—Accounts receivable

	Consolidated		University	
	2014	2013	2014	2013
	\$ 000	\$ 000	\$ 000	\$ 000
Receivables	8,679	8,294	7,241	6,330
Less: provision for doubtful debts	(114)	(63)	(110)	(59)
Other	783	701	165	40
	9,348	8,932	7,296	6,311

Ageing of receivables

	Consolidated		University	
	2014	2013	2014	2013
	\$ 000	\$ 000	\$ 000	\$ 000
Current	7,132	7,510	6,304	5,546
1 to 30 days	1,158	481	817	481
31 to 60 days	187	207	53	207
61 to 90 days	130	4	13	4
> 91 days	72	92	54	92
	8,679	8,294	7,241	6,330

Related party receivables

For amounts, terms and conditions of related party receivables refer to note 19.

Note 9—Other current assets

	Consolidated		University	
	2014	2013	2014	2013
	\$ 000	\$ 000	\$ 000	\$ 000
Inventory	175	75	175	71
Research—work in progress	1,836	2,116	-	-
	2,011	2,191	175	71

Note 10—Property, plant and equipment

	Consolidated						
	Land	Buildings & improvements	Computers & networks	Plant & equipment	Art collection & heritage	Capital work in progress	Total
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Cost and valuation							
As at 1 January 2013	94,330	430,850	33,784	77,800	75,997	61,856	774,617
Additions	-	58,302	5,347	7,903	7,161	688	79,401
Disposals and reclassifications	-	-	(5,058)	(4,824)	(46,477)	(56,359)	(56,359)
Impairment movement	-	-	-	-	-	-	-
Reclassifications	-	-	-	(145)	-	-	(145)
Balance as at 31 December 2013	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)	(7)	(50,056)	(64,482)
Impairment movement	-	(3,166)	-	-	-	-	(3,166)
Reclassifications	-	-	-	(3)	3	-	-
Balance as at 31 December 2014	99,623	500,135	30,609	87,315	90,125	26,291	834,098
Depreciation and impairment							
As at 1 January 2013	-	7,925	23,366	40,135	28,453	-	99,879
Depreciation for the year	-	15,377	4,955	7,791	5,191	-	33,314
Disposals and reclassifications	-	(5,051)	(4,458)	-	(9,509)	-	-
Impairment movement	-	(8)	-	(8)	-	-	-
Balance as at 31 December 2013	-	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)
Impairment movement	-	-	-	-	-	-	-
Balance as at 31 December 2014	-	39,381	19,435	48,063	39,469	-	146,348
Net book value							
As at 1 January 2013	94,330	422,925	10,418	37,665	47,544	61,856	674,738
Balance as at 31 December 2013	94,330	465,850	10,803	37,274	49,514	16,067	673,838
As at 31 December 2014	99,623	460,754	11,175	39,252	50,653	26,292	687,750

Note 10—Property, plant and equipment (cont.)

	University						Total \$ 000
	Land	Buildings & improvements	Computers & networks	Plant & equipment	Art collection & heritage	Capital work in progress	
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	
Cost and valuation							
As at 1 January 2013	94,330	430,850	33,550	75,804	75,992	61,325	771,851
Additions	-	58,302	5,338	7,672	7,161	688	79,161
Disposals and reclassifications	-	-	(5,058)	(4,824)	-	(45,948)	(55,830)
Impairment movement	-	-	-	-	-	-	-
Reclassifications	-	-	-	(145)	-	-	(145)
Balance as at 31 December 2013	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)	(4,923)	(7)	(49,245)	(63,672)
Impairment movement	-	(3,166)	-	-	-	-	(3,166)
Reclassifications	-	-	-	(3)	3	-	-
Balance as at 31 December 2014	99,623	500,135	30,366	84,617	90,117	27,104	831,962
Depreciation and impairment							
As at 1 January 2013	-	7,925	23,149	39,196	28,453	-	98,723
Depreciation for the year	-	15,377	4,937	7,492	5,190	-	32,996
Disposals and reclassifications	-	-	(5,051)	(4,458)	-	-	(9,509)
Impairment movement	-	-	-	(8)	-	-	(8)
Balance as at 31 December 2013	-	23,302	23,035	42,222	33,643	-	122,202
Depreciation for the year	-	16,476	4,875	8,293	5,826	-	35,469
Disposals and reclassifications	-	(397)	(8,711)	(4,185)	-	-	(13,293)
Impairment movement	-	-	-	-	-	-	-
Balance as at 31 December 2014	-	39,381	19,199	46,330	39,469	-	144,377
Net book value							
As at 1 January 2013	94,330	422,925	10,401	36,608	47,539	61,325	673,128
Balance as at 31 December 2013	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

