

COUNCIL

Te Kaunihera o Te Whare Wānanga o Waitaha

EMBARGOED UNTIL 4pm WEDNESDAY 29 MAY 2019

Agenda

Date **Wednesday 29 May 2019**

Time 4.00pm

Venue Council Chamber, Matariki

Refer to
Page No.

1. APOLOGIES:

2. CONFLICTS OF INTEREST

Every Member has an obligation to declare any material interests relevant to any University of Canterbury activities and to ensure that any conflict arising from the material interests is noted and managed appropriately

3. MINUTES (1 May 2019)

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4. MATTERS ARISING

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10. PUBLIC EXCLUDED MEETING

Motion by the Chancellor for Resolution to Exclude the Public Pursuant to s48 of the Local Government Official Information and Meetings Act 1987:

I move that the public be excluded from the following parts of the proceedings of this meeting, namely:

Item on Public Excluded Agenda	General Subject Matter	Reason for passing this resolution in relation to each matter	Grounds under section 48(1) for the passing of this resolution
4	Minutes of the meeting held on 1 May 2019 with the public excluded	These items concern matters that were previously dealt with during proceedings of Council from which the public was excluded.	
5	Matters arising from those minutes		
6 6.1 6.2 6.3 6.4	From the Chancellor Report from the Honours and Appointments Committee Report from the Meeting with the Minister 2019 Teaching Medal Emeritus Professor Nomination	To enable the free and frank expression of opinions by or between or to members or officers or employees of the University. To enable the free and frank expression of opinions by or between or to members or officers or employees of the University. To protect the privacy of natural persons. To protect the privacy of natural persons.	7(f)(i) 7(f)(i) 7(a) 7(a)
7.	From the Vice-Chancellor	To enable the free and frank expression of opinions by or between or to members or officers or employees of the University.	7(f)(i)
8. 8.1 8.2 8.3 8.4 8.5 8.6	From the Finance, Planning and Resources Committee Report from meeting of 20 May UC Futures - UC Futures Summary - CETF IQA5 - CETF Update TEC CAM Assessment Student First Report Monthly Financial Report Movements in Year End Forecast to February 2019	To enable the free and frank expression of opinions by or between or to members or officers or employees of the University. To enable the University to carry out, without prejudice or disadvantage, commercial activities. To enable the University to carry out, without prejudice or disadvantage, commercial activities. To enable the University to carry out, without prejudice or disadvantage, commercial activities. To enable the University to carry out, without prejudice or disadvantage, commercial activities. To enable the free and frank expression of opinions by or between or to members or officers or employees of the University. To enable the University to carry out, without prejudice or disadvantage, commercial activities. To enable the University to carry out, without prejudice or disadvantage, commercial activities.	7(f)(i) 7(h) 7(h) 7(h) 7(h) 7(f)(i) 7(h) 7(h)
9. 9.1 9.2 9.3	From the Audit and Risk Committee Draft minutes of the meeting of 20 May CETF PIR Strategic Risk Report	To enable the free and frank expression of opinions by or between or to members or officers or employees of the University. To enable the free and frank expression of opinions by or between or to members or officers or employees of the University. To enable the free and frank expression of opinions by or between or to members or officers or employees of the University.	7(f)(i) 7(f)(i) 7(f)(i)

I also move that the Deputy Registrar, UC Directors and the University Council Co-ordinator be permitted to remain at this meeting because of their knowledge of the various matters being discussed. This knowledge will be of assistance in relation to the matters discussed, and is relevant because of their involvement in the development of the reports to Council on these matters.

11. REPORT FROM THE PUBLIC EXCLUDED SESSION

12. GENERAL BUSINESS

13. NEXT MEETING –Wednesday 26 June 2019

COUNCIL

Minutes

Date	Wednesday 1 May 2019
Time	4.15 pm
Venue	Council Chamber, Level 6 Matariki
Present	Ms Sue McCormack (Chancellor), Mr Steve Wakefield, (Pro-Chancellor), Professor Cheryl de la Rey (Vice-Chancellor), Mr Peter Ballantyne, Mr Sam Brosnahan, Ms Catherine Drayton, Professor Roger Nokes, Mr Warren Poh, Mr Malcolm Peterson Scott, Mr Shayne Te Aika, Dr John Wood.
Apologies	None
In Attendance	Mr Jeff Field, University Registrar Mr Bruce White, Deputy Registrar Professor Ian Wright, Deputy Vice-Chancellor Professor Catherine Moran, AVC Academic Ms Alex Hanlon, Executive Director, Learning Resources Mr Keith Longden, Chief Financial Officer Mr Adrian Hayes, Financial Controller Ms Raewyn Crowther, University Council Co-ordinator

CONFLICTS OF INTEREST No conflicts of interest were noted by Council members or the advisors to Council in respect of the public agenda.

MINUTES The minutes of the meeting held on 27 March 2019 were approved and signed as a correct record.

MATTERS ARISING

- The result of the EFMD-EQUIS accreditation for the Business School would not be known until the end of June 2019.
- Work was continuing on the hazardous materials storage issue.

FROM THE CHANCELLOR

Chancellor's Meetings
The schedule of meetings was noted for information.

Moved

That: Council note the report of the Chancellor's meetings.

Carried

Council Work Plan 2019

An updated copy of the Work Plan was tabled and the changes since the last meeting were noted.

Moved

That: Council note the Council work plan.

Carried

Conflicts of Interest Policy

Council was the approval authority for this policy. The substantive changes made following a thorough review process were summarised:

- Addition to the existing Contractors/Consultants/Providers section, which was expanded upon legal advice to expressly state consultants and providers, and placed a positive duty on any member that engaged them to provide copies of the conflict of interest policy.
- Addition to existing Staff section to include responsibilities of line managers in recording of interests and conflicts and annually reporting these to the relevant SMT member.
- Expansion and separation of disputes procedures for Council members and staff.
- Changes to Appendix E: Identifying and Disclosing a Conflict of Interest to reflect the amendments within the body of the document.

In discussion Council members noted:

- Council members were subject to the same provisions as staff.
- The practices of organisations differed in respect of the level of detail required on an Interest Register.
- Council managed its conflicts of interest appropriately.
- Auditors checked the Interest Registers thoroughly.
- There was little knowledge of possible conflicts of interest below the level of SMT, though the suspicious transactions investigations did identify issues.
- Academic staff had little visibility of the need to declare interests and training for department heads would be valuable.

A number of changes to the wording were agreed:

- Disputes procedures, part (a) to be amended to read “The issue should be raised in the first instance with the Chancellor, Committee Chair or Registrar”.
- A number of typographical errors were noted.

Moved

That: Council approve the Conflict of Interest Policy, Principles and Guidelines.

Carried

Elections for Academic and General Staff Members of Council

The timeline for the possible election was presented and in discussion it was noted:

- The Register of Electors was a database of those staff members eligible to vote (ie permanent as opposed to casual staff).

- Electioneering could be carried out with appropriate probity.
- A result would be known by early July.

Moved

That: Council note the report on elections for the academic and general staff members of Council.

Carried

Degrees conferred in absentia

The Chancellor advised Council that the schedule of degrees awarded in absentia had been approved and the names of the graduates were entered into the public record.

Moved

That: The Council note the degrees awarded in absentia for the public record.

Carried

FROM THE VICE-CHANCELLOR

Monthly Report

Professor Cheryl de la Rey presented her report providing a summary of her first term at UC:

- Events of term one had been overshadowed by the terrorist attacks on 15 March. A review into UC's response would come to Council in due course.
- Acknowledgement of the work of Professor Roy Kerr was a highlight and was well covered in the media.
- Graduation ceremonies had been successful with 1114 graduates receiving their degrees in three ceremonies in the Town Hall. Positive feedback had been received on the appropriately grand occasion, though there was disappointment that the processions had been unable to go ahead.
- The first term started on a positive upward trajectory and the 15 March events had not impacted enrolment patterns.
- The Vice-Chancellor had appreciated the warm welcome she had received and was now feeling at home on campus.
- Staff were engaging well in the academic strategy planning process and work would be done to ensure the strategy connected with other plans to ensure alignment.
- Discussions were taking place with Communications and Stakeholder Relations to improve UC's external positioning in New Zealand and overseas.

In discussion it was noted that the increased ease of applying via the online system had led to a large increase in international student intentions-to-enrol, yet there had been a lower percentage of conversions into actual enrolments. Work was being carried out to improve these processes.

Moved

That: The Vice Chancellor's Report be received.

Carried

**FROM THE
FINANCE,
PLANNING AND
RESOURCES
COMMITTEE**

Ms Catherine Drayton, Chair of the Finance, Planning and Resources Committee (FPRC) presented the Committee report.

Monthly Financial Report to 31 March 2019

The FPRC had discussed the contribution margin, suggesting that this be based on core programmes rather than Colleges. Mr Longden would be bringing data to the next FPRC meeting for information. The Vice-Chancellor noted that the growth in engineering needed to be balanced by growth in other areas where costs were lower. Space and capital allocation information also needed to be provided to give the full picture.

Moved

That: Council note the Monthly Financial Report to 31 March 2019.

Carried

**FROM THE
ACADEMIC BOARD**

Professor Ian Wright presented the report from the meeting of the Academic Board, noting that the BSc degree had been reviewed and recommendations would lead to wider general discussions to also include ethics.

In discussion of the Academic Board report it was noted that:

- Projected growth in Product Design would take numbers to 600. Capacity issues were being addressed.
- Issues of access to library resources were impacting staff and students:
 - The cost of accessing journals was increasing, both for publication and licences to access articles. This was significant given that publication volumes were a factor in university rankings.
 - Some international universities were not renewing licences preferring to publish their own material.
 - The cost for e-journals was the same as for printed copy.
 - Old editions could not be archived.
 - Titles were bundled for sale.
 - Peer review of articles was done by staff in donated time.
 - The same issue was happening with text books, with e-books sometimes costing \$1,000 - \$2,000 per copy, stretching the ability of the Library to provide sufficient copies for recommended reading titles.
 - NZ and Australian universities had formed a consortium to negotiate with the publishing conglomerates.

A number of curricula developments were considered by the Council for forwarding to CUAP for either approval or for noting.

Moved

That: Council:

- i) *Note the report from the Academic Board*
- ii) *Approve the following curricula developments and forward the proposals to CUAP and TEC for their noting or approval:*

- a. *The introduction of a Graduate Diploma in Journalism (for approval)*
- b. *The introduction of a Graduate Diploma in Strategic Communication (for approval)*
- c. *The deletion of the Graduate Diploma in Accountancy and Information Systems, the Graduate Diploma in Economics and the Graduate Diploma in Management (for noting)*
- d. *The introduction of the Bachelor of Youth and Community Leadership and the Certificate in Youth and Community Leadership (for approval)*
- e. *The introduction of the Master of Product Design and Postgraduate Certificate in Product Design (for approval)*
- f. *The introduction of the Master of Product Innovation and the Postgraduate Certificate in Product Innovation (for approval)*

Carried

PUBLIC EXCLUDED Moved
MEETING

That: the public be excluded from the following parts of the proceedings of this meeting, namely:

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4	Minutes of the meeting held on 27 March 2019 with the public excluded	These items concern matters that were previously dealt with during proceedings of Council from which the public was excluded.	
5	Matters arising from those minutes		
6 6.1 6.2	From the Chancellor Report from the VCEC Report from the Honours and Appointments Committee	To protect the privacy of natural persons. To protect the privacy of natural persons.	7(a) 7(a)
7.	From the Vice-Chancellor	To enable the free and frank expression of opinions by or between or to members or officers or employees of the University.	7(f)(i)
8. 8.1 8.1.1	From the Finance, Planning and Resources Committee UC Futures - UC Futures Summary		
8.1.2	CETF Update	To enable the University to carry out, without prejudice or disadvantage, commercial activities.	7(h)
8.1.3	Q1 GOG papers	To enable the University to carry out, without prejudice or disadvantage, commercial activities.	7(h)
8.2	Audit NZ Management Report	To enable the University to carry out, without prejudice or disadvantage, commercial activities.	7(h)
8.3	International Fees 2020	To enable the University to carry out, without prejudice or disadvantage, commercial activities.	7(h)
8.4	Borrowing Consent	To enable the University to carry out, without prejudice or disadvantage, commercial activities.	7(h)
8.5	Student First Report	To enable the free and frank expression of opinions by or between or to members or officers or employees of the University.	7(f)(i)
8.6	Movements in Year End Forecast to February 2019	To enable the University to carry out, without prejudice or disadvantage, commercial activities.	7(h)

and that staff identified by the Chancellor and Vice-Chancellor as having knowledge relevant to particular matters to be discussed be permitted to remain at this meeting. This knowledge will be of assistance in relation to the matters discussed, and is relevant because of their involvement in the development of the reports to Council on these matters.

Carried

**RETURN TO
PUBLIC MEETING**

Council returned to public meeting at 5.50pm and confirmed the reappointment of Mr Ballantyne and Mr Poh for further four-year terms from 1 August 2019.

**GENERAL
BUSINESS**

Professor Nokes commented that there was no current mechanism for Council members to engage with University staff. The Vice-Chancellor was tasked with giving consideration to creating appropriate opportunities for Council to meet with staff.

The meeting ended at 5.51pm.

NEXT MEETING

The next meeting is scheduled for 4.00pm on Wednesday 29 May 2019.

SIGNED AS A CORRECT RECORD: _____

DATE: _____

Report to the Council from the Chancellor

The Chancellor recommends:

1. Chancellor's Meetings

That: Council note the report of the Chancellor's meetings.

2. 2019 Council Work Plan

That: Council note the Council work plan.

3. Degrees conferred in absentia

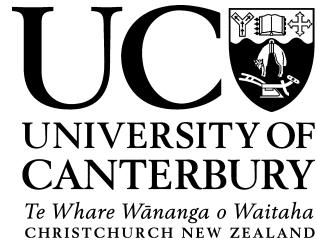
That: Council note the degrees awarded in absentia for the public record.

Ms Sue McCormack
Chancellor
22 May 2019

Memorandum

Vice-Chancellor's Office

Email: chancellor@canterbury.ac.nz



To:	Council Members
From:	Sue McCormack, Chancellor
Date:	22 May 2019
Subject:	CHANCELLOR'S MEETINGS

I outline for you the key events I have attended on behalf of UC since the last Council meeting.

- Addressed UCSA ANZAC Day Service
- Met with David Meates, CDHB, with the Vice-Chancellor
- Met with Gary Moore with the Vice-Chancellor
- Planning meeting for the Chancellor's Dinner
- Met with the Vice-Chancellor
- Attended a thank you event for the graduation organisers
- Attended a Lincoln University Graduation Ceremony
- Met with Minister Hipkins with the Vice-Chancellor
- Met with Lincoln University VC and Chancellor, with the Vice-Chancellor
- Met with Lincoln University Chancellor
- Lunch meeting at Rochester and Rutherford Halls
- Attended UCF Board Meeting
- Attended FPRC meeting via Zoom conference
- Attended the Australian University Chancellors' Committee meeting in Melbourne

Meetings planned between today and the Council meeting on 29 May:

- Will attend the Canterbury History Foundation 20th Birthday celebration
- Will meet with the Vice-Chancellor
- Will host guests at a Crusaders rugby match with the Vice-Chancellor
- Will conduct induction of new Council member
- Will chair a meeting of the Honours and Appointments Committee

Sue McCormack
Chancellor

Report to the Council from the Vice-Chancellor

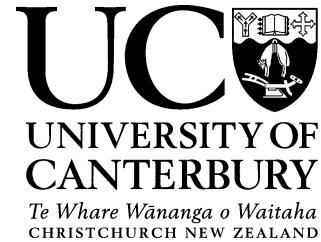
The Vice-Chancellor recommends:

1. Vice-Chancellor's Monthly Report

That: Council note the Vice-Chancellor's Monthly Report.

Professor Cheryl de la Rey
Vice-Chancellor
22 May 2019

Professor Cheryl de la Rey
Vice-Chancellor
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VICE-CHANCELLOR'S REPORT TO UNIVERSITY OF CANTERBURY COUNCIL MAY 2019

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1. INTRODUCTION/ UPDATE FROM THE VICE-CHANCELLOR

In the period since my previous report, the PBRF has been a headline issue for the university sector. UC attained third position behind Victoria University of Wellington and the University of Otago, in the overall quality of its research. The results showed an increase in research excellence at UC since 2012, with a 30% increase in the number of A-rated staff. UC ranked in the top three in over half of the subject areas we submitted, ranking first in New Zealand in ecology, evolution and behaviour; marketing and tourism; political science, international relations and public policy; and public health. This is an impressive result, especially given that the 2012-2017 assessment period was a time of trauma following the 2010-11 earthquakes. Unfortunately this did not translate into a positive financial outcome as there has been a significant increase in the number of academics across the sector since 2012, which has resulted in a funding drop (due to a fixed pool of \$315m) for all universities except VUW and AUT. The major component of the PBRF funding for UC will drop 16%, or \$2.4m per annum. The SMT will endeavour to mitigate the negative impact by increasing the collective effort to source external research income.

Very pleasing news was the announcement by Minister Chris Hipkins that UC succeeded in securing \$3.5 million in funding over five years, under the TEC's Entrepreneurial Universities initiative, to appoint three new academics working in immersive gaming technologies at UC's HIT Lab NZ. They will research the effective design, use, and creation of applied immersive games, and will interface with the developing Christchurch and national software gaming industries.

Another news item from Education Minister Chris Hipkins was the intention to introduce a Supplementary Order Paper to amend the process for changing the name of New Zealand universities under the Education Act 1989.

Dr Matthew Hobbs, an emerging researcher in the [GeoHealth Laboratory](#), which is part of the Geospatial Research Institute and Geography department, was awarded the New Investigator Public Health Award by the European Association for the Study of Obesity (EASO) on 2 May at the EASO 2019 Annual Congress.

We also congratulated Associate Professor Julie Mackey on her appointment to the role of Dean (AVCA) in the Vice-Chancellor's office to support the AVCA portfolio.

With respect to significant events, May saw the launch of the second UC Pasifika Strategy in the Te Moana Nui a Kiwa Room. The launch event was attended by UC Council members and members of the Pasifika community including MP Poto Williams. Our four speakers for the evening were Reverand Fiti Fiti, Chancellor Sue McCormack, MP Poto Williams and Pasifika designer Silivelio Fasi who drew on his personal journey from labouring on a UC construction site to developing the artwork featured in Rehua. The cultural highlight of the evening was when representatives of the four Pasifika student clubs danced their way up to the front of the room to present the UC Pasifika Strategy 2019-2023 with vibrancy and flare. This launch, together with positive engagement by colleges, augurs well for the next phase of implementation.

UC hosted a symposium inviting community groups, the Christchurch City Council (CCC), Ngāi Tūāhuriri, and other interested parties to understand the options around the ownership, governance, and operation of the Ōtākaro Avon River Corridor over a multi-generational future. Over 50 participants, including Mayor Lianne Dalziel and some UC Future Leader students, attended the symposium. International and UC academics provided examples of regeneration projects overseas, and legal/governance constraints and options for the Ōtākaro Avon River Corridor specifically.

UC Business School | Te Kura Umanga, in conjunction with MYOB, ran a teachers conference to inspire and support business, accounting and economics teachers. Thirty-one teachers from around New Zealand participated in the two-day event, which included sessions led by NZQA and UC academics. Other speakers included Colin Kennedy and Elizabeth Pitman (Young Enterprise Scheme), Shailan Patel (MYOB), Karen Haigh (ChristchurchNZ), and an industry panel that included Tim Jones (Kilmarnock Enterprises) and David Winter (EY). Topics included the fourth industrial revolution, how technology is shaping business, and the adaptability needed to thrive in the ever-changing business world. Other sessions looked at the opportunities in Canterbury now and in the future, and a deep dive on whether Gen Z is a generation of social entrepreneurs.

From a student perspective, April was relatively quiet with students on term break for most of the month. UCSA held both its annual Graduation Ball and ANZAC service with the Chancellor and myself in attendance at both. April marked the three-month countdown to the opening of the new UCSA building, Haere-roa. The UCSA has been busy planning and preparing for the move. Student clubs were briefed on the new building and taken for on-site tours in the lead-up to practical completion in July.

