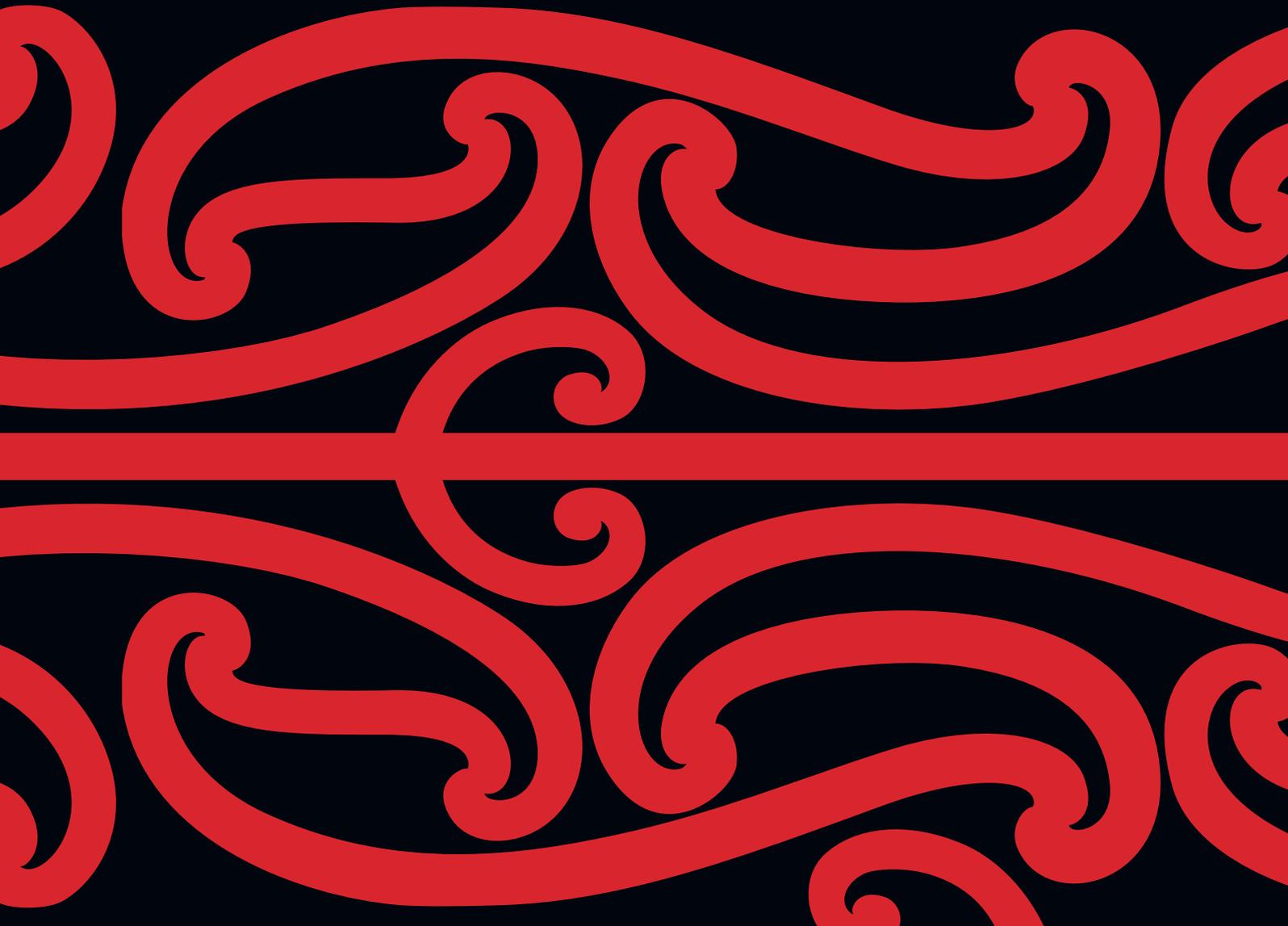




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Annual Report  
Te Pūrongo ā-Tau



## Mihi.

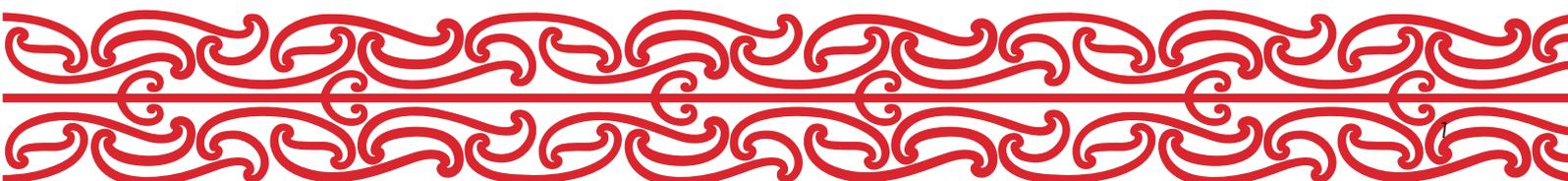
*E rere atu te owaha ki a koutou katoa mai i Te Whare Wānanga o Waitaha. E manawanui ana a UC ki te whakawhanake i ōna tāngata, ahakoa kaimahi, ahakoa ākonga, kia tutuki ai ngā tāura o UC me ngā pūkenga o te Āhukatanga Tāura. Kei te whakaahu haere ā mātou mahi whakapai i ngā whare o UC, ā, kua aukaha hoki tō mātou taha tiaki tangata, taha ako hoki. Ko te manako ia, mai i tō mātou hautūtanga kia auaha, kia hiranga te rangahau, ka kaha ake a Aotearoa nei, ā, ko āna uri e heke mai ana anō hoki.*

*Nāia te pūrongo ā-tau a Te Whare Wānanga o Waitaha mō te tau 2019. Ko ngā kai o roto he whakarāpopototanga o ngā whakaritenga o te whare wānanga hei kai mā tō hinengaro.*

*A warm greeting to you all from the University of Canterbury. UC is committed to developing its people, staff and students, so that our graduates meet the UC Graduate Profile. Our transition from post-quake recovery to transformation and growth here at UC has gained significant momentum. UC's initiatives support the development of ambitious, excellent, and well-defined research ideas that have the potential to transform New Zealand's future, and that of generations to come.*

*Here is the annual report of the University of Canterbury for 2019. Its contents summarise for the reader the current state and achievements of UC over the past year.*

**A warm greeting to you all from  
the University of Canterbury.**



# University of Canterbury Office Holders | Ngā Āpiha o Te Whare Wānanga o Waitaha

As of 31 December 2019

## **Chancellor | Tumu Kaunihera**

Sue McCormack, BA, LLB (Cant)

## **Pro-Chancellor | Tumu Tuarua Kaunihera**

Mr Steven Wakefield, BCom, BSc (Cant), PGDip Property Studies (Lincoln), FCA, CMinStD

## **University Registrar | Pouroki**

Mr Jeff Field, JP, MA (Cant), DipJ (Cant), DipTColl (CCE), DipTchg(Cant), CMinStD, APR, MFINZ

## **Vice-Chancellor | Tumu Whakarae**

Professor Cheryl de la Rey, BA, BA (Hons), MA (Natal), PhD (Cape Town)

## **Deputy Vice-Chancellor | Tumu Tuarua**

Professor Ian Wright, BSc, BSc (Hons) (VUW), PhD (VUW)

## **Assistant Vice-Chancellor Māori | Amokapua Māori**

Dr Darryn Russell, MIndS (Otago), PhD (Otago)

## **Assistant Vice-Chancellor (Academic) | Amokapua Akoranga Taupua**

Professor Catherine Moran, BSc (Ontario), MSc (Ontario), PhD (Cant)

## **Pro-Vice-Chancellor (Arts) | Amorangi Toi Tangata**

Professor Jonathan Le Cocq, BA (Hons) (Warwick), BMus (Hons) (ULGC), DPhil (Oxon), LGSM

## **Pro-Vice-Chancellor (Business and Law) | Amorangi Umanga me te Ture**

Professor Sonia Mazey, BA (Leicester), MA (Oxon), DPhil (Oxon)

## **Acting Pro-Vice-Chancellor (Education, Health and Human Development) | Amorangi Ako me te Hauora**

Professor Letitia Fickel, Ed.D

## **Pro-Vice-Chancellor (Engineering) | Amorangi Pūkaha**

Professor Jan Evans-Freeman, BSc (Hons) (Manc), PhD (Manc), FinStP, FEngNZ, CMinStD

## **Acting Pro-Vice-Chancellor (Science) | Amorangi Pūtaiao**

Professor Janet Carter, PhD, Dip Clin Psych, FNZCCP

## **Executive Director / Chief Financial Officer | Kaihautū Matua Ahumoni**

Mr Keith Longden, BCom (Cant), CA, MInStD

## **Executive Director Student Services and Communications | Kaihautū Matua Ākonga me te Whakapā**

Ms Lynn McClelland, MA (Hons) (VUW), CMinStD

## **Executive Director Human Resources | Kaihautū Matua Pūmanawa Tangata**

Mr Paul O'Flaherty, MBA (Otago), MHRINZ, MInStD

## **Executive Director Learning Resources | Kaihautū Matua Rauemi Ako**

Ms Alexandra Hanlon, BA (UNSW), MAICD

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# Independent Auditor's Report | Te Pūrongo a te Kaitātari Kaute Motuhake

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

TO THE READERS OF THE UNIVERSITY OF CANTERBURY AND GROUP'S FINANCIAL STATEMENTS, STATEMENT OF SERVICE PERFORMANCE AND APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

The Auditor-General is the auditor of University of Canterbury (the University) and group. The Auditor-General has appointed me, Andy Burns, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements, statement of service performance and the appropriation statement of the University and group on his behalf.

## Opinion

We have audited:

- the financial statements of the University and group on pages 48 to 91 that comprise the statement of financial position as at 31 December 2019, the statement of comprehensive revenue and expense, statement of changes in net assets / equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the the University and group on pages 20 to 41; and
- the appropriation statement of the University on pages 44 and 45.

In our opinion:

- the financial statements of the the University and group on pages 48 to 91 present fairly, in all material respects, the financial position as at 31 December 2019, and the financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards;
- the statement of service performance of the University and group on pages 20 to 41 presents fairly, in all material respects, the the University and group's service performance achievements as compared with the forecast outcomes included in the investment plan for the year ended 31 December 2019 in accordance with Public Benefit Entity Standards; and
- the appropriation statement of the University on pages 44 and 45 presents fairly, in all material respects, what has been achieved with the appropriation and the actual expenses or capital expenditure incurred compared to the forecast expenses or capital expenditure.

## Basis for our opinion

We conducted our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We are independent of the University and group in accordance with the Auditor-General's Auditing Standards, which incorporate 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 opinion.

In addition to the audit of University and group, we have carried out an assurance engagement on the University's Performance-Based Research Fund external research income. This engagement is compatible with those independence requirements. Other than the audit of University and group and the assurance engagement, we have no relationship with or interests in the University or any of its subsidiaries.

## Key audit matters

Key audit matters are those that, in our professional judgement, were of most significance in our audit of the financial statements, statement of service performance and appropriation statement for the current period.

These matters were addressed in the context of our audit of the financial statements, statement of service performance and appropriation statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Key audit matter – Carrying value of building assets**

The University's building assets are a significant balance within the financial statements with a carrying value at 31 December 2019 of \$1,098.239 million (2018: \$941.086 million), as disclosed in note 11. Since the Canterbury earthquakes of 2010 and 2011, the University continues to progress its capital programme and the \$51.066 million of capital additions recognised reflects the completion of new buildings and remediation of earthquake damaged buildings.

Buildings are carried in the statement of financial position at their fair value and the most recent valuation was as at 31 December 2019 using independent registered valuers.

Fair value is determined as if the buildings are undamaged and then this value is reduced for impairment from earthquake damage. The extent of damage is determined using independent quantity surveyors to estimate the costs to remediate individual buildings. As at 31 December 2019 the remaining impairment deduction from buildings' undamaged value is \$80 million (2018: \$84 million).

The carrying value of buildings is a key audit matter due to the large balances involved, the significant estimates and judgements in the fair value determination and the inherent uncertainties in the estimation of the remediation costs.

**How did the audit address this matter?**

We read the valuation report and discussed the approach to the valuation with the valuer. We obtained representations that the valuation approach was in accordance with accepted professional valuation standards.

We assessed the valuer's expertise for the work and their objectivity, including reading their terms of engagement and considering the existence of other engagements or relationships with the University.

We confirmed our understanding of the valuation methodology and key assumptions. We assessed them for compliance with the requirements of the applicable financial reporting standard (PBE IPSAS 17) and evaluated their reasonableness based on our experience and knowledge of other specialised building valuations in the public sector.

We obtained an understanding of the source data used for the valuation. We sample tested for errors or omissions in that data.

We assessed how the age and condition of the assets had been determined, and how this had been reflected in the remaining useful life of the assets and the valuation calculation for those assets valued on a depreciated replacement cost basis. For those buildings planned for demolition, we confirmed that useful lives were consistent with demolition plans.

We considered how unit rates for replacement costs had been determined. We confirmed the reasonableness of a sample of unit costs by reference to recent capital works undertaken by the University.

We reviewed the overall valuation changes and sought explanations from the valuer for any significant or unusual changes in value.

We found that the unimpaired building valuation adopted by the University was supportable and used an approach consistent with our expectations for public sector specialised building valuations.

We reviewed the updated impairment estimates and assessed the external surveyor's expertise and objectivity for this work. We considered the consistency of the impairment estimates with other internal information, including the University's decisions about the future of specific buildings, and we tested a sample of costs to recent contracts to confirm the reasonableness of remediation cost estimates.

We found that the deductions from buildings fair value for impairment were based on the best available information of damage and the likely remediation approach, costed using reasonable assumptions about prices for the required remediation work.

**Key audit matter – Accounting treatment of University of Canterbury Foundation (the UC Foundation) and University of Canterbury Trust Funds (the UC Trust Funds) – application of new accounting standard PBE IPSAS 35: Consolidated Financial Statements**

PBE IPSAS 35 *Consolidated Financial Statements* applies for the first time for the University's financial year to 31 December 2019.

Having considered the requirements of PBE IPSAS 35, the University concluded that it controlled and would consolidate the UC Foundation. The University's reconsideration of the UC Trust Funds concluded that most of the trusts were no longer considered separate entities and the appropriate accounting policy was to treat the trusts as directly held by the University albeit with restrictions and under trust.

The effect of these changes in accounting approach are disclosed in note 24 to the financial statements. The University's judgements about the UC Foundation are disclosed in note 3 under the heading "Investment in controlled entities". The University's judgement about the UC Trust Funds is disclosed in note 2 under "Changes in accounting policies".

This is a key audit matter because of the judgements necessary in applying the control test in PBE IPSAS 35 to the UC Foundation and in assessing the appropriate accounting for trusts, and because of the significant value of assets within the UC Foundation and the UC Trust Funds.

**How did the audit address this matter?**

We reviewed the University's assessment of how PBE IPSAS 35 applied to the UC Foundation and the UC Trust Funds and its disclosures in the draft 2019 financial statements.

We read the trust deeds or founding documents of the UC Foundation, the Erskine Trust, the Endowment Trust and a sample of the other smaller trusts and bequests. We considered information on their establishment and their relationship with the University.

We considered how the key aspects of the accounting control test in PBE IPSAS 35 applied in the circumstances of the Foundation. We consulted with specialists within Audit New Zealand with expertise in the application

of PBE IPSAS 35 to foundations and trusts. We agreed with the University's assessment of the control status of the UC Foundation under PBE IPSAS 35.

We considered the appropriate accounting treatment for the unincorporated trusts and bequests within the UC Trust Funds. We consulted with our lawyers about the status of the trusts and bequests. We agreed with the University's judgements about the status of the UC Trust Funds and the resultant accounting treatment.

We tested the retrospective application of the changed accounting treatments in the prior period and confirmed that the disclosure of these matters met the requirements of generally accepted accounting practice.

## Other information

The Council is responsible on behalf of the University and group for the other information. The other information comprises the information included on pages 1 to 3, 7 to 19 and 92 to 100, but does not include the financial statements, statement of service performance and appropriation statement, and our auditor's report thereon.

Our opinion on the financial statements, statement of service performance and the appropriation statement 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, statement of service performance and appropriation statement, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements, statement of service performance and appropriation statement or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Council for the financial statements, statement of service performance and the appropriation statement

The Council is responsible on behalf of the University and group for the preparation and fair presentation of the University and group financial statements in accordance with the Public Benefit Entity Standards.

The Council is also responsible on behalf of the University and group for the preparation and fair presentation of a statement of service performance and appropriation statement in accordance with Public Benefit Entity Standards.

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

In preparing the financial statements, statement of service performance and appropriation statement, the Council is responsible on behalf of the University and group for assessing the University and group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Council intends to liquidate the University and group or to cease operations, or has no realistic alternative but to do so.

The Council's responsibilities arise from the Crown Entities Act 2004, the Education Act 1989 and the Financial Markets Conduct Act 2013.

## Responsibilities of the auditor for the audit of the financial statements, statement of service performance, and the appropriation statement

Our objectives are to obtain reasonable assurance about whether the financial statements, statement of service performance and appropriation statement, 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 carried out in accordance with the Auditor General's Auditing Standards 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 decisions of readers taken on the basis of these financial statements, statement of service performance and appropriation statement.