Note 10—Property, plant and equipment (continued)

	University & Consolidated	
	2014	2013
	\$ 000	\$ 000
Asset revaluation reserve		
Land	81,255	81,255
Buildings and infrastructure	205,889	209,055
Total	287,144	290,310

Land, buildings and infrastructure assets were independently valued as at 1 December 2012 by Mr P Todd, registered valuers with Darroch Limited and members of the New Zealand Institute of Valuers.

Land

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

Buildings 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 which is based on the replacement construction costs which is intended to reflect current materials and technology which provide the same level of utility as present assets. Residential buildings and properties located in the Wellington CBD are valued based on the market value which 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.

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

General

Under the Education Act 1989, the University is required to obtain prior consent of the Ministry of Education to dispose of or sell assets where the value of those assets exceeds an amount determined by the Minister of Education. There were no such disposals made in 2014 (2013: \$Nil).

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

Note 11—Intangibles (IT software)

	Consolidated		University	
	2014	2013	2014	2013
	\$ 000	\$ 000	\$ 000	\$ 000
Cost				
Opening balance	18,464	15,300	18,240	15,166
Additions	6,069	5,188	5,737	5,044
Disposals	(5,428)	(2,024)	(5,138)	(1,970)
Closing balance	19,105	18,464	18,839	18,240
Accumulated amortisation and impairment				
Opening balance	10,461	9,267	10,327	9,136
Amortisation for the year	3,059	2,953	3,033	2,916
Disposals	(4,357)	(1,759)	(4,312)	(1,725)
Closing balance	9,163	10,461	9,048	10,327
Net book value	9,942	8,003	9,791	7,913

Note 12—Investment in related parties

Name	Percentage owned	Balance date	Principal activity
Controlled trusts			
Victoria University of Wellington Foundation	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
Subsidiaries			
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**	100	31 Dec	Teaching and research relating to music
Associates			
Library Consortium of New Zealand Limited	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	40	31 Dec	Electronic retailing

** The University acquired the remaining 50 percent shareholding in New Zealand School of Music Limited (NZSM) from Massey University on 1 July 2014 for a consideration of \$2.4m. From this date the operations of the New Zealand School of Music were subsumed within the University Parent. The accounting treatment of this transaction has been recorded in the University Parent as a movement of \$1.4m through equity reflecting the transfer of subsidiary operations to the Parent.

The performance and position information from the University's associates and the joint venture are presented below as at 31 December 2014.

	Associates		Joint venture	
	2014 \$ 000	2013 \$ 000	2014 \$ 000	2013 \$ 000
Current assets	711	1,189	-	1,684
Non current assets	6	22	-	830
Total assets	717	1,211	-	2,514
Current liabilities	70	520	-	526
Non current liabilities	-	-	-	25
Total liabilities	70	520	-	551
Net assets	647	691	-	1,963
Revenue	977	1,213	4,009	4,134
Expenses	(1,022)	(1,265)	(3,916)	(4,263)
Net surplus/(deficit)	(45)	(52)	93	(129)
University share of net surplus/(deficit)	(11)	(13)	47	(65)

Any capital commitments and contingent liabilities arising from the Group's interest in the joint venture are disclosed in notes 20 and 21 respectively.