Following the events of 15 March, the UC Muslim Students' Association has been actively supporting the wellbeing of its members, including hosting mental-health awareness workshops and self-defence classes for female students. The Central Library opened a Prayer Room on Level 3 in response to information provided in the event debrief. The security of the UC Musalla has been upgraded and safety improved with the installation of additional exit doors. Our Muslim student community is being further supported with the additional temporary space throughout Ramadan. UC Arts students and staff joined CCC staff and volunteers to relocate the tributes to the victims and those impacted by the 15 March Christchurch mosque shootings. Initially, the task involved moving the Deans Avenue memorial to outside the Al Noor Mosque prior to the road being re-opened to traffic. This month, the project was relocating and sorting floral tributes for composting; along with cards, artworks and toys for archiving and return to the Muslim community.

With Term 2 well underway, both staff and students are preparing for end of semester exams which run from June 10 to June 22. Students have been taking advantage of the Academic Skills Centre to support their learning as they progress through the semester. Likewise, an increase in reviews of recorded lectures in the weeks leading up to exams is typical, particularly for undergraduate students. Students' academic progress for Semester 1 is scheduled to be reviewed immediately after the examination period so that appropriate advice can be given to students who are not meeting academic expectations. Term 2 also saw the arrival of a new cohort of Erskine Fellows who are teaching across all the Colleges, providing a global perspective to the curriculum. Finally, academic staff are already working on new courses and changes to existing courses for 2020, and are now able to submit changes online. The new online Course Creation form allows academics to enter course information digitally through ourUC rather than going through a manual paper-form process.

UC was invited to participate in two inter-agency initiatives with other key Christchurch-based organisations and regional offices of government departments. The first of these is a medium-term plan to develop a virtual research centre that would enable coordination of research including analyses of big data sources related to the development of the City and the Canterbury region. The second initiative is designed to develop greater alignment of messaging and a community education response to 15 March.

During the week of 12 to 15 May I undertook my first international trip as the University of Canterbury's Vice-Chancellor. The purpose was to meet UC alumni, donors and potential donors as well as to advance research collaboration, student and staff exchanges with a number of institutions.

To this end, I met with the Vice-Chancellors of Oxford, Cambridge, Kings College London, the University of Liverpool (who is also the current chairperson of UUK) and the Executive Director of the Association of Commonwealth Universities (ACU) of which UC has been a dormant member for some years. I have had prior association with the respective VCs and the ACU. A particular highlight was a meeting with Master of Darwin College, Professor Mary Fowler (the great-granddaughter of Ernest Rutherford, who was at the opening of the Rutherford building last year) also someone with whom I have had a prior academic association. My itinerary included meetings with the UK UC Foundation and a number of former Erskine Fellows. Two alumni events were held: at Oxford and at New Zealand House in London. Whilst the former was a small gathering, the latter was attended by about 100 alumni. I spoke at each of these alumni events. The event at New Zealand House included a guest speaker - alumnus Duncan Sandlant who is Director of Esportif, which specialises in the management of world-class rugby talent. A number of opportunities for UC have been identified and will be followed up.

It is a pleasure to announce the recipients of the 2019 Teaching Awards: Ashley Garrill, Biological Sciences; Alessandro Palermo, Civil and Natural Resources Engineering; and Marlène Villeneuve, Geological Sciences. The three winners will be presented with their awards at a ceremony on 1 July to mark the start of Teaching Month.

2. STRATEGIC MATTERS

2.1 Academic Strategy Development

The development of the UC Academic Strategy is progressing well. To date, seven of the 16 workshops planned have involved nearly 600 hours of effort and have provided hundreds of lines of written feedback from staff and students. At about midway through the participatory process, there are some key themes emerging. There is a groundswell of feedback that UC should consider increasing its online, blended and distance education, improve its ranking and develop a broader approach to internationalisation. Many have responded favourably to the concept of being an ‘anchor’ university. (An anchor university is well grounded, sees itself as integral to its location, generally in a city or region and leverages its unique location to impact communities locally and beyond.) This idea has strong support and it has come through a range of comments and debates. Other themes are about our values and culture, size, and the way we manage on a day-to-day basis.

The process continues with the consultation phase closing in early June. July will be spent working on the draft strategy. The UC Council will debate the draft and finalise the strategy, taking into consideration the recommendations of the Academic Board.

2.2 UC Futures Programme UC Kia Mua

The UC Futures programme, designed to support UC’s recovery from the earthquakes, represents a \$460m investment from UC and the Crown. As the programme reaches conclusion, the focus has moved to reviews on whether the targeted benefits have been achieved. The first check on the outcomes of the construction elements of the programme was a recently completed review of the Canterbury Engineering the Future (CETF) project. This project rebuilt all of the large laboratory areas in the Engineering Precinct and built a new Structural Engineering Laboratory (SEL). In this process the Fire Laboratory was also expanded. UC completed its own internal Post Implementation Review in line with policy, and also commissioned Deloitte to carry out an external review (called an Independent Quality Assurance review). The result of these reviews was that almost all of the benefits sought from this investment of \$162m have been realised – most much earlier than the targeted 2022 delivery date.

There remain some benefits yet to be fully measured, as the buildings need to be fully running for 12 months before, for example, their energy efficiency can be measured.

One of the most important benefits of the UC Futures investment was to protect and grow enrolments post-quake. The College of Engineering more than achieved these growth targets for domestic New Zealand student enrolments, considerably over-achieving the original business case. This growth was largely in first-year enrolments, and as a result the College will continue to grow in successive years as each new cohort progresses through the system. Hence, if the College's first-year cohort stops growing, the College will continue to grow for a few years through what we call pipeline growth. The following chart shows the actual enrolment levels for 2014 through to 2018 and the forecast growth from 2019 to 2022 (the line). 2022 is the year the College was aiming to complete its original 2014 set growth targets. The bars are the original enrolment targets set out in the business case for this investment.

3. STUDENTS

3.1 Recruitment and Marketing

First round introduction to UC visits continued in schools on the West Coast, Otago, Christchurch, Eastern Bay of Plenty, Waikato, Tauranga, Wellington, and Auckland. So far, over 3,500 students engaged with UC through these visits. Fifty-one on-campus student appointments were completed with a mixture of general and course-planning enquiries. These continued to have a high demand from the 20+ adult market.

School Career Expo season began, with attendance in Christchurch, Wellington, and Auckland expos, and the Bay of Plenty Tertiary Awareness Week. UC Info Evenings began around the country, starting in Wellington. Overall attendance was slightly lower than 2018 (250 students and whānau) but the number of students attending was similar to 2018.

The UCME brand campaign was launched on 22 April and had so far out-performed online performance year-on-year. Open Day Phase 1 finished with 141% increase in online engagement and 23,012 clicks to the UC website. The Regional Information Evenings campaign was in market as well as the Semester 2 campaign (from 12 May) with a mix of digital, print and radio.

Planning was under way for the adult market campaign (July) and the Go Canterbury scholarship campaign (June/July). The suite of domestic recruitment publications was being distributed and cover photography for 2021 was under way. The International and the Study Abroad prospectuses were in development. Social media performed well this month with the highest Instagram Follower growth rate in the sector.

3.2 International Students

UC achieved significant growth in full-fee international student enrolments in recent years, achieving a significantly higher rate of growth than other New Zealand universities, and in some years exceeding UC Futures targets. However, this growth may be slowing and UC is considering how best to meet projected targets. Other factors to consider include the need to diversify country of origin and the ability of UC to scale support services adequately to ensure a positive student experience and student success.

There are four key external factors affecting UC's ability to continue to grow international enrolments. These are: New Zealand-China relations, a significant reduction in Malaysian government scholarship funding for New Zealand, slower visa processing by Immigration New Zealand (INZ), and the 15 March mosque attacks.

Each of these impacted or have the potential to impact our ability to continue to grow full-fee recruitment. The INZ visa slowdown has meant that 116 students deferred their applications while their visas were processed until the mid-year intake.

For 2019, UC was targeting an 18% increase in full-fee enrolments, and achieved an 11% increase (compared to the same time last year). We are expecting to add to this result through Semester 2 and October intakes, but it is too soon to confirm.

Based on Semester 1 results, UC is forecasting double-digit growth in international students, but a shortfall of 138 full-fee EFTS (6.9%) against 2019 budget. From a source-country perspective, Malaysia is tracking down 16.5% (35 EFTS) and the US is down 7% (7 EFTS) year-on-year. India is tracking up 32% (54 EFTS) and China is up 19.6% (116.5 EFTS) year-on-year.

Although growth from China is strong, 2019 growth to date was approximately half the equivalent period in 2018. From an undergraduate programme perspective, the Bachelor of Product Design and Bachelor of Science were up significantly, while Certificate of Proficiency was down by close to 13%. At the postgraduate level, UC experienced strong growth in Master of Applied Data Science, Master of Engineering Studies, Master of Business Management and Master of Financial Management.

With the end of recruitment fair season in India and China, the IRO's focus was on applicant processing and conversion for Semester 2, 2019. Offers of Place Accepted were up 26% year-on-year and applications being assessed were up 91%. Conversion campaigns were under way via QS Enrolment Solutions, and UC recruiters were following up directly with applicants and agents. We will be making every effort to make up the shortfall of EFTS relative to budget.

The IRO was also working with colleges to explore an opportunity to create a Bachelor-level pathway programme through our longstanding partner Huazhong University of Science and Technology. This would reduce recruitment risk in the medium term.

4. STUDENT EXPERIENCE

The initial results of the early engagement survey showed some positive increases in awareness of support available compared to the 2017 survey, although further work is needed to improve our engagement with international students.

A key finding was that 93% of first-year students surveyed felt safe on campus, with 5% neutral and 2% not feeling safe. A higher proportion of younger students (<20) felt safe on campus. Feeling safe on campus did not vary on the basis of any other demographic factors including male/female; on-campus/off-campus residence; domestic/international; rainbow/other students. The survey launched 7 March and closed 8 April. Three-quarters of respondents answered prior to the 15 March attacks. There was no significant difference in reporting patterns before and after 15 March.

Before the mid-semester break, the Student Leaders and Mentors of the UC Peer-Peer support programmes checked in with their students in-person. The most common issues reported by the students for Term 1 were:

- high workload, which was intensified by deferred deadlines and assignments following the 15 March attacks
- finding and maintaining a healthy study-life balance (managing stress, time management)
- making friends and accessing tutor support when not living in a hall
- accessing UC email and navigating LEARN
- lecture/hall anxiety

In response to these issues, Student Leaders and Mentors offered empathy, shared their own experience, supplied support resources, and connected their students with UC Support Services where needed.

Student Care continued to experience high volumes of students accessing the service. During April the team saw 80 more students than the same period in 2018, and an increase of 125 student engagements. The team identified complexity in casework, noting students who experienced prior trauma struggled with their wellbeing and studies following the 15 March terrorist attacks. Collaborative efforts continued with other UC services to respond to the needs of these students and the team was prioritising efficient, effective responses. A new staff member joined the team to boost capacity.

UC Careers noted that student engagement with the new suite of online career development learning resources increased significantly following their targeted promotion. Accessible through the UC Careers webpage, April saw 726 users, 1,199 logins and 4,037 activities accessed. Among the most popular activities to date were: career assessments, e-learning resources, CV builder, and the job search engine. Feedback from student users was very positive. Over the next few months UC Careers staff will work with these resources to effectively incorporate them into their career development learning programmes, and to integrate them into Academic Programmes.

As of 1 May there are 958 enrolled doctoral students, slightly fewer than the 961 at the same time in 2018. There are 815 enrolled Master's research students, compared with 786 at the same time in 2018.

4.1 Pacific Development

It was a busy period for the Kaiārahi Pasifika with requests for consultations and input into a number of new course and programme proposals – 18 this month alone. This is a positive outcome, demonstrating the UC Pasifika Strategy was being seriously considered and progressed within colleges.

4.2 Wellness Services

4.2.1 Health Centre

Last month, the impact of new funding differences between Community Services Card (CSC) holders and non-card-holders was unknown. Recently, we received the first report indicating we have 8238 patients enrolled, on a par with 2018. Of these, 2146 were CSC-holders (compared with 599 CSC-holders in April 2018). This report was very positive for the capitation budget and reflected a major communications effort.

Counselling resources were almost back to usual levels and we are managing demand following 15 March. The Health Centre is piloting a new Counsellor Triage role to help facilitate direct contact with students on the waitlist to see if a more effective health plan can be developed following an initial brief discussion to assess needs. We will continue to monitor and assess the efficacy of this role and its impact on the waitlist. The current wait is around 10 working days for a new appointment. However, we are often able to fit students in earlier due to cancellations.

4.2.2 Recreation and Sport

The Rec Centre has had 85,000 participations since January. Overall membership tracking was similar to 2018, with exceptions being:

- significant increase in staff memberships (mainly union discounts)
- drop in ‘Other’ memberships and corresponding income. This was planned to alleviate some of the peak-time pressure on facilities.
- 84.6% of visits from 1 January - 30 April were by students.
- 63% of visits were by males (53,639) vs 37% by females (31,720). The team is looking into initiatives to increase the balance of female participation.

The UC Men’s and Women’s 3x3 Basketball teams both placed third at the UTSNZ Basketball Champs held 12-13 April in Auckland. UC Rec & Sport managed all aspects of UC’s teams for this event – recruitment of players and coaches, staffing to travel to event, coordination of travel arrangements and finances. The Under-21 Women’s Hockey Team also won the recent national championship.

5. PEOPLE AND CULTURE

The increase in University staffing continued in areas where there is student growth. Since the end of April last year, academic staffing increased by 47 full-time equivalent (FTE) positions. In the same period, general staff levels in colleges increased by 6 FTE, while reducing by 19 FTE in service units.

The College of Education, Health and Human Development is undertaking a retest of its organisational culture results which will provide staff with feedback about the effectiveness of culture improvement initiatives in the last two years.

5.1 Health, Safety and Wellbeing

Worksafe introduced a new workplace assessment tool called SafePlus. This focuses on health and safety leadership and employee engagement more than previous tools. Several staff recently attended SafePlus workshops and SafePlus assessments were carried out in some higher risk areas and are planned for other areas during the year. A version for lower risk areas is being trialled.

About 150 staff attended a series of self-care workshops, covering topics such as sleep health and children, the benefits of exercise for mental health, mindfulness, and feeding the brain in times of stress. This was organised in response to the 15 March attacks but in response to positive feedback, we are looking at offering these workshops regularly.

6. LEARNING AND TEACHING

The Early Experience Survey, sent to all first-year students, closed in April. This work actively supports decision-making for Student Services and Communications as well as teaching development support. Additionally, we are gathering data from the first-years who chose not to return to UC. This should provide clearer understanding of the drivers of attrition over time (we have three years of data from this instrument). This year, 30 teaching staff from all academic ranks expressed interest in pursuing a degree of Fellowship of the Higher Education Academy (now part of AdvanceHE), an international recognition scheme for tertiary teachers. They will construct their portfolios over the year supported by Academic Development staff.

Proposals for Round 1 were submitted to CUAP. The peer-review process, which will run for two months, is under way. The Minor Course Change System, where changes to existing courses can be made, is open and departments are encouraged to make changes prior to the 1 July deadline.

7. RESEARCH

The 2018 PBRF Quality Evaluation results were released. UC was ranked third – only 0.7% of a score from being second equal – behind Victoria University of Wellington and the University of Otago. The results showed an increase in research excellence at UC since 2012, with a 30% increase in the number of A-rated staff. UC ranked in the top three in over half of the subject areas we submitted, ranking first in New Zealand in ecology, evolution and behaviour; marketing and tourism; political science, international relations and public policy; and public health. This is a significant result given the 2012-2017 assessment period was a time of great disruption to university research following the 2010-11 earthquakes. There has been a significant increase in the number of organisations participating in the PBRF and the number of researchers being funded, which resulted in a funding drop (due to a fixed pool of \$315m) for all universities except VUW and AUT. UC's funding will drop 16%, or \$2.4m per annum, for the major component of the PBRF funding. Vice-Chancellors, through UNZ, will actively seek an increase of the overall PBRF pool.

Four applications from senior UC academics were submitted to Royal Society Te Apārangi for the prestigious James Cook Fellowship programme. R&I are also supporting 23 research teams invited to submit full proposals to the Marsden Fund; full proposals are due 19 June. For UC, this is one of the highest number of EOIs to be invited to full proposal in recent years, and reflects an increase in Marsden applications, particularly in Fast Start proposals from new and emerging academics.

The new Research and Development Tax Incentive was introduced, making it easier for companies to obtain a 15% refund on their R&D expenditure, even if they are not in profit and/or spending less than \$50,000 per annum on R&D. UC is working with IRD to become an Approved Research Provider so as many companies as possible can take advantage of the new scheme, and working on a communications plan to support this initiative. Meanwhile we encourage staff, students and other stakeholders to refer parties interested in doing research to email commercial@canterbury.ac.nz, so we can advise on likely eligibility and the services we offer.

UC nominated two candidates for KiwiNet's Emerging Innovator Award. They will be presenting to KiwiNet, supported by the R&I's Commercial team, on 15 May.

UC recently purchased an enterprise licence of DropBox to facilitate greater national and international research collaboration, and a pilot scheme with a subset of UC academics who collaborate extensively beyond UC is being facilitated by R&I and ITS.

External research funding for 2019 continued to track well, with 55 signed contracts worth \$13.7m signed, and a further 42 contracts worth \$6.5m in process. Major funding associated with Smart Ideas, Endeavour Programmes, and Marsden Fund will be announced later in the year.

8. STUDENT FIRST PROGRAMME

The latest release allows academic staff to create new course proposals and gather feedback through a new staff portal, our UC, with an online form replacing the paper version. A prototype of a Student Pipeline, which allows staff to track the status of applications, was released for a small pilot group. Members of the programme team [presented to an MBA Design Thinking course](#) and an undergraduate Innovation class, highlighting International Enrol in Person as a case study of innovation and user-centred design.

9. BICULTURALISM

The Kaiārahi were busy with a number of CUAP proposals and many course reviews and projects. The staff professional development programmes provided by Office of AVC Māori continued to be in high demand. The same was noted for similar courses provided for the UCSA Executive and other student groups. Te Ohu Reo continued to receive significant requests for te reo assistance of all kinds.

Eke Tangaroa April 2019 was replaced by a small informal lunch with graduates, graduands, their whānau, and UC staff. Those graduands able to attend included a Ngāi Tahu Research Centre Master of Law recipient, Renata Davis and graduands from the colleges of Business & Law and Engineering. The event was supported by the Chancellor, Vice-Chancellor, and Acting Dean of Law in an intimate and special occasion.

The whole-of-office review was completed for Te Tari o te Amokapua Māori and decisions announced by Dr Darryn Russell. New roles are being advertised via general and targeted websites. Outcomes of the review included an increased capacity in supporting ongoing work in Bicultural Competence and Confidence, professional development with UC staff, as well as more focused efforts in Māori student retention. This increased focus aims to build co-created activities and initiatives with colleges.

10. FINANCES

April 2019	Actual Year to Date \$000	Budget Year to Date \$000	Budget Variance Year to Date \$000 Fav/(Unfav)	Budget Full Year \$000	Forecast Full Year \$000	Full Year Forecast to Budget Variance \$000 Fav/(Unfav)
Net Surplus/(Deficit)	(3,516)	(240)	(3,276)	2,080	3,234	1,154
Capital Expenditure	31,318	53,623	22,305	123,637	117,151	6,486
Cash/ Short Term Investments/ Short Term Government Stock	352,469	316,165	36,304	173,363	189,117	15,754

We had been budgeting for an operating **deficit** as at the end of April 2019 of (\$0.240) million, but have returned an operating **deficit** of (\$3.516) million.

This is an unfavourable variance to budget of (\$3.276) million. This unfavourable variance mainly relates to (\$2.047) million less income from UCF/Trusts, (\$1.429) million less research external income, (\$1.343) million less international tuition income, (\$1.086) million not yet received in relation to the FENZ deal, and (\$0.651) million less PBFR income following recent reassessment of UC PBFR-related performance.