For the budget information reported in the financial statements, statement of service performance and appropriation statement, our procedures were limited to checking that the information agreed to:

- the University and group's Council approved budget for the financial statements;
- the investment plan for the statement of service performance; and
- the Estimates of Appropriations - Vote Tertiary Education for the appropriation statement.

As part of an audit in accordance with the Auditor General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, statement of service performance and appropriation statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University and group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University and group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, statement of service performance and appropriation statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University and group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, statement of service performance and appropriation statement, including the disclosures, and whether the financial statements, statement of service performance and appropriation statement represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial statements, statement of service performance and appropriation statement of the entities or business activities within the group to express an opinion on the consolidated financial statements and the consolidated statement of service performance. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Council with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Council, we determine those matters that were of most significance in the audit of the consolidated financial statements, statement of service performance and appropriation statement of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

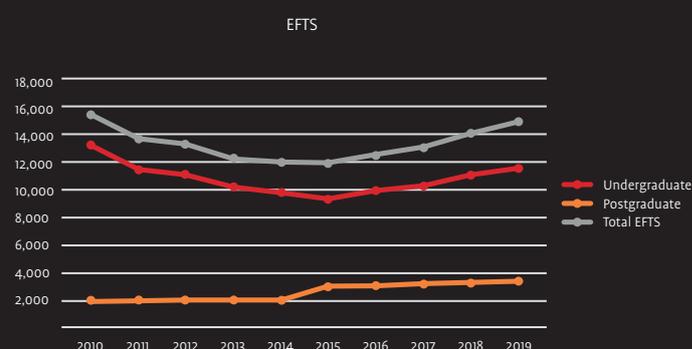
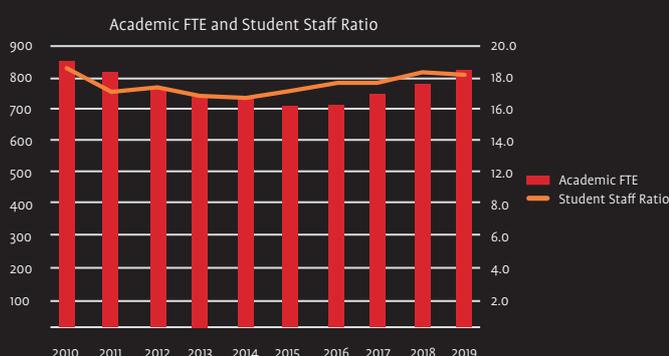
Our responsibilities arise from the Public Audit Act 2001.



Andy Burns  
Audit New Zealand  
On behalf of the Auditor General  
Christchurch, New Zealand  
26 February 2020

# 2019 at a Glance | He Titiro Kōmuri ki te Tau 2019

<b>Students and Staff</b>	<b>2010</b>	<b>2011</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Students enrolled (Headcount)	18,783	16,444	15,564	16,253	17,299	18,364
Equivalent Full-time Students (EFTS)	15,494	13,604	12,492	13,089	14,070	14,891
Full-time Equivalent Academic Staff (FTE) <sup>1</sup>	850	816	715	749	777	826
EFTS : Staff Ratio <sup>2</sup>	18.2	16.7	17.5	17.5	18.1	18.0
<b>EFTS by Level of Study</b> <sup>3</sup>						
Undergraduate	13,376	11,532	9,714	10,163	10,965	11,621
Postgraduate	2,118	2,073	2,777	2,926	3,105	3,271
<b>Total EFTS</b>	<b>15,494</b>	<b>13,604</b>	<b>12,492</b>	<b>13,089</b>	<b>14,070</b>	<b>14,892</b>
<b>EFTS by Fee Type</b>						
Domestic Fee Paying	14,228	12,667	11,358	11,671	12,366	13,022
International Full Fee Paying	1,267	937	1,134	1,418	1,704	1,869
<b>Total EFTS<sup>4</sup></b>	<b>15,494</b>	<b>13,604</b>	<b>12,492</b>	<b>13,089</b>	<b>14,070</b>	<b>14,891</b>
Cost per EFT Student (\$000) <sup>5</sup>	\$18	\$21	\$27	\$28	\$26	\$25
<b>University Financial Operating Data</b> (All amounts net of GST)						
	<b>\$millions</b>	<b>\$millions</b>	<b>\$millions</b>	<b>\$millions</b>	<b>\$millions</b>	<b>\$millions</b>
Government grant	\$117	\$120	\$133	\$133	\$133	\$137
Tuition fees	\$90	\$79	\$93	\$102	\$116	\$126
PBRF and External Research funding	\$50	\$55	\$60	\$63	\$71	\$68
Capital expenditure <sup>6</sup>	\$38	\$90	\$186	\$166	\$78	\$97
<b>University Financial Position</b>						
	<b>\$millions</b>	<b>\$millions</b>	<b>\$millions</b>	<b>\$millions</b>	<b>\$millions</b>	<b>\$millions</b>
Net current assets	\$757	\$642	\$1,271	\$1,283	\$1,440	\$1,779



**Notes:**

- Staff FTE are annualised, so take into account fluctuating staffing numbers during the year. Annualised FTE looks at total hours paid to staff during the year and then divides by the number of hours a full-time employee would work. Example: a staff member that starts in January and works full time for six months will have a 0.5 annualised FTE.
- Number of Full-time Equivalent Students per Full-time Equivalent Academic Staff.
- Level of study is based on the level associated with the course enrolment. Pre-degree courses are included within the undergraduate heading.

- Reconciliation with Ministry of Education (MoE) SDR numbers: A small number of EFTS are not required to be returned to the MoE, but are typically included in UC's total EFTS. In addition, there may be small timing differences between UC's Annual Financial Statements and the SDR return to the MoE. UC's Financial Statements take a snapshot of student enrolments at 31 December, whereas the MoE return occurs slightly later and may include backdated enrolment changes that occur after 31 December.
- Cost is total University unrestricted expenditure for the year.
- Capital Expenditure is taken from the Statement of Cash Flows and is the actual cash amount spent.

# Chancellor's Welcome | Te Mihi a te Tumu Kaunihera



Ms Sue McCormack

**Members and friends of Te Whare Wānanga o Waitaha | the University of Canterbury (UC), tēnā koutou, tēnā koutou, kia ora tātou katoa.**

This UC Annual Report is my first since being elected as Tumu Kaunihera | Chancellor. The year 2019 was a turning point for the University. In January we farewelled our former Tumu Whakarae | Vice-Chancellor (VC), Dr Rod Carr, who led the University through the earthquake response and initial recovery. The UC community remains grateful for the foundation that was laid for subsequent leadership to build on.

In February we welcomed Professor Cheryl de la Rey as our new VC, who joined us following nine years as VC at the University of Pretoria in South Africa. In making this appointment, Te Kaunihera o Te Whare Wānanga o Waitaha

| the University Council intended to focus on academic standards and leadership. Professor De la Rey's skills and experience in that domain have been well received, and her significant experience in management has also proven valuable. Two extremely tragic events, the mosque shootings of 15 March and the death of first-year student Mason Pendrous, could not have been anticipated, and Professor De la Rey's leadership helped UC navigate through these unprecedented events.

Post-quake recovery of the University drew to a close, with celebrations marking the conclusion of the projects. The official opening of the Rehua building by the Hon Chris Hipkins, Minister of Education represented the end of the long journey to unite the academic functions of the University on one campus. The Beatrice Tinsley building was also completed and formally opened, rounding off the redevelopment of the Science precinct. Another significant event was the completion and opening of the new University of Canterbury Students' Association (UCSA) building. After almost a decade, our students now have a permanent, dedicated student space again. The building was gifted the name Haere-roa (the long journey) by mana whenua, Ngāi Tūāhuriri. The name reflects both the historical use of the area and the lifelong education UC desires for our students. Our students have a fundraising campaign under way to close a funding gap and to ensure that their new centre is, in line with UC tradition, majority student-owned and operated. I urge you to join us in supporting the cause.

In 2019, construction commenced on a new 500-bed, student accommodation block, which will go some way to satisfying the forecast increase in demand for on-campus accommodation. This complex is due to be completed in 2020, with the first students taking up residence in 2021.

The Council adopted a new institutional strategy in September, which is the outcome of an extensive consultation exercise led by the VC. This strategy will guide the University's development for the next decade and positions UC to make a significant contribution to teaching and research for the economic and social benefit of Waitaha Canterbury and Aotearoa New Zealand society.

In 2019, the University Council awarded an honorary Doctorate of Letters to Elisabeth Calder CBE, an alumna who has been counted among the world's leading literary editors and publishers. A gift for identifying outstanding writers saw her rise through the publishing world and become a founding director of literary giant Bloomsbury Publishing. Calder was named Editor of the Year at the British Book Awards in 1997, received an Order of Merit for Services to culture in Brazil in 2004 and was named a Commander of the Order of the British Empire (CBE) in 2018. During a busy career, she also co-founded Women in Publishing (1979) and served as Chair of the Royal Court Theatre in London. She was a founder of the Groucho Club and was a judge for the Orange Prize for Fiction in 2010 and the 2019 Booker Prize for Fiction.

Also in 2019, the Council granted the highest awards it makes in recognition of

the achievements of our academic staff to Associate Professor Ben Kennedy (Tohu Pākai Ako | UC Teaching Medal), Professors Steven Ratuva and Jason Tylianakis (Tohu Pākai Rangahau | UC Research Medals) and Distinguished Professor Geoff Chase and Professor Geoff Rodgers (Tohu Pākai Rangahau | UC Innovation Medals).

Leaders in the field of earthquake mitigation devices, Professors Rodgers and Chase designed a low-cost suite of energy dissipation and seismic damping devices. Their innovation has already enabled major changes in how structures are designed and built to create economically resilient cities and communities following an earthquake.

The recipient of the Tohu Pākai Ako | UC Teaching Medal, Associate Professor Kennedy, has a 10-year track record of effective and wide-ranging teaching leadership at the University and beyond, and has made a significant impact internationally. He is an innovative teacher who uses a range of technologies to support his teaching, as well as being a prolific researcher who has supervised many postgraduate students.

Professor Ratuva, recipient of one of the two Tohu Pākai Rangahau | UC Research Medals awarded in 2019, is a productive, internationally ranked researcher. He recently led a global research project on race and ethnicity, involving 100 global experts on ethnicity, which culminated in a 2,000-page work of unprecedented breadth and complexity. An excellent scholar, he has not only pursued his own research endeavours but has shown remarkable leadership in encouraging collective research collaboration among students and scholars with similar interests across the globe.

The second Tohu Pākai Rangahau | UC Research Medal was awarded to Professor Jason Tylianakis, a pre-eminent international ecologist in terms of innovative thinking, quality of publication and the extraordinary citation impact of his work. His work has challenged conventional approaches and has bridged different sub-disciplines by relating ecological networks to ecosystem function. Professor Tylianakis' achievements have been recognised through a number of research awards – for example, he became an inaugural Rutherford Discovery Fellow and was elected as a Fellow of the Royal Society Te Apārangi in 2018.

In another year of significant academic achievement for the University, 2019 saw

4,208 degrees and diplomas granted to 3,985 graduates. Of particular note is the increasing proportion of postgraduate qualifications awarded, as the University enhances its international standing. Another milestone was achieved when we returned to the Christchurch Town Hall for the 2019 graduation ceremonies, with the first processions in 10 years through the central city from the University's former home, now the Arts Centre of Christchurch, in December.

This year the University has adopted new accounting standards that bring into the financial statements the results of Tūāpapa Hononga o Te Whare Wānanga o Waitaha | the UC Foundation and those of an amalgamation of donations, bequests and trusts that we call the UC Trust Funds. This change has enabled us to recognise in our financial statements for the first time the financial support to students and staff received from our many generous donors. The assets will never belong to the University and cannot be used for anything except the specific purposes for which funds were given, but are considered to fall within the 'economic unit' of the University's activities.

To keep the separation clear, our report splits results into restricted and unrestricted activities – where 'restricted' consists of the financial contribution from the UC Foundation and UC Trust Funds. The University is meeting its revenue budget and is controlling costs, leading to a \$21.007 million consolidated surplus for the year ended 31 December 2019 (2018: \$5.221 million).

Our period of rebuilding after the earthquakes is at an end, and we are starting 2020 and our new Strategy with \$219 million in cash and \$1.779 billion in net assets. The repayment of the \$50 million Philanthropic Bond, accompanied by the delisting from the NZX, at the end of December 2019 was a watershed event and the University is now virtually free of debt and finance costs.

The Council recognises the successful efforts of management to keep a tight rein on expenditure and sustain operations in a difficult year, and to maintain high standards of internal control, leading to an unqualified audit opinion.

The Council met 12 times over the year, as well as holding 10 workshops to ensure members were well informed prior to taking significant decisions. The Finance, Planning and Resources Committee, chaired by Catherine Drayton and Peter Ballantyne, met 10 times, providing

a stream of considered advice to the Council on major decisions across its spectrum of portfolio responsibilities. The Audit and Risk Committee, chaired by Peter Ballantyne and Keiran Horne, met six times, closely monitoring the risks facing the University and ensuring that, in all aspects of its work, the institution complied with its statutory and regulatory obligations. These two committees are the engine-room of the Council and their work placed significant demands on chairs and members.

I would like to note the retirement from the Council of former Tumu Kaunihera | Chancellor, Dr John Wood, and Catherine Drayton. Dr Wood's contribution to the leadership of the University in the post-quake period cannot be overestimated. The University was fortunate to have a man of his skill and experience to lead our recovery over the past decade. Catherine Drayton has been a stalwart of the Council as Chair of the Finance, Planning and Resources Committee for the majority of her term. Her commercial and pragmatic approach to matters considered by the Council will be very much missed. My thanks also go to Malcolm Peterson Scott for his contribution to Council discussions over the past four years as the elected professional staff representative and to 2019 UCSA President Sam Brosnahan who served a year as the student representative on Council. We have appreciated their input and perspectives.

I welcome Keiran Horne (appointed by the Minister for Tertiary Education) and Gillian Simpson (appointed by the Council) as new Council members. Keiran Horne brings a wealth of commercial and governance experience. Gillian Simpson brings wide leadership experience in all levels of education, including senior management and governance roles. I would also like to welcome Liz Bond, who joins the Council as the elected professional staff representative. Her detailed knowledge of the University's operations will be valuable as we implement our new strategic direction.

Finally I thank all Council members for their individual and collective contributions to our large, complex and demanding institution over the past year. I look forward with anticipation to 2020.



Ms Sue McCormack  
Chancellor | Tumu Kaunihera

# Vice-Chancellor's Report | Te Pūrongo a te Tumu Whakarae



*Professor Cheryl de la Rey*

## **E ngā iwi katoa, tēnā koutou katoa.**

With 2019 as my first year as Tumu Whakarae | Vice-Chancellor at Te Whare Wānanga o Waitaha | University of Canterbury (UC), it was most gratifying to be welcomed so warmly by UC staff and students. It was a successful year in many respects, with a growth in student numbers, stronger research performance, many accolades for staff and students and the conclusion of the post-earthquakes rebuild and recovery phase. These achievements positioned us well to look ahead and plan the next decade in the life of the University. By the end of the year, we had developed and published our new institutional strategy, Tangata Tū, Tangata Ora.

But 2019 was also a challenging year. In March, Ōtautahi Christchurch experienced a terrorist attack on two local mosques, which shocked us all and caused a great deal of reflection about who we are as a community, our values and our commitment to social inclusion. It was heart-warming to see the UC community come together to mourn and show support at the UC Band Together event, which was attended by over 5,000 people – the largest campus gathering ever according to many reports. Members of staff and students went above and beyond in their efforts to provide support and the Student Volunteer Army again stepped in, welcoming Muslim students as they returned to campus and providing transport and logistics where needed. Our researchers have been leading the ensuing conversations about online hate, inclusiveness and diversity through conferences, further research and media commentary, and in this way have helped to shape the debate about the influences that are so important to our communities here in Aotearoa New Zealand and also globally.

Later in the year, a second tragedy struck our community with the passing of student Mason Pendrous in the Sonoda hall of residence. A report from an independent investigation, together with our own internal reviews, has given us the basis for making a number of changes in our student pastoral care to ensure that such a tragedy does not happen again. I want to thank all UC staff, students, alumni and stakeholders for their support as we responded to these challenges.

As I reflect on the past year, I am pleased that the University has also had many successes and it is important to celebrate these. Highlights included: Professor Emerita Paula Jameson receiving the 2019 Marsden Medal by the New Zealand Association of Scientists; the approval of 12 UC-led research projects by the 2019 Marsden Fund Te Pūtea Rangahau to the total of \$6.54 million in diverse fields of research; and Professor Anne-Marie Brady becoming the first female political scientist to be made a Fellow of the Royal Society Te Apārangi.

Furthermore, the Royal Society Te Apārangi awarded engineer Dr Volker Nock a 2019 Rutherford Discovery Fellowship to accelerate research into saving native trees from fungal pathogens; and Emeritus Professors John Blunt and Murray Munro were named among the top 1% of cited researchers worldwide.

Professor Steven Ratuva led the world's biggest project on ethnicity and published two books in 2019. While this is one standout example, many of our academics published books and articles that contributed to their fields, and many brought their research into the public realm with accessible public talks and commentary in the media.

Following considerable planning, we launched new qualifications for 2020, to respond to the needs of our incoming students – the Master of Applied Translation and Interpreting and the new Bachelor of Youth and Community Leadership, which grew out of the Student



Volunteer Army and the Christchurch 101 community-orientated paper.