Note 13—Accounts payable and accruals

	Consolidated		University	
	2014	2013	2014	2013
	\$ 000	\$ 000	\$ 000	\$ 000
Accounts payable	9,911	8,414	8,798	6,765
Contract retentions	804	749	804	749
Deposits held on behalf of students	5,747	2,639	5,747	2,639
Employee entitlements	3,799	3,481	3,723	3,394
Other accruals	19,552	18,229	17,381	15,576
	39,813	33,512	36,453	29,123

Related party payables

For amounts, terms and conditions of related party payables refer to note 19.

Note 14—Revenue in advance

	Consolidated		University	
	2014	2013	2014	2013
	\$ 000	\$ 000	\$ 000	\$ 000
Pre-paid tuition fees	10,344	6,872	10,146	6,654
Pre-paid government grants	67	231	67	230
Deferred revenue	10,711	8,286	-	
Other revenue in advance	5,673	8,458	1,546	4,453
	26,795	23,847	11,759	11,337

Note 15—Employee entitlements

	Consolidated		University	
	2014	2013	2014	2013
	\$ 000	\$ 000	\$ 000	\$ 000
Current liabilities				
Annual leave	13,209	11,510	13,122	11,372
Retiring and long service leave	1,897	1,997	1,896	1,997
Balance at end of the year	15,106	13,507	15,018	13,369
Non-current liabilities				
Retiring and long service leave	14,084	12,938	14,084	12,938
Balance at end of the year	14,084	12,938	14,084	12,938

The retiring, long service and sick leave was independently assessed as at 31 December 2014 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 4.00 percent (2013: 4.75 percent). The salary projections assume a 2 percent increase every year (2013: 2 percent).

Resignation rates vary with age and the length of service, and assumptions are reflective of other superannuation schemes in New Zealand. No explicit allowance has been made for redundancy.

Note 16—Deferred revenue—contractual obligation

	Consolidated		University	
	2014	2013	2014	2013
	\$ 000	\$ 000	\$ 000	\$ 000
Funds received on transfer of institutes	12,660	-	12,660	-
Research revenue recognised	(4,475)	-	(4,475)	-
	8,185	-	8,185	-
Made up of:				
Current portion	4,301	-	4,301	-
Non-current portion	3,884	-	3,884	-
Total	8,185	-	8,185	-

The University has a contractual obligation as a result of two research teams transferring into the University from Callaghan Innovation Limited, a Crown Research Institute. The transfer of staff was completed in early 2014, at which time the Ferrier and Robinson Research Institutes were formally established within the University Parent. The Ferrier Research Institute's principal activity is research in the field of carbohydrate chemistry, whilst the Robinson Research Institute conducts research in the field of superconductivity. Both institutes reside within the University Parent, and are not standalone legal entities. Collectively these teams comprise 55 research staff who are now employees of the University. The deferred revenue is recognised as research revenue over the period for which the funding was received.

Note 17—Bank borrowings

The University has an unsecured revolving borrowing facility with the ANZ Bank with a maximum facility limit of \$45m, which expires on 31 March 2016. As at 31 December 2014, \$35m (2013: \$37.5m) of this facility had been drawn down. None of this facility is repayable within 12 months. Interest rates on borrowings are reset for a period not exceeding 180 days. The University's borrowing has been approved for the purposes of funding the University's long-term capital development programme. The University typically repays the entire facility during the first quarter of each year upon receipt of tuition revenues from students. Draw-down on the loan then occurs over the course of the second half of each year, as the loan is used to fund capital expenditure commitments. The maximum draw-down limit is subject to borrowing approval by the Secretary of Education, and in December 2014 approval was received lifting the borrowing limit from \$45m to \$75m at 31 December 2014, and rising in steps to \$150m by December 2017.

Contracted maturity analysis:

The current loan facility with ANZ Bank has a contractual renewal date of 31 March 2016. The maximum facility ceiling is capped at \$80m until 31 March 2016. Based on the current loan draw-down of \$35m, the University would be obligated to repay \$35m on 31 March 2016. Over that period, annual future interest payments would be \$1.6m in 2015, and \$0.4m in 2016, based on the floating rate on the instrument at balance date.