This has been partially offset with \$1.683 million favourable variances in total personnel expenses, \$1.164 million less operating expenses (mainly due to savings in consultancy expenses, contract research, contract teaching, and asset purchases <\$2,500, partially offset with higher scholarship expenses), and \$0.675 million less depreciation.

We continue to forecast a surplus above budget for the full year. Expected reductions in revenue in relation to international tuition fees and PBRF are offset by improved interest revenue and external research revenue, with savings in personnel and depreciation expenditure

Capital expenditure is \$22.305 million below budget. \$9.473 million of the expenditure incurred to date is UC Futures-related (RRSIC, Rehua, and CETF) against a year-to-date budget of \$26.865 million, much of which relates to programme delays and final account payment requests yet to be received for the larger building projects.

The April 2019 cash position of \$352.469 million is higher than budget by \$36.304 million due largely to higher than expected balances at 31 December 2018, and lower capital spend.

For further details please refer to the latest monthly financial report.

	Headcount			EFTS		EFTS			
	Applications to Enrol			Actual Enrolment		Full Year Enrolled			
	ATE Enrolment Week: 33 (11/05/2019)			Enrolments (11/05/2019)		Actual	Actual	Forecast (as at April)	Budget
	2017	2018	2019	2018	2019	2017	2018	2019	2019
Domestic 1st Year	4,710	4,885	5,322	3,419	3,520	3,262	3,662		
Returning	9,070	9,379	9,983	8,182	8,786	8,409	8,704		
Total	<u>13,780</u>	<u>14,264</u>	<u>15,305</u>	<u>11,601</u>	<u>12,306</u>	<u>11,671</u>	<u>12,366</u>	<u>13,098</u>	<u>12,972</u>
International 1st Year	3,881	4,203	5,597	717	732	744	922		
Returning	1,041	1,164	1,347	727	856	674	781		
Total	<u>4,922</u>	<u>5,367</u>	<u>6,944</u>	<u>1,444</u>	<u>1,588</u>	<u>1,418</u>	<u>1,704</u>	<u>1,880</u>	<u>2,019</u>
						-	-	-	
Total	18,702	19,631	22,249	13,046	13,893	13,089	14,069	14,978	14,990

2018/9 Budget and Forecast is not calculated down to year at UC

Enrolment data is based on the same date across years i.e. 6 Jan vs 6 Jan

ATE data is based on student headcount and based on the student's citizenship status rather than fee type. Enrolments data is based on EFTS and the student's fee type (Domestic or International).

'International' refers to the student's NZ citizen/residency status rather than their fee-paying status. Most international students will pay International fees but not all. As PhD students generally pay domestic fees this table groups them with Domestic Students.

11. MAJOR PROJECTS & FACILITIES

11.1 Major Building Projects

RRSIC programme: Ernest Rutherford defects targeting mid-year completion. Construction programme for Beatrice Tinsley completion at August continued to hold. **Canterbury Engineering the Future:** CAPE gas line repair experiencing a materials delivery delay to end of May and Fire Lab (ECU) modifications were under way. **Rehua:** Hawkins continued to progress slowly in addressing the remaining defects. The emergence of issues with Fluid Viscous Dampers (FDVs) was likely to delay the provision of Practical Completion (PC) and lodgement of Final Account until Q3. **Haere-roa (UCSA building):** Consent for the bore was received and commissioning was under way, ready for opening the building as planned for 9 July. **Garden Hall (Homestead Lane):** Screw piling was completed and substantial progress made in preparing and pouring foundations for the two residential wings. **Logie and Locke:** The contractor continued to hold to revised programme on the Logie Building. During the last month, invasive testing and inspections were completed on the Locke building to establish the extent of asbestos. A report is pending. **School of Product Design growth:** Completion of the small final phase depended on space released with occupation of the Beatrice Tinsley building. **NZ Fire Service (Montana Avenue):** Property title transfer satisfied all of the University's requirements under the Purchase Agreement with NZFS. Settlement was expected before the third week of May.

11.2 Library

The Library published a 15-minute ‘Get Started with the Library’ online workshop. Research focus workshops were on offer through April. Mana reo in Te Puna Ako (held regularly on level 4 of Puaka-James Hight Library with a focus on student participation) extended during the study break to two sessions specifically for UC staff. The areas of Reo Māori concentrated on were simple sentence structures, numbers (using Whareware), and useful morning tea words and phrases. Due to the success of these workshops, the Library will schedule additional specific sessions for staff again next study break. The Library recently increased access to 160,000 e-book records to inter-loan and external users. Consultation on the appearance and navigation issues of the LEARN system started with a staff survey. Feedback received was being reviewed in order to inform LEARN system improvements scheduled for implementation over the coming months.

11.3 IT Services

Since the beginning of the year, the use of Zoom (video conferencing) has been steadily increasing. Last month saw 466 meetings totalling 68,508 minutes and over 1,700 participants. UC Arts lecturer Dr Masayoshi Ogino may hold the UC Zoom record for the most concurrent participants – 247 people from as far as San Diego, Hong Kong, and Rangiora, as part of the University Online World Café.

The File Storage upgrade was extremely successful – completed and delivered within the planned weekend timeframe. Over 82 million files were transferred to the new ISILON storage array. This increased our ability to manage and maintain the increasing demand for storing research data in a robust and secure environment. ITS received some great feedback with regards to improved performance. The Identity and Access Management project stepped up its engagement with the owners of information and data resources in preparation for testing the new platform due to go into production later this year.

12. COMMUNICATIONS

12.1 Communications and Stakeholder Relations

This was another busy period for media with over 70 media queries. April media coverage was still led by coverage related to the 15 March attacks, including UC graduation processions not going ahead, campus security for Muslim students, and white supremacy arising on New Zealand campuses. There was also a TVNZ story about a disagreement about the UC-designed solar calculator on EECA's website.

The University generated positive media coverage for its announcements about Canterbury Distinguished Professor Roy Kerr's latest recognition, related to black holes and his election to the Royal Society of London, as well as for UC alumna Liz Calder's honorary doctorate.

An analysis of coverage delivered in the 30 days 1-30 April 2019 (Broadcast, Internet, Print) found 676 items. This coverage reached a cumulative audience of 29,142,468 and had an advertising space rate of \$2,045,092.

- *Online News* had the highest volume of coverage (406 items or 60% of the total volume of coverage)
- *Online News* reached the highest cumulative audience (17,345,010 or 59% of the cumulative audience)
- *Online News* had the highest advertising space rate (NZD 641,858 or 31% of the total advertising space rate)

12.2 UC media releases/news

UC continued its proactive media strategy by profiling research and events, including the following media releases:

- UC innovation that is good for the world
- UC Connect lecture – Inspired by Nature: Engineering as an Art Form
- Music, but not as you know it
- UC welcomes new government investment in teachers
- UC Aerospace rocketeers take on Australia
- Fatal flaws: the collapse of Morandi Bridge – public lecture
- UC produces top quality research despite earthquake challenges
- Outstanding 2019 graduations ceremonies at the Town Hall
- Canterbury Distinguished Professor Roy Kerr elected as Royal Society Fellow
- Chinese Anzac brothers' ground-breaking kiwi legacy
- Photo archive puts Christchurch community life in focus
- Gifted editor and publisher to receive UC honorary doctorate
- Canterbury Distinguished Professor Roy Kerr's black hole theory proven right
- Māori views on European colonisation, through French eyes
- A woman's best friend – dogs and domestic violence
- Lie back and imagine dining Roman-style at the Teece Museum
- Is our future flying robotaxis?
- Canterbury researchers launch red zone story app
- Athletic performance project wins engineering award

12.3 Stakeholders/Alumni

To end of April		Income	Distribution
2019 Target		\$12,500,000	\$6,500,000
2019 Year to date		\$1,625,679	\$906,808
2019 Year to date		Donors 335	Gifts 525

Preparations were finalised for the Registrar's trip in early May to Toronto, New York, and Philadelphia, and my visit to Oxford, London and Cambridge.

As of April 2019 we have 31 legacy pledgers whose wills are valued at \$17m. In April a new bequest was notified for the School of Forestry. The bequest of \$50,000 from the Estate of Marie Locke to support Professor Julia Rucklidge's research into mental health and micronutrients has been confirmed but not yet settled. There is an additional bequest from the Estate of Tessa Malcolm to support the writing of a book by Professor Katie Pickles.

Individual personalised communications went out to 50 Christchurch-based bondholders this month, offering an informal meeting and/or a tour of campus. The bond webpage was updated to include how to make a philanthropic donation.

Annual Appeal 2019 was mailed in early May. More information is on the website:
<https://www.canterbury.ac.nz/uc-foundation/annual-appeal/>

The Foundation is working with UC-Lincoln's Children's University to identify funding opportunities and to develop a strong case for support.

The International Graduation Celebration on 17 April was well supported by graduands and their families, with over 40 countries represented.

13. COLLEGE SUMMARIES (PROVIDED BY PVCs)

College of Arts (Te Rāngai Toi Tangata)

The College did extremely well in the 2018 PBRF round, allowing for reduced staffing levels, with no research inactive staff on academic contracts: 6% more As, 10% more Bs, 9% fewer Cs, and 4% fewer C(NE)s than in 2012. Political Science, International Relations and Public Policy was ranked first in the country, and Foreign Languages and Linguistics, and Music, Literary Arts and Other Arts second. Fine Arts and Music returned especially strong results. The College has four proposals progressing in the current Marsden round. Proposals to introduce core courses into the BA degree, and a taught generic MA, were postponed for further consultation, with a target date for changes to be introduced in 2021. Following the resignation of our Internships and International Manager, we revised and advertised the position, and took the opportunity to review aspects of our Professional and Community Engagement programme through its Board of Studies. For our many cultural and scholarly events see our regular newsletter, *Arts Update*: <http://www.canterbury.ac.nz/arts/arts-news/archive/arts-update/>.

College of Business and Law (Te Rāngai Umanga me Te Ture)

Colleagues in Business and Law celebrated the outcome of the results of the 2018 PBRF rankings. UC was ranked first in New Zealand for Marketing and Tourism and third for Law, Economics and for Management, Human Resources and Industrial Relations. On 22 April, Dr Elizabeth Macpherson presented to the UN General Assembly in New York on how to implement a Mother Earth perspective in Legal Education. This approach to Legal Education emphasises the need for lawyers to have a more holistic and nuanced understanding about the impact on and needs of the planet in regulating natural resources, the environment and climate change. Meanwhile, at the invitation of the African Court Research Initiative (ACRI), Professor Neil Boister recently (17-18 May) participated in the group's Geneva Expert Roundtable on the Rules of Procedure of the African Court of Justice and Human Rights. Funded by the Open Society Foundations, the principal goal of ACRI is to help maximise the opportunities for and functionality of international justice in Africa and beyond.

College of Engineering (Te Rāngai Pūkaha)

We are celebrating the results of the PBRF 2018 with at least 27 of our staff receiving grades higher than predicted and significant new PBRF funding flowing into the new School of Product Design. The overall results for the College place us second in Engineering (as before) but we have increased our average scores. Pleasingly, several new academics and emerging researchers have been graded higher than we predicted.

The industry-funded Electric Power Engineering Centre (EPECentre) is significantly raising their profile by placing all research seminars online and inviting electronic attendance remotely from across New Zealand. This may be a precursor to some postgraduate lecture courses being delivered online.

The second year of our student-led peer support system ENG ME! is running 53 peer-mentoring sessions a week across Engineering Intermediate and Product Design, and we are getting much higher % attendance than last year.

College of Education, Health and Human Development (Te Rāngai Ako me Te Hauora)

Professor Emerita Anne Edwards, Oxford University, recently [held a seminar series](#) for students, staff & external partners. Her keynote, *Collaboration in Partnerships: Creating and cultivating relational expertise across organisational boundaries*, was particularly well received. Associate Professor Laurie McLay is leading a cross-disciplinary proposal in response to the Specialist Teaching funding from the Ministry of Education. Child Wellbeing Research Institute researchers, Professor Gail Gillon and Associate Professor Brigid McNeill, won two exciting contracts (\$2.75m in total) to enhance educational outcomes and wellbeing in our young tamariki. The College Leadership Team is engaged in strategic planning to inform the UC Academic Planning process. Our focus has been on building cross-school and inter-college relationships, strategies to enhance our profile and engagement with external stakeholders further enabling an inclusive and supporting culture for staff and students. The College celebrated its PBRF outcomes, including a 4.8% increase in As and the public health faculty's contribution to UC's excellent first ranking in the public health domain.

College of Science (Te Rāngai Pūtaiao)

In the last month, we received the outcomes of three key national research-related evaluation processes: the 2018 PBRF exercise, the 2019 Marsden Fund first round, and the 2019 MBIE Endeavour Fund Smart Ideas. In the former, we are pleased with our results, with particular highlights being the fact that all portfolios submitted from the College were deemed research active (i.e. there were no ‘R’ grades), that a third of our portfolios secured a grade higher than we expected, and that many of our new and emerging researchers achieved ‘B’ grades. In terms of subject areas, we were pleased to be scored highest in the country again in Ecology, Evolution and Behaviour, and second in Agriculture and other applied Biological Sciences and in Chemistry. In the Marsden round, 11 of our proposals were successful in being selected to proceed to the second round, and six of these are Fast Start applications from emerging researchers. The MBIE round, which is more aligned to new Government priorities than in previous years, was less good news: none of our eight proposals were successful in this process.

14. Appendix 1: VC Activities

Past	
2 May 2019	<ul style="list-style-type: none"> Met with external stakeholders in Wellington including South African High Commissioner Tulelo. Officiated at UC Alumni Speaker Series with Phil Veal in Wellington.
4 May 2019	<ul style="list-style-type: none"> Attended an alumni weekend at Mt John Field Station.
7 May 2019	<ul style="list-style-type: none"> Met with the Executive Director of Fulbright, Penelope Borland. Then attended the Fulbright Awards event and delivered a speech. Together with the Chancellor, met with Minister Hipkins in Wellington.
11 May – 19 May 2019	<ul style="list-style-type: none"> Travelled to the UK on University business.
21 May 2019	<ul style="list-style-type: none"> Spoke at the UCSA Forum.
22 May 2019	<ul style="list-style-type: none"> Attended and delivered an address at the opening of the School of Psychology, Speech and Hearing opening. Attended and spoke at a TEU branch meeting.
24 May 2019	<ul style="list-style-type: none"> Delivered an address at Canterbury Deputy Principals and Assistant Principals Association (CADAP).
Future	
30 May – 4 June 2019	<ul style="list-style-type: none"> Travelling to Fiji on University business.
5 June 2019	<ul style="list-style-type: none"> Attending UC Foundation Donor Thank You Reception in Auckland.
6 June 2019	<ul style="list-style-type: none"> Speaking at NCEA Japanese workshop. Attending Ilam Fire Station Blessing/ Sod Turning.
7 June 2019	<ul style="list-style-type: none"> Giving opening address at Child Well-being Research Institute.
12 June 2019	<ul style="list-style-type: none"> Meeting with Lincoln VC and DVC at Lincoln University.
13 June 2019	<ul style="list-style-type: none"> Attending Universities NZ VCs meeting in Wellington.
18 June 2019	<ul style="list-style-type: none"> Meeting with Juliet Gerrard, Chief Science Advisor to the PM.
20 June 2019	<ul style="list-style-type: none"> Meeting with Tony Gray from Ara.
25 June 2019	<ul style="list-style-type: none"> Speaking at Rongo o te Wā Update Day Christchurch.

Report to the Council from a meeting of the
Finance, Planning and Resources Committee
held on Monday 20 May 2019

The Committee recommends:

1. Meeting Schedule 2020

That: Council approve the Meeting Schedule for 2020.

2. CAPEX Quarterly Report to 31 March 2019

That: Council note the CAPEX Quarterly Report to 31 March 2019.

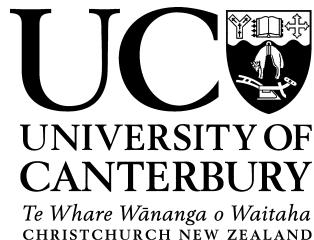
Ms Catherine Drayton
Chair
Finance, Planning and Resources Committee

22 May 2019

Memorandum

Vice-Chancellor's Office

Office: Room 621, Matariki
Extension: 6854
Email: bruce.white@canterbury.ac.nz



To:	Council
From:	Bruce White, Acting University Registrar
Date:	22 May 2019
Subject:	2020 Meeting Dates
Purpose:	For approval

Attached is the draft Schedule of proposed meeting dates for 2020.

Council agreed at its meeting of 26 August 2015 to continue to follow established practice, confirming the pattern of Finance Planning and Resources Committee (FPRC) and Audit and Risk Committee (A&R) meetings on the third Monday of the month and Council meetings on the last Wednesday of the month. The time of Council meetings was confirmed at 3pm for workshops and 4pm for meetings. It was also agreed at that meeting to adjust the start times of FPRC and A&R meetings to the end of the business day, so that A&R would commence at 2pm and FPRC at 4pm.

The meetings in 2020 are therefore proposed as follows:

- Meetings of the FPRC on the third Monday of each month at 4.00pm
- Meetings of the A&R on the same days as FPRC meetings in February, March, May, August and October at 2.00pm
- An extra meeting of A&R early in February to manage the Annual Reporting process
- Council meetings on the last Wednesday of the month at 4.00pm (with workshops at 3.00pm).

There are no Annual holidays impacting the timing of any meetings in 2020.

Meeting dates are therefore suggested as follows:

1. February meetings

To enable production of the Annual Report there will be two meetings of the Audit and Risk in February: **Monday 3 February at 4.00pm** and the second two weeks later on **Monday 17 February at 2.00pm**.

The FPRC meeting would naturally follow A&R on **Monday 17 February at 4.00pm**.

2. December meetings

If deemed necessary, a date has been established for an extra meeting of **FPRC at noon on Monday 7 December**. There is the possibility for this meeting to then convene as a **Council meeting at 2.00pm that day** should this be required.

Recommendation:

That the meeting schedule for 2020 be approved.

Bruce White
Acting University Registrar

Meeting Schedule – 2020

Statutory Dates		
6 February – Waitangi Day	10 April - 12 April – Easter	13 April – University closed
25 April – ANZAC Day 27 ANZAC – University closed	1 June – Queen's Birthday	26 October – Labour Day
13 November – Show Day	24 December to 5 January (inclusive) - University closed	

Graduation Ceremonies		
Tuesday 7 April 2020	10.00am	TBC
Tuesday 7 April 2020	2.00pm	TBC
TBC	10.00am	Celebration for Maori Graduates
Thursday 9 April 2020	10.00am	TBC
TBC	TBC	Rotorua Graduation
Wednesday 16 December 2020	10.00am	TBC
Wednesday 16 December 2020	2.00pm	TBC
Thursday 18 December 2020	10.00am	TBC
Thursday 18 December 2020	2.00pm	TBC

Note: The UC Council/SMT Graduation dinners will be held on the evenings of 8 April and 17 December

Council Meetings		
- Normally last Wednesday of the month, 4.00pm, Council Chambers, Level 6, Matariki; Workshops at 3pm (unless otherwise specified)		
- Papers required by 5.00pm the Wednesday prior to meeting		
- Agendas distributed the Thursday prior to meeting		
29 January	26 February	25 March
29 April	27 May	24 June
29 July	26 August	30 September
28 October	25 November	Monday 7 December (if needed) at 2.00pm

Finance, Planning and Resources Committee Meetings		
- Normally 3 rd Monday of the month, 4pm (unless otherwise indicated), Council Chamber, Level 6, Matariki		
- Papers required by 5.00pm the Tuesday prior to the meeting	EXCEPTION: Papers due 5pm Tues 7 April for 20 April meeting	
- Agendas distributed the Wednesday prior to the meeting	EXCEPTION: Papers delivered Weds 8 April for 20 April meeting	
	17 February	16 March
20 April	18 May	15 June
20 July	17 August	21 September
19 October	16 November	7 December (if needed) at noon

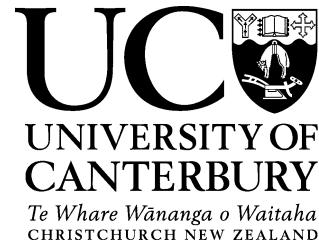
Audit and Risk Committee Meetings					
<ul style="list-style-type: none"> - Normally 3rd Monday of the month, 2.00pm (unless otherwise indicated), Council Chamber, Level 6, Matariki - Papers required by 5.00pm the Tuesday prior to the meeting - Agendas distributed the Wednesday prior to the meeting 					
3 February (4:00pm)	17 February	16 March	18 May	17 August	19 October

Updated: May 2019

Memorandum | Pukapuka

Financial Services | Te Ratonga Ahumoni

Office: 6th Floor, Matariki
Extension: 93454
Email: keith.longden@canterbury.ac.nz



To:	Ki:	Council
CC:	Tārua:	-
From:	Nā:	Keith Longden
Date:	Rā:	22 May 2019
Subject:	Kaupapa:	31 March 2019 quarterly capital expenditure report
Purpose:	Aronga:	For information

I attach the Quarter 1, 31 March 2019 capital expenditure report.