Building on our institutional experience of resilience, responsiveness and innovation in a fast-changing world, UC has identified opportunities to extend its impact. Our new strategic vision will shape the University's forward trajectory towards our milestone 150th anniversary in 2023 and beyond. The vision is the outcome of an extensive participatory process involving mana whenua, tangata whenua, our staff, students, alumni, and community and business partners.

At the heart of the strategy is the concept of engagement focused on three main areas – education, research and people – with organisational efficacy, internationalisation and sustainability as transversal goals. Our commitment to engagement is inspired by our shared view that at the base of UC's public role must be our commitment to support the development, growth and success of the city and region and increase engagement with the people of Ōtautahi Christchurch and Waitaha Canterbury.

With implementation beginning in 2020, UC will work to increase the impact of what we do – from innovative research to inspirational teaching, from forging international partnerships to increasing international rankings and, very importantly, inspiring our UC community to be engaged and empowered to make a difference.

The vision enables staff and students to create a more sustainable organisation in line with the aspirations of our people and our community.

Integral to the direction of UC and our success is our commitment to Te Tiriti o Waitangi. In early 2019 I was both humbled and privileged to attend a pōwhiri and the signing of a new partnership agreement with Ngāi Tūāhuriri, the rūnanga that holds the tino rangatiratanga of our area.

Moving into 2020, I am pleased to report that UC is an energised, dynamic community with a clear direction, widespread commitment and the passion to make a difference.

I would like to thank Te Kaunihera o Te Whare Wānanga o Waitaha | UC Council for their warm welcome and support to me as the new Tumu Whakarae | Vice-Chancellor. Thank you in particular to Sue McCormack who, as Tumu Kaunihera | Chancellor, assisted me in settling in and becoming familiar with my new institutional home.

Professor Cheryl de la Rey  
Vice-Chancellor | Tumu Whakarae

## AT A GLANCE

18,364  Students

 1,909 Staff (FTE)

50%  International Staff

144,661  Alumni

 5  QS Ranked University

# University Statement of Strategic Intent | Te Tauākī Whakamaunga Rautaki o te Whare Wānanga

*We have a vision of People  
prepared to make a difference —  
tangata tū, tangata ora.*

*Our mission is to contribute to society  
through knowledge in chosen areas of  
endeavour by promoting a world-class learning  
environment known for attracting people with  
the greatest potential to make a difference.*

*We seek to be known as a university where  
knowledge is created, critiqued, disseminated  
and protected and where research, teaching and  
learning take place in ways that are inspirational  
and innovative.*

*Looking towards 2023, the 150<sup>th</sup> anniversary  
of our founding, the primary components of  
our strategy are to Challenge,  
Concentrate and Connect.*

**Adopted by University Council on 30 September 2009 and affirmed in 2012.**

# Council Membership 2019 | Ngā Mema o te Kaunihera 2019

The composition of the University Council for 2019 was:

Council Members	First Appointed	Current Term Appointed	Ending
<i>Four Persons Appointed by the Minister</i>			
Ms Catherine Drayton	2009	2015	11/2019
Sue McCormack	2009	2019	05/2021
Mr Steve Wakefield	2017	2017	06/2021
Ms Keiran Horne	2019	2019	04/2023
Vacancy			
<i>Vice-Chancellor   Tumu Whakarae</i>			
Dr Rod Carr	2009	2015	01/2019
Professor Cheryl de la Rey	2019	2019	01/2024
<i>One Member of the Academic Staff</i>			
Professor Roger Nokes	2015	2019	07/2023
<i>One Member of the General Staff</i>			
Mr Malcom Peterson Scott	2015	2015	07/2019
Ms Elizabeth Bond	2019	2019	07/2023
<i>One Student Member</i>			
Mr Sam Brosnahan	2019	2019	12/2019
<i>One Member Appointed Following Consultation With Ngāi Tahu</i>			
Mr Shayne Te Aika	2016	2019	10/2023
<i>Three Members Appointed by Council</i>			
Mr Peter Ballantyne	2012	2019	07/2023
Mr Warren Poh	2013	2019	07/2023
Ms Gillian Simpson	2019	2019	07/2023



# Council Members 2019 | Ngā Mema o te Kaunihera 2019



From left to right: Steve Wakefield, Gillian Simpson, Sam Brosnahan, Professor Cheryl de la Rey (Vice-Chancellor | Tumu Whakarae), Jeff Field (University Registrar | Pouroki), Sue McCormack (Chancellor | Tumu Kaunihera), Roger Nokes, Elizabeth Bond, Warren Poh, Peter Ballantyne.

## Absent members



Keiran Horne



Shayne Te Aika

# Governance Statement | Te Tauākī Mana Arataki

*This statement is an overview of the University's main governance policies, practices and processes followed by the Council.*

## Compliance with NZX best practice code and other guidelines

The NZX Listing Rules require issuers to disclose in their annual report whether and to what extent their governance principles materially differ from the NZX Corporate Governance Best Practice Code. The University has no significant differences from the NZX Corporate Governance Best Practice Code to disclose other than to reflect that the University is governed by the Education Act 1989 (Education Act). The University is also required to comply with the Crown Entities Act 2004, as it applies to Tertiary Education Institutions, and with the Financial Markets Conduct Act 2013.

Please note that the University's Philanthropic Bond, which brought UC into the ambit of NZX Listing Rules, was paid back to investors on 16 December 2019 and UC has now delisted from NZX and hence from compliance with the NZX Listing Rules.

The following section summarises the key governance and compliance policies and procedures in place.

## Code of Conduct

The University expects Council Members to maintain high ethical standards that are consistent with its core values, business objectives and legal and policy obligations.

A Register of Interests is maintained for all Council Members and is published in all meeting agendas. Conflicts of interest are a standing item on the agenda of all meetings. A member of the Council or of a committee of the Council who has an interest in a matter being considered or about to be considered by the Council or the committee is required under the Education Act to, as soon as possible after the relevant facts have come to the Council Member's knowledge, disclose the nature of the interest at a meeting of the Council or committee.

The Council has adopted a formal Handbook. The Handbook sets the ethical standards expected of Council Members and deals specifically with receipt and use of information, receipt and use of assets and property, delegated authorities, compliance with applicable laws, regulations, rules and policies and a general obligation to act honestly and in the best interest of the University.

## Role of the Council

The Council is the governing body of the University. It is responsible for the governance of the University, and its powers are set out in the Education Act, and include the oversight of the University's policy, degree, financial and capital matters.

Under the constitution, gazetted by the Minister for Tertiary Education, Skills and Employment in June 2015, the Council is comprised of:

- (a) four members appointed by the Minister;
- (b) the Vice-Chancellor of the University;
- (c) one permanent member of the academic staff of the University elected by the permanent members of that staff;
- (d) one permanent member of the general staff of the University elected by the permanent members of that staff;

- (e) one member who is a student of the University elected by the students of the University;
- (f) one member appointed by the Council, following consultation with Te Rūnanga o Ngāi Tahu; and
- (g) three members co-opted by the Council, two of whom must be alumni of the University.

The term of office of members of the Council, vacation of office, disclosure of members' interest and casual vacancies are covered in sections 173–176E of the Education Act 1989. Subject to section 173, the number of occasions on which a person, other than the Vice-Chancellor, may be appointed as a member of the Council is the number that, for that person, ensures that the total period for which they are a member of the Council does not exceed 12 years.

Council Members (other than the Vice-Chancellor) are paid fees at such rates (not exceeding the maximum rates fixed by the Minister in accordance with the fees framework determined by the Government from time to time) as the Council determines.

## Delegation of authority

The Council delegates its authority where appropriate to the Vice-Chancellor for the day-to-day affairs of the University and in certain situations to the Academic Board. Formal policies and procedures detail the delegated authorities and parameters that the Vice-Chancellor and in turn, her direct reports, are able to operate within.

## Continuous disclosure obligations

Continuous disclosure obligations of NZX require all issuers to advise the market about any material events and developments as soon as they become aware of them. The University complies with these obligations on an ongoing basis. As noted above, the University has delisted from NZX following repayment of its \$50 million Philanthropic Bond on 16 December 2019.

## Operation of the Council

The Council meets regularly (usually monthly) for meetings. Key executives attend Council meetings by invitation. For each meeting, the Vice-Chancellor prepares a report to the Council that includes a summary of the University's activities, together with financial reports and operational updates. In addition, the Council receives regular briefings on key strategic issues from management.

The University offers a Council Member's induction for newly appointed Council Members. All Council Members have advice from the Tertiary Education Commission on the governance role they fulfil and are provided with a detailed handbook of University policies, procedures and protocols. Other governance development courses, principally through the Institute of Directors, are also supported. The Council Secretary, the University Registrar, is available for advice at any time.

## Vice-Chancellor

The Council is responsible for the evaluation of the Vice-Chancellor against her key performance objectives. It is responsible for setting these objectives on a periodic basis and ensuring that they are appropriate measurable targets.

## Independence of Council Members

The Council has determined that all Council Members are independent except for Professor Cheryl de la Rey, Professor Roger Nokes, Mr Malcolm Peterson Scott; Ms Elizabeth Bond, and Sam Brosnahan.

## Council Committees

The following standing committees have been established to assist in executing of the Council's responsibilities. Each of these committees has terms of reference outlining its responsibilities and objectives.

## Finance, Planning and Resources Committee

This committee meets monthly and, as at the end of the financial year comprised Mr Peter Ballantyne (Chair), Ms Sue McCormack, Professor Cheryl de la Rey, Mr Steven Wakefield, Mr Sam Brosnahan, Professor Roger Nokes and Mr Warren Poh.

The Finance, Planning and Resources Committee is responsible for reporting and recommending to the Council on financial planning, budgeting and monitoring of expenditure and financial performance matters. The committee will also recommend and report to the Council on capital planning and major capital projects including recommendations on the capital planning, expenditure and monitoring protocols.

The Chair of the Audit and Risk Committee, Deputy Vice-Chancellor, Chief Financial Officer and Registrar (Secretary) are also in attendance.

## Audit and Risk Committee

The Audit and Risk Committee at the end of the financial year comprised Ms Keiran Horne (Chair), Ms Sue McCormack, Mr Steven Wakefield, Mr Peter Ballantyne, Mr John Holland, and Mr Shayne Te Aika.

The Audit and Risk Committee is responsible for monitoring the ongoing effectiveness of risk management activities. The committee monitors trends in the University's risk profile and considers how it manages or mitigates key risk exposures. The University implements risk management through its business processes of planning, budgeting, investment and project analysis, and operations management, and uses internal audit processes and project post-implementation reviews to review performance in various areas.

The committee also monitors and oversees the quality of financial reporting and financial management. To achieve this, the committee considers accounting and audit issues, makes recommendations to the Council as required, and monitors the role, responsibility and performance of the internal and external auditors.

The function of the Audit and Risk Committee is to assist the Council in carrying out its responsibilities under the Education Act, Crown Entities Act 2004, Financial Markets Conduct Act 2013 and Financial Reporting Act 2013 on matters relating to the University's accounting practices, policies and controls relevant to the financial position and to liaise with internal and external auditors on behalf of the Council.

The Council student representative, Vice-Chancellor, Deputy Vice-Chancellor, Chief Financial Officer and Registrar (Secretary) are in attendance at committee meetings as are the internal and external auditors on occasion.

## Vice-Chancellor Employment Committee

The Vice-Chancellor Employment Committee at the end of the financial year comprised Ms Sue McCormack (Chair), Mr Steven Wakefield, Ms Jo Appleyard and Mr Peter Ballantyne.

The primary purpose of the committee is to review the Vice-Chancellor's remuneration package and performance. These reviews form the basis of recommendations to the Council for which concurrence is then sought from the State Services Commissioner.

## Honours and Appointments Committee

The Honours and Appointments Committee at the end of the year comprised Ms Sue McCormack (Chair), Mr Steven Wakefield, Professor Cheryl de la Rey and Mr Peter Ballantyne.

The primary purpose of the committee is to consider expressions of interest and make recommendations to the Council on appointments to the Council, Council committees and external bodies on which the University is represented. The committee also considers nominations for the award of honorary doctorates and Emeritus Professor status and makes recommendations to the Council.

## Audit governance and independence

The work of the external auditor is limited to audit and related work only. The University is committed to auditor independence.

## Reporting and disclosure

Annual and Six Monthly Reports – in accordance with the requirements of the Education Act 1989, Crown Entities Act 2004, Financial Markets Conduct Act 2013 and the NZX Listing Rules – are communicated on a periodic basis to all bondholders. The Annual Report is audited.

The University website provides regular updates to bondholders. The Annual Report is available at our website [www.canterbury.ac.nz](http://www.canterbury.ac.nz).

## Bondholder relations

As noted above, the University delisted from NZX in December 2019. The Council's policy is to ensure that bondholders are informed of all major and strategic developments affecting the University's state of affairs. The University releases all material information to the NZX under its continuous disclosure requirements.

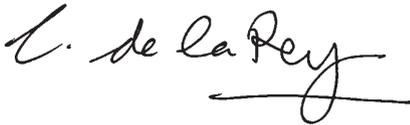
# Statement of Responsibility | Te Tauākī Noho Haepapa

We hereby certify that:

- we have been responsible for the preparation of the financial statements and statement of service performance and for the judgements used therein;
- we have been responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting; and
- we are of the opinion that these financial statements and statement of service performance fairly reflect the financial position and operations of the University and group for the year ended 31 December 2019.



*Ms Sue McCormack  
Chancellor | Tumu Kaunihera*



*Professor Cheryl de la Rey  
Vice-Chancellor | Tumu Whakarae*

26 February 2020

# 2019

Statement  
of Service  
Performance |

Te Tauākī o ngā  
Whāinga me ngā  
Taeatanga



# Statement of Service Performance | Te Tauākī o ngā Whāinga me ngā Taeatanga

## Introduction – towards a new strategic vision

This year, the University has launched a change in its strategy, building on the continuing vision of the University: “People Prepared to Make a Difference – Tangata Tū, Tangata Ora”. Since the inaugural address at the founding of the Canterbury Collegiate Union in 1872, this University has stood for accessible higher education, service to the community and the encouragement of talent without barriers of distance, wealth, class, gender and ethnicity.

The main theme that threads through the new strategy is that of engagement, embracing our commitment to Te Tiriti o Waitangi | Treaty of Waitangi; our approach to locally and globally relevant education and research; our international disposition; our people; and our approach to sustainability. The primary components of this new strategy are ‘Engaged, Empowered, Making a Difference’.

## Statement of Service Performance 2019

This Statement of Service Performance looks back mostly at the achievements under the previous strategy, which resonates strongly with the new strategy. The expressed mission of the University at the start of the year was:

- contribute to society through knowledge in chosen areas of endeavour;
- promote a world-class learning environment known for attracting people with the greatest potential to make a difference;
- be known as a university where knowledge is created, critiqued, disseminated and protected and where research, teaching and learning take place in ways that are inspirational and innovative.

The primary components of that strategy are: Challenge, Concentrate and Connect.

Please also refer to the policies and critical judgements and assumptions shown at the end of this Statement.

## Framework

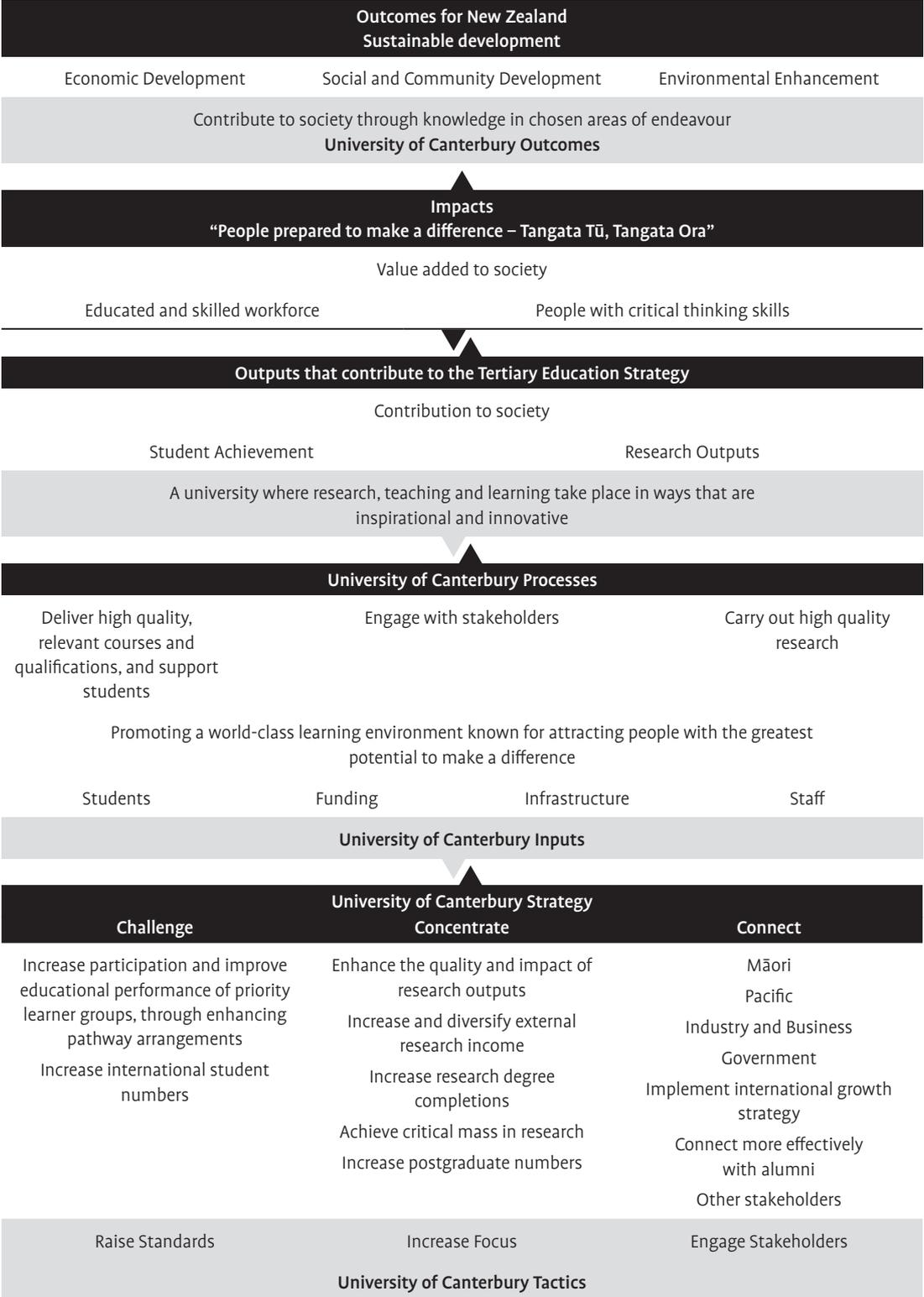
Through achieving the University’s mission, we contribute to the wider societal objectives of Economic Development, Social and Community Development and Environmental Enhancement.