Note 18—Finance leases

The fair value of finance leases is \$2.9m (2013: nil). Fair value has been determined using contractual cash flows discounted using a rate based on market borrowing rates at balance date from 3.00 percent to 4.70 percent (2013: nil).

Analysis of finance lease

	Consolidated		University	
	2014 \$ 000	2013 \$ 000	2014 \$ 000	2013 \$ 000
Total minimum lease payments payable	-	-	-	-
No later than one year	831	-	831	-
Later than one year and not later than five years	2,492	-	2,492	-
Total minimum lease payments	3,323	-	3,323	-
Future finance charges	402	-	402	-
Present value of minimum lease payments	2,921	-	2,921	-
Present value of minimum lease payments payable				
No later than one year	630	-	630	-
Later than one year and not later than five years	2,291	-	2,291	-
Total present value of minimum lease payments	2,921	-	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.

Note 19—Related party note

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).

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

	Consolidated & University	
	2014 \$ 000	2013 \$ 000
Salaries and other short-term benefits	3,349	3,278
	3,349	3,278

Directors' fees paid to Directors of Victoria Link Limited totalled \$32,200 (2013: \$19,500).

Directors' fees paid to Directors of Wetox Limited totalled \$0 (2013: \$10,500).

Directors' fees paid to Directors of Boutiq Limited totalled \$16,666 (2013: Nil).

Victoria Heine is a Partner at Chapman Tripp. Fees paid in 2014 totalled \$27,124 (2013: \$11,707).

Charles Finny is a Partner at Saunders Unsworth. Fees paid in 2014 totalled \$66,609 (2013: \$54,445).

Significant transactions with government-related entities

The University and Group has received funding from the Crown of \$157,249,000 (2013: \$153,994,000) to provide educational services for the year ended 31 December 2014. In conducting its activities the University and Group are required to pay various taxes and levies (such as GST, FBT, PAYE and ACC levies) to the Crown and entities related to the Crown. The payment of these taxes and levies is based on the standard terms and conditions that apply to all tax and levy payers. The University is exempt from paying income tax. The University and Group purchase goods and services from entities controlled, significantly or jointly by the Crown. Purchases from these government-related entities include postal services, electricity and air travel. All services are purchased on the terms and conditions that apply to all customers. In addition to these transactions, two research teams were transferred from Callaghan Innovation Limited, a Crown Research Institute (refer note 16).

b) Related party transactions with subsidiaries, associates and jointly controlled entities

	2014	2013
	\$ 000	\$ 000
Victoria Link Limited		
Services provided by the University	1,508	1,267
Services provided for the University	1,202	762
Debtor for services provided by the University	1,741	352
Loan owing to the University	1,100	500
Research Trust		
Services provided by the University	43,549	37,392
Unsecured loans payable by the University	13,000	14,000
Debtor for services provided by the University	844	966
New Zealand School of Music Limited		
Services provided by the University	619	3,187
Services provided for the University	4,173	5,693
Debtor for services provided by the University	-	223
Debtor for services provided for the University	-	87
Library Consortium of New Zealand		
Services provided for the University	298	283
Creditor for services provided by the University	5	-
Debtor for services provided for the University	3	-
Victoria University of Wellington Foundation Trust		
Grants received by the University	1,824	1,524
Debtor for grants received by the University	398	377
Te Puni Village Limited		
Services provided by the University	2,363	2,156
Creditor for services provided by the University	854	198

Loans to related parties

During the year the Parent provided loans of \$1.1m (2013: \$0.6m) to Victoria Link Limited. These loans are set using market interest rates and are on normal commercial terms. No related party debts have been written off or forgiven during the period. Sales to and purchases from related parties are made in arm's-length transactions both at market prices and on commercial terms.

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

Allowance for impairment loss on trade receivables

For the year ended 31 December 2014, the Group has not made any allowance for impairment loss relating to amounts owed by related parties as the payment history has been excellent (2013: \$Nil). An impairment assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates to determine whether there is objective evidence that a related party receivable is impaired. When such objective evidence exists, the Group recognises an allowance for the impairment loss.