The report shows continuing progress on many projects, but with an underspend against the 2019 YTD capital budget of \$22.03million for UC Futures and other projects; Colleges and Services Units are \$71.94k underspend against the 2019 YTD capital budget.

The 'final account' for RRSIC Stage 1 was settled and paid in December 2018, which had been included in 2019 budget, certain work is timed for later in the year, and while Rehua is now open to occupation, the final account is yet to be advised by Hawkins (Downer) and they have not submitted any progress claims this year.

Work on RRSIC stage 2 (Beatrice Tinsley) and the UCSA building is progressing well, with completion planned in August 2019. Work on the Garden Hall accommodation has begun.

Recommendation:

For information.

Ngā mihi,

Keith Longden
Executive Director / Chief Financial Officer | Kaihautū Matua Ahumoni

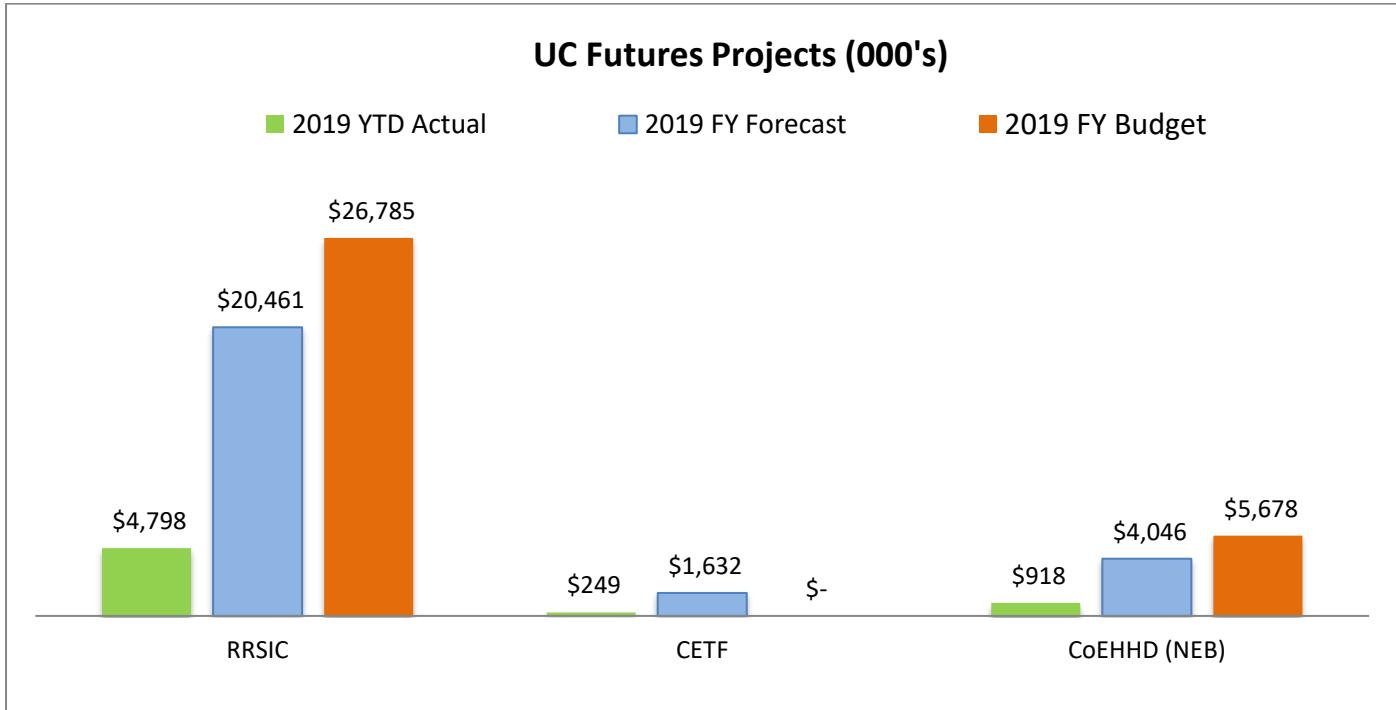
Quarterly Capital Expenditure Report
FINANCIAL SERVICES
March 2019

Prepared by:	Sarah Guo and Project Managers
Prepared for:	Keith Longden
Date:	22 May 2019
Version:	2.0

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Executive Summary



Overall position – UC Capex

The reconciliation to the 31 March 2019 monthly report is as follows:

Capex	2019 YTD Capex Actual	2019 FY Capex Forecast	2019 FY Capex Budget	Variance
Other Projects + Minor Capital Works	15,755,638	82,710,901	82,786,842	75,941
Colleges + Service Units	1,526,011	8,377,099	8,377,099	-
	17,281,649	91,088,000	91,163,941	75,941
UC Futures	5,965,084	26,139,000	32,462,968	6,323,968
TOTAL	23,246,733	117,227,000	123,626,909	6,399,909

* UC Futures includes RRSIC, CETF and Rehua

Notes:

- At the end of Quarter 1, the three UC Futures Projects are \$19.8M behind YTD budget. The main contribution to this variance is RRSIC \$15.3M and Rehua \$4.8M behind the YTD budget.
- Quarter 1 spend on other projects have been \$2.2M under YTD budget. Some of the projects have not progressed as quickly as was anticipated during 2019 budget cycle. Specifically, programme delays have affected the UCSA Redevelopment, Arts Precinct – Locke & Logie and Co-location of Communication Disorders projects.
- Minor capital sectors (ITS, Library, Facilities Services and Campus Services) are all confident in achieving annual capital spend budget.

Capital Projects – In flight (excluding UC Futures projects)

Capital Projects \$000's	2019 YTD Capex	Financial Summary			
		Cost To Date	Current Total Approved Budget	Forecast Total Cost (Opex+Capex)	Variance (Current Approved - Forecast Total)
Top Projects					
1 Student First Programme	784	12,935	21,800	26,341	(4,541)
2 UCSA Building	4,865	24,259	31,889	32,169	(280)
3 Arts Precinct - Locke & Logie	541	1,592	8,589	8,589	-
4 Garden Hall Accommodation	5,146	7,141	77,735	77,735	-
5 CMP - Sport and Recreation Centre	74	330	56,838	56,887	(49)
Buildings and Services					
6 UC Wellness Precinct Infrastructure	51	3,633	3,437	3,812	(375)
7 Clearing the Villages (Ilam, Dovedale and Wheki)	3	1,647	3,334	3,334	-
8 Te Papa Hauora (Health Precinct)	5	1,449	1,611	1,449	161
9 CWRK GS25 Ilam Boiler - Low Carbon Energy Strategy	11	28	5,510	5,510	-
10 CWRK UNO0 Ilam Building Assessment - Low Carbon Energy Strategy	2	6	110	110	-
11 CWRK GS41 Dovedale Boiler - Low Carbon Energy Strategy	-	17	4,590	4,590	-
12 New Teaching Spaces	5	1,109	1,365	1,365	-
13 Connon Hall	441	1,398	2,107	1,507	600
14 CWRK UNO0 Product Design School Growth	367	896	1,500	1,482	17
15 Co-location of Communication Disorders	363	2,520	4,200	3,500	700
16 CWRK LA01 College of Business and Law Refurb	29	35	-	256	(256)
17 Campus Wide Enhance & Humanise the campus (JOAB)	-	40	-	540	(540)
18 Wellness precinct transport and safe campus access	21	21	-	5,478	(5,478)
19 Te Ao Marama Refurb	-	-	-	6,250	(6,250)
Technology and Business					
20 Storage Enhancement	90	3,360	4,824	4,182	642
21 Identity Access Management (Stage 2) - IAM	388	1,868	3,350	3,350	-
22 Information Technology	57	592	776	776	-
23 Research Computer Cluster	42	615	-	615	(615)
Total Open Projects	13,285	65,490	233,564	249,827	(16,263)
Minor Capital					
24 Library - Information Resources	1,097	1,097	3,727	3,727	-
25 Library - Others	-	-	79	79	-
26 Facilities Services - Minor Capital	782	782	1,731	1,731	0
27 ITS - Equipment	337	337	3,060	3,060	(0)
28 ITS - AV	30	30	810	810	-
29 Campus Services	168	168	579	579	-
30 Campus Services - Fleet	-	-	-	-	-
31 Capital Works - other	26	26	-	-	-
32 Finance Services	25	25	-	-	-
33 DVC Strategic Research	-	-	1,500	1,500	-
34 College / Unit Minor Capex (Including Teaching & Research Equip)	1,526	1,526	8,352	8,352	-
Total Minor Capital	3,991	3,991	19,838	19,838	0
TOTAL	17,282	69,772	253,402	269,664	(16,263)

KPI - Traffic Light

Green - Below Current Total Approved Budget
 Amber: Within 5% of Current Total Approved Budget
 Red: 5% + above Current Total Approved Budget

The variance between the Total Approved Budget and the Forecast Total Cost is due to certain projects not yet receiving approval for the detailed budget.

5 Year Forecast

Capital Projects \$000's	Total Forecast (Opex + Capex)						
	Prior Years	2019	2020	2021	2022	2023	Total
Top Projects							
1 Student First Programme	11,821	7,307	7,213	-	-	-	26,341
2 UCSA Building	19,394	12,775	-	-	-	-	32,169
3 Arts Precinct - Locke & Logie	987	5,015	2,587	-	-	-	8,589
4 Garden Hall Accommodation	1,974	33,247	34,668	7,846	-	-	77,735
5 CMP - Sport and Recreation Centre	251	4,372	14,767	35,368	2,129	-	56,887
Buildings and Services							
6 UC Wellness Precinct Infrastructure	3,582	230	-	-	-	-	3,812
7 Clearing the Villages (Ilam, Dovedale and Wheki)	1,641	1,693	-	-	-	-	3,334
8 Te Papa Hauora (Health Precinct)	1,441	8	-	-	-	-	1,449
9 CWRK GS25 Ilam Boiler - Low Carbon Energy Strategy	17	2,970	2,523	-	-	-	5,510
10 CWRK UN00 Ilam Building Assessment - Low Carbon Energy Strategy	4	106	-	-	-	-	110
11 CWRK GS41 Dovedale Boiler - Low Carbon Energy Strategy	17	-	2,286	2,286	-	-	4,590
12 New Teaching Spaces	1,101	264	-	-	-	-	1,365
13 Connon Hall	957	550	-	-	-	-	1,507
14 CWRK UN00 Product Design School Growth	421	1,061	-	-	-	-	1,482
15 Co-location of Communication Disorders	2,123	1,377	-	-	-	-	3,500
16 CWRK LA01 College of Business and Law Refurb	6	250	-	-	-	-	256
17 Campus Wide Enhance & Humanise the campus (JOAB)	40	100	100	100	100	100	540
18 Wellness precinct transport and safe campus access	-	229	1,391	1,929	1,929	-	5,478
19 Te Ao Marama Refurb	-	125	6,125	-	-	-	6,250
Technology and Business							
20 Storage Enhancement	3,249	933	-	-	-	-	4,182
21 Identity Access Management (Stage 2) - IAM	1,504	1,846	-	-	-	-	3,350
22 Information Technology	522	254	-	-	-	-	776
23 Research Computer Cluster	573	42	-	-	-	-	615
Total Open Projects	51,625	74,755	71,659	47,529	4,158	100	249,827
Minor Capital							
24 Library - Information Resources	17,889	3,727	2,823	2,967	3,120	3,317	33,843
25 Library - Others	-	79	284	148	295	109	915
26 Facilities Services - Minor Capital	20,087	1,731	9,406	9,594	9,786	9,982	60,585
27 ITS - Equipment	10,986	3,060	4,839	4,553	3,919	4,046	31,404
28 ITS - AV	-	810	190	889	490	693	3,072
29 Campus Services	2,835	579	593	647	697	607	5,958
30 Campus Services - Fleet	746	-	-	-	-	-	746
31 Capital Works - other	838	-	-	-	-	-	838
32 Finance Services	273	-	-	-	-	-	273
33 DVC Strategic Research	-	1,500	1,500	1,500	1,500	1,500	7,500
34 College / Unit Minor Capex (Including Teaching & Research Equip)	6,348	8,352	6,954	7,093	7,235	7,380	43,363
Total Minor Capital	60,002	19,838	26,589	27,391	27,041	27,634	188,496
TOTAL	111,627	94,593	98,249	74,920	31,200	27,734	438,322

The majority of opex included in 2019 relates to the Student First programme.

UC Futures

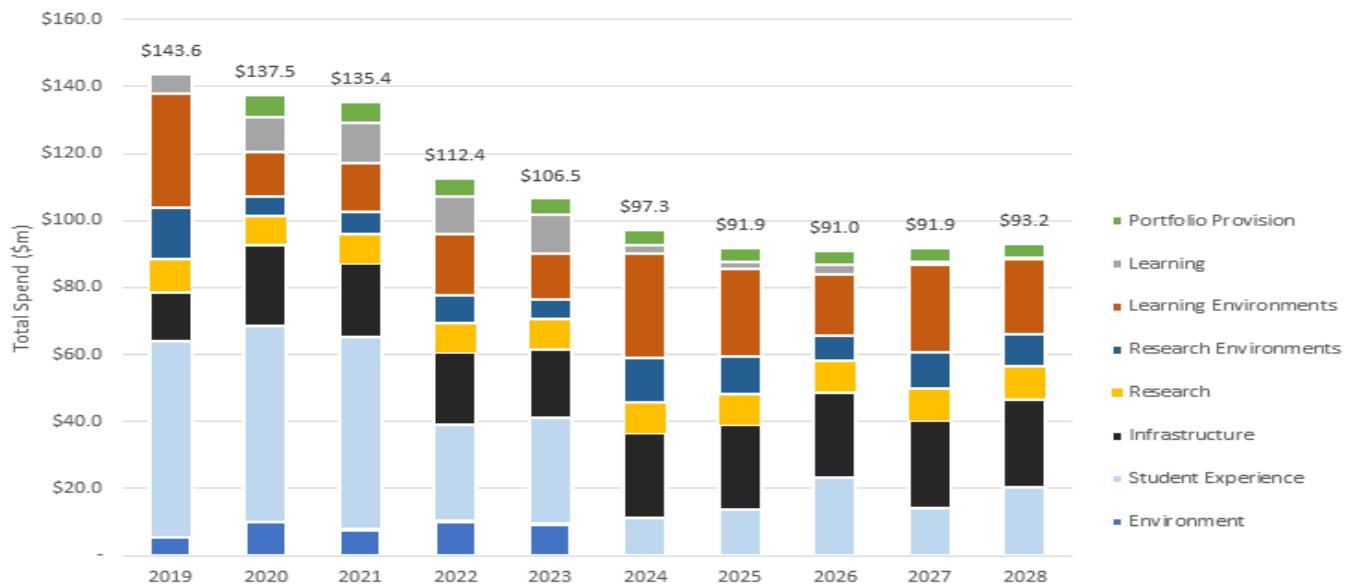
The UC Futures projects' budgets in the table below reflect the latest approved business case.

Capital Projects \$000's	UC Futures Projects Financial Summary				
	Project Cost To Date	Current Total Approved Budget	Original Approved Budget	Variance (current approved - original BC)	Variance % a
RRSIC					
Rutherford Regional Science and Innovation Centre	200,979	219,700	212,500	7,200	3%
CETF					
Canterbury Engineering the Future	162,297	163,500	142,800	20,700	14%
Rehua					
College of Education, Health and Human Development Relocation Project	72,906	82,614	55,000	27,614	50%
Total UC Futures	436,181	465,814	410,300	55,514	

Capital Projects \$000's	2019 YTD Capex	UC Futures Projects Financial Summary				
		Project Cost To Date	Current Total Approved Budget	Forecast Total Cost	Variance (current approved - forecast total)	Variance % b
RRSIC						
Rutherford Regional Science and Innovation Centre	4,798	200,979	219,700	218,955	745	0%
CETF						
Canterbury Engineering the Future	249	162,297	163,500	163,500	-	0%
Rehua						
College of Education, Health and Human Development Relocation Project	918	72,906	82,614	81,554	1,060	1%
Total UC Futures	5,965	436,181	465,814	464,010	1,804	

The final account for Rehua from Hawkins (Downer) is yet to be received. The forecast is the University's 'main estimate' but a worst case scenario puts the forecast cost \$3.2 million higher.

Summary of current project forecast spend



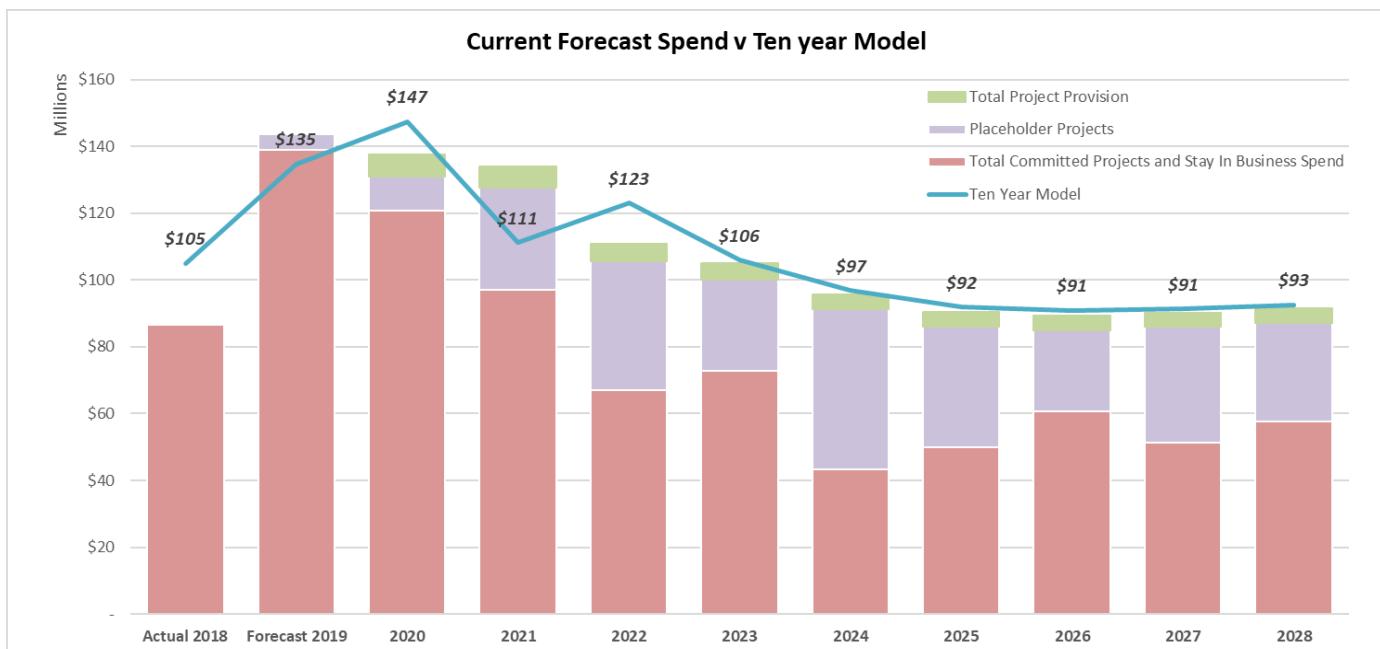
The graph above outlines the forecast capital project spend by activity from 2019 to 2028. Forecasts from 2020 to 2028 are based on the current version of the Long Term Capital Plan (v2019.3), which has some items in excess of the reported forecast for planning and modelling purposes.