It has been widely recognised that an educated community will enjoy a longer and more comfortable life than one that does not have access to education. An educated community is likely to have opportunity to pursue interests and pastimes that add to the perceived quality of life<sup>1</sup>. University graduates bring critical thinking to bear on problems and issues. They will develop innovative solutions that contribute to the social and economic development of the wider community.

Measuring progress towards these broader societal goals and in particular how much of that progress this institution contributes to is not an exact science. Accordingly, we use a variety of surrogate measures to reassure stakeholders that resources are deployed in a manner that supports the achievement of the University’s vision and mission and, by implication, the wider societal goals.

The following table summarises the relationship between the University’s activities and the wider goals.

<sup>1</sup> D D Ionescu, A M Ionescu, E Jaba, *The Investments in Education and Quality of Life* ([www.scientificpapers.org/wp-content/files/12\\_Ionescu\\_Jaba-THE\\_INVESTMENTS\\_IN\\_EDUCATION\\_AND\\_QUALITY\\_OF\\_LIFE.pdf](http://www.scientificpapers.org/wp-content/files/12_Ionescu_Jaba-THE_INVESTMENTS_IN_EDUCATION_AND_QUALITY_OF_LIFE.pdf)).



In 2019 a number of long-term projects started to bring results. The University is moving away from the trauma and disruption of the 2010 and 2011 earthquakes. Construction of the Engineering and Science facilities is now complete; the Rehua building is complete (enabling the transfer of the College of Education, Health and Human Development to the Ilam campus and providing space for the UC Centre for Entrepreneurship and UC Master of Business Administration); the Locke building is repaired and refurbished; and Haere-Roa, the jointly owned home of the University of Canterbury Students' Association (UCSA), is complete. Other physical changes include removing the temporary villages at Dovedale and Kirkwood; repairing and refurbishing the Logie building and starting construction of the Garden Hall | Tupuānuku residential accommodation facility for approximately 500 students on Homestead Lane, due for opening at the beginning of 2021. The University is also re-engaging with the central City: in the Arts Centre and in Te Papa Hauora | Health Precinct. Finally, the disruptive process of moving staff around the campus is coming to an end.

The University has capitalised buildings and infrastructure of \$758 million since 2011, funded by insurance payments and generous Crown contributions. This has underpinned the rebuilding of student numbers, which remains critical to the University's ability to return to sustainable financial health. In 2019, the University had 14,891 Equivalent Full Time Students (EFTS) enrolled. This represented an increase of 5.8% on the prior year. The University has been setting itself ambitious growth targets, particularly in international student numbers, as part of its undertakings to the Crown as part of the \$260 million post-earthquake funding agreement. The domestic student numbers were very close to budget targets, but international student numbers fell short of expectations even though the growth in numbers over the prior year was significant. It remains unclear which factors contributed most to this growth that was achieved: certainly new facilities, the Government's Fees Free initiative, the rebuild in Christchurch city, the new graduate profile, and new qualifications all played a part.

The Government requirements for tertiary institutions are laid out in the Tertiary Education Strategy 2014–2019 (TES). The priorities relevant to universities are to:

- deliver skills for industry
- boost the achievement of Māori and Pasifika students
- strengthen research-based institutions
- grow international linkages.

The University has internalised these priorities as being to:

**Challenge** – recover student numbers, boost student achievement (especially Māori and Pasifika) and develop the graduate profile (a package of specific competences that apply to all undergraduates).

**Concentrate** – strengthen research

**Connect** – develop relationships internationally and domestically and deliver skills to industry.

## Financial statements and service performance

The University does not operate an activity based costing model, balancing the diversity and complexity of its service delivery paradigm with the cost/benefit of such an exercise. The University, along with all other universities in New Zealand, is required to submit its financial data to Tribal, a firm that specialises in the analysing of educational finance performance. This data is used to provide the University, and the Ministry of Education, with benchmark data against the performance of universities in New Zealand and United Kingdom. This analysis is provided annually, about mid-year, showing individual results only for the University compared with the average New Zealand and United Kingdom results.

The University has chosen to analyse its costs of activity using the actual prior year Tribal results and, for the current year, the methodology of Tribal. The University does not have access to the full Tribal proprietary financial model, but has worked with the firm to produce a reporting model that emulates closely their results at a high level.

The following tables show the expenditure for Teaching, Research and what we call 'Community' activities at a College level, derived in part from Tribal (Teaching and Research) and in part from the underlying accounting results for the Colleges. The central costs are allocated *pro rata* the expenditure in Colleges, as an estimate of their application. The non-direct expenditure of the UC Trust Funds are shown as part of Community engagement – these are investment vehicles and as such are not part of any category. These are the results for the University alone. After consolidation eliminations, expenditure in the UC Foundation Limited is not connected with Teaching and Research.

31 December 2019	Teaching	Research	Community	Total
<b>\$000</b>				
Direct expenditure	78,528	63,707	96,824	239,059
Central expenditure	45,806	37,161	56,479	139,446
Total University	124,334	100,868	153,303	378,505
UC Trust Funds			3,669	3,669
<b>Total University</b>	<b>124,334</b>	<b>100,868</b>	<b>156,972</b>	<b>382,174</b>
31 December 2018	Teaching	Research	Community	Total
<b>\$000</b>				
Direct expenditure	73,216	60,605	88,307	222,128
Central expenditure	48,861	40,445	58,933	148,240
Total University	122,077	101,050	147,240	370,368
UC Trust Funds	-	-	3,460	3,460
<b>Total University</b>	<b>122,077</b>	<b>101,050</b>	<b>150,700</b>	<b>373,828</b>

Please also refer to the critical reporting judgements, estimates and assumptions included at the end of this statement.

# Priority Objective 1: Challenge

Improving the educational performance and participation of students

Student Enrolments (EFTS)		Actual 2016	Actual 2017	Actual 2018	Actual 2019	Target 2019
Impact	Input commitments					
Increased student enrolment	Domestic	11,358	11,671	12,366	13,022	12,869
	Full Fee	1,134	1,418	1,704	1,869	2,005
	Total	12,492	13,089	14,070	14,891	14,874
	New to UC EFTS	3,861	4,006	4,584	4,719	5,268

Assessment of actual achievement against target		
Achieved	Nearly achieved	Adverse variance

The University exceeded its target in both Domestic and Total student numbers. Full fee student numbers and 'New to UC EFTS' fell short, but mainly due to the ambitious target and changing international markets, which we are addressing.

Priority Learner Group Participation		Actual 2016	Actual 2017	Actual 2018	Actual 2019	Target 2019
Impact	Input commitments					
Increased participation by priority learner groups	Māori enrolments as a % of total domestic EFTS	8.3%	8.7%	9.0%	9.4%	8.9%
	Pacific enrolments as a % of total domestic EFTS	3.0%	3.1%	3.0%	3.2%	3.2%
	Non Māori, Non Pasifika enrolments as a % of total domestic EFTS	89.2%	88.7%	88.3%	87.8%	87.9%

The achievement is in line with target.

Māori and Pacific pathways		Actual 2016	Actual 2017	Actual 2018	Actual 2019	Target 2019
Impact	Input commitments					
Enhanced Māori and Pacific pathways into tertiary study	First-year Māori enrolments as a proportion of first-year domestic enrolments in first year of tertiary study.	9.4%	9.3%	9.7%	9.8%	6.6%
	First-year undergraduate Māori EFTS as a proportion of first year domestic undergraduate EFTS	9.8%	9.7%	9.9%	10.2%	8.4%
	First-year domestic undergraduate Māori EFTS	277	276	318	337	367
	First-year Pacific enrolments as a proportion of first-year domestic enrolments in first year of tertiary study.	3.4%	4.1%	3.3%	3.4%	2.4%
	First-year undergraduate Pacific EFTS as a proportion of first year domestic undergraduate EFTS	3.6%	4.2%	3.5%	3.7%	3.2%
	First-year domestic undergraduate Pasifika EFTS	100	118	111	121	158

The University continues to increase its absolute numbers of Māori and Pasifika undergraduate students.

Note: The population of Māori and Pasifika students at the University is so small that minor movements have a disproportionate impact on the performance targets.

International (Full Fee) Participation		Actual 2016	Actual 2017	Actual 2018	Actual 2019	Target 2019
Impact	Input commitments					
Increased and more diversified international (Full Fee) participation	Full Fee enrolments (as a percentage of total enrolments)	9.1%	10.8%	12.1%	12.6%	13.5%

Despite missing the ambitious recruitment target for International (full fee) students, the University continues to see a growth in their numbers continue to grow as a proportion of total enrolments, reflecting the University's strategic recruitment effort.

Course Completion		Actual 2016	Actual 2017	Actual 2018	Forecast 2019	Target 2019
Impact	Output commitments					
Increased successful course completions by priority learner groups	Māori completion rates	80%	81%	81%	78%	82%
	Pacific completion rates	69%	70%	71%	70%	74%
	Non Māori, Non Pasifika	87%	88%	87%	86%	87%

Rates for course completion have been consistent against targets and prior years. Note: The population of Māori and Pasifika students at the University is so small that minor movements have a disproportionate impact on the performance targets.

Qualification Completion		Actual 2016	Actual 2017	Actual 2018	Forecast 2019	Target 2019
Impact	Output commitments					
Increased qualification completions by priority learners	Māori completion rates	60%	54%	59%	58%	60%
	Pacific completion rates	46%	49%	48%	45%	48%
	Non Māori, Non Pasifika	67%	67%	69%	67%	68%

Rates for completion of qualifications have been consistent against target and prior years. Note: The population of Māori and Pasifika students at the University is so small that minor movements have a disproportionate impact on the performance targets.

First Year Retention		Actual 2016	Actual 2017	Actual 2018	Forecast 2019	Target 2019
Impact	Output commitments					
Increased retention of priority learner groups	Māori retention rates	71%	69%	71%	70%	71%
	Pacific retention rates	77%	68%	65%	77%	75%
	Non Māori, Non Pasifika	78%	77%	77%	79%	79%

Retention rates for first-year students have been consistent against targets and prior years.

Under the heading of Challenge, the University has set targets in conjunction with Government that support the TES goals. The primary objective is to recover the student numbers towards levels achieved prior to the earthquakes, boost international student numbers, and to welcome them to an environment that supports them to achieve their potential.

### Domestic students

The University has continued to invest heavily in the recruitment of domestic students to meet increasing targets. The market has experienced strong competition for recruitment amongst all universities for a similar-sized pool of school leavers.

The current offering of the University, known as UC7, identifies the five aspects of the graduate profile. It also highlights the recreational opportunities (including over 180 student clubs and societies) and the support services that are available to students through their programme of study.

The recruitment effort has included making 170 introductory presentations to over 1,500 students throughout the country. These presentations highlighted the points of difference that the University of Canterbury offers – in particular, UC7 and our fabulous, modern leafy campus.

From these and numerous other recruitment events UC has received a strong number of enquiries throughout the year. The University regularly contacted over 9,000 students in the Customer Relationship Management (CRM) system, which included a strong pipeline of over 2,500 in Year 12 at secondary schools.

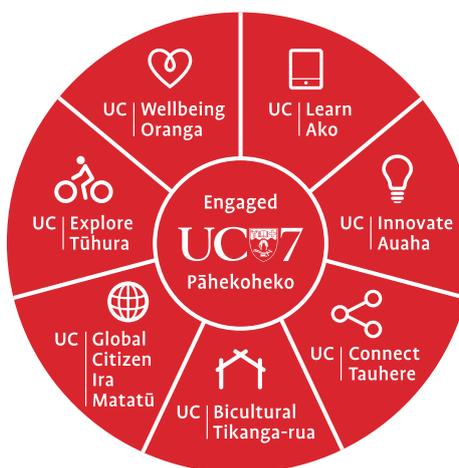
National Certificate of Educational Achievement (NCEA) excellence and merit scholarships (or equivalent) were continued as research indicated that receiving financial support encouraged a number of students to decide to study in Ōtautahi Christchurch. Targeted regional offerings, such as the Go Canterbury initiative for Auckland and Wellington students, generated significant interest.

Over 2,500 students were course planned personally, receiving an individualised course plan. Throughout the course planning stage, students are also asked to identify any clubs and societies they wish to join and if they wish to participate in the University’s mentoring system and the Student Volunteer Army’s Big Give. In making these choices, students begin their social transition to the University while still finishing their secondary school education.

Two Careers Advisors and International Directors Update Days were held. At the Update Day in Auckland 30 Careers Advisors and International Directors from Auckland came to hear updates on the University. Another 80 from around the country attended the Update Day on campus in Ōtautahi Christchurch to hear about the University’s latest offerings.

In 2019 two new events were added for Auckland and Wellington: the UC Experience days for future students and whānau followed an expo format event, showcasing all UC has to offer. Other notable initiatives were scholarship workshops earlier in the year and webinars trialled for remote schools. UC Bound parent and whānau events were reformatted and led to positive engagement. The Open Day in July was highly successful, attracting thousands of attendees from across New Zealand. The Post Graduate and Professional Development Evening at the Chamber of Commerce in August received encouraging feedback.

The University has launched the new Bachelor of Youth and Community Leadership. The degree meets a growing need for innovative leaders who can make an impact on national and global challenges that are being encountered by youth and other communities are facing. Examples of careers following n from this degree include politics, teaching,



iwi development, community services, humanitarian efforts, charities, not-for-profits, government, consultation, media and marketing, social entrepreneurship, and advocacy. The programme is accepting enrolments for 2020 and has been marketed during 2019 by the College of Education, Health and Human Development along with support in school visits and at the Careers Advisors and International Directors Update Day in Ōtautahi Christchurch.

The University's success in attracting additional students continues to put pressure on the supply of accommodation. In 2019, the University began to construct a 508 bed accommodation building in Homestead Lane, co-located with the existing residential provision. The new building is expected to be available to domestic and international from the start of the 2021 academic year. Also underway is the construction of a new Recreation Centre to complete the 'Wellness Precinct', which already encompasses the new UCSA building, Haere-roa, and the Health Centre.

## Māori students

The South Island has a comparatively small population identifying as Māori (112,773 at 2018 Census, representing 9.8% of the South Island population) distributed across a number of centres. The major concentration of South Island Māori is in Waitaha Canterbury (57,090 people living in the region). With our more targeted recruitment approach the number of Māori students enrolling at the University has grown, as the 48.5% increase in first-year Māori enrolments in the period over 2016–2019 shows.

UC's work in increasing the number of Māori students enrolling and successfully completing study at UC is a key aim of Te Rautaki Whakawhanake Kaupapa Māori (UC Strategy for Māori Development). The University has continued to engage in recruitment with the community, schools and students in its recruitment efforts. The programmes in 2019 included community engagement activities, academic support and leadership development. The following represent some of these initiatives.

Ekea! is a four-year programme of engagement activities targeted at taiohi Māori beginning in Year 10 and scaffolding through to Year 13. By participating in the Ekea series of events over their secondary schooling, students become more familiar with the University and its environment, which helps to prepare them for enrolling in programmes of study of their choosing.

Ekea! Tau 10 Pathways for Māori succeeded in meeting objectives to inspire taiohi Māori by promoting tertiary study in an environment that enables them to make connections and see tertiary study as a possible and positive future pathway. More than 90 students and 16 schools participated in the programme. Taiohi particularly enjoyed connecting with Tuākana (current UC Māori student leaders) so enhancing this aspect of the event will be a focus in 2020.

Ekea! Tau 12 Pathways for Māori was held in August 2019, attracting more than 40 taiohi Māori and 11 kaiako from nine different schools. The one-day event aims to build on other Ekea activities, increase the sense of belonging on campus for taiohi and ensure they understand that the NCEA subject they choose affect their tertiary study pathways and opportunities. Feedback on the student's sense of belonging on campus was measured before and after the event and indicated a 5% increase in feeling welcome on campus. The scholarship session was a particular highlight this year and the University plans to film the 2020 session at the request of school career advisors.

Further, the University continues to invest significant resource in supporting Māori high school students to transition to the University. Year 13 Māori students who apply to enrol are contacted and provided with personalised advice and assistance with their programmes. One part of this assistance is to ensure that the students have a balance in their workload and subject choices to align with their personal goals and optimise their academic outcomes.