Note 20—Commitments

Property, plant and equipment commitments

Detailed below are those projects for which firm commitments have been made at 31 December 2014. Commitments include planned capital expenditure projects.

	2014	2013
	\$ 000	\$ 000
Total contracted projects	41,928	8,680

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 and long-term obligational contractual obligations are as follows:

	2014	2013
	\$ 000	\$ 000
Due not later than one year	11,048	9,386
Due between one and two years	9,329	8,025
Due between two and five years	21,495	14,604
Due later than five years	65,230	29,529
	107,102	61,544

Note 21—Contingent liabilities

As at 31 December 2014 there are no contingent liabilities (2013: nil).

Note 22—Events after balance date

There were no events subsequent to balance date requiring disclosure in the financial statements (2013: two research teams transferred into the University subsequent to balance date—refer note 16).

Note 23—Statement of accounting policies

THE REPORTING ENTITY

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

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

The financial statements of the University and Consolidated Group (the Group) for the year ended 31 December 2014 were authorised for issue in accordance with a resolution of the Victoria University of Wellington Council (the University Council) on 30 March 2015.

The primary purpose of the University and 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.

BASIS OF PREPARATION

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

The accounting policies set out in the following pages have been applied consistently to all periods presented in these financial statements. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The accounting principles followed by the Group are those recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis, except where specifically identified in the following policies.

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

CHANGES IN ACCOUNTING POLICY

There have been no changes in accounting policies during the financial year. In May 2013 the External Reporting Board advised that it had issued a package of new accounting standards; PBE Standards for Tier 1 and Tier 2 Public Benefit Entities (PBE Standards). The PBE standards consist of the following:

- Standards XRB A1 Accounting Standards Framework, which is the overarching standard that sets out the accounting standards framework;
- A suite of 39 PBE Standards; and
- The Public Benefit Entities (conceptual) Framework.

The PBE standards are effective for reporting periods beginning on or after 1 July 2014. This means the University will transition to the PBE standards in preparing its 31 December 2015 financial statements. The majority of the PBE Standards are based on the International Public Sector Accounting Standards (IPSAS) developed by the International Public Sector Accounting Standards Board (IPSASB).

The University will perform a formal transition review during 2015. The University will be classified as a Tier 1 entity. The University anticipates the following items may have an impact:

- PBE IPSAS 1 *Presentation of Financial Statements* may cause presentation differences;
- PBE IPSAS 6 *Consolidated and Separate Financial Statements* may cause a change in the measurement basis for investments in controlled entities, jointly controlled entities and associates;
- PBE IPSAS 20 *Related Party Disclosures* may require fewer disclosures; and
- PBE IPSAS 23 *Revenue from Non-Exchange Transactions* may cause a change to revenue recognition.

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

NZ IFRS 9 (PBE) *Financial Instruments* will eventually replace NZ IAS 39 *Financial Instruments: Recognition and Measurement*. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of NZ IAS 39 (PBE). It is expected that the University will transition to PBE Accounting Standards prior to the introduction of the new standard. The University will assess the impact of the equivalent standard at the time that it is adopted in public sector accounting standards.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In applying the University and Group's accounting policies, management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may impact on the Group. All judgements, estimates and assumptions made are believed to be reasonable, 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.
- Valuation of retirement, long service and sick leave entitlements: management relies on the services of an independent actuary to assess the carrying value of these employee entitlements (refer note 14).
- Valuation of Level 3 investments at fair value through profit or loss.
- Impairment: asset impairment judgements will be made based on fair value as at balance date.
- Stage of completion of research projects as at balance date.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

• Government grants and student fees

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

• Research revenue

Funding received for research that will provide reciprocal benefits to the research funding provider is recognised as revenue on a percentage completion basis. The percentage of completion is measured by reference to the research expenditure incurred as a proportion to total expenditure expected to be incurred. Funding received that provides no reciprocal benefit to the research funding provider is recognised as revenue when the funding is received. At balance date the aggregate balance of research projects for which research grant funding received exceeds costs incurred to date is recorded in the statement of financial position as a liability (deferred revenue), being a future obligation to complete research. At balance date the aggregate balance of research projects for which research grant funding received to date is less than costs incurred to date is recorded in the statement of financial position as an asset (work in progress). Research work in progress, to be recovered in future periods from revenue from research funding providers is impairment tested and is only recognised when adequate future cash flows exceed or meet the value of work in progress and future costs. Deferred revenue arising from research contracts is valued based on the funds received less costs incurred that are directly attributable to fulfilling contractual expectations for research.