Research environments is based on historical estimated building usage. This allocation is conservative as it does not include an allowance for office space used by academics.

LTCP Category	2019 Forecast
Inflight Other Project Forecast	94,592,884
UC Futures Project Forecast	32,788,402
Placeholder for LTCP	16,243,941
TOTAL	143,625,227

The activity categories used in the above graph are:

Category name	Description	Example projects included
Student Experience	These are projects that affect the student experience. It includes all 'student-facing' IT projects, as well as accommodation projects.	<ul style="list-style-type: none"> • Student First Programme • UCSA Building project • Recreation Centre
Research	Investment that directly supports research.	<ul style="list-style-type: none"> • DVC Strategic Research Fund • All College or unit minor Capex planned investment
Learning	Investment in projects and infrastructure that directly supports teaching and learning	<ul style="list-style-type: none"> • eLearning programme • Warehouse conversion lecture theatre
Research Environments	Based on assumptions of what the split has traditionally been (estimated building use) between research and learning	
Learning Environments	Based on assumptions of what the split has traditionally been (estimated building use) between research and learning	
Infrastructure	These are infrastructure projects; these include IT and non-IT infrastructure.	<ul style="list-style-type: none"> • Fire main upgrade • Identity and Access Management • Data storage
Environment	These are projects that affect the natural environment; these include restoration projects and campus masterplan projects.	<ul style="list-style-type: none"> • Education Gym demolition • Campus Master Plan projects – plaza, river bridge, etc.



The graph above outlines the current forecast spend, as outlined in the Long Term Capital Plan, as compared to the amount allocated in the Ten Year Model for capital projects. Actual project spend (capital and operational expenditure) in 2018 and current year forecast is included in the graph for comparison purposes.

Post Implementation Reviews

The following projects are being proposed for review as part of the 2019 PIR Plan. A memorandum outlining the proposed plan is scheduled to be provided to the Audit and Risk Committee at their next meeting (May 2019).

Project code	Description	Actual end date	Total budget approved (\$000)
B1734	CETF	Feb 2018	163,500
B1857	Electrical Link +Recladding	Jul 2017	5,491
B1846	Arts Centre	May 2017	4,551
L0180	Skype for Business	Dec 2017	1,584
B1984	Dovedale accommodation (Sonoda extension)	Feb 2018	10,253
B1982	Te Papa Hauora	Jul 2018	1,611

Note: The RRSIC PIR will be scheduled at the end of Stage 2.

The CETF PIR is being performed in tandem with the IQA5 as the project by Deloitte under the Funding Agreement.

Report to the Council from a meeting of the Audit and Risk Committee held on Monday 20 May 2019

The Committee recommends:

1. UC Trust Funds Financial Statements 2018

That: Council, as trustee for the trust funds:

- i) *Approve and sign the UC Trust Funds Financial Statements to 31 December 2018*
- ii) *Approve and sign the Trustees' Representation Letter to the Auditor*
- iii) *Note the management representations, Independent Auditor's Report and the management letter from Grant Thornton.*

2. Health and Safety Report

That: Council note the Health and Safety Report.

3. Health, Safety and Wellbeing Charter Review

That: Council approve the Health, Safety and Wellbeing Charter.

Peter Ballantyne
Chair
Audit and Risk Committee
22 May 2019

Memorandum | Pukapuka

Financial Services | Te Ratonga Ahumoni

Office: Room 609, Matariki
Extension: 93454
Email: keith.longden@canterbury.ac.nz



To:	Ki:	Council
From:	Nā:	Keith Longden
Date:	Rā:	22 May 2019
Subject:	Kaupapa:	UC Trust Funds Financial Statements 31 December 2018
Purpose:	Aronga:	For Council to approve and sign on behalf of the University

Please find attached the following:

1) Financial Statements for the UC Trust Funds to 31 December 2018

These Financial Statements were initially reviewed by Council at the 27 March meeting. At that time, we were still waiting for final Audit completion. There have been no changes to the numbers and final Financial Statements went to Audit and Risk Committee on 20 May.

2) Management Representation Letter

As part of the standard audit process on the 2018 UCTF Financial Statements, Council (on behalf of the University as Trustee) are required to make certain representations (as set out in the letter) to the Auditors, Grant Thornton. Representations are made on the basis of "to the best of your knowledge and belief" and it is in this light that the letter requires sign off for and on behalf of the UCTF.

UC Management have prepared a 'back to back' representation letter to Council that mirrors the letter from Council to the Auditor. Both are presented here.

3) Draft Independent Auditor's Report

As in the prior year, there are two key issues that affect the audit report:

i. Compliance with PBE IPSAS (NFP) 6: Consolidated and separate financial statements

Following changes in legislation, the UC Trust Funds are required to submit financial statements to the Charities Commission (CC) that comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP). The CC observed that the "consolidated" financial statements incorporating the investments made on behalf of all the Trusts were not, in fact, "consolidated" from the point of view of PBE IPSAS 6, which requires one entity to be in control of another entity or entities in order for the consolidation of their financial statements to be permitted. The UC Trust Funds have no such entity in control. Accordingly, the financial statements are not in compliance with NZ GAAP.

While we were able to avoid the corollary of that decision, that the Trusts and Bequests prepare individual financial statements, and have been permitted to continue as we had before in preparing "collated" or "amalgamated" financial statements, the non-compliance with NZ GAAP remains an issue for the auditor.

The UC Trust Funds have presented consolidated financial statements of the various Trusts that have pooled their investments into a single managed investment fund. The effects on the financial statements of consolidating the Trusts not controlled by the UC Trust Funds have not been determined by the auditor. The auditor considers this non-compliance to be so pervasive and significant as to affect materially many elements of the financial statements. This opinion is inevitable under the auditing standards.

While the Charities Act 2005 requires each Trust above a certain size to be audited, it does not require that the audit opinion be unqualified, nor does it suggest any penalty if it is.

A wider issue may be the impact on those enquiring after the UC Trust Funds financial performance, either those with funds donated or prospective donors, where an adverse audit opinion may be read critically. We have not been advised of any adverse comments to date.

ii. Endowment Land Valuations

The UC Trusts' accounting policy requires the revaluation of endowment land every 5 years. Prior to 31 December 2018, the last revaluation was for the year ended 31 December 2008. The basis of the valuation is a capitalisation of existing rents. Some of the underlying rents are currently the subject of review, and while judgement has been received on certain properties, some rentals are yet to be determined. These properties are specialist in nature and as some are still being negotiated and some rentals are yet to be determined, a formal independent registered valuation was required to determine fair value at balance date.

The UC Trusts engaged CBRE to perform a valuation of the endowment land. The result shows a decrease in valuation of \$400,000. This is consistent with the change in land use and change in leases (for example, Greendale had a grazing lease valued at \$1.5 million that is no longer in place). CBRE have looked at both existing and potential rents, and rents and sales of similar properties. Their work includes both desk top exercises and actual inspection of property.

The audit opinion contains a qualification on the endowment land as in previous years, but with a difference following the valuation by CBRE. The qualification is in respect of both the comparative in the Statement of Financial Position, which was unsupported, and the movement in the year. The latter is because the correct starting position was unknown, so the movement in the year to a verified valuation must therefore be unverifiable. The final position, the valuation by CBRE, has been accepted as fairly reflecting the fair value of the land.

4) Management Letter

The draft management letter from the auditors is attached. They explain the technical considerations behind their opinion. In addition to the matters addressed above in the Independent Auditors report, the following matters were addressed.

i. PBE IPSAS 35 Consolidation

A new PBE IPSAS standard has taken effect for the 2019 financial year, being 'PBE IPSA 35 Consolidated Financial Statements'. This standard is expected to result in the University of Canterbury consolidating all of the individual Trusts.

ii. Review of Internal Control Reports

The Auditors have recommended that as an additional control over the investment valuation process, Trust Funds obtain and review the Internal Control Reports of

Trustees Executors Limited on a regular basis as this provides added assurance that there have been no issues with the design effectiveness of Trustees Executors Limited's investments processes which may affect the valuation of investments from the University of Canterbury Trust Funds' perspective. The Auditors do not consider this matter to be a significant control deficiency.

iii. **SIPO Breach**

The Auditors identified one breach with regards to the Milford investment where the investment holding was outside of its maximum individual range by 0.06%. The Auditors have suggested that going forward, the SIPO is adhered to for all investments in which the Trust holds with Trustees Executors. The Auditors do not consider this matter to be a significant control deficiency.

iv. **Related Party Disclosure Misstatement**

The Auditors communicated a related party disclosure in relation to the sale of 112 Waimairi Road, to the University of Canterbury. This has been appropriately included within the financial statements.

Recommendations contained in the paper allocated:

- These Financial Statements went to the Audit & Risk Committee on 20 May 2019 and are recommended to Council (for the University as Trustee) for approval and sign off.
- This Trustees' Representation Letter went to the Audit & Risk Committee on 20 May 2019 and is recommended to Council (for the University as Trustee) for approval and sign off.
- Note the management representations to Council.
- Note the Independent Auditor's Report.
- Note the Management Letter from Grant Thornton.

Ngā mihi,

Keith Longden
Executive Director/ Chief Financial Officer | Kaihautū Matua Ahumoni

UNIVERSITY OF CANTERBURY TRUST FUNDS

CONSOLIDATED FINANCIAL STATEMENTS

31 December 2018

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University of Canterbury Trust Funds

Statement Of Accounting Policies

31 December 2018

REPORTING ENTITY

The reporting entity is The University of Canterbury Trust Funds (the "Trust Funds"). The Trust Funds are registered under the Charitable Trusts Act 1957 and the Charities Act 2005.

The Trust Funds comprise approximately 160 individual Trusts governed variously by individual trust deed, will or bequest. The primary objective of the Trust Funds is to provide scholarships and grants. The University Council administers these funds as trustee and is bound by the requirements of the individual trusts.

These consolidated financial statements have been approved and were authorised for issue by the Board of Trustees on 29 May 2019.

BASIS OF PREPARATION

These Financial Statements have been prepared on a going concern basis, and the Accounting Policies have been applied consistently throughout the reporting period.

Statement of Compliance

These Financial Statements have not been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"), and they do not comply with the Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable Financial Reporting Standards as appropriate that have been authorised for use by the External Reporting Board ("XRB") for Not-For-Profit entities, in so far that they do not comply with PBE IPSAS (NFP) 6 *Consolidated and separate financial statements*.

The Trust Funds have presented the consolidated financial statements of the underlying trusts that have pooled their investments into a single managed investment fund, whereas PBE IPSAS (NFP) 6 only permits consolidation of results where there is a controlling entity in control of other entities, where control is defined as the power to govern the financial and operating policies of another entity so as to benefit from its activities. A controlling entity for the Trust Funds does not exist.

The preparation of consolidated financial statements has been the practice of the Trust Funds for some years, as being an economic and efficient way of meeting the reporting to the Charities Commission of the financial results of the approximate 160 trusts and bequests represented by the Trust Funds. This approach was agreed with the Charities Commission in 2008 and was consistent with the legislation of the time.

Changes to the Charities Act 2005 ("the Act") require the University of Canterbury Trust Funds to comply with generally accepted accounting practice in New Zealand ("NZ GAAP") in preparing financial statements from the year ended 31 December 2016 onwards. Application of NZ GAAP would have meant the production of a set of individual financial statements for each of the individual underlying trusts. On application, the Department of Internal Affairs has exempted the University of Canterbury Trust Funds from preparing separate financial statements on the basis of economy and efficiency in the use of trust funds, consistent with section 3 of the Act. Accordingly, the University of Canterbury Trust Funds has continued to prepare consolidated financial statements, consistent with prior years.

All the contributing trusts and bequests are separately identified and included in the annual return for the Trusts Funds, which is recorded at the Charities Commission web site <https://www.register.charities.govt.nz/CharitiesRegister/> under the grouping 'University of Canterbury Trust Funds', registration number CC45255.

For the purposes of complying with NZ GAAP, the Trust Funds has designated itself as a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large.

The Trust Funds have elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions available to them except for PBE IPSAS 2 Cash Flow Statements, with which they have complied fully.

Presentation and Functional Currency and Rounding

These Financial Statements are presented in New Zealand dollars, which is the Trust Funds' functional currency, and all values are rounded to the nearest thousand dollars (\$'000).

Changes in Accounting Policies

All accounting policies have been applied on a consistent basis.

Standards issued and not yet effective and not early adopted

For the accounting period commencing 1 January 2019, it is highly likely that the University of Canterbury will be preparing consolidated financial statements that will include the various entities in the UC Trust Funds. It is currently the intention of the University of Canterbury to register itself as the controlling entity and submit a combined Annual Return incorporating the consolidated financial results of the UC Trust Funds. It is expected that no separate audited financial statements for the UC Trust Funds will be required to be lodged with the Charities Commission, and the non-compliance with PBE IPSAS (NFP) 6 will no longer be applicable.

University of Canterbury Trust Funds

Statement Of Accounting Policies (continued)

31 December 2018

ACCOUNTING POLICIES

The following are the particular accounting policies which have a material effect on the measurement of comprehensive revenue and expense, cash flows, and the financial position of the Trust Funds:-

Basis of Measurement

These consolidated financial statements have been prepared on the basis of historical cost adjusted by the revaluation of certain assets: investments, land asset, forest asset, and investment property asset.

Investments

All investments are stated at market value. Foreign investments have been translated to New Zealand currency at the ruling rates of exchange at each reporting date.

Accounts Receivable

Accounts receivable are recorded at expected realisable value and are all receivables from exchange contracts; where a debt is considered unrecoverable it is written off.

Financial Instruments

Financial assets and financial liabilities are recognised when the Trust Funds become party to the contractual provisions of the financial instrument.

The Trust Funds derecognise a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or the Trust Funds have transferred the rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- the Trust Funds have transferred substantially all the risks and rewards of the asset: or
- the Trust Funds have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

i. Financial Assets

Financial Assets within the scope of PBE IPSAS (NFP) 29 *Financial Instruments: Recognition and Measurement* are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The category determines subsequent measurement and whether any resulting income and expense is recognised in surplus or deficit or in other comprehensive revenue and expense.

The Trust Funds' financial assets are classified as financial assets at fair value through surplus or deficit, or as loans and receivables. The Trust Funds' financial assets include: cash and cash equivalents, short-term deposits, receivables and investments.

All financial assets except for those at fair value through surplus or deficit are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described as follows.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include items that are either classified as held for trading or that meet certain conditions and are designated at fair value through surplus or deficit upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments or a derivative that is a financial guarantee contract. The Trust Funds' investment in multi asset, fixed interest, and shares fall into this category of financial instruments. This also includes the AMP Capital NZ Cash Fund. This Fund is an actively managed portfolio of bank bills, floating rate notes and short term deposits and securities.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Trust Funds' receivables from exchange transactions, inter-entity balances, and cash and cash equivalents fall into this category of financial instruments.

University of Canterbury Trust Funds

Statement Of Accounting Policies (continued)

31 December 2018

Impairment of financial assets

The Trust Funds assess at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. 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 for the reporting period.

In determining whether there is any objective evidence of impairment, the Trust Funds first assess whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Trust Funds determine that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

ii. Financial Liabilities

The Trust Funds' financial liabilities include trade and other creditors, and loans and borrowings. All financial liabilities are recognised initially at fair value and are measured subsequently at amortised cost using the effective interest rate method.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks and other short-term highly liquid investments with original maturities of three months or less, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Investment Properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, for supply of goods or services or for administrative purposes. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Any gain or loss arising from a change in the fair value of the investment property is recognised in surplus or deficit in the period that it is incurred. The investment property was sold during the reporting period (see Note 5 for further information).

Property, Plant and Equipment

The value of the interest in the Endowment Land is limited to the value of the "Land Exclusive of Improvements" (LEI). Endowment Lands and forests are normally revalued by an independent registered valuer at least every 5 years. There is no depreciation on the land or forest assets. See Note 4 for further information on the valuation of Endowment Land.

Equipment is stated at cost less accumulated depreciation. Depreciation on equipment has been provided on a straight-line basis using rates of 10-33%

The Trust Funds accounts for revaluations on a class of asset basis. The results of any revaluation are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the surplus or deficit. Any subsequent increase in revaluation that offsets 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 credited to the revaluation reserve for that class of asset.

Foreign Currencies

Foreign currency transactions throughout the reporting period have been translated to New Zealand currency at the ruling rates of exchange at date of payment. Realised and unrealised exchange gains or losses are accounted for in the consolidated Statement of Comprehensive Revenue and Expense.

Goods and Services Tax

Most GST is non-recoverable as the majority of the Trust Funds are not registered for GST. Where this applies, the amounts stated are inclusive of Goods and Services Tax.

University of Canterbury Trust Funds

Statement Of Accounting Policies (continued)

31 December 2018

Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Trust Funds and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The Trust Funds classify its revenue into exchange and non-exchange transactions. The following specific recognition criteria must be met before revenue is recognised.

Revenue from Exchange Transactions

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to the other party in exchange.

The Trust Funds' revenue from exchange transactions includes revenue from investments and rental revenue. Interest revenue is recognised as it accrues, using the effective interest method. Dividend revenue is recognised in the period the dividend is declared.

Revenue from Non-Exchange Transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

The Trust Funds' revenue from non-exchange transactions includes donations and scholarship revenue. Donations of money are recognised immediately as revenue unless a return of funds condition is attached. If a condition is attached it would be recognised as a liability until the condition is met, at which time it is recognised as revenue.

Revenue from Rental Income

Rental revenue is recognised as the revenue is earned in accordance with the terms of the tenancy lease agreements. The cost of the lease is spread on a straight line basis over the lease term. Any advance payment is reported as a deferral.

The Trust Funds' revenue from rental income transactions includes income from ten separate endowment lands. Further details on certain rental income is set out in Note 16.

Expenditure

Trust expenditure on scholarships, prizes and related travel is expensed/ accrued in the reporting period that it is incurred.

Taxation

The Trust Funds are exempt from the payment of income tax as it is a not-for-profit organisation registered under the Charities Act 2005. Accordingly, there is no provision for income tax, and consequently no deferred tax is also recognised in the consolidated financial statements.

Statement of Cash Flows

The following are the definitions of the terms used in the consolidated statement of cash flows:

- a) Operating activities include all transactions and other events that are not investing or financing activities.
- b) Investing activities are those activities relating to the acquisition, holding and disposal of property, plant and equipment and of investments. Investments can relate to securities not falling within the definition of cash.
- c) Financing activities are those activities that result in changes in the size and composition of the capital structure. This includes both equity and debt not falling within the definition of cash. Dividends paid in relation to the capital structure are included in financing activities.
- d) Cash is considered to be cash on hand and current accounts in bank, net of bank overdrafts.

Basis of Consolidation

The Trust Funds financial statements are prepared on a consolidated basis, as detailed within the statement of compliance, adding together like items of assets, liabilities, equity, revenue, expenses, and cash flows on a line-by-line basis for all participating Trusts. All significant intra-Trust Funds balances, transactions, revenue, and expenses are eliminated on consolidation.

University of Canterbury Trust Funds

Statement Of Accounting Policies (continued)

31 December 2018

Critical Accounting Judgement, Estimates, and Assumptions

In preparing these consolidated financial statements the Trust Funds have made judgements on the application of accounting policies and made estimates and assumptions concerning the future. The estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fair Value of Investments

Financial assets are carried at fair value based on market values for publicly traded investments through independently managed funds, and net asset value calculated by the General Partners for private equities. The Trust Funds consider these valuations to be appropriate for the types of investments carried and in line with generally accepted accounting practice. The Trust Funds are relying on the expertise of individual fund managers in providing the valuations, particularly private equity investments, but have checked them carefully and have separate oversight by Eriksen & Associates Ltd on performance and data provision. Cash is recorded at face value.