Te Tari o te Amokapua Māori | the Office of Assistant Vice-Chancellor (AVC) Māori continues to deliver the annual Eke Panuku Māori Orientation for new to UC Māori students. In welcoming ākonga to Te Whare Wānanga o Waitaha, this programme aims to help students develop networks and learn about all of the support services on campus before the classes begin. Orientation for new ākonga also included the opportunity to attend Tōia Mai, a Noho marae to engage in mātauranga Māori place based learning, connect with other ākonga Māori and Te Akatoki Māori Students Association. In 2019 more than 200 ākonga participated in Eke Panuku and Tōia Mai.

Another ongoing service from Te Tari o te Amokapua Māori has been the Paihere mentoring programme, with the focus on cultural, professional and community development. By connecting the students to people and place the programme aims to enhance their holistic hauora wellbeing. More than 55 Tuākana were registered in the programme in 2019 and provided mentoring, academic and outreach support for prospective and current ākonga Māori. Te Tari o te Amokapua Māori initiatives that focus on transition and success have contributed to an increase in Māori student retention, with 70% of Māori students retained in 2019. As a result of the activities, 2019 saw a 6.0% increase in the number of first-year Māori EFTS enrolling compared with 2018.

We continue to develop new innovations to achieve equity or exceed the retention rate for all UC students.

## Pasifika students

The South Island has a very small Pasifika population (33,726 at 2018 census, representing 2.9% of the population) distributed across a number of centres. The major concentration of this South Island population is in Waitaha Canterbury (19,323 people living in the region). Taking a more targeted recruitment approach is expected to increase the number of Pasifika students enrolling at the University.

The UC Pasifika Strategy 2019-2023 outlines the vision and aspirations of the University and the Pasifika community for Pasifika students. The aim is for the University:

- be the tertiary provider of first choice for Pasifika students;
- develop a strong sense of belonging for Pasifika students and to support the development of their academic skills to achieve success and enrich their cultural heritage;
- be centre for Pasifika research, teaching and learning and dissemination of indigenous knowledge;
- provide the Pasifika community a voice in the University; and
- foster Pasifika values alongside University graduate attributes.

UC's Pacific Development Team is dedicated to providing Pacific and Pasifika students with a supportive community environment in which to study and grow. Its joint efforts with other UC service departments, academics and community organisations, have provided a variety of programmes, scholarships and awards, and Pasifika community spaces to support students in their studies.

Pasifika students now comprise 3.2% of a growing total domestic student population (2018: 3.0%).

The Pasifika Strategy aims to attract Pasifika students, through selected secondary schools to the UC Me XL outreach programme. Run twice a year, this two week programme has been strategically designed to effectively engage Pacific students with education. The aim of the programme is to improve the academic achievement of Pacific students sitting NCEA levels 1, 2, and 3 in turn increasing their likelihood of participating in tertiary education.

The University has developed and continues to provide Pasifika-centred support programmes. For example, the UC Pacific Mentoring Programme is a one-to-one, peer support programme for all Pacific students in their first year of study, where all mentors are senior students with a strong understanding of University life, and the Pasifika Academic Solutions and Success (PASS) programme offers individual and group tutorials for specific first-year courses.

## International students

In 2019 UC enrolled 1,869 full fee paying international EFTS in academic programmes across the five Colleges, an increase of more than 141% over the past five years. Full-fee students now make up 12.6% of the total enrolments at UC. UC experienced growth of 9.7% year-on-year in full-fee international students in 2019, and further growth of approximately 15% is targeted in 2020. The University expects that the majority of the growth will continue to be in post-graduate level programmes that have a strong professional/career emphasis.

As UC begins to implement the new Strategic Framework 2020-2030, there will be a shift in priorities away from growth of full-fee EFTS towards a more holistic approach to internationalisation. UC will look to strengthen its global partnerships, develop a portfolio of Transnational Education (TNE) offerings, further diversify the international student cohort, and enhance the internationalisation of the UC curriculum and student experience. The intention is to grow the proportion of full-fee EFTS to 15% of total EFTS during the next decade.

While full fee international students are important to the financial sustainability of the University, their presence also fosters among our domestic students to glean an understanding of other cultures through engagement with classmates from other countries and cultures.

## Graduate profile

The University seeks to differentiate its graduates from those who study elsewhere through the Graduate Profile initiative. This outlines a package of specific competences that apply to all undergraduates: critically competent in a core academic discipline of their degree; employable, innovative and enterprising; biculturally competent and confident in a multicultural society; engaged with the community; and globally aware.

Originally developed in conjunction with employers, key stakeholders, academic staff (both internal and external) and student representatives, the main tenets of the initiative are now embedded in curriculum changes and new compulsory courses (for example, in the disciplines of Science and Arts) to develop students' Bicultural Competence and Confidence at an early stage in the degree programme.

Work is continuing to ensure the graduate attributes are present throughout all degrees. A recent example is the University's Bachelor of Youth and Community Leadership, which builds on UC's international reputation for social action to educate graduates who are more socially, ethically and culturally aware. UC's Student Volunteer Army is the University's most visible example of student leadership, having gained international acclaim for their determined and inspiring work in the Christchurch community immediately following the Canterbury earthquakes.

Originally introduced to assist in the University's recovery after the earthquakes, the Graduate Profile initiative was variably received. It has a particular focus on the University's Tangata Tū, Tangata Ora programme of cultural awareness and Culturally Responsive Pedagogy for staff, and on students' bicultural competence in the pedagogy and community engagement.

## Critically competent in a core academic discipline of their degree

To become competent in their chosen academic discipline, it is essential that students receive high-quality teaching. Quality assurance of teaching is guided by the following principles (which apply to all quality assurance processes at the University of Canterbury):

- consistency
- accountability
- efficiency
- flexibility
- culture and understanding.

Teaching quality is one of the hardest aspects of university activity to measure. In 2019 the independent rankings agency QS ranked the University of Canterbury 213th (2018: 220th) in the world for academic reputation<sup>2</sup>. This measure provides a "sense of consensus of opinion amongst the international academic community".<sup>3</sup>

Quality assurance of teaching encompasses all aspects related to the delivery of teaching and course material to students; including what is taught, how teaching is undertaken, who teaches and how well, where and when teaching occurs and how effective it is. Much of the quality assurance process is conducted at a school or departmental level with an expectation that annual and formal quality assurance will occur through the five-year qualification review cycle.

Quantitative measures used in the quality assurance processes are conducted or coordinated by Learning Evaluation and Academic Development. These measures include:

- Student Evaluation of Teaching (SET) surveying – course, teaching and programme surveys
- Student Experience Surveying – UCount and UCPEQ surveys that focus on environmental issues, infrastructural and ancillary teaching support
- the Graduate Destination Survey, which is increasingly focusing on skill acquisition and development, as well as programme quality.

Overall results are provided to the Head of Department or School, the respective Pro Vice-Chancellors as executive and academic leaders of the colleges, and the Assistant Vice-Chancellor (Academic), who has the institutional responsibility for academic quality.

<sup>2</sup> QS 2019/20 World University Ranking.

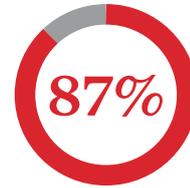
<sup>3</sup> [www.topuniversities.com/university-rankings-articles/world-university-rankings/qs-world-university-rankings-methodology](http://www.topuniversities.com/university-rankings-articles/world-university-rankings/qs-world-university-rankings-methodology)

## Teaching quality and excellence

The University carries out a number of surveys of its students to inform its course development and provide feedback to Colleges and staff. Regular, end-of-course organisation and teaching satisfaction surveys are a quick way to give staff feedback on their teaching (personal organisation, communication, effectiveness) and course organisation (materials, assessments, feedback to students). Out of a maximum score of 5.00, students gave an overall simple average of 4.36 for teaching and 4.14 course organisation satisfaction (2018: 4.35 and 4.12 respectively). Response rates in 2019 for these surveys were 65% for teaching and 67% for course organisation (2018: 66% and 72% respectively).

The UCount 2019 survey was sent to undergraduate and coursework postgraduate students who had been identified as taking courses in 200 level studies or higher, and included a range of questions about the student experience focusing on both the in-classroom and wider University environments. This is a lagging indicator, and was performed in the second semester of the year. The UCount 2019 survey was sent to 8,325 undergraduate and coursework postgraduate students. In total, 1,687 students returned valid/completed surveys (this equates to a response rate of 20% and gives a margin of error of 2% at the 95% confidence interval).

The UCount surveys cover a number of themes on a cyclical or ad hoc basis. The last comparable survey was performed in 2016, but which did not address the teaching quality question directly but instead, reviewed student behaviours around engagement with learning, with 93% of those surveyed confident in their ability to succeed, and 74% with interaction with staff outside the classroom, both proxy measures for “quality”.



% of all respondents rated the **Teaching Quality** at UC positively

## Teaching quality recognition

The quality of individual teachers is important, as the University acknowledged in awarding Associate Professor Ben Kennedy the prestigious Te Tohu Pākai Ako | UC Teaching Medal for 2019, in recognition of his outstanding and sustained contribution to teaching at the University.

The quality of the University’s teaching provision was also recognised beyond the University. For excellence in teaching chemistry, Professor Richard Hartshorn was granted the 2019 Denis Hogan Chemical Education Award from the New Zealand Institute of Chemistry.

Additionally, University of Canterbury mathematicians Dr Jeanette McLeod and Dr Phil Wilson were awarded the 2019 New Zealand Association of Scientists Cranwell Medal for Science Communication. The UC academics have been on a mission to rid New Zealanders of maths-phobia since co-founding their non-profit initiative Maths Craft New Zealand in 2016. Maths Craft aims to celebrate the links between mathematics and craft, showing people of all ages how fun, creative and beautiful maths can be, and to demonstrate what it means to think like a mathematician.

Finally, Dr Heather Purdie and Dr Masayoshi Ogino have received an Ako Aotearoa National Tertiary Teaching Award for sustained excellence in tertiary teaching and learning, continuing UC’s strong representation in national recognition for teaching excellence.

Dr Purdie is known for her dynamic, engaging and student-centred teaching, and her commitment to integrating te reo Māori and te ao Māori in her teaching practice, using pūrūkau or storytelling to bring the outside in. Dr Ogino has created a multi-layered learning environment that draws on traditional Māori support systems, where more experienced tuākana guide less experienced teina, and connects students internationally through the latest technology.

An important achievement in terms of quality of academic provision– and with additional relevance across many of the performance measures the University uses (domestic and international student appeal, excellence in research) - is that of the UC Business School joined an elite group of international business schools with Triple Crown accreditation, placing it in the top 1% of business schools in the world. Triple Crown accreditation follows rigorous quality assessment processes by three accreditation systems: the Association to Advance Collegiate Schools of Business (AACSB International) based in the United States, the Association of MBAs (AMBA) based in the United Kingdom, which accredits the flagship MBA programme, and EQUIS based in Europe. These systems benchmark a range of qualities, including programmes, faculty, teaching, careers and employers, students and student support, and research.

## Employable, innovative and enterprising

Under this attribute, students are expected to develop skills that are transferable between workplaces. The core skills needed to meet this attribute are:

- working effectively and professionally with diverse communities
- communication
- analytical, critical thinking and problem solving in diverse contexts
- digital literacy
- innovation, enterprise and creativity.

On the students' own assessment, they give themselves 4.8 out of 6.0 in this category. They perform strongly in developing ideas, problem solving and digital literacy, while seeking to improve their ability to communicate ideas.

The following results of the University's Graduate Destination Survey incorporate data from both 2018 and 2019. The Graduate Destination Survey is compiled by surveying students in the July and August following graduation. In 2018 and 2019 the response rates were 34% and 40% respectively, and drawn from a sample – please also refer to the policies and critical judgements and assumptions shown at the end of this Statement.

These results show that 84% of students surveyed who were in employment at the time of the survey consider their employment is either ideal or a step in the right direction. Graduates from many individual courses are 100% employed, while others are in the process of finding the right position and assessing their opportunities.

These findings compare with 89% of students in the categories of “ideal employment” and “step in right direction” in the 2018 Survey. Of those responding to the full 2019 survey, 28% were in full or part-time study or research (2018: 29%). Note that “ideal employment” does not necessarily correlate with the course of study completed. A University education provides evidence of skill in and achievement in a particular area of study, and in academic discipline generally. However, this is only one of a number of characteristics students develop while at the University and that employers look for. The UC graduate profile is a bridge between the academic achievement and the wider education students gain through completing their study at the University of Canterbury, and this may not be directly or even remotely linked to the academic subject matter itself.

In 2019, the University of Canterbury was ranked third among New Zealand universities for employer reputation and 210<sup>th</sup> in the world (up from 269<sup>th</sup> in the prior year)<sup>4</sup>. This ranking shows that University of Canterbury graduates are readily accepted by employers. It is based on:

- Employer Reputation – a score based on the reputation of an institution among employers;
- Employers' Presence on Campus – the number of employers who are actively present on a university's campus;
- Graduate Employment Rate – the percentage of a university's graduates that are employed up to twelve months after graduation; and
- Alumni Outcomes – an evaluation of how successful alumni of institutions have been.

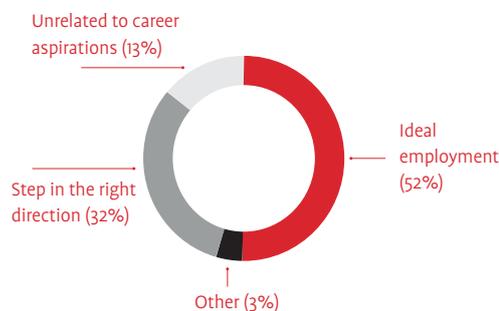
To ensure that students are more employable, a range of initiatives have been developed and implemented with significant input from employers from diverse industries. The University has established the opportunity for students to have their non-academic experience and competencies independently validated and documented in a co-curricular record that can be shared with employers. A co-curricular record includes not-for-credit activities, such as leadership roles in clubs and societies that the student has been involved in, along with volunteering experience and approved work experience. Employers have provided positive ad hoc feedback on the project as a whole, as well as on the content and layout of the record, and have made favourable comparisons with similar initiatives in other institutions. General consensus is that the linking of the activities to the graduate profile is very useful. The Co-curricular Record had 2,224 students registered at the end of the year (2018: 1,841), with 60 validated activities that students can opt in to.

The employable, innovative and enterprising attribute is supported by the UC Centre for Entrepreneurship (UCE). The centre facilitates the development of students' entrepreneurial ideas and links with industry through a variety of activities.

The UCE EY Summer Startup finals featured 12 students pitching their business ideas to a panel of judges drawn from industry and UC and an audience of over 200 guests. Attendees and judges commented on the high calibre of the presentations and the wide variety of ventures in this year's programme. Two of the pitches went on to be Entré grand final winners.

UCE also ran the annual Social Enterprise challenge where 55 students from across New Zealand came together to address a 'Climate Emergency'. The judges were looking for innovative ideas with the potential to have a real impact in reducing New Zealand's emissions and be financially viable, with the winner was 'The Seaweed Solution', which will use innovative seaweed farming techniques to sell blue carbon credits and offset emissions in Ōtautahi Christchurch.

### Employment Ideal



<sup>4</sup> QS World University Ranking 2019/20.

Another to encourage the entrepreneurial spirit is Entré, a not-for-profit entity, run by students for all tertiary students in the Waitaha Canterbury region. Entré opens up hands-on opportunities and industry exposure for students at the University, Lincoln University and Ara Institute of Canterbury to gain experience and business mentorship. Through its competitions and networking opportunities, students are inspired to become more innovative and creative. The major Entré event is the \$85k Challenge. This year saw three first-equal grand winners: a surf conditions website; a vegan plant based milk alternative; and a smart voicemail driven assistant that converts user's voicemails into text. Entré is supported by UCE and sponsored by the University, with Platinum sponsors the ANZ Bank, PricewaterhouseCoopers; and Cavell Leitch.

## Biculturally competent and confident in a multicultural society

The University continues to drive the implementation of Te Rautaki Whakawhanake Kaupapa Māori (UC Strategy for Māori Development) and the Bicultural Competence and Confidence Framework. An overarching goal is that all Te Whare Wānanga o Waitaha | University of Canterbury programmes will have learning outcomes and linked assessment activities that support the development of bicultural confidence and competence (BiCC) in graduates, thus providing a unique skill set valued by employers locally and globally. Bicultural competence and confidence enables people to interact confidently and appropriately with others from backgrounds that are different from their own. It goes beyond an awareness of or sensitivity to another culture to include the ability to use that knowledge in cross-cultural situations. At an institutional level, it includes the developmental processes, procedures and practices that support culturally competent and appropriate services. The objective is to give each student adequate opportunity to engage with mātauranga Māori content, activities and experiences to the extent that they develop bicultural competence and confidence and understand how it is relevant to their chosen discipline or career by the time that they graduate.

Significant time continues to be invested in incorporating mātauranga Māori across all undergraduate courses and programmes, building on the work already completed in 2018 and 2019. Work is still needed to ensure BiCC content features in all curricula and is visible to students. For most programmes of study, the focus in 2019 was on the development of the second touchpoint level, building on previous years' undergraduate content development. This work and content draws on Te Ao Māori, the Māori world and knowledge, bringing that through into application and content that directly relates to the discipline and programme of study.