• Bequests and other monies held in trust

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

• Other revenue items

Where physical assets are acquired for nil consideration the fair value of the asset received is recognised as revenue. Revenue from sale of goods and services is recognised on sale. Dividends are recognised when the right to receive payment has been established.

• 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 profit or loss.

Operating lease payments 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 liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

• Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits for a period not exceeding 270 days that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

• Accounts receivable

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

• Other financial assets

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

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

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs. Fair value is determined using quoted prices in 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 market participants.

• **Recognition, de-recognition and measurement**

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.

Loans and receivables

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

Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category “financial assets at fair value through profit or loss”. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on financial assets held for trading are recognised in profit or loss. The valuation of financial assets at fair value through profit or loss is determined with reference to the most reliable observable inputs available, such as quoted prices in active markets (where available), or using other observable price data.

Impairment of financial assets

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

Impairment of a loan or a receivable is established when there is objective evidence that the University and 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 (that is, not past due). For other financial assets, impairment losses are recognised directly against the instrument’s carrying amount.

• **Property, plant and equipment**

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

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

• **Revaluation**

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

The net revaluation results are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive income.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the University and Group and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated. In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

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

Depreciation

Depreciation is provided on a straight-line (SL) 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.

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

Buildings and improvements	3–89 years	SL
Computers and networks	3–5 years	SL
Plant and equipment	4–15 years	SL
Art and heritage	10–20 years	SL

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

Property in the name of the Crown

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

- **Intangible assets**

Intangible assets represents the cost to the University and Group of major IT systems that have been purchased, developed and implemented. These are capitalised at cost. Amortisation for IT computer software is calculated using a straight-line basis and the amortisation periods are 3–5 years. This expense is taken to the statement of comprehensive income through amortisation.

- **Accounts payable**

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

- **Employee entitlements**

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 income.

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

- Annual leave for all staff has been accrued based on employment contract/agreement entitlements using current rates of pay. 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, the New Zealand Universities' Superannuation Scheme and other defined contribution superannuation schemes are recognised as an expense as incurred.

- **Borrowings**

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

- **Goods and services tax (GST)**

The statement of comprehensive income and statement of cash flows have been prepared so that all components are stated exclusive of GST. All items in the statement of financial position are stated net of GST with the exception of receivables and payables, which include GST invoiced.

- **Income tax**

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

- **Budget**

The budget is set prior to the beginning of each financial year and is a requirement of the Crown Entities Act 2004. The budget for 2014 was approved by the University Council on 2 December 2013.

Disclosures

Council activity

Council 2014 disclosures

David Alsop

- Member, Publications Committee, Victoria University of Wellington Students' Association

Sonya Clark

- President, Victoria University of Wellington Students' Association Incorporated
- Director, New Zealand Union of Students' Associations Incorporated
- Trustee, Victoria University of Wellington Students' Association Trust
- Director, Student Job Search Aotearoa Incorporated
- Member, Governance Committee, Living Wage Aotearoa New Zealand
- Trustee, Victoria Broadcasting Club Trust
- Member Representative, University Sport New Zealand

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, New Zealand Film Commission
- Board Member, New Zealand Trade and Enterprise
- Board Member, Kawarau Estate Ltd
- Board Member, Wellington Employers' Chamber of Commerce
- Partner, Saunders Unsworth

Grant Guilford (on Council from 3 March 2014)

- Board member, Wellington Regional Economic Development Agency (WREDA)
- Director, Te Kōkī New Zealand School of Music Board
- Trustee, Victoria University of Wellington Foundation Board of Trustees