Fair Value of Property, Land, and Forests

Property, land and forests are carried at fair value based on current values. The current value of land at December 2018 was determined by CBRE in accordance with New Zealand Institute of Valuers asset valuation standards. The current value of forests is determined by Owen Springford, who is a NZIF Registered Forestry Consultant, in accordance with NZ Institute of Forestry Guidelines for Forest Valuations. The market value of the investment property was valued by CB Richard Ellis Limited based on capitalised rental values. The Trust Funds consider these valuations to be appropriate for the types of asset carried and in line with generally accepted accounting practice.

Impairment

The UC Trust Funds review all assets for impairment at balance sheet date, in accordance with accounting standards. Cash and cash equivalents and liquid assets are carried at face value as being denominated in New Zealand Dollars and held in reputable banks and financial institutions with sound credit ratings. As noted above, equity and security investments are valued at market value, which takes into account publicised factors affecting individual investment values, including any potential impairment. The UC Trust Funds are not aware of any factors that would affect the market values provided by their investment managers. Forests were valued in 2016, where the valuation takes into account any factors that would indicate an impairment.

Endowment land is carried at valuation performed by a registered valuer. Valuations are normally performed every 5 years, and this is the first valuation since 31 December 2008 due to issues with resolving rental agreements, which are one of the factors in determining property values. The valuation main assumptions are current rental, rental growth of 1.5%, a discount rate of 6.50% to 9.50%, and a capitalisation rate of 5% to 6%, both depending on property type and location. While not all rents have been renegotiated, there is sufficient detail from existing rents and sales of comparable properties to determine a suitable valuation. The rents that have been renegotiated are in excess of the previous rentals, and the University considers similar results will be achieved in all negotiations. Accordingly, the University believes that there is no evidence of impairment of the endowment land carrying value.

The UC Trusts Funds are not aware of any event subsequent to year end that would affect the impairment assessments above.

Rental Income

As set out in Note 16, the University of Canterbury Trust Funds received \$3.115M in 2017 in a rental agreement to settle longstanding negotiations with one of its endowment land tenants. The revenue has been recognised on a straight line basis over the period of the new rental agreement commencing 1 March 2009 in accordance with PBE IPSAS (NFP) 13: *Leases*. In making this assessment, consideration has been given to the terms of the agreement, the substance of which is to supplement the lessee's rental payments. The University of Canterbury Trust Funds has been in lengthy negotiations with the lessee, with a final agreement only reached in April 2017. As such, the University of Canterbury Trust Funds do not consider there are grounds to consider any part of the payment to be a prior period adjustment under PBE IPSAS (NFP) 3: *Accounting Policies, Changes in Accounting Estimates and Errors*.

University of Canterbury Trust Funds

Consolidated Statement of Comprehensive Revenue and Expense

For the Year Ended 31 December 2018	NOTE	31-Dec-18 \$000	31-Dec-17 \$000
REVENUE			
Realised Investment Gain		3,939	4,341
Unrealised Investment (Loss)/ Gain		(2,648)	7,744
Sundry Revenue		521	1,266
TOTAL REVENUE	1	<u>1,812</u>	<u>13,351</u>
EXPENDITURE			
Personnel Expenses		17	1
Investment Management and Advice		1,187	1,114
General Expenditure	2	1,089	1,559
Scholarships, Prizes and Awards	2	2,684	3,007
Depreciation - Equipment		0	1
TOTAL EXPENDITURE		<u>4,977</u>	<u>5,682</u>
NET (DEFICIT)/ SURPLUS		<u>(3,165)</u>	<u>7,669</u>
Other Comprehensive Revenue and Expense	4	(400)	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		<u>(3,565)</u>	<u>7,669</u>

Consolidated Statement of Movements in Trust Capital

For the Year Ended 31 December 2018

Balance at Beginning of Reporting Period		122,443	114,774
Other Comprehensive Revenue and Expense	4	(400)	-
Net (Deficit)/ Surplus		<u>(3,165)</u>	<u>7,669</u>
Total Comprehensive Revenue and Expense		(3,565)	7,669
Balance at End of Reporting Period	7, 8	<u>118,878</u>	<u>122,443</u>

The accompanying policies and notes form an integral part of these financial statements.

University of Canterbury Trust Funds

Consolidated Statement of Financial Position

As at 31 December 2018	NOTE	31-Dec-18 \$000	31-Dec-17 \$000
CURRENT ASSETS			
Cash and Cash Equivalents	14	751	2,330
Related Party	13	-	119
Accounts Receivable		468	323
Investments	6, 13	2,040	0
TOTAL CURRENT ASSETS		<u>3,259</u>	<u>2,772</u>
CURRENT LIABILITIES			
Accounts Payable		98	44
Related Party	13	239	-
Funds Received in Advance	16	94	94
TOTAL CURRENT LIABILITIES		<u>431</u>	<u>138</u>
Working Capital		2,828	2,634
NON-CURRENT ASSETS			
PROPERTY, PLANT & EQUIPMENT			
Freehold Land at Valuation		5,270	5,670
Forests		451	451
Equipment		6	6
Accumulated Depreciation on Equipment		(6)	(5)
TOTAL PROPERTY, PLANT & EQUIPMENT	4	<u>5,721</u>	<u>6,122</u>
INVESTMENT PROPERTY	5	0	670
INVESTMENTS	6	112,421	115,204
TOTAL NON-CURRENT ASSETS		<u>118,142</u>	<u>121,996</u>
NON-CURRENT LIABILITIES			
Funds Received in Advance	16	2,092	2,187
TOTAL NON-CURRENT LIABILITIES		<u>2,092</u>	<u>2,187</u>
Total Net Assets		<u>118,878</u>	<u>122,443</u>
REPRESENTED BY:			
Trusts Equity	7	113,224	116,389
Revaluation Reserves	8	5,654	6,054
Total Equity		<u>118,878</u>	<u>122,443</u>

Sue McCormack
Chancellor | Tumu Kaunihera

Date : 29 May 2019

Steve Wakefield
Pro Chancellor | Tumu Tuarua Kaunihera

Date : 29 May 2019

University of Canterbury Trust Funds

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2018	NOTE	31-Dec-18 \$000	31-Dec-17 \$000
OPERATING ACTIVITIES			
Cash Provided From:			
Sundry Revenue (including bequests)		40	27
Dividends		3,281	3,492
Donations		223	228
Interest		144	318
Rent	16	164	3,316
Dr Mickle Fund: loans repaid		21	26
		<u>3,873</u>	<u>7,407</u>
Cash Applied To:			
Personnel Expenses		1	1
Scholarships Prizes and Awards		2,772	2,903
General Expenses		1,052	1,576
Investment Management and Advice		98	103
Dr Mickle Fund: loans issued		77	34
		<u>4,000</u>	<u>4,617</u>
Net cash provided from/ (applied to) Operating Activities	3	(127)	2,790
INVESTING ACTIVITIES			
Cash Provided From:			
Property		796	141
Multi Asset Revenue		75	7,227
Fixed Interest Investments		7	131
Shares		2,000	5,300
		<u>2,878</u>	<u>12,799</u>
Cash Applied To:			
Multi Asset Revenue		879	10,390
Fixed Interest Investments		3,706	5,565
Shares		118	2,037
		<u>4,703</u>	<u>17,992</u>
Net cash (applied to)/ provided from Investing Activities		(1,825)	(5,193)
FINANCING ACTIVITIES			
Cash Provided From:			
Capital Contributions		<u>-</u>	<u>-</u>
Cash Provided From/ (Applied To):			
Movement in Related Party		<u>358</u>	<u>(293)</u>
Net cash applied to Financing Activities		358	(293)
Net (decrease)/ increase in cash held		(1,594)	(2,696)
Cash and Cash Equivalent on hand at beginning of Reporting Period		2,330	5,034
Exchange differences on cash and cash equivalents		15	(8)
Cash and Cash Equivalent on hand at end of Reporting Period		<u>751</u>	<u>2,330</u>

The accompanying policies and notes form an integral part of these financial statements.

University of Canterbury Trust Funds

Notes to the Financial Statements

<i>31 December 2018</i>	<i>31-Dec-18</i>	<i>31-Dec-17</i>
	<i>\$000</i>	<i>\$000</i>
1 Total Revenue		
<i>Investment Revenue:</i>		
Dividends	3,281	3,492
Investment Property Revenue	21	51
Investment Property Gain on Disposal/ Valuation	105	20
Realised Gain on Disposal of Investments	373	521
Realised Exchange Gain/ (Loss) on Investments	15	(8)
Unrealised (Loss)/ Gain on Investments	(1,350)	5,987
Unrealised Exchange (Loss)/ Gain on Investments	(1,298)	1,737
Interest	144	285
	<u>1,291</u>	<u>12,085</u>
<i>Sundry Revenue:</i>		
Donations	223	228
Rental Revenue	259	1,011
Scholarship Revenue	-	19
Other	39	8
	<u>521</u>	<u>1,266</u>
	<u>1,812</u>	<u>13,351</u>
<i>Non exchange revenue included in total revenue</i>	223	247

2 General Expenses

Auditor's Remuneration	19	15
Travel	453	570
Legal expenses	159	267
Other	458	707
	<u>1,089</u>	<u>1,559</u>

During the period ended 31 December 2018, the Trusts have reclassified Transfers to the University of Canterbury/ Other, to the relevant expense category (Scholarships and General Expenses), and separately identified Investment Management and Advice. This is a change from the prior year, where Transfers to the University of Canterbury/ Other were shown separately and Investment Advice expenses were included in General Expenses. In restating the prior year analysis, total expenses and the surplus for the reporting period are not affected.

Trust expenditure on scholarships, prizes and related travel is expensed in the reporting period that it is incurred. At 31 December 2018, \$1.231 million of Erskine bequest expenditure has been approved by the Vice-Chancellor under s.196 Education Act 1989 for spend in future years. As this expense relates to travel that will take place after the period end reporting date, this has not been accrued, (2017: \$1.025 million).

3 Reconciliation of Net Surplus/ (Deficit) with Net Cash provided from/ (applied to) Operating Activities

Net (Deficit)/ Surplus	(3,165)	7,669
<i>Add / (less) non-cash items:</i>		
Depreciation	-	1
Investment Management Fees paid from within fund	1,092	1,007
<i>Add / (less) movements in other working capital items:</i>		
Accounts Payable	54	(10)
Accounts Receivable	(144)	244
Funds Received in Advance	(95)	2,281
<i>Add / (less) items classified as investing activities:</i>		
Net Realised (Gain) on Investments	(388)	(513)
Net Unrealised Loss/ (Gain) on Investments	2,645	(7,728)
Investment Property Yield	(21)	(141)
Investment Property Revaluation (Gain)	-	(20)
Investment Property (Gain) on Sale	(105)	-
NET CASH (APPLIED TO)/ PROVIDED FROM OPERATING ACTIVITIES	(127)	2,790

University of Canterbury Trust Funds

Notes to the Financial Statements (continued)

31 December 2018

4 Property, Plant and Equipment

Endowment lands have been independently valued by CBRE in accordance with New Zealand Institute of Valuers asset valuation standards. The revaluation is as at 31 December 2018 and has shown a small decrease in comparison with the existing valuation. This is a result of changes in land use and current market values and rental rates. The reduction in the valuation by \$400,000 has been deducted from the revaluation reserve in accordance with the UC Trust Fund's accounting policy - see note 8.

The Forests asset was revalued as at 31 December 2016 and is stated at net current value as determined by Owen Springfield, who is a NZIF Registered Forestry Consultant, in accordance with NZ Institute of Forestry Guidelines for Forest Valuations. The asset will be due for revaluation again in 2021.

	<i>Cost/</i> <i>Valuation</i>	<i>Accum</i>	<i>Net Book</i>	<i>Cost/</i> <i>Valuation</i>	<i>Accum</i>	<i>Net Book</i>
	<i>Dec-18</i>	<i>Depn</i>	<i>Value</i>	<i>Dec-17</i>	<i>Depn</i>	<i>Value</i>
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Land	5,270	-	5,270	5,670	-	5,670
Forests	451	-	451	451	-	451
Equipment	6	(6)	0	6	(5)	1
	5,727	(6)	5,721	6,127	(5)	6,122
			31-Dec-18			31-Dec-17
			\$000			\$000

5 Investment Property

The Investment Property (112 Waimairi Road, Christchurch) was purchased on the open market in April 2015. The asset was revalued in the prior year by CBRE and was sold during the reporting period realising a gain of \$0.105 million.

Opening Balance 1 January	670	650
Disposals	(670)	-
Change in market value	-	20
Closing Balance 31 December	-	670

6 Investments

Multi Asset	21,274	20,682
Fixed Interest	32,839	36,938
Shares	60,348	57,584
	114,461	115,204

All investments are stated at fair value using market value at 31 December.

7 Trusts Equity

Balance at Beginning of Reporting Period	116,389	108,720
Net (Deficit)/ Surplus	(3,165)	7,669
Balance at End of Reporting Period	113,224	116,389

8 Revaluation Reserves

Balance as at 1 January	6,054	6,054
Revaluations - land	(400)	-
Balance as at 31 December	5,654	6,054
Revaluation Reserve - Land	5,203	5,603
Revaluation Reserve - Forests	451	451
	5,654	6,054

University of Canterbury Trust Funds

Notes to the Financial Statements (continued)

<i>31 December 2018</i>	<i>31-Dec-18</i>	<i>31-Dec-17</i>
	<i>\$000</i>	<i>\$000</i>

9 Major Trust Balances

Erskine Trust	58,835	60,609
Endowment Trust	20,911	21,899
Lord Rutherford Memorial Fellowship	3,504	3,537
Judith Pownall Bequest	3,146	3,196
Roper Scholarship	2,205	2,331
Sims Empire Scholarship	2,033	2,054
Mason Trust	1,897	1,937
Ethel R. Overton Scholarship	1,642	1,689
Bickerton-Widdowson Memorial	1,301	1,373
Nelson Science Scholarship	1,281	1,308

10 Distribution

The distribution policy, as per the Statement of Investment Policy and Objectives (SIPO), is to distribute approximately 4.5% annually, in proportion to the interim closing balances of each trust, to the operating accounts of the individual trusts. The difference between the actual annual return and 4.5% is to be applied to inflation proofing the capital base and for capital growth. For the reporting period, the investment activity returned a loss of (\$0.002) million to be distributed across the individual Trust Funds. This represents (0.001)% of the total average capital (2017 10.27%).

The total distribution (drawn from)/ allocated to eligible University of Canterbury Trust Fund entities was:

(2)	10,813
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11 Commitments and Contingent Liabilities

At the reporting date, The University of Canterbury Trust Funds hold no drawdown commitments (2017 \$nil) with partnership private equity investment vehicles.

Calls on capital that were made during the period to 31 December is as follows:

Pioneer Capital	1,221	399
Continuity Capital Partners	780	595
Pencarrow Private Equity	560	780
Direct Capital	380	1,140
Movac	202	265

12 Subsequent Events

There are no events occurring subsequent to the reporting date that required disclosure in the financial statements.

13 Related Parties

The University of Canterbury administers the Trust Funds as Trustee of the University of Canterbury Trust Funds. Since the University of Canterbury Trust Funds do not operate a separate bank account, all payments and receipts are transacted through the University of Canterbury accounts and then recharged. These transactions include: donations, investment management fees, prizes and scholarships. The total amount of these transactions during the reporting period was \$0.358 million cash provided from the University of Canterbury (2017 \$0.293 million cash applied to the University of Canterbury). The balance due to the University of Canterbury at the balance sheet date was \$0.239 million (2017 \$0.119 million payable by the University of Canterbury). The balance is interest free and repayable on demand.

During the 2009 year the University of Canterbury Trust Funds invested NZ \$2 million with the University of Canterbury Philanthropic Bond. The terms of the Bond issue constitute a 10 year Unsubordinated Unsecured Bond at an interest rate of 7.25% per annum fixed for 5 years; reset for a further 5 years at a 1.75% pa margin over the then prevailing 5 year swap rate. The rate was reset on 15 December 2014 to 5.77% for the next 5 years in line with the initial bond issue terms. The University of Canterbury intends to fully redeem its Philanthropic Bond in 2019.

The Investment Property (112 Waimairi Road, Christchurch) was sold during the reporting period to the University of Canterbury, realising a gain of \$0.105 million.

University of Canterbury Trust Funds

Notes to the Financial Statements (continued)

<i>31 December 2018</i>	<i>31-Dec-18</i>	<i>31-Dec-17</i>
	<i>\$000</i>	<i>\$000</i>
14 Cash and Cash Equivalents		
NZD Cash	541	2,131
AUD Cash	8	9
International Cash	<u>202</u>	<u>190</u>
	<u><u>751</u></u>	<u><u>2,330</u></u>

Cash and cash equivalents include cash in hand and deposits held on call with banks that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

15 Categories of Financial Assets and Financial Liabilities

Financial assets

<i>Financial assets at fair value through surplus or deficit</i>		
Investments	114,461	115,204
Loans and receivables		
Cash and cash equivalents	751	2,330
Loans and borrowings	-	119
Receivables from exchange transactions	<u>468</u>	<u>323</u>
	<u><u>115,680</u></u>	<u><u>117,976</u></u>

Financial liabilities

<i>At amortised cost</i>		
Trade and other creditors	98	44
Loans and borrowings	<u>239</u>	<u>-</u>
	<u><u>337</u></u>	<u><u>44</u></u>

16 Rental Income and Funds Received in Advance

A tenant of one of the endowment properties made a once only rental payment of \$3.115M to the University of Canterbury Trust Funds in 2017 as part of the renewal of the 33 year lease term which commenced 1 March 2009.

Current Liability	94	94
Non Current Liability	<u>2,092</u>	<u>2,187</u>
	<u><u>2,186</u></u>	<u><u>2,281</u></u>

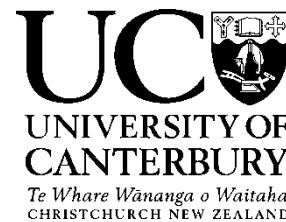
The substance of the arrangement is to settle previous lengthy disputes over a lease that expired in February 2006 and provide a right of renewal for the rental period of 33 years, for which full and final consideration of \$3.115 million was paid to the University of Canterbury Trust Funds in 2017. The negotiations were lengthy and were concluded in April 2017, with no provision for or expectation of any payment to be made at any time prior to the arrangement being signed by both parties.

The payment has been allocated to the rental period commencing 1 March 2009, and will be spread over the life of the lease period on a straight-line basis. Accordingly, the University of Canterbury Trust Funds have recognised \$0.094M rental income in the year ended 31 December 2018 (2017 \$0.834M), with \$2.186M being deferred to future rental periods. This is in addition to the normal ongoing rental income from endowment lands.

Memorandum | Pukapuka

Financial Services | Te Ratonga Ahumoni

Office: Room 609, Matariki
Extension: 93454
Email: keith.longden@canterbury.ac.nz



To:	Ki:	Council
From:	Nā:	Keith Longden and Jeff Field
Date:	Rā:	22 May 2019
Subject:	Kaupapa:	UC Trust Funds Financial Statements 31 December 2018 – management representations to Council
Purpose:	Aronga:	Back to back support for the corresponding representations

These written representations are provided to Council to provide back to back support for the corresponding representations from Council to Grant Thornton in connection with Grant Thornton's audit of the financial statements of University of Canterbury Trust Funds as at 31 December 2018 for the purpose of their expressing an opinion as to whether, in accordance with the External Reporting Board's ("XRB") reporting requirements, the financial statements present fairly, in all material respects, the financial performance for the year then ended and the financial position as at that date.