In 2019, a review of Te Tari o te Amokapua Māori | the Office of AVC Māori was undertaken in order to ensure that the Office was fit for purpose in supporting the ongoing implementation of Te Rautaki Whakawhanake Kaupapa Māori. Outcomes of the review included an increase in resources to support ongoing work in strengthening bicultural competence and confidence in programmes across the colleges and service units, and bicultural professional development with University staff, as well as more focussed efforts in Māori student recruitment, retention and success. We are working in 2020 to co-construct an action plan with each college focused on these three elements.

The University continues to champion use of te reo Māori. Te Tari o te Amokapua Māori has received and completed more than 600 te reo Māori translation requests from staff and student groups across the University. Review by Te Tari o te Amokapua Māori also allows for a greater depth of reo Māori strategic development and support for staff in the colleges and service units. A University framework for te reo Māori will be developed in 2020.

In March 2019, the University signed a partnership agreement with mana whenua, Ngāi Tūāhuriri. The agreement, which outlines the principles and mechanisms for working together into the future, is consistent with Te Tiriti o Waitangi and its principles. This includes supporting the use of te reo and tikanga Māori at UC, and supporting Ngāi Tūāhuriri and Ngāi Tahu students and aspirations for Ngāi Tahu development in the Canterbury region and beyond. The University is working cooperatively with the hapū to drive outcomes in line with the objectives of the partnership agreement.

The University encourages research through the Ngāi Tahu Research Centre, which offers a number of postgraduate scholarships annually as well as undergraduate summer research projects. A strong focus for the centre is on developing high-quality postgraduate students in order to create intellectual capital and leadership for Ngāi Tahu. Current research focus areas include indigenous and tribal economies and environmental sustainability and water.

## Engaged with the community

The Mosque attacks in March 2019 brought the whole of Ōtautahi Christchurch's community together. The University recognises the immediate and positive response of its students and staff, with small and great acts of leadership in tandem with the wider community in emphasising the University's, Christchurch's and New Zealand's inclusivity, in support for those in distress, and in its re-affirmation of the strength that diversity brings.

In January, the Manawa health research and education facility located in Te Papa Hauora | the Christchurch Health Precinct was opened, where UC is a partner with Ara Institute of Canterbury and Canterbury District Health Board. Manawa is an innovative and collaborative model that brings together the education and health sectors, to share resources and knowledge with the aim of building the capacity of Canterbury's future health workforce.

The University has been in Christchurch central city for a few years now. Its the Arts Centre location hosts the UC Arts lecture series, 'An Evening With, open to the general public'. In 2019, the series included the College of Arts' research centres, with presentations

from the Ngāi Tahu Research Centre, New Zealand South Asia Centre, New Zealand Centre for Human-Animal Studies, and the National Centre for Research on Europe.

Local Canterbury students form a significant proportion of the University's cohorts, and engagement with those students from an early stage is important to the University.

- The 2019 Rā Tūhura | Discovery Day provided an opportunity Year 12 students from 30 schools across Waitaha Canterbury to explore university for the day. They attended lectures on offer across our Engineering, Arts and Central Lecture theatres and discovered the differences between school and university life while connecting with current students and staff.
- The Outreach Programme based in UC's College of Science encourages young people to study science. The programme, established in 1999, enhances science education in secondary schools. It has a range of resources and activities and employs a full-time staff member to coordinate its activities.
- The University also runs an annual NCEA workshop through the UC Arts Japanese Programme, in conjunction with Ara and Canterbury high school teachers. In 2019, the seventh year of the workshop, over 400 participants from 18 secondary schools, and 27 UC students participated as teaching assistants and student mentors.

Coming on line in 2019, the Children's University Canterbury Partnership (CUCP) pilot programme has made excellent progress. CUCP was at capacity with schools and the participating children have received their Passports to Learning. The programme was also trialled with Ngāi Te Ruahikihiki ki Taumutu, notable as the first time in Australasia that the programme has been run with a specific cultural group. One of the principles underlying Children's University is that children need to know what exists if they are to know what they can aspire to achieve. It is anticipated that at least some of the participants will subsequently enrol in tertiary education in Ōtautahi Christchurch. The inaugural CUCP graduation ceremony was on 20 November 2019.

All colleges and the majority of schools and departments have an external advisory board. These boards provide feedback from the community (employers, professional and other interested bodies). This feedback assists in keeping the academic programmes relevant to the community beyond academia.

Finally, it was with satisfaction that the University was able to return to using the Town Hall for its graduation ceremonies, confirming the University's long-term commitment to the City.

## Globally aware

The globally aware attribute is approached from a bicultural standpoint – globally aware and locally rooted - which links it with the biculturally competent and confident attribute. From this perspective, the many cultural influences on an individual (for example, culture of country, culture of discipline, culture of institution) can be acknowledged. Students are expected to develop:

- an understanding of the global nature of their discipline
- the ability to engage critically and effectively in global and multicultural contexts.

To enable students to demonstrate they have successfully fulfilled this attribute, learning outcomes are intended to link to these themes and be associated with relevant assessment. Fulfilling this attribute is not something that will be accomplished in one course. It will take time to develop and will require multiple opportunities for students to broaden and deepen their knowledge and skills.

The University exchange programmes provide additional opportunities for students to have an international experience of what they choose to study. The programme provides opportunities for students to do a semester's study abroad to gain experience of working and living in different cultures. The network of more than 60 exchange partnerships is already in place with overseas universities. A growing trend to include short-term international study tours as field trips during recess or summer breaks. Depending on the courses they take, students have the opportunity to travel to Asia, Europe, North America, Australia and Antarctica.

Each year, the UC Global Exchange programme offers UC students the opportunity to study abroad with its Global Exchange programme. Reciprocal study tours are arranged where UC students visit another institution and then host a cohort from that institution. Visits have included destinations as diverse as Switzerland, China and Colombia, enabling students to immerse themselves in another culture and get international experience before they graduate.

Internationalisation and global awareness are so much more than simply drawing full-fee paying students to UC. International and multicultural experiences that create learning opportunities with academic frameworks for learning and leveraging our partnerships are important aspects of delivering this attribute of the graduate profile. At the same time, the University celebrates its cultural diversity, with over 2,000 International students from 100 different countries. These students bring their culture and perspectives to their studies and the wider University community, many through their own clubs and societies. They are welcomed into an academic community where 50% of academic staff were born overseas.

# Priority Objective 2: Concentrate

Enhancing the quality and impact of research outputs

Research Outputs		Actual 2016	Actual 2017	Actual 2018	Actual 2019	Target 2019
Impact	Output commitments					
Increased research degree completions and external research income	Number of research degree completions	445	436	394	402*	440
	External research income excluding PBRF	\$30.9m	\$34.4m	\$40.7m	\$40.1m	\$36.9m

External investment in research remains steady, but is well in excess of the target. Currently, the reported number of research degree completions is reported much lower than the target but above the prior year.

\* The reported number for 2019 does not include degrees submitted prior to 31 December 2019 that are yet to complete their defence and be awarded. In previous years, once these degrees are included, the final total increased by approximately 10%; if 2019 follows the same pattern, the final total would approximate to 440 research degree completions for 2019.

Postgraduate Enrolments		Actual 2016	Actual 2017	Actual 2018	Actual 2019	Target 2019
Impact	Input commitments					
Increased postgraduate enrolment EFTS	Postgraduate taught EFTS	1,636	1,752	1,944	2,130	1,352
	Postgraduate research EFTS	1,141	1,174	1,161	1,140	1,893
	<b>Total postgraduate EFTS</b>	<b>2,777</b>	<b>2,926</b>	<b>3,105</b>	<b>3,270</b>	<b>3,245</b>

The majority of International (Full Fee) students attend the University for post-graduate studies. These targets were set with the ambitious recruitment of International postgraduate students in mind, which was achieved for the popular taught masters courses, but not for postgraduate research students. Nevertheless, the overall increase in postgraduate EFTS is significant, and in total exceeds the target.

Māori and Pacific Research Students		Actual 2016	Actual 2017	Actual 2018	Actual 2019	Target 2019
Impact	Input commitments					
Increased postgraduate enrolments on the part of key priority learner groups	Māori postgraduate research students as a proportion of total Māori EFTS	4.8%	5.9%	6.2%	6.4%	5.9%
	Pacific postgraduate research students as a proportion of total Pacific EFTS	3.8%	4.3%	4.9%	5.3%	4.7%

The continued increase in the ratio of Māori and Pacific postgraduate research students as a proportion of the total EFTS for these learner groups is pleasing, but much remains to be done. Note: the population of Māori and Pacific students at the University is so small that minor movements have a disproportionate impact on the performance targets.

## Research outputs and quality

The University of Canterbury continues to produce a broad and extensive portfolio of research outputs from 796 academic staff across the five Colleges, and Research Centres. In 2019, over 2,159 individual research outputs were published in academic journals, conference proceedings, monographs, book chapters, and increasingly as expert commentaries in "online blogs". Of these outputs, 1,522 are fully peer-reviewed publications recognised within the international Scopus bibliometric database. The research impact of the University's publications continues to be both high and relevant with over 118 citations per academic staff member within Scopus in 2019 for the prior five years of publications.

Other external assessments confirm the University's reputation. The University draws pride in its QS 5 Star ranking<sup>5</sup> 'among the top 250 Universities in the World'<sup>7</sup>, with its academic reputation evidenced in the QS rankings noted under Priority Objective 1. In the most recent Performance-Based Research Fund (PBRF) assessment, for which results announced in 2019<sup>8</sup>, the University is ranked third among New Zealand universities on the Average Quality Score scaled by Staff numbers (AQS(S)). In addition, UC has ranked in the top three in over half of the subject areas within which it submitted in the PBRF review, it ranked first in: ecology, evolution and behaviour; marketing and tourism; political science, international relations and public policy; and public health. For Māori staff, the PBRF results were a particular success, showing a significant increase in the research intensity/research quality.

Further, many of the University qualifications, including several post-graduate qualifications, are accredited by external professional bodies. During 2019, the UC Business School was awarded EFMD Quality Improvement System (EQUIS) accreditation, which includes assessment of excellence in research and academic staff, and places the UC Business School in the top 1% of universities with the 'Triple Crown' accreditation.

## Postgraduate students

The number and proportion of postgraduate students across the University remains high. In 2019 there were 1,084 doctoral candidates studying, and 180 were awarded a doctoral degree. A large proportion of these doctoral enrolments are associated with the University's collaboration within ten National Science Challenges, seven Centres of Research Excellence, and numerous business partnerships, establishing a foundation from which this student cohort will form the next generation of New Zealanders with the research capability to work in collaborative networks and deliver impactful research. In 2019, a total of 159 research Master's degrees were successfully completed, mostly in engineering and science fields.

In addition to increasing research degree enrolments, the University continues to develop a portfolio of over 30 professional Masters qualifications. These offerings have attracted significant interest from both domestic and international students in 2019, leading to an overall increase of 5% of postgraduate enrolments (EFTS) above the previous year. A notable development has been a complete revision of the MBA give greater emphasis to digital marketing and big data analytics; the revised programme will commence in 2020.

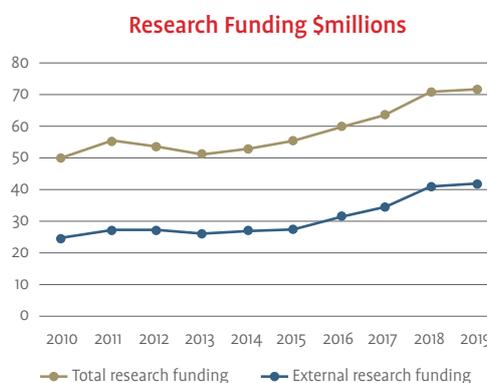
The proportion of postgraduate students from priority groups is also increasing beyond expectations. The number of doctoral candidates identifying as Māori or Pasifika increased, which was reflected in the higher proportion of these priority learners involved in postgraduate research.

## Research and Innovation developments

The University's strategy for the next decade re-focuses research as a key pillar of our endeavour and resource. Central elements of the University research strategy will be to develop new research entities focussed on transdisciplinary research; expand doctoral research capacity by at least 25% over the next five years; further internationalise our research collaboration; gain further success in external competitive research funding; and invest in research e-infrastructure.

A first step in implementing this strategy, has been the significant success in securing external research funding in 2019. This year the University has competitively won and contracted over \$57.1 million of research funding, against the previous best year of \$45.9 million in 2015 – the year when the initial QuakeCORE funding was awarded. Some highlights of the new funding include securing three Marsden awards across the Colleges of Arts and Business and Law and receiving a total of 12 awards across the University, half of which were Fast Starts; securing significant ministry research funding (for example, from the Ministry of Education and Department of Conservation); providing significant and active research leadership across the rebidding process for the National Science Challenges; securing a large Endeavour Research Programme and two Smart Ideas; and participating in numerous national collaborations in which the University is a significant partner within an important New Zealand research network.

More specifically, the University's research engineers have continued their success, having been awarded research



<sup>5</sup> "A typical five-star institution is generally world-class in a broad range of areas, enjoys an excellent reputation and has cutting-edge facilities and internationally renowned research and teaching faculty." <https://www.topuniversities.com/>

<sup>6</sup> "Research - Indicators ... include assessments of research quality amongst academics, productivity (i.e. number of papers published), citations (i.e. how recognized and referred to those papers are by other academics) and awards (e.g. Nobel Prizes or Fields Medals)." <https://www.topuniversities.com/qs-stars/qs-stars-methodology>

<sup>7</sup> QS World University Rankings 2019/20

<sup>8</sup> Tertiary Education Commission PBRF results 2018, released 2019.

funding totalling \$11.8 million for the next three to five years in the 2019. Professor Conan Fee will lead a large research programme to revolutionise manufacturing processes that have only changed incrementally over the last two centuries. Using advances in 3D print technologies, the research programme will examine and develop ways to create structures of complex solid and fluid channel geometric design to deliver heat and mass exchange more efficiently. Professors Shusheng Pang and Mathieu Sellier received funding for research they are leading in the areas of renewable energy and advanced coating technologies in manufacturing.

Further, UC has been active in proposing three new Centres of research Excellence (CoREs) and re-bidding for the New Zealand Centre for Earthquake resilience (QuakeCoRE) this year. The results of these proposals are to be announced in 2020.

The University's research continues to widen its contribution to New Zealand via its economic, environmental, and societal impact. Over the last three years, the University has developed a pipeline of 48 separate commercialisation projects, which are to be progressed with a total of \$1.08 million in external pre-seed commercialisation funding to progress these. In 2019, the University has spun-out three companies, to commercialise their products from academic innovations: NPX Environmental with nitrogen and other pollutant-sensing networks (in partnership with Ravensdown); Dock Bio Holdings with bio-actives on target proteins; and Transfection Holdings with drug transfection technology. Finally, the University was also the first in New Zealand to be recognised by the Inland Revenue as an approved research and development provider for the Government's new Research & Development tax rebate policy.

## Recognition of research leaders

The University Council continues to encourage and recognise leading research and innovation academics. The 2019 Research Medal was jointly awarded to Professors Steven Ratuva and Jason Tyljanakis.

Professor Ratuva is a prolific researcher, working at the nexus of sociology, anthropology, politics, history, cultural studies, and post-colonial and development studies, and the geopolitical setting and tension in the Pacific. He is the intellectual leader of a number of important international programmes, and he has provided significant direction to the Political Science World Congress, and has edited and published two seminal volumes of work for the International Political Science Association.

Professor Tyljanakis is a pre-eminent international ecologist in terms of innovative thinking, creative approaches to timely questions, quality of publication, and the extraordinary citation impact of his work. His work has bridged different sub-disciplines by relating ecological networks to ecosystem function. In addition, he has been recognised with a number of research awards, including in becoming an inaugural Rutherford Discovery Fellow and being elected as a Fellow of the Royal Society Te Apārangi.

The University's 2019 Innovation Medal was awarded jointly to Professor Geoff Rodgers and Distinguished Professor Geoff Chase. It recognised their achievements in the field of earthquake mitigation technology, which involved developing a suite of innovative energy dissipation and seismic damping devices now in use Ōtautahi Christchurch and internationally. These devices enable major changes in how structures are designed and built to create economically resilient cities and communities.

Associate Professor Justin Morgenroth from the School of Forestry was the winner of the University's 2019 Early and Emerging Career Researcher Award. The award recognises outstanding contributions to research made by a University academic in the first decade of their career. Associate Professor Morgenroth has a growing reputation, nationally and internationally, as a researcher in urban forestry as well as for his work in forest measurement and monitoring using remote sensing.

The University's Canterbury Distinguished Professor Roy Kerr became a Fellow of the Royal Society, London, for his exceptional contribution and eminence as a mathematician and known internationally for discovering the Kerr solution – an exact solution to the Einstein field equation of general relativity. The Royal Society has described his work as of particular importance to general relativity astrophysics, and all subsequent detailed work on black holes has depended fundamentally on it.

Professor Anne-Marie Brady was elected the first female political scientist Fellow of the Royal Society Te Apārangi in 2019 for her contributions detailing Asian foreign and domestic politics, Antarctic and Arctic politics, Pacific politics and New Zealand foreign policy. Professor Brady is a prolific researcher and communicator, and was also the recipient of the 2019 New Zealand Women of Influence Global Influence Award.

The national 2019 Marsden Medal was awarded to Professor Emerita Paula Jameson, for a lifetime of outstanding service to the profession of science. As a leading plant scientist, Professor Jameson has long been noted for her research expertise in physiological and molecular plant biology, her extensive research productivity, her mentoring and supervision of postgraduate students, and her services to the scientific community.