Victoria Heine

- Partner, Chapman Tripp

Sir Neville Jordan

- Executive Chair, Endeavour Capital Ltd, New Zealand
- Chair, Endeavour Sustainable Investment AG, Germany

Ian McKinnon

- Chair, New Zealand Commission for UNESCO
- Board Member, Orchestra Wellington
- Committee Member, The Wellington Club

Graeme Mitchell

- Director, Barnardos New Zealand
- Director, CIGNA Life Insurance New Zealand Ltd
- Member, National Provident Fund Board of Trustees
- Independent Member, Audit and Risk Management Sub-Committee, Porirua City Council
- 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
- Trustee, Local Government Superannuation Scheme
- Honorary Consul General for Norway

Neil Paviour-Smith

- Managing Director, Forsyth Barr Ltd
- Director, Forsyth Barr Subsidiaries and Entities (Operating)
 - Leveraged Equities Finance Ltd
 - Forsyth Barr KiwiSaver Ltd
 - Forsyth Barr Esam Cushing Ltd
 - Forsyth Barr Cash Management Nominees Ltd
 - Forsyth Barr Custodians Ltd
 - Forsyth Barr (Hamilton) Ltd
 - Forsyth Barr Group Ltd
 - Forsyth Barr Funds Management Ltd
- Director, NZX Ltd
- Director, New Zealand Institute of Chartered Accountants
- Director, Chartered Accountants Australia and New Zealand
- Chairman, Wadestown School Board of Trustees
- Trustee, New Zealand Affordable Art Trust
- Director, Kourarau Investments Ltd

Brenda Pilott

- National Secretary, New Zealand Public Service Association
- Member, Advisory Board, School of Government, Victoria University of Wellington
- Member, Advisory Board, Institute for Governance and Policy Studies, Victoria University of Wellington
- Member, Governance Committee, Living Wage Aotearoa

John Selby

- Director, Syl Semantics
- Member, Audit Committee, Ministry of Business, Innovation and Employment
- Independent Member, Audit Committee, Productivity Commission
- Chairman, Grosvenor Assurance
- Chair, Audit and Risk Committee, ServiceIQ

Helen Sutch

- Trustee, Shirley Smith Family Trust
- Chair, Independent Research Review Group, Transparency International New Zealand

Roger Taylor

- Trustee, Chamber Music New Zealand Foundation
- Director/Shareholder, Icon Textiles Ltd
- Trustee, McKee Trust
- Director, McKee Nominees Ltd
- Director/Shareholder, Miti Partners Ltd
- Trustee, New Zealand Law Foundation
- Trustee/Chair, Nelson School of Music Festival Trust
- Trustee, Nelson Music Festival Foundation
- Trustee, Nelson Music Festival Trust
- Board Member, New Zealand Symphony Orchestra
- Director, Port of Taranaki Ltd

Professor Pat Walsh (on Council until 28 February 2014)

- Member, Universities New Zealand
- Chair, New Zealand-Indonesia Friendship Council
- Member, Audit and Risk Committee, Ministry of Foreign Affairs and Trade

Emeritus Professor Peter Walls

- Board Member, Chamber Music New Zealand
- Member, Music Advisory Committee, Lilburn Trust
- Trustee, Kiwi Music Trust
- Principal Consultant, Arts Centre, Remarkables Park Ltd
- Music Director, Opus Orchestra

Nothing to disclose

Associate Professor Megan Clark

Associate Professor Dolores Janiewski

Professor Paul Morris

Dr Theresa Sawicka

Council meetings attended and payments to Councillors

Thirteen Council meetings and workshops were held in 2014. The payments listed below include attendance at Council workshops and committees as well as Council meetings. Council members can elect not to receive payments. The Vice-Chancellors, Professor Pat Walsh until 28 February 2014 and Professor Grant Guilford from 3 March 2014, are not eligible to receive fee payments.