We confirm to the best of our knowledge and belief, and having made appropriate enquiries of UC employees and officials of the Trust, the following representations:

Financial Statements

- Responsibility for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework. The Department of Internal Affairs granted the Trust an exemption on 9 December 2016 so that the financial statements can continue to be reported on a consolidated basis as per previous years. As such we confirm that the consolidated financial statements of the University of Canterbury Trust Funds have not been prepared in accordance with generally accepted accounting practice in New Zealand ("NZ GAAP"), and they do not comply with Not For Profit Public Benefit Entity International Public Sector Accounting Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board, in so far that they do not comply with PBE IPSAS (NFP) 6 Consolidated and separate financial statements ("PBE IPSAS (NFP) 6"). We have disclosed to you our known non-compliance with PBE IPSAS (NFP) 6 Consolidation and Separate Financial Statements and confirm that this has been adequately disclosed in the Financial Statements.
- The exemption granted by the Department of Internal Affairs dated 9 December 2016 enables the University of Canterbury Trust Funds to submit consolidated financial statements that are non-compliant with Generally Accepted Accounting Practice in New Zealand to the Charities Commission.
- All account balances have been measured and disclosed in accordance with the Trusts' accounting policies as set out within the financial statements.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and have been disclosed to you.
- Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements in accordance with the requirements of the applicable financial reporting framework.

- All events subsequent to the date of the financial statements which require adjustment or disclosure have been adjusted or disclosed.
- Prior to approving the financial statements we reviewed, agreed and adjusted for the misstatement detailed in Appendix A.

Basis of Preparation

- The Trust has adequate resources to continue operations for the foreseeable future. For this reason the Trustees continue to adopt the going concern assumption in preparing the financial statements for the year ended 31 December 2018. We have reached this conclusion after making enquiries and having regard to circumstances which we consider likely to affect the Trust during the period of one year from the date of signing the financial statements, and to circumstances which we know will occur after that date which could affect the validity of the going concern assumption.
- The financial statements disclose all of the matters of which we are aware that are relevant to the Trust ability to continue as a going concern, including all significant conditions and events, mitigating factors and the Trust's plans. The Trust has the intent and ability to take actions necessary to continue as a going concern. We have made available to you all relevant information on the Trust's ability to continue as a going concern that could affect the financial statements, including the recoverability or classification of recorded assets or the amounts and classification of liabilities. Accordingly, the Trust's financial statements are appropriately prepared on a going concern basis.

Information Provided

- We have provided the auditor with:
 - access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters including minutes of all meetings;
 - any additional information that the auditors have requested from us for the purpose of the audit; and
 - unrestricted access to persons within the Trust from whom you determined it necessary to obtain audit evidence
- We have maintained an internal control structure sufficient to produce reliable accounting records.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- Responsibility for the design and implementation of internal control systems to prevent and detect fraud.
- We have disclosed to the auditor the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud and we believe there to be no significant risk.
- We have disclosed to the auditor all information in relation to fraud or suspected fraud (including allegation of fraud or misstatement communicated by employees, former employees, analysts, regulators or others) that we are aware of and that affects the Trust's financial statements and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements
- We have disclosed to the auditor all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- We have made the auditor aware of any significant plans or intentions which may affect the financial statements.
- We have disclosed to the auditor the identity of the Trust's related parties and all the related party relationships and transactions of which we are aware.
- We will provide the final version of the documents determined to comprise the annual report to the auditors when available, and prior to its issuance by the entity.

- We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
- All known liabilities of the Trust at balance date were included in the financial records and no further liabilities of a material amount have since come to our knowledge.
- We have reviewed the net carrying amount of fixed assets to ensure that they are not stated at amounts in excess of their recoverable amount.
- We have recorded or disclosed all liabilities both actual and contingent, all capital commitments and have disclosed in the notes to the financial statements all guarantees and off-balance sheet arrangements involving third parties.
- We confirm that complete and appropriate disclosure has been made regarding fair values.
- No events, other than those disclosed in the financial report, have occurred subsequent to the balance sheet date or are pending that would require adjustment to, or disclosure in, the financial report or amendments to significant assumptions used in the preparation of the accounting estimates.

Specific Representations:

- We confirm that the Trust has title of all the land properties included in the Consolidated Statement of Financial Position.
- We confirm that the valuation of the endowment land reflects the fair value at balance date and that the assumptions used in the valuation are materially accurate and complete.

Ngā mihi,

Jeff Field
University Registrar | Pouroki

Keith Longden
Executive Director/ Chief Financial Officer |
Kaihautū Matua Ahumoni

Appendix A – Misstatements Adjusted during the period

To ensure adequate disclosure of related parties to recognise the sale of the investment property located at 112 Waimairi Road back to the University of Canterbury during the year.

There were no unadjusted misstatements which arose during our audit.

Independent Auditor's Report

Audit

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To the University Council acting as Trustee of the University of Canterbury Trust Funds

Report on the Audit of the Consolidated Financial Statements

Adverse Opinion

We have audited the consolidated financial statements of the University of Canterbury Trust Funds on pages 2 to 13 which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of comprehensive revenue and expense, consolidated statement of movements in trust capital and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, and as set out in the Statement of Compliance, while the consolidated financial statements on pages 2 to 13 have been prepared consistent with prior years, because of the significance of the two matters discussed in the *Basis for Adverse Opinion* section of our report, the accompanying financial statements on pages 2 to 13 do not present fairly the consolidated financial position of the University of Canterbury Trust Funds as at 31 December 2018 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Not For Profit Public Benefit Entity International Public Sector Accounting Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for Adverse Opinion

Compliance with PBE IPSAS (NFP) 6: Consolidated and separate financial statements

As explained in the Statement of Compliance, changes to the Charities Act 2005 ("the Act") require the University of Canterbury Trust Funds to comply with generally accepted accounting practice in New Zealand ("NZ GAAP") in preparing financial statements for the year ended 31 December 2018. Application of NZ GAAP would have meant the production of a set of individual financial statements for each of the individual underlying trusts. However, on application, the Department of Internal Affairs Charities Services has exempted the University of Canterbury Trust Funds from preparing separate financial statements on the basis of economy and efficiency in the use of trust funds, consistent with

section 3 of the Act. Accordingly, the University of Canterbury Trust Funds has continued to prepare consolidated financial statements, consistent with prior years. However, this preparation is not in accordance with generally accepted accounting practice in New Zealand (“NZ GAAP”) and they do not comply with Not For Profit Public Benefit Entity International Public Sector Accounting Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board, in so far that they do not comply with PBE IPSAS (NFP) 6 *Consolidated and separate financial statements*.

The effects on the financial statements of consolidating the Trusts not controlled by the Trust have not been determined.

Endowment Land

As outlined in the Statement of Accounting Policies, the University of Canterbury Trust Funds holds Endowment Lands, and the Trust’s policy is to have these revalued by an independent registered valuer at least every five years. The Endowment Land did not reflect its fair value at 31 December 2017 given that the Trust has been involved in extensive and drawn out mediation and negotiation with their lessees on the value of rental payments, with each case being dealt with individually. Prior to 31 December 2018, the last independent valuation was performed at 31 December 2008.

We have not been able to obtain sufficient appropriate audit evidence to assess the impact of the change in the fair value of Endowment Lands of \$400,000 recorded in the Consolidated Statement of Comprehensive Revenue and Expense, arising solely from a change in the fair value during the reporting period ended 31 December 2018.

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the University of Canterbury Trust Funds in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion

Other than in our capacity as auditor we have no relationship with, or interests in, the University of Canterbury Trust Funds.

Other Information

The trustee is responsible for the other information. The other information obtained at the date of this auditor’s report is information included in the annual report report, but does not include the consolidated financial statements and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The University Council's Responsibility for the Consolidated Financial Statements

The University Council acts as trustee for the University of Canterbury Trust Funds and so is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Not For Profit Public Benefit Entities International Public Sector Accounting Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board, and for such internal control as those charged with governance determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, those charged with governance are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the External Reporting Board's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-7/>

Restriction on use of our report

This report is made solely to the University Council acting as a trustee for the University of Canterbury Trust Funds. Our audit work has been undertaken so that we might state to the University Council those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University Council acting as trustee for the University of Canterbury Trust Funds, for our audit work, for this report or for the opinion we have formed.

**Grant Thornton New Zealand Audit Partnership
Christchurch, New Zealand**

29 May 2019



Grant Thornton

An instinct for growth™

To the Board of Trustees
University of Canterbury Trust Funds
Private Bag 4800
Christchurch 8140

Audit

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29 May 2019

Dear Trustees

University of Canterbury Trust Funds – Audit Management Letter for the year ended 31 December 2018

In accordance with our engagement letter dated 30 January 2019 we confirm we have completed our audit of University of Canterbury Trust Funds for the year ended 31 December 2018.

This letter sets out the matters noted and conclusions reached by Grant Thornton during the course of the audit. We have discussed its contents with Pauline Stephens in order to ensure it is factually accurate.

Significant financial reporting matters

We set out below certain matters which came to our attention during the course of the audit.

Compliance with PBE IPSAS (NFP) 6: Consolidated and Separate financial statements

Consistent with prior year, the financial statements of the University of Canterbury Trust Funds have been prepared in accordance with generally accepted accounting practice New Zealand (“NZ GAAP”) and comply with Not For Profit Public Benefit Entities International Public Sector Accounting Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board, with the exception of *PBE IPSAS (NFP) 6: Consolidated and Separate financial statements*.

The University of Canterbury Trust Funds have presented the consolidated financial statements of the underlying Trusts that have pooled their investments into a single managed investment fund. PBE IPSAS (NFP) 6 only permits consolidation of results where there is a controlling entity which has control of other entities, where control is defined as the power to govern the financial and operating policies of another entity so as to benefit from its activities. There is no such controlling entity in the Trust Funds.

While the preparation of consolidated financial statements has been the practice of the Trust Funds for some years, the legislation of the Charities Act 2005 was amended to require financial

reporting to the Charities Commission to be in compliance with NZ GAAP from the year ended 31 December 2016 onwards. The initial assessment by the Charities Commission was that this would require the preparation of separate financial statements for each of the 160 individual Trusts. In December 2016, the UCTF applied for, and were granted, exemption from this requirement by the Department of Internal Affairs on the basis that this would be consistent with the purposes of the Charities Act 2005 to encourage and promote the effective use of charitable use of charitable resources. As a result UCTF continues to prepare consolidated financial statements, however these are non-compliant with NZ GAAP.

The implication of this on our audit opinion has been reviewed by our technical team, and given the non-compliance with NZ GAAP, this is considered both material and pervasive. As such, an adverse audit opinion will be issued.

Endowment Land Valuations

As outlined in the Statement of Accounting Policies, the University of Canterbury Trust Funds holds Endowment Lands, and the Trust's policy is to have these revalued by an independent registered valuer at least every five years. The Endowment Land did not reflect its fair value at 31 December 2017 given that the Trust has been involved in extensive and drawn out mediation and negotiation with their lessees on the value of rental payments, with each case being dealt with individually. Prior to 31 December 2018, the last independent valuation was performed at 31 December 2008.

The Trust engaged CBRE to value the endowment land in the current year which resulted in a change in fair value of \$400,000. We have not been able to obtain sufficient appropriate audit evidence to assess the impact of the change in the fair value of Endowment Lands of \$400,000 recorded in the Consolidated Statement of Comprehensive Revenue and Expense, arising solely from a change in the fair value during the reporting period ended 31 December 2018. As such, an adverse audit opinion has been issued to address the two above-mentioned findings.

PBE IPSAS 35 Consolidation:

We note that a new PBE IPSAS standard has taken affect for the 2019 financial year, being 'PBE IPSAS 35 Consolidated Financial Statements'. This standard is expected to result in the University of Canterbury consolidating all of the 160 individual trusts. As such, no separate audit opinion is expected in 2019 as the ultimate Trustee will be the University of Canterbury.

Control observations and recommendations

Due to the nature of the Trust Funds, as well as the inherent control limitations, our audit approach focused predominantly on detailed substantive testing as opposed to relying on the validation of the operation of internal controls. We did however obtain an understanding of, and evaluate the control environment.

We note that in planning and performing our audit, we considered internal controls in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements.

The purpose of our consideration of internal controls is not to provide assurance in its own right over internal controls, and therefore, our consideration of internal control would not necessarily disclose all matters in relation to internal controls that a more detailed special examination might reveal.

Based on the audit procedures undertaken, we note the following Control which would be implemented in order to improve the control environment:

Review of Internal Control Reports – Deficiency

Based on our understanding of the control environment of University of Canterbury Trust Funds we note that there is no specific review of the Internal Control Reports of Trustees Executors Limited. While we note that the Trust Funds rely on Eriksens Global to manage the investments based on a Statement of Investment Policies and Objectives as issued by the board, we also note that Trustee Executors Limited issue a 6-monthly Controls Report which they then have audited.

We therefore recommend that as an additional control over the investment valuation process, Trust Funds obtain and review these periodic internal control reports on a regular basis as this provides added assurance that there have been no issues with the design effectiveness of Trustees Executors Limited's investments processes which may affect the valuation of investments from the University of Canterbury Trust Funds' perspective. We do not consider this matter to be a significant control deficiency.

SIPO Breach - Deficiency

During our SIPO review within our Investments testing, we identified one breach with regards to the Milford investment within the Trans-Tasman Equities category. We note that this one investment holding was outside of its maximum individual range by 0.06%. Whilst this is not a significant breach, we have raised and brought this to management's attention given this audit finding. We suggest going forward that the SIPO is adhered to for all investments in which the Trust holds with their investment advisor, Trustee Executors Limited.

Summary of corrected and uncorrected misstatements

We have formally communicated a related party disclosure misstatement in relation to the sale of 112 Waimairi Road, to the University of Canterbury. While this has been appropriately included within the financial statements, we consider this to be a significant deficiency and would recommend that management ensure that the related party disclosures are complete and compliant with the necessary accounting framework.

No other misstatements were noted during our audit procedures, either corrected or uncorrected.

Required communications

As auditors we believe it to be best practice that we communicate certain matters to those charged with the governance. These are set out in Appendix A.

We would like to take this opportunity to thank Pauline Stephens, Adrian Hayes and the Trustees for the co-operation and assistance afforded to us during the course of our audit.

Yours faithfully

Grant Thornton New Zealand Audit Partnership

Michael Stewart
Partner
T (03) 379 9580
E Michael.Stewart@nz.gt.com

Appendix A – Communicating with Those Charged with Governance

In compliance with auditing standards there are certain statements of acknowledgement that should now be highlighted on an annual basis. These can be summarised as:

Matter to be communicated	Comments
Significant accounting policies adopted or changed	No changes to, or new, significant accounting policies adopted during the year.
Management judgements and estimates	Key judgements were required in relation to the valuation of investments by Trustee Executors Limited. Key judgements were also required in determining the fair value of the Endowment Land.
Adjusted and unadjusted audit misstatements	Other than a related party disclosure misstatement as outlined above, no other misstatements have been identified from our audit work performed.
Disagreements with management	There have been no disagreements with management during the audit.
Any instances of fraud or non-compliance with legislative, regulatory or contractual requirements	No instances of fraud or non-compliance were detected during the audit other than with regard to the consolidation, as noted above.
Matters affecting the governance of the committee	No additional matters were identified that affected the governance of the Trust Board.
Type of audit opinion	As discussed above, we will issue an adverse audit opinion.

Significant deficiencies in internal control systems	No such significant deficiencies noted.
Non audit fees and our independence	Grant Thornton has not conducted any other services on behalf of University of Canterbury Trust Funds.

DRAFT

Grant Thornton
L3, Grant Thornton House
134 Oxford Terrace
Christchurch

Attention: Michael Stewart

29 May 2019

Dear Partner

Trustee's Representation Letter

This representation letter is provided in connection with your audit of the financial statements of University of Canterbury Trust Funds (the "Trust") for the year ended 31 December 2018 for the purpose of expressing your opinion as to whether the financial statements comply with the External Reporting Board's ("XBR") reporting requirements to present fairly the financial position of the Trust as at 31 December 2018 and of the results of its operations and its cash flows for the year then ended.

We confirm, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves, that:

Financial Statements

- We acknowledge our responsibility for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework. We confirm that the Department of Internal Affairs granted the Trust an exemption on 9 December 2016 so that the financial statements can continue to be reported on a consolidated basis as per previous years. As such we confirm that the consolidated financial statements of the University of Canterbury Trust Funds have not been prepared in accordance with generally accepted accounting practice in New Zealand ("NZ GAAP"), and they do not comply with Not For Profit Public Benefit Entity International Public Sector Accounting Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board, in so far that they do not comply with PBE IPSAS (NFP) 6 Consolidated and separate financial statements ("PBE IPSAS (NFP) 6"). We have disclosed to you our known non-compliance with PBE IPSAS (NFP) 6 Consolidation and Separate Financial Statements and confirm that this has been adequately disclosed in the Financial Statements.
- We confirm that the exemption granted by the Department of Internal Affairs dated 9 December 2016 enables the University of Canterbury Trust Funds to submit consolidated financial statements that are non-compliant with Generally Accepted Accounting Practice in New Zealand to the Charities Commission.
- All account balances have been measured and disclosed in accordance with the Trusts' accounting policies as set out within the financial statements.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and have been disclosed to you.
- Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements in accordance with the requirements of the applicable financial reporting framework.

- All events subsequent to the date of the financial statements which require adjustment or disclosure have been adjusted or disclosed.
- We confirm that prior to approving the financial statements we reviewed, agreed and adjusted for the misstatement detailed in Appendix A.

Basis of Preparation

- The Trust has adequate resources to continue operations for the foreseeable future. For this reason the Trustee continues to adopt the going concern assumption in preparing the financial statements for the year ended 31 December 2018. We have reached this conclusion after making enquiries and having regard to circumstances which we consider likely to affect the Trust during the period of one year from the date of signing the financial statements, and to circumstances which we know will occur after that date which could affect the validity of the going concern assumption.
- The financial statements disclose all of the matters of which we are aware that are relevant to the Trust ability to continue as a going concern, including all significant conditions and events, mitigating factors and the Trust's plans. The Trust has the intent and ability to take actions necessary to continue as a going concern. We have made available to you all relevant information on the Trust's ability to continue as a going concern that could affect the financial statements, including the recoverability or classification of recorded assets or the amounts and classification of liabilities. Accordingly, the Trust's financial statements are appropriately prepared on a going concern basis.

Information Provided

- We have provided you with:
 - access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters including minutes of all meetings;
 - any additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to persons within the Trust from whom you determined it necessary to obtain audit evidence
- We have maintained an internal control structure sufficient to produce reliable accounting records.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We acknowledge our responsibility for the design and implementation of internal control systems to prevent and detect fraud.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud and we believe there to be no significant risk.
- We have disclosed to you all information in relation to fraud or suspected fraud (including allegation of fraud or misstatement communicated by employees, former employees, analysts, regulators or others) that we are aware of and that affects the Trust's financial statements and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- We have made you aware of any significant plans or intentions which may affect the financial statements.
- We have disclosed to you the identity of the Trust's related parties and all the related party relationships and transactions of which we are aware.

- We will provide the final version of the documents determined to comprise the annual report to the auditors when available, and prior to its issuance by the entity.
- We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
- All known liabilities of the Trust at balance date were included in the financial records and no further liabilities of a material amount have since come to our knowledge.
- We have reviewed the net carrying amount of fixed assets to ensure that they are not stated at amounts in excess of their recoverable amount.
- We have recorded or disclosed all liabilities both actual and contingent, all capital commitments and have disclosed in the notes to the financial statements all guarantees and off-balance sheet arrangements involving third parties.
- We confirm that complete and appropriate disclosure has been made regarding fair values.
- No events, other than those disclosed in the financial report, have occurred subsequent to the balance sheet date or are pending that would require adjustment to, or disclosure in, the financial report or amendments to significant assumptions used in the preparation of the accounting estimates.

Specific Representations:

- We confirm that the Trust have title of all the land properties included in the Consolidated Statement of Financial Position.
- We confirm that the valuation of the endowment land reflects the fair value at balance date and that the assumptions used in the valuation are materially accurate and complete.

For and on behalf of the Trustee, the University of Canterbury:

Council Member

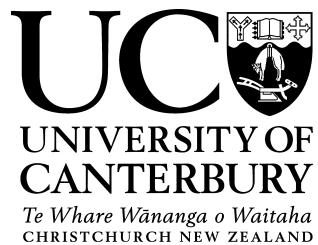
Council Member

Appendix A – Misstatement Adjusted during the period

To ensure adequate disclosure of related parties to recognise the sale of the investment property located at 112 Waimairi Road back to the University of Canterbury during the year.