Additionally, Professor Bruce Manley (School of Forestry) won a Forestry Science Award for his dedication to and leadership of forestry research, and his innovative work on carbon forestry. He has led research groups responsible for early research on carbon capture by planted forests and analysis of commercial forest resource quality, and the wider adoption of estate-modelling techniques for forest planning. Professor Wendy Lawson, Assistant Vice-Chancellor Strategic Projects, won the New Zealand Spatial Excellence Awards (NZSEA) Outstanding Contribution in 2019 for her career contribution to furthering the spatial sector, particularly by providing leadership in driving its capabilities for future growth.

# Priority Objective 3: Connect

Maintaining strong, collaborative and mutually beneficial relationships with stakeholders

Relationship with Alumni and Supporters		Actual 2016	Actual 2017	Actual 2018	Actual 2019	Target 2019
Impact	Input commitments					
Strengthened relationships with alumni and supporters	Income through UC Foundation to UC	\$3.2m	\$9.6m	\$8.8m	\$5.6m	\$8.4m
	Proportion of alumni with current addresses (electronic or physical)	61%	65%	65%	78%	66%

The University's Alumni programme continues to improve its database to increase its efficacy in leveraging alumni support. Income has fallen in comparison with prior years. Both 2017 and 2018 saw the additional drawdown of funding from earlier years.

International Engagement		Actual 2016	Actual 2017	Actual 2018	Actual 2019	Target 2019
Impact	Input commitments					
Enhanced international connection	Visiting Fellowships awarded	87	81	86	80	75
	Take-up of Outgoing awards	29	24	25	22	25

This year's achievement in International Engagement corresponds with the University's intentions in 2019, and the Internationalisation – locally engaged, globally connected strategy introduced in late 2019.

Industry Engagement		Actual 2016	Actual 2017	Actual 2018	Actual 2019	Target 2019
Impact	Input commitments					
Increased revenue from providing services to Industry	Revenue derived from consulting activity	\$4.1m	\$4.3m	\$5.4m	\$5.2m	\$3.8m

Industrial Engagement is a variable activity. The University's performance is dependent on external demand for its specialist services, making the budget difficult to predict.

## Māori

Te Whare Wānanga o Waitaha University of Canterbury is committed to responding to its obligations under Te Tiriti o Waitangi and its role in contemporary Aotearoa. The University has a unique commitment to graduating students who demonstrate bicultural competence and confidence and who will be successful in a bicultural Aotearoa and a multicultural society and world. The University continues to build on the relationship with Ngāi Tahu. The partnership agreement with mana whenua, Ngāi Tūāhuriri, formalises and extends the longstanding relationships between the University and Ngāi Tūāhuriri, and Te Rūnanga o Ngāi Tahu.

In 2019, Assistant Vice-Chancellor Māori, Dr Darryn Russell and Director Ngāi Tahu Research Centre, Te Maire Tau, travelled to Stanford University to support facilitation of the First Nations' Futures Programme (FNFP). FNFP is an international alliance between Ngāi Tahu, Kamehameha Schools in Hawaii, Alaskan First Nations Institute and Stanford University. The programme is designed for aspiring Ngāi Tahu and indigenous leaders with established long-term community relationships and a solid cultural background. UC has been involved in developing and delivering of the programme since its inception.

As Chairperson of Te Kāhui Amokura and New Zealand Vice Chancellors Committee, Dr Darryn Russell led an Aotearoa New Zealand delegation to Brasilia, on indigenous internationalisation. The New Zealand Summit formed part of an international conference on revitalisation of indigenous and minoritised languages at the University of Brasilia and was funded by the United Nations Education, Scientific and Cultural Organisation (UNESCO), as part of the international year of indigenous languages. A New Zealand representation cohort of 10 attended and some 300 participants shared the day hearing about experiences on indigenous language revitalisation and development in Aotearoa. The aim is to build inbound and outbound

exchanges for student, academic staff and research collaboration on areas of commonality, including teaching methodology and pedagogy, issues with land and territory, teaching resources and legislation and policy for indigenous rights and language revitalisation.

Throughout 2019, many Māori and non-Māori staff from across the institution provided significant contribution to community engagement and in many and varied ways.

## Pasifika

The 2019-2023 UC Pasifika Strategy and its accompanying Implementation Plan were developed in conjunction with the Pacific communities and founded on the previous strategy. The Pacific Peoples' Advisory Committee and the Pasifika Strategy Advisory Group, which were formed as part of this process continue to meet regularly and provide a forum where the community and senior University managers address concerns and provide feedback.

In response to A Better Start National Science Challenge, new University of Canterbury research directly addresses the Challenge's objective of reducing the current inequalities in education and healthy wellbeing and the need to reduce inequalities in educational and mental health outcomes for Māori, Pasifika and those from low-income families. This research is led by Associate Professor Brigid McNeill and Professor Gail Gillon at the University's Child Well-being Research Institute, and supported by Professor of Māori research Professor Angus Macfarlane.

The University offers professional development for all staff to improve services and approaches to learning for Pasifika students through the Pasifika Talanoa Development Day.

## Canterbury

The year 2019 marks the end of an era and the start of a new direction for UC. The earthquakes of 2010 and 2011 set UC on an unexpected path, which has been intensely challenging at times with many of its buildings significantly damaged. UC Futures has now concluded and together with numerous local suppliers, we have come through a programme of building work that delivered four new building projects for the Colleges of Engineering, Science and Education, Health and Human Development that involved an investment of \$466 million for construction alone. The outcome is that the University is now well prepared for future disasters with a depth of experience in response and recovery, strong networks with key stakeholders and well tested business continuity. University research has provided the region with practical solutions to the challenges around earthquake recovery and rebuild.

In 2019 a new strategic framework and vision was developed through an extensive process of consultation, discussion and debate. It included participation from the wider University community and our local community, industry and Ngāi Tūāhuriri. An overarching driver of this strategy is an institutional commitment to engagement. A university that commits itself to engagement undertakes to deploy its expertise and knowledge to advance civic purpose and to foster public good.

UC will purposefully support the development, growth and success of our city and region. Universities like UC, whose town and academic gown grew on an interconnected trajectory, over time come to function as anchors or nodes within their towns or cities and regions. They attract talent (staff and students), produce high-level skills, generate knowledge and function as a micro economy through providing employment and related practices, real estate holdings, training and technical capacity, employment practices, and procuring goods and services. The operations of the University are city-based and are integrally connected to the wealth and wellbeing of Ōtautahi Christchurch and Waitaha Canterbury. A thriving city will support a thriving University and vice versa.

The University is committed to direct, two-way interaction with our communities by developing, exchanging, and applying knowledge, information, and expertise for mutual benefit.

## Industry

The University is also one of the largest employers in the city. University of Canterbury knowledge has always fuelled Canterbury's economic engine, and its undergraduates and graduates provide a powerful workforce in the city, across the region, and globally.

The University has been involved in the recovery from the earthquakes since the beginning, helping provide an intelligent and innovative response. The earthquake-related work is ongoing and has expanded as the University hosts QuakeCORE, the government-funded centre of research excellence in this field.

As another venture, funded separately by the Ministry of Business, Innovation and Employment (MBIE) and industry, the UC Quake Centre is a dynamic partnership between the New Zealand Government, the University of Canterbury, and several leading industry groups, all working together in the engineering sector to provide world-class knowledge, research and solutions related to seismic issues. This was an initiative of the University of Canterbury during the 2010-2012 Canterbury earthquake period in response to upheaval unparalleled in New Zealand history. The Centre focuses on training and fostering expertise, supporting and encouraging only the best professional practices, keeping individuals and groups informed about ongoing work and research within the sector, identifying the levels of risk facing communities, and looking at ways to provide new and innovative solutions in response to those risks.

A similarly organised initiative is the MBIE Building Innovative Partnership programme, hosted by UC and financed through MBIE and matched financial or in-kind funding from industry partnership sponsors. Its objective is to improve the productivity and efficiency of the building and construction industry, and to improve the performance of buildings and other built infrastructure.

The University has a multifaceted relationship with industry based primarily around the research activity and the graduates produced. The staff of the University also offer consultancy services through the University. The value of the services provided continues to steadily increase as the University strengthens its relationship with industry.

A notable development in this relationship has been the appointment of the University's Research and Innovation Commercial Director Elizabeth Hopkins to the MBIE Science Board, as announced in July 2019. The Science Board is responsible for making independent investment decisions for research.

The University's connections with business and industry have been reflected in a number of Masters programmes in areas such as Bicultural Co-governance of Natural Resources, Disaster, Risk and Resilience, Urban Resilience and Renewal, and Geospatial Science and Technology, which have been launched as a response to both student and industry demands. The continued development of close links to local and national industry and education partners is a key part of the engagement and efficacy objectives of the new Strategic Vision 2020 to 2030.

## International

The University currently maintains active relationships with over 100 partner universities representing all continents. These relationships can include a wide range of activities such as research, intellectual property licences, teaching, and student and staff exchanges. The Erskine Fund, established in the 1960s, facilitates these relationships by providing grants for travel and subsistence for visiting academics, and for University academics travelling overseas. The Fund includes all disciplines taught at the University of Canterbury.

The Erskine fund does more than enhance the University's international connections. By bringing a substantial number of international academics to the University, it enriches both the research and teaching environments, through the visitors' lectures and input into research programmes and their sharing of different ideas and perspectives. Under the QS rating system, the University is ranked 54<sup>th</sup> in the world<sup>9</sup> for its international faculty composition<sup>10</sup>.

New avenues of research collaboration are sought continually, and the University was pleased to welcome Dr Molapo Qhobela (Chief Executive Officer of the South Africa National Science Foundation) to discuss possible research collaborations between South African universities and New Zealand.

The University of Canterbury is a member of the global AC21 consortium. The consortium members are committed to innovation in education, research and academic governance through collaborative action. The AC21 members are also committed to undertaking projects involving collaboration between industry, academia and government. This opportunity to draw on the wider pool of international expertise of the members is expected to provide more effective results than could be achieved through the efforts of individual members.

## Alumni engagement

The alumni are increasingly engaged in adding value to the University community. Their support ranges from speaking in the classroom, mentoring students, providing internship opportunities and student projects to providing financial support for scholarships, teaching, research and community projects. In the last 12 months we have found over 12,000 lost alumni, welcomed over 3,000 graduates and increased engagement from 24% to 30% of our alumni (updating their details, attending events, supporting our students and making a donation).

The University has a current relationship with over 78% of its living alumni. Regular contact is made with as many alumni as possible through face-to-face networking events in New Zealand and overseas, regular email and social media outreach, and the traditional printed publications.

The University of Canterbury Students Association (UCSA) has been active in recent years, in conjunction with the University, to raise money through an appeal to the alumni to assist in rebuilding the UCSA building. The original building was demolished after the earthquakes as unsafe. The replacement, Haere-roa, was opened in July 2019. The construction was fully funded by the University but the UCSA will be paying for its 51% share of costs under the original construction agreement using money donated from Alumni, which is gratefully received.

<sup>9</sup> QS World University Ranking 2019/20.

<sup>10</sup> <https://www.topuniversities.com/qs-stars/qs-stars/rating-universities-internationalization-qs-stars>

# Statement Of Service Performance Policies And Critical Judgements And Assumptions

## Reporting entity

This Statement of Service Performance is prepared for the University of Canterbury and group, as per the accounting policies. The relevant legislation governing the requirement of the reporting of the University's service performance is the Education Act 1989 (s.220(2B)) and the Crown Entities Act 2004 (s.156).

The University is a Tertiary Education Institution. The primary objective of the University is to provide education services for the benefit of the community, rather than make a financial return. The University has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The Statement of Service Performance of the University is for the year ended 31 December 2019. The Statement was authorised for issue by Council on 26 February 2020.

## Basis of preparation

### Statement of compliance

The Statement of Service Performance of the University has been prepared in accordance with the requirements of the Education Act 1989 and the Crown Entities Act 2004, which include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The Statement of Service Performance has been prepared in accordance with Tier 1 PBE financial reporting standards, which have been applied consistently throughout the period, and complies with PBE financial reporting standards.

### Standards issued and not yet effective or early adopted

PBE FRS 48 Service performance reporting, effective for periods beginning on or after 1 January 2021 has been early adopted. The main impact has been to introduce a link between the reported annual financial statements and the performance reporting.

Performance measures

The performance measures were driven by discussions with TEC as part of the investment plan process. This year there were changes to some of these measures. In addition, the University and group has reported more information in order to give a fuller, more rounded picture of performance.

## Reporting components

In this Statement of Service Performance, the following descriptions apply:

### Research

Revenue – this includes both external research funding and Performance-Based Research Funding (PBRF).

Expenditure - this generally includes all research, including (as appropriate) external funding of research activity, research activity sub-contracted from other institutions, research funding from the University's access to the UC Foundation and the UC Trust Funds, and PBRF; and research expenditure on staff time, consumables, sub-contracts and post-graduate fees.

### Teaching

Revenue – this includes student achievement component (SAC) government funding, tuition fees, and course activity costs.

Expenditure – this includes staff and paid post-graduate time spent on lectures, seminars, exam and assignment preparation and marking, and invigilating.

### Community

This includes time spent on academic development, conferences and internal and external committees, scholarship assessments and awards, and student recruitment activities.

### Central

This is the cost of running the University: depreciation, maintenance, utilities, library services, student services, security, information technology, governance and finance.

## Critical reporting judgements, estimates and assumptions

In preparing the Statement of Service Performance, the University has made judgements on the application of reporting standards and has made estimates and assumptions concerning the future. The estimates and assumptions may differ from the subsequent actual results.

The main estimates and assumptions are discussed below:

### EFTS-related reporting

Certain reported results for the year are based on raw data that has yet to be refined by and reconciled with the Tertiary Education Commission, and which will not be finalised until after the statutory deadline for the preparation and audit of the Statement of Service Performance.

These results are in relation to:

- Successful course completion
- Qualification completion
- Retention

The reporting of these measures for the current year uses the latest information available to the University. The comparatives for the prior year are adjusted from the numbers previously reported to take into account any final adjustment, which has been minimal in prior years.

All comparatives have been updated for the final reconciled results, including research degree completions.

The University is confident that, based on its reporting systems and procedures, no material error will arise in relation to the reporting for the current year.

The targets included in the data tables are those agreed with the Tertiary Education Commission in the Investment Plan 2019–2021. All other data are actual or forecast as reported by the University.

### Surveys

The use of survey results is inherently at risk of low response rates, unintentionally unrepresentative sampling or inappropriate question setting. The surveys used in this Statement of Service Performance have been developed over a number of years by experienced data analysis experts and academics. They are independently run. The questions are regularly reviewed and updated and the responses fed back into the University's operations to improve processes, marketing and teaching.

The SET survey is only performed on courses where the academic elects to have it completed, and also excludes teaching assistants and tutor evaluation. Additionally, not all courses are evaluated every year. However, the results are derived from a significant population of student responses.

The Statement also refers significantly to the independent QS World University Rankings in individual categories. The University has referenced both academic reputation, employer reputation, and international faculty ratio, each carrying a weighting of 40%, 10% and 5% respectively in the overall ranking of the University. All responses and information is gathered independently by QS, working with individual universities to build a representative database, and provides an annual update. It is worldwide in coverage with over 1,000 universities represented.

The University has not set targets for the survey results.

### Subjective and forward-looking statements

Because of its discursive nature, the Statement of Service Performance includes statements about the performance of the University that can be viewed as subjective, or reference expectations about the future where the outcome cannot be known with certainty. The University continually evaluates underlying estimates and assumptions, which are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Many factors affect the University's business and service performance results and they may cause the actual results to differ from those currently expected or anticipated. These factors include, but are not limited to: changes in government policy in New Zealand or in countries that are the target of international student recruitment efforts; domestic and international economic conditions, including foreign currency exchange rates; domestic demographics and recruitment; operational delivery and technology advances; force majeure; and the ability of the University to attract and retain staff to meet its commitments to students and to research.

### Notes on presentation of tables

In certain circumstances, tables containing percentages do not add to 100%. This is because a Māori or Pasifika student can identify as both. As a result, these students appear in both statistics. However, the impact is minimal.



# 20 19

Appropriation  
Statement |

Te Tauāki  
Pūtea Tāpui



# Appropriation Statement | Te Tauākī Pūtea Tāpui

## Vote Tertiary Education - Support for the University of Canterbury

The University of Canterbury is required to present end-of-year performance information for reporting on the 2018/19 Appropriations. There were no Appropriations for the year ended 30 June 2018. The performance information for 2018/19 is reported below. This report is for the year ended 30 June 2019, and there are no subsequent Appropriations to report on.

### Scope of Appropriation

This Appropriation is limited to the rebuild of the Science and Engineering Facilities at the University of Canterbury.

### Purpose of Appropriation

This Appropriation is to achieve effective investment in rebuilding the University of Canterbury's Science and Engineering facilities. The Appropriation is for financial support in the rebuilding of those facilities (subject to achievement of agreed targets and milestones), with a total of \$260 million being appropriated and paid to the University as at 30 June 2019<sup>1</sup>. There was no Appropriation for 2017/18. A further \$50 million was appropriated for 2018/19, subject to certain conditions being met, in the 2018/19 Appropriations.

### Output performance measures and standards – performance measure to be reported on for the year ending 30 June 2019

Performance measure	Budget standard 2018/19	Actual performance 2018/19	Budget standard 2017/18	Comment
Achieving business case milestones in building science and engineering facilities	Achieved	Achieved	N/A	Purpose of Appropriation has been met.

This Appropriation is limited to capital expenditure on the Science and Engineering facilities at the University of Canterbury, shown below as at 30 June 2019:

Components of the Appropriation	Actual 2017/18 \$000	Budget 2018/19 \$000	Actual 2018/19 \$000	Notes
Construction	–	50,000	50,000	1

### Notes

- The University having met the agreed milestones, the Ministers for Treasury and for Tertiary Education approved the release of the 2018/19 Appropriation of \$50 million, received by the University on 4 October 2018. See also 'Subsequent events' below.

<sup>1</sup>\$10 million in 2013/14, \$100 million in 2014/15, \$85 million in 2015/16, \$15 million in 2016/17, and \$50 million in 2018/19.

## Subsequent events

### Building completion

The Beatrice Tinsley building (Regional Science and Innovation Centre Stage 2) was completed in October 2019. All facilities are now in full use.

### Governance

The financial support provided under the Appropriation requires the University to report against a series of set targets and milestones as part of the Funding Agreement.

The Council receives regular reports on progress against the Funding Agreement targets and milestones. A separate Governance Oversight Group (GOG) was also established as part of the Funding Agreement. This Group consists of three members of the University Council, three Crown representatives – one from the Ministry of Education and two from the Tertiary Education Commission – and an independent chair.

The GOG is responsible under its terms of reference for, inter alia: supporting and monitoring the University's implementation and completion of the projects supported by Crown funds; receiving Independent Quality Assurance (IQA) and Implementation Business Cases, and resolving with the University any issues identified by the IQA; and considering quarterly status reports provided by the University. The GOG reports directly to the Minister on progress after each quarterly meeting.

The GOG is able to vary milestones where best endeavours have been demonstrated and matters are beyond the control of the University to influence further.



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Ngā Tauākī  
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# Statement of Comprehensive Revenue and Expense | Te Tauākī ā-moni whiwhi, ā whakapaunga pūtea

For the year ended 31 December 2019

	Notes	CONSOLIDATED (\$000's)						2018 Total Actuals
		2019 Unrestricted Actuals	2019 Restricted Actuals	2019 Total Actuals	2019 Total Budget	2018 Unrestricted Actuals	2018 Restricted Actuals	
<b>OPERATING REVENUE</b>								
Government Grant	4	165,126	-	165,126	164,068	163,943	-	163,943
Student Tuition Fees	4	137,579	-	137,579	137,403	126,598	-	126,598
Research Revenue		40,106	-	40,106	41,572	40,653	-	40,653
Realised Investment Gains		9,719	6,314	16,033	19,080	10,540	4,042	14,582
Unrealised Investment Gains / (Losses)		-	9,620	9,620	-	-	(2,634)	(2,634)
Other Revenue	4	30,331	4,481	34,812	40,783	28,796	8,210	37,006
Transfer of Funds from Restricted to Unrestricted	4	6,996	(6,996)	-	-	9,442	(9,442)	-
<b>TOTAL OPERATING REVENUE</b>	<b>4</b>	<b>389,857</b>	<b>13,419</b>	<b>403,276</b>	<b>402,906</b>	<b>379,972</b>	<b>176</b>	<b>380,148</b>
<b>OPERATING EXPENDITURE</b>								
Personnel Expenses	5	193,581	21	193,602	195,162	184,907	17	184,924
General / Operating Expenditure	6	125,313	3,692	129,005	135,762	127,865	4,500	132,365
Finance Charges	7	4,318	-	4,318	4,460	4,461	-	4,461
Depreciation and Amortisation	11	55,344	-	55,344	58,022	53,177	-	53,177
<b>TOTAL OPERATING EXPENDITURE</b>		<b>378,556</b>	<b>3,713</b>	<b>382,269</b>	<b>393,406</b>	<b>370,410</b>	<b>4,517</b>	<b>374,927</b>
<b>SURPLUS/(DEFICIT)</b>		<b>11,301</b>	<b>9,706</b>	<b>21,007</b>	<b>9,500</b>	<b>9,562</b>	<b>(4,341)</b>	<b>5,221</b>
<b>Other Comprehensive Revenue and Expense</b>								
Movements in revaluation reserves relating to the Library Permanent Collection / Other Collections	11	27,529	-	27,529	-	5,420	-	5,420
Movements in revaluation reserves relating to Land	11	3,261	-	3,261	-	-	(400)	(400)
Movements in revaluation reserves relating to Building Assets	11	138,522	-	138,522	-	(4,439)	-	(4,439)
<b>Net Movements in revaluation reserves</b>		<b>169,312</b>	<b>-</b>	<b>169,312</b>	<b>-</b>	<b>981</b>	<b>(400)</b>	<b>581</b>
Effective portion of changes in fair value of cash flow hedges		1,012	-	1,012	-	751	-	751
Adjustment to New Zealand Synchrotron Group Limited Valuation	12	1	-	1	-	-	-	-
<b>Total Other Comprehensive Revenue and Expense</b>		<b>170,325</b>	<b>-</b>	<b>170,325</b>	<b>-</b>	<b>1,732</b>	<b>(400)</b>	<b>1,332</b>
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>		<b>181,626</b>	<b>9,706</b>	<b>191,332</b>	<b>9,500</b>	<b>11,294</b>	<b>(4,741)</b>	<b>6,553</b>

Significant variances to budget are explained in Note 28 EXPLANATIONS OF MAJOR VARIANCES AGAINST THE 2019 BUDGET.

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

# Statement of Comprehensive Revenue and Expense | Te Tauākī ā-moni whiwhi, ā whakapaunga pūtea

For the year ended 31 December 2019

Notes	UNIVERSITY (\$000's)							
	2019 Unrestricted Actuals	2019 Restricted Actuals	2019 Total Actuals	2019 Total Budget	2018 Unrestricted Actuals	2018 Restricted Actuals	2018 Total Actuals	
<b>OPERATING REVENUE</b>								
Government Grant	4	165,126	-	165,126	164,068	163,943	-	163,943
Student Tuition Fees	4	137,579	-	137,579	142,811	126,598	-	126,598
Research Revenue		40,106	-	40,106	41,572	40,653	-	40,653
Realised Investment Gains		9,719	6,089	15,808	7,668	10,540	3,924	14,464
Unrealised Investment Gains / (Losses)		-	6,292	6,292	-	-	(2,634)	(2,634)
Other Revenue	4	35,840	-	35,840	35,055	37,292	23	37,315
Transfer of Funds from Restricted to Unrestricted	4	1,431	(1,431)	-	-	881	(881)	-
<b>TOTAL OPERATING REVENUE</b>	<b>4</b>	<b>389,801</b>	<b>10,950</b>	<b>400,751</b>	<b>391,174</b>	<b>379,907</b>	<b>432</b>	<b>380,339</b>
<b>OPERATING EXPENDITURE</b>								
Personnel Expenses	5	193,581	21	193,602	195,162	184,907	17	184,924
General / Operating Expenditure	6	125,262	3,648	128,910	131,450	127,823	3,443	131,266
Finance Charges	7	4,318	-	4,318	4,460	4,461	-	4,461
Depreciation and Amortisation	11	55,344	-	55,344	58,022	53,177	-	53,177
<b>TOTAL OPERATING EXPENDITURE</b>		<b>378,505</b>	<b>3,669</b>	<b>382,174</b>	<b>389,094</b>	<b>370,368</b>	<b>3,460</b>	<b>373,828</b>
<b>SURPLUS/(DEFICIT)</b>		<b>11,296</b>	<b>7,281</b>	<b>18,577</b>	<b>2,080</b>	<b>9,539</b>	<b>(3,028)</b>	<b>6,511</b>
<b>Other Comprehensive Revenue and Expense</b>								
Movements in revaluation reserves relating to the Library Permanent Collection / Other Collections	11	27,529	-	27,529	-	5,420	-	5,420
Movements in revaluation reserves relating to Land	11	3,261	-	3,261	-	-	(400)	(400)
Movements in revaluation reserves relating to Building Assets	11	138,522	-	138,522	-	(4,439)	-	(4,439)
<b>Net Movements in revaluation reserves</b>		<b>169,312</b>	<b>-</b>	<b>169,312</b>	<b>-</b>	<b>981</b>	<b>(400)</b>	<b>581</b>
Effective portion of changes in fair value of cash flow hedges		1,012	-	1,012	-	751	-	751
Adjustment to New Zealand Synchrotron Group Limited Valuation	12	1	-	1	-	-	-	-
<b>Total Other Comprehensive Revenue and Expense</b>		<b>170,325</b>	<b>-</b>	<b>170,325</b>	<b>-</b>	<b>1,732</b>	<b>(400)</b>	<b>1,332</b>
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>		<b>181,621</b>	<b>7,281</b>	<b>188,902</b>	<b>2,080</b>	<b>11,271</b>	<b>(3,428)</b>	<b>7,843</b>

Significant variances to budget are explained in Note 28 EXPLANATIONS OF MAJOR VARIANCES AGAINST THE 2019 BUDGET.

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

# Statement of Changes in Net Assets / Equity | Te Tauākī mō ngā panonitanga ā-hua uara

For the year ended 31 December 2019

Note	Asset Revaluation Reserve (\$000's)	Restricted Asset Revaluation Reserve (\$000's)	Cash Flow Hedge Reserves (\$000's)	Available for Sale Reserves (\$000's)	General Equity (\$000's)	General Equity - Student Services Levy (\$000's)	Restricted and Special Funds (\$000's)	Total Equity (\$000's)
<b>Consolidated</b>								
<b>Balance at 1 January 2019 (as restated, note 24)</b>	271,442	5,654	(1,032)	27	1,159,754	10,320	141,725	1,587,890
Net Surplus / (Deficit) for the year	-	-	-	-	11,301	-	9,706	21,007
Other Comprehensive Revenue and Expenses for the year	169,312	-	1,012	1	-	-	-	170,325
Transfer (From) / to General Equity	-	-	-	-	(2,868)	2,868	-	-
<b>Balance as at 31 December 2019</b>	440,754	5,654	(20)	28	1,168,188	13,188	151,431	1,779,223
<b>University</b>								
<b>Balance at 1 January 2019 (as restated, note 24)</b>	271,442	5,654	(1,032)	27	1,159,694	10,320	110,168	1,556,273
Net Surplus / (Deficit) for the year	-	-	-	-	11,296	-	7,281	18,577
Other Comprehensive Revenue and Expenses for the year	169,312	-	1,012	1	-	-	-	170,325
Transfer (From) / to General Equity	-	-	-	-	(2,868)	2,868	-	-
<b>Balance as at 31 December 2019</b>	440,754	5,654	(20)	28	1,168,122	13,188	117,449	1,745,175
<b>Consolidated</b>								
<b>Balance at 1 January 2018 (as restated, note 24)</b>	270,461	6,054	(1,783)	27	1,102,601	7,911	146,066	1,531,337
Net Surplus / (Deficit) for the year	-	-	-	-	9,562	-	(4,341)	5,221
Other Comprehensive Revenue and Expenses for the year	981	(400)	751	-	-	-	-	1,332
Contributions from the Crown	-	-	-	-	50,000	-	-	50,000
Transfer (From) / to General Equity	-	-	-	-	(2,409)	2,409	-	-
<b>Balance as at 31 December 2018</b>	271,442	5,654	(1,032)	27	1,159,754	10,320	141,725	1,587,890
<b>University</b>								
<b>Balance at 1 January 2018 (as restated, note 24)</b>	270,461	6,054	(1,783)	27	1,102,564	7,911	113,196	1,498,430
Net Surplus / (Deficit) for the year	-	-	-	-	9,539	-	3,028	6,511
Other Comprehensive Revenue and Expenses for the year	981	(400)	751	-	-	-	-	1,332
Contributions from the Crown	-	-	-	-	50,000	-	-	50,000
Transfer (From) / to General Equity - Student Services Levy Capital	-	-	-	-	(2,409)	2,409	-	-
<b>Balance as at 31 December 2018</b>	271,442	5,654	(1,032)	27	1,159,694	10,320	110,168	1,556,273

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

# Statement of Financial Position | Te Tauākī ā-tūāhua tahua pūtea

As at 31 December 2019

	Notes	CONSOLIDATED (\$000's)			UNIVERSITY (\$000's)		
		2019 Actuals	2018 Actuals	2019 Budget	2019 Actuals	2018 Actuals	2019 Budget
<b>CURRENT ASSETS</b>							
Cash and Cash Equivalents	8	34,340	39,015	-	33,667	36,373	-
Short Term Deposits	19	184,622	255,494	180,204	184,622	255,494	173,363
Receivables	9	27,985	24,820	29,547	28,319	26,798	29,397
Prepayments		13,914	10,655	11,223	13,914	10,655	11,223
Inventories		1,503	1,433	1,274	1,503	1,433	1,274
Investments		-	2,040	-	-	2,040	-
Non-Current Assets Held for Sale	10	-	1,334	-	-	1,334	-
<b>Total Current Assets</b>		<b>262,364</b>	<b>334,791</b>	<b>222,248</b>	<b>262,025</b>	<b>334,127</b>	<b>215,257</b>
<b>CURRENT LIABILITIES</b>							
Revenue Received in Advance	14	53,584	45,839	44,383	53,584	45,839	44,383
Accounts Payable	15	35,688	32,945	39,127	35,658	32,898	41,345
Derivative Financial Instrument Liabilities	19	20	154	2,591	20	154	-
Loans	16	32	32	736	32	32	-
Philanthropic Bond	17	-	49,869	-	-	49,869	-
Employee Entitlements	18	10,865	10,621	10,091	10,865	10,621	10,091
<b>Total Current Liabilities</b>		<b>100,189</b>	<b>139,460</b>	<b>96,928</b>	<b>100,159</b>	<b>139,413</b>	<b>95,819</b>
<b>WORKING CAPITAL</b>		<b>162,175</b>	<b>195,331</b>	<b>125,320</b>	<b>161,866</b>	<b>194,714</b>	<b>119,438</b>

# Statement of Financial Position | Te Tauākī ā-tūāhua tahua pūtea

As at 31 December 2019

	Notes	CONSOLIDATED (\$000's)			UNIVERSITY (\$000's)		
		2019 Actuals	2018 Actuals	2019 Budget	2019 Actuals	2018 Actuals	2019 Budget
<b>NON CURRENT ASSETS</b>							
Property, Plant and Equipment	11	1,426,524	1,231,071	1,060,285	1,426,524	1,231,071	1,046,115
Intangible Assets	11	16,782	9,606	-	16,782	9,606	8,047
Capital Work-in-Progress	11	48,313	43,328	294,646	48,313	43,328	294,646
Investments in other Entities	12	47	46	46	47	46	46
Investments	12	150,742	140,365	150,070	117,003	109,365	-
Derivative Financial Instrument Assets	19	-	966	2,562	-	966	2,563
Term Receivables	13	24,720	22,086	23,028	24,720	22,086	23,028
<b>Total Non Current Assets</b>		<b>1,667,128</b>	<b>1,447,468</b>	<b>1,530,637</b>	<b>1,633,389</b>	<b>1,416,468</b>	<b>1,374,445</b>
<b>NON CURRENT LIABILITIES</b>							
Loans	16	736	768	736	736	768	736
Derivative Financial Instrument Liabilities	19	-	1,932	2,591	-	1,932	2,590
Employee Entitlements	18	28,516	30,450	31,716	28,516	30,450	31,716
Revenue Received in Advance	14	20,828	21,759	20,831	20,828	21,759	18,833
<b>Total Non Current Liabilities</b>		<b>50,080</b>	<b>54,909</b>	<b>55,874</b>	<b>50,080</b>	<b>54,909</b>	<b>53,875</b>
<b>NET ASSETS</b>		<b>1,779,223</b>	<b>1,587,890</b>	<b>1,600,083</b>	<b>1,745,175</b>	<b>1,556,273</b>	<b>1,440,008</b>
<b>Represented by:</b>							
General Equity		1,319,619	1,301,479	1,313,365	1,285,571	1,269,862	1,159,398
General Equity - Student Services Levy Capital Reserve		13,188	10,320	10,176	13,188	10,320	10,176
Revaluation Reserves		446,408	277,096	276,515	446,408	277,096	270,461
Cashflow Hedge Reserve		(20)	(1,032)	27	(20)	(1,032)	(27)
Available-For-Sale Reserve		28	27	-	28	27	-
<b>TOTAL EQUITY</b>		<b>1,779,223</b>	<b>1,587,890</b>	<b>1,600,083</b>	<b>1,745,175</b>	<b>1,556,273</b>	<b>1,440,008</b>
<b>Net Assets:</b>							
Restricted		157,084	147,379	160,075	123,103	115,822	-
Unrestricted		1,622,139	1,440,511	1,440,008	1,622,072	1,440,451	1,440,008
		<b>1,779,223</b>	<b>1,587,890</b>	<b>1,600,083</b>	<b>1,745,175</b>	<b>1,556,273</b>	<b>1,440,008</b>

Significant variances to budget are explained in Note 28 EXPLANATIONS OF MAJOR VARIANCES AGAINST THE 2019 BUDGET. The accompanying policies and notes form an integral part of these financial statements.

# Statement of Cash Flows | Te Tauākī ā-moni utu, whiwhinga rānei

For the year ended 31 December 2019

	CONSOLIDATED (\$000's)			UNIVERSITY (\$000's)			
	Notes	2019 Actuals	2018 Actuals	2019 Budget	2019 Actuals	2018 Actuals	2019 Budget
<b>OPERATING ACTIVITIES</b>							
<b>Cash provided from:</b>							
Government Grant		165,126	163,943	167,488	165,126	163,943	167,488
Tuition