Member of Council	Attendance	Eligible to attend	Payment (\$)
David Alsop	23	23	7,360
Megan Clark	2	2	640
Sonya Clark	19	21	6,080
Charles Daugherty	18	23	5,760
Charles Finny	17	23	5,440
Grant Guilford	29	29	Not applicable
Victoria Heine	15	17	4,800
Dolores Janiewski	4	5	1,280
Sir Neville Jordan	9	13	2,880
Ian McKinnon	34	34	25,280
Graeme Mitchell	27	34	10,800
Paul Morris	14	15	4,480
Neil Paviour-Smith	16	17	5,120
Brenda Pilott	15	16	4,800
Theresa Sawicka	19	21	6,080
John Selby	14	19	4,480
Helen Sutch	14	19	4,480
Roger Taylor	25	27	8,800
Peter Walls	19	19	6,080
Pat Walsh	2	2	Not applicable



Senior leadership team (as at December 2014)

Back row from left: Professor Tony Smith, Pro Vice-Chancellor Law; Vicki Faint, Secretary; Andrew Simpson, Chief Operating Officer; Annemarie de Castro, Director Human Resources; Professor Mike Wilson, Pro Vice-Chancellor Science, Engineering and Architecture and Design; Professor Rob Rabel, Vice-Provost (International Affairs).

Front row from left: Professor Bob Buckle, Pro Vice-Chancellor Commerce; Professor Deborah Willis, Pro Vice-Chancellor Humanities and Social Sciences and Education; Professor Grant Guilford, Vice-Chancellor; Professor Piri Sciascia, Deputy Vice-Chancellor (Māori); Professor Neil Quigley, Provost.

Senior Leadership Team disclosures

Annemarie de Castro

BA Massey, FHRINZ

- Director, Adams Properties (Blenheim) Ltd
- Chair, Universities New Zealand Human Resources Committee

- Trustee, Research Trust of Victoria University of Wellington
- Director, Reserve Bank of New Zealand
- Director, Te Puni Village Ltd
- Trustee, Victoria University of Wellington Art Collection Funding Trust
- Chair, Victoria Link Ltd
- Chair, Wetox Ltd

Professor Grant Guilford (from 3 March 2014)

BVSc BPhil Massey, PhD UC Davis

- Board member, Wellington Regional Economic Development Agency (WREDA)
- Director, Te Kōkī New Zealand School of Music Board
- Trustee, Victoria University of Wellington Foundation Board of Trustees

Professor Rob Rabel

BA(Hons) Well, PhD Duke

- Trustee, Greater Mekong Subregion Tertiary Education Consortium

Professor Piri Sciascia

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

- Director, Piri.Com Ltd
- Chair, Te Māngai Pāho
- Chair, Te Māori Manaaki Taonga Trust

Professor Neil Quigley

MA Cant, PhD Tor, HonD UEH

- Chair, Advisory Board, Adam Art Gallery
- Director, Bradey Farm and EQM Farming Ltd
- Chair, iPredict Ltd
- Director, Magritek Holdings Ltd
- Director, New Zealand Qualifications Authority Board
- Chair, Predictions Clearing Ltd

Andrew Simpson

BCom Otago, CA

- Director, Te Kōkī New Zealand School of Music Board

Professor Pat Walsh (until 28 February 2014)

MA *Cant*, PhD *Minn*

- Member, Universities New Zealand
- Chair, New Zealand-Indonesia Friendship Council
- Member, Audit and Risk Committee, Ministry of Foreign Affairs and Trade

Professor Deborah Willis

BA MA *Cant*, DipTchg *Chch*, PhD *Well*

- Director, Te Kōkī New Zealand School of Music Board

Professor Mike Wilson

MA DPhil *Cantab*

- Trustee, Malaghan Institute of Medical Research Trust Board
- Board member, MacDiarmid Institute of Advanced Materials and Nanotechnology Board
- Director, Victoria Link Ltd

Nothing to disclose

Professor Penny Boumelha (until 26 September 2014)

MA DPhil *Oxon*, FAHA

Professor Bob Buckle

BCom MCom(Hons) *Auck*

Professor Tony Smith

LLM *Cant*, LLD *Camb*, Barrister (High Court of New Zealand), Barrister and Honorary Bencher (Middle Temple)





TE WHARE WĀNANGA O TE ŪPOKO O TE IKA A MĀUI