There were no unadjusted misstatements which arose during our audit.

Audit and Risk Report



To:	Audit and Risk Committee of UC Council
From:	Steve Hunter – Health, Safety and Wellbeing Manager
Date:	May 2019
Subject	Health, Safety and Wellbeing at UC

Introduction

The intent of this May 2019 report is to provide assurance to Council that satisfactory arrangements are in place for managing Health, Safety and Wellbeing risk across the University of Canterbury.

Summary

This report is briefer than the March report as they are only a few weeks apart. Since that March report, UC has experienced no serious harm events, serious injuries or notifiable events to WorkSafe. Our main reported events remain slips and trips. All events are continuously reviewed by relevant managers, health and safety representatives and the Health and Safety team.

We continue to focus on the following identified key features common to organisations who have improved health, safety, wellbeing, resilience and engagement:

- Visible senior leadership
- Board level or equivalent engagement
- Accountable managers throughout the organisation
- Enabling engagement with staff and students
- Attention to both mental and physical health improvements
- Empowering employees and students to care for their own health
- Evaluation to ensure continuous improvement

Following the tragic recent Christchurch Mosque event, the mood around campus appears to be a mixture of flatness and positivity. The more localised recent sad death of a student has affected several students and staff members who were directly involved with the student and the actual event. They are receiving ongoing support.

The wellbeing of all our people is a key component for health and safety throughout 2019.

Recommendation

That the Committee refers the Health and Safety Report to Council for noting.

Report

Content:

- 1. Legislative/Worksafe Updates**
- 2. Assessments**
- 3. Health and Safety Team Update**
- 4. Health Monitoring**
- 5. Training**
- 6. Governance Tracking and Reporting**
- 7. Annual (2018) ACC Report**
- 8. Construction/Refurbishment Contractors Update**
- 9. UC Statistics**

1. Legislative/WorkSafe Updates

Worksafe News:

- *Hazardous Substance update April 2019 includes new rules for class 6 (toxic) and 8 (corrosive) substances requiring an established hazardous substance location (HSL).*

Legislative incidents (For information only)

- *12 April 2019 - A structural steelwork company was fined \$250,000 yesterday after a heavy steel beam fatally injured a worker.
Pegasus Engineering Limited was sentenced at the Christchurch District Court yesterday following the fatal incident in June 2017 in Rolleston. A WorkSafe investigation found they did not carry out an effective risk assessment, and Pegasus did not consider there was a substantial risk of the beams falling over.*
- *Organic Solvents alert. In two separate events, two workers fell unconscious and later died as a likely result of acute exposure to organic solvents.
One incident occurred when a worker was applying a UV treatment to windows. The other incident occurred when a worker was applying adhesive while carpet-laying. Both the UV treatment and adhesive contained organic solvents.
These incidents highlight the risks for workers (and others) when effective controls are not in place and safety procedures are not followed when working with organic solvents in enclosed spaces with poor ventilation and lack of personal protective equipment.*

2. Assessments

The Health, Safety and Wellbeing team undertook an internal assessment of the School of Biology Sciences, focussing on quality management systems for PC2 laboratories in preparation for upcoming MPI audits.

WorkSafe SafePlus Assessments Planned for completion by November 2019:

- Chemistry
- Physics
- Fine Arts
- Forestry

The first of our 2019 workshops introducing SafePlus was well attended. (See photo below). The object of these meetings are to collaboratively introduce this relatively new assessment tool to those departments/colleges involved.



Following 2019 SafePlus assessments, data will be collated with 2018 assessments in order to determine any trends.

Machinery Assessments Planned for completion by November 2019:

- Civil and Natural Resource Engineering
- Mechanical Engineering
- Chemistry, Physics and Astronomy

External and internal audits of construction/refurbishment projects are ongoing throughout the year.

3. Health and Safety Team Update

Our current UC hazardous substance receiving, storage and delivery project is progressing well. The removal and relocation of this activity from the Warehouse is a high priority. Appropriate rooms including an office have been identified in the ground floor of the West Building. A combined business case is underway for a resource to operate this facility along with a compliant hazardous substance vehicle for delivering such substances throughout campus and relevant field stations.

Other non-compliant hazardous storage facilities throughout campus (as identified by consultants QEC) are being brought up to compliance levels with assistance from Elizabeth Harwood, a ChemSafety compliance hazardous substances expert. Elizabeth has carried out an initial visit to several areas identified by QEC. A further meeting is planned for mid-May along with appropriate staff members in order to expedite a way forward in becoming fully compliant. UC has already made good progress with this compliance process by providing information such as fire ratings of buildings, signage and firefighting media (extinguishers etc.) in readiness for submitting to QEC and WorkSafe (should they request a progress report). The Health and Safety team are liaising with Facilities Services for evidential reports which include electrical inspections. A UC Hazardous Substance Steering Group continues to meet every two weeks for regular updates and discussion on this high priority matter.

Key Health, Safety and Wellbeing projects for 2019 include:

- Staff Wellbeing strategy
- Field Trip protocol
- Lone Worker policy
- Laser protocol

Lift Drop Event West Building Update:

- On April 5 2019, elevator lift carriage 6 situated in the West Building dropped in two stages from the eighth floor to the seventh floor. One staff member was inside the lift and received minor injuries to their lower back. Since this event it has been confirmed that the lift is maintained regularly as part of an overall programme, was inspected thoroughly after the incident without any cause being identified and has operating without reported incident since. This investigation is now closed.

4. Health Monitoring

Health Monitoring programmed to take place June to September 2019 includes spirometry (measuring lung capacity), skin checks and hearing.

A revised Health Monitoring Protocol in line with Health Monitoring under the Health and Safety at Risk (General Risk and Workplace Management) Regulations is undergoing final review. This revised protocol includes the focus on a manager's responsibility to identify activities carried out in their particular area along with any potential risk to health.

Where identified, Environmental monitoring will take place to determine the level of risk people are *actually* exposed to, rather than their *perceived risk*.

5. Training

The following training has taken place to date 2019:

- Health and Safety Representative Training (HSR)
- Fire Extinguisher and Evacuation
- First Aid
- Risk Management
- Field Activities

6. Governance Tracking and Reporting

A recent Council tour of UC Product Design College was extremely well attended, providing clear evidence that a good safety culture exists at governance level. (See photo below)



Observations of the effectiveness of UC Health and Safety Governance and supporting management systems include:

- Council Safety walkabouts. These are helpful in raising culture from ground level upwards and are well received. Council conversations with students and staff display a healthy supportive culture and commitment to Health, Safety and Wellbeing;
- Quarterly and annual Health and Safety reports are studied by Council and any questions/issues raised are fed back to the Human Resource Director and if required, the Health and Safety Manager for further comments/direction;
- Council and SMT support of a dedicated Health and Safety team with associated members (Health and Safety Representatives etc.) along with regular well-attended Health and Safety Committee meetings shows commitment towards maintaining compliance and developing culture;
- Health and Safety systems and procedures are under constant review;
- Incidents/Events/Occurrences are recorded within RMSS. Investigations are carried out where required with agreed corrective actions with reports distributed to appropriate staff. When correctly reported, trends discovered at the earliest opportunity reduce our lagging performance indicators;
- External Audits/Assessments take place throughout the year and provide the University with unbiased reports and actions on any gaps indicated;
- Numerous Health and Safety procedures within UC will benefit from a more consistent approach between areas. This is under constant review;
- UC shares Health and Safety learnings with other universities and beyond, by way of regular attendance at National Human Resources, National Health and Safety Manager Meetings, IOSH (Institute of Occupational Safety and health) Conferences and AUSA (Australasian Universities Safety Association) attendance

- Success is celebrated with posts in community newsletters, annual Health, Safety and Wellbeing Awards and a personal email from the Health and Safety Manager.
- UC-wide monthly relevant statistics from RMSS, are shared throughout all Health and Safety Committee meetings. This will assist with identifying trends and keep the community informed of reported events.

7. Annual (2018) ACC Report

The University of Canterbury continued to track well within national tertiary education statistics in the number of weekly compensation claims throughout 2018.

Weekly Compensation Claims and Benchmark

Levy Year	Levy Risk Group	Benchmark / Employer	Weekly Comp Claim Count	Weekly Comp Claims Per \$1M Liable Earnings	Cost of Weekly Comp Claims Per \$10K Liable Earnings (\$)
2016	Tertiary education	Benchmark	85	0.03	3.10
		University of Canterbury	8	0.05	2.44
2017	Tertiary education	Benchmark	76	0.03	4.24
		University of Canterbury	2	0.01	6.72
2018	Tertiary education	Benchmark	75	0.03	3.13
		University of Canterbury	5	0.03	2.44

8. Construction/Refurbishment Contractor Update

Since the May report there have been no significant concerns within construction or refurbishment projects. These continue to perform well without any reported serious harm or notifiable events.

2019 Internal audits have taken place at Beatrice Tinsley and UCSA. The results of which showed no items of concern. These projects are well managed with good safety cultures.

All projects will continue to be audited internally and externally throughout the year.

9. UC Statistics

Lagging Performance Indicator Statistics

Note: Lagging Performance Indicators indicate the number of events which have already occurred, an indication of where you have been rather than where you are going.

Lagging Indicator statistics have not changed since the March meeting, so are not included in this report. Comparable periods to 2017/18 show little change and no areas of concern. We have had no notifiable events or investigations from WorkSafe. Near Miss reporting remains similar to previous periods and is a key focus for improvement.

Leading Performance Indicator Statistics (*Improving Leading Indicators significantly reduces Lagging Indicators*)

Note: Lead Indicators can be measured without an incident, accident or property damage occurring and are extremely useful in being able to predict or prevent future events. These are favourable statistics where an improvement of health and safety culture is desired.

Leading Performance Statistics (Jan – April)	2017	2018	2019
Council Safety Tours	1	2	1
External Audits (Commence May 2019)	5	3	0
SMT Safety Tours	N/A	0	2
Staff Training Sessions	14	9	9
Health, Safety and Wellbeing Committee Meetings	10	10	11
H&S Representatives	80	83	83
Safety Observations	1	11	7
Ergonomic Assessments (Online and physical)	40	53	64
Staff Receiving Health Monitoring (Commence June 2019)	0	0	0
Flu Vaccinations (Staff and Students)	986	1047	1092

To:	Audit and Risk Committee of UC Council
From:	Steve Hunter – Health, Safety and Wellbeing Manager
Date:	May 2019
Subject	Health, Safety and Wellbeing Charter Review

UC Council Health, Safety and Wellbeing Charter Review

Having referenced WorkSafe's Health and Safety Guide: Good Governance for Directors, I believe that the existing University of Canterbury Health, Safety and Wellbeing Charter (attached) is fit for purpose, and recommend its adoption by Council for a further year.

Recommendation:

That the Committee recommends the Health, Safety and Wellbeing Charter to Council for approval.

UC COUNCIL HEALTH, SAFETY AND WELLBEING CHARTER

As the governing body of the University, the University Council (Council) is ultimately responsible for the health, safety and wellbeing of all members of the University community (including students, staff, visitors and other individuals) whilst on campus and other places where they might be affected by the University's operations.

The Council is required to:

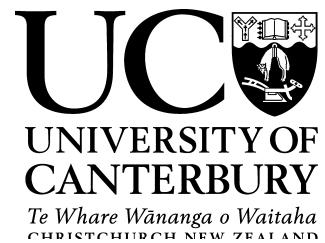
- Satisfy itself that the University has an appropriate Health, Safety and Wellbeing Policy, with effective processes and guidelines for implementation.
- Ensure that there is an effective mechanism for staff consultation on health, safety and wellbeing matters.
- Ensure that a University-level health, safety and wellbeing committee exists and meets regularly.
- Ensure that there are means for staff to appoint Health, Safety and Wellbeing Representatives, and enable these Representatives to discharge their duties.
- Receive regular reports from representatives of the Senior Management Team (SMT) and the Health, Safety and Wellbeing Committee.
- Be notified of any incidents carrying a major risk to health, safety and wellbeing, any enforcement action taken against the University and any response taken in relation to these.

In discharging these responsibilities, the Council is guided by the VC, Director of Human Resources, and the Health and Safety Manager.

The Council shall review this Charter annually.

Approved by Council: May 2018

**TE POARI AKORANGA
ACADEMIC BOARD**



**RECOMMENDATIONS TO THE COUNCIL
FROM A MEETING OF THE ACADEMIC BOARD
HELD ON FRIDAY 10 MAY 2019**

The Academic Board met on Friday 10 May 2019 and recommends:

- **That the Council note the report from the Academic Board**

Professor Ian Wright
Chair
Te Poari Akoranga – Academic Board
15 May 2019

UNIVERSITY OF CANTERBURY

REPORT OF THE ACADEMIC BOARD MEETING HELD ON

FRIDAY 10 MAY 2019

TE POARI AKORANGA

The Academic Board reports for information the following matters that have been considered since the April 2019 meeting of the Board:

MATTERS ARISING

The Chair reported that two new Deans' nominees have been appointed since the previous meetings; he welcomed Associate Professor Laurie McLay and Dr Chris North from the School of Health Sciences. He also noted that the new qualifications considered at the April meeting were approved by the subsequent meeting of Council and are now undergoing peer review scrutiny in the CUAP process.

The Vice-Chancellor updated members on a meeting which had recently taken place at UC with Fulbright New Zealand staff. UC participation in Fulbright opportunities was disappointingly low, despite the New Zealand government doubling its contribution to the funds in 2018. She encouraged staff and students to consider applying. Associate Professor Horton, US Ambassador's appointment to the Fulbright New Zealand Board, promoted the Scholar awards for PhD holders who want to teach in the US for three to six months. For staff who are US citizens wishing to take up an opportunity, there are some restrictions so he suggested contacting the Fulbright programme manager for more guidance. UC staff can also host a US fellow, which in the past has served as an attraction to other staff from Australasia to connect with UC. A member recommended the Bright Sparks Fulbright publication for more information.

A Member asked the status of the Ethics review. Further comments were welcome until 12 May.

BUSINESS FROM THE CHAIR

A request had been received from the Academic Quality Agency New Zealand for nominations for the Cycle 6 register of auditors and reviewers. Senior staff with expertise in learning and teaching and quality assurance were asked to contact the Secretary to express an interest.

The July meeting was likely to be scheduled from 1- 4pm to allow consideration of Round 2 CUAP proposals and further consideration of the Academic Strategy.

A1 REPORT FROM THE VICE-CHANCELLOR

The Vice-Chancellor thanked members for their work in the first term which had culminated in the graduation ceremonies. She was intending to continue to focus in Term 2 on the Academic Strategy and had already attended two sessions.

Questions and observations from the floor included:

- Was the intention of the new reporting system for harassment to report an individual or broader concerns around the university?

A staff forum would be held shortly to explain more, but it was intended as an informal way to raise concerns as evidence suggested that students in particular did not feel comfortable using the present formal reporting systems.

- What was the effect on UC's reputation following recent reports of a takeover at Navitas? The Chair responded that the new management were wanting to move away from a public company with a need to respond to short-term shareholder interests for high financial returns, to a private investment structure which would allow a longer term focus on a meaningful student experience, and sustainable student outcomes.

A member supported the suggestion in the Vice-Chancellor's written report that UC could do more to support opportunities with the University of the South Pacific.

Moved

That the Vice-Chancellor's report be received.

Carried

A2 REPORT FROM THE UCSA

The UCSA President said that the Executive and members of the postgraduate, international and equity and wellbeing advisory groups had recently met with the Vice-Chancellor to discuss the Academic Strategy. A student Vice-Chancellor's forum was to be held for the wider community. The UCSA is also actively contributing to a review of the methodology of the student services levy. Haere-roa is on target for opening in Term 3 with weekend bookings, starting with Re-Orientation, confirmed to the end of 2019.

Moved

That the UCSA report be received.

Carried

A3 COLLEGE OF SCIENCE REPORT

The Acting Dean of Arts highlighted two new courses - DATA416 and DATA419 – where there was possible overlap with courses taught in the College of Arts and asked for a month's postponement for further consultation. The proposers had requested feedback earlier in the year, and some discussions had taken place, however, this had not reached all staff concerned. DATA416: Societal impacts of AI has the potential to be of wide interest as a cross-College collaborative theme. A member questioned whether the existing titles accurately described the very technical content. Further conversations with interested staff would take place offline.

A4 INITIAL PRESENTATION ON PBRF

The Chair presented an initial high level interpretation of the results, noting that this was a funding mechanism and not a ranking exercise but that inevitably ranking tables would be produced. He was pleased that UC was third ranked (and nearly second equal) in the New Zealand research intensity measure, in a context where 34 bodies had submitted 7,000 evidence portfolios. This was an outstanding result given that the assessment period 2012-2017 covered the period immediately after the 2010-11 earthquakes when many staff were living and working in difficult disrupted conditions, some without labs or offices.

Some of the key points highlighted included:

- The results were particularly positive for new and emerging academic staff –the highest proportion in New Zealand - which indicated that UC is reinvigorating itself as a university;

- 605 portfolios were submitted by UC, 10 were rated R (compared to 36 in the previous round) so there is still room for improvement, however all Colleges have improved in quality over all;
- In ten areas, fewer than ten staff submitted portfolios so their results cannot be shared but would have improved UC's overall result further;
- In this round compared to the previous round, the gender balance was more evenly split and UC performed above the sector average for Māori and Pasifika research quality. There were fewer staff in the 60-plus age bracket due to the number of retirements, particularly from the Colleges of Arts and Science.

This positive increase in research excellence however did not reflect in more money for UC which was likely to experience a 14% decrease. The sector as a whole had changed dramatically since the previous round, as nationally there were considerably more academic staff submitting portfolios, so the same amount of money had to stretch further, and post-earthquake at UC there had been a drop in staff numbers which went against the general trend in New Zealand. QE is only one factor in the PBRF financial allocation – UC's research degree completion rate and external research income are both increasing. The next PBRF cycle began in 2018. UC will begin to stocktake research outputs early in 2020.

Questions from the floor included:

- Would the government use the growth of the sector as a factor to increase its funding allocation?
The Vice-Chancellors are likely to argue for this. The funding level had not remained static for long in the past. A member noted that UC should bear in mind that teaching income is still much greater than research income when considering where to put in its efforts.
- In the case of research, universities need to spend money to get money, what are UC's plans? UC is currently pump-priming two new CORE bids with \$50,000 each. A further \$100,000 is distributed as seed funding for external research grant bids. The Academic Strategy discussions are also likely to help thinking about research and its relationship with teaching and internationalisation, and PhD support.
- Has there been any analysis carried out on the effectiveness of UC's last stocktake and support systems?
This is difficult to measure but anecdotally the team has received over 40 emails from staff thanking R&I for their support.

A member observed that there is a trend towards more transdisciplinary research which is not well recognised by the current system. A panel chair can decide that a portfolio should move to another panel. From UC, ten of the 605 portfolios were reassigned to different panels. R&I are carrying out a review of the round and what improvements can be made.

The Chair thanked all staff for their work towards this impressive result.

A4 ACADEMIC STRATEGY DEVELOPMENT UPDATE

The Vice-Chancellor updated members on the Academic Strategy development to date. She said there have been 696 responses to the staff survey split evenly between the different categories of staff. The largest areas of concern were rankings and the tools and support at UC to create an enabling environment. There was no student comparison survey data at present. Staff were generally happiest with UC's teaching quality.

Feedback from the workshops to date had some cross cutting themes:

- A strong desire to improve UC's global, regional and local relationships and reputation;
- A clearer focus for research and teaching efforts including more multidisciplinary approaches, our culture and values and degree-relevance for the future. Suggestions for a specific focus included climate change, resilience in the face of natural disasters and transformation.
- A rethink of modes of delivery, what we do and how;
- The current climate of internal competition is an inhibitor rather than an enabler, administrative processes are too bureaucratic, UC needs to demonstrate that it trusts its staff;
- Equity, diversity, inclusivity and internationalisation are key features alongside a desire for closer collaboration with iwi.

This was an interim report, she wanted to ensure that the Board has a clear line of sight to the strategy and understands how it is evolving.

Professor Ian Wright
Chair
Te Poari Akoranga – Academic Board
15 May 2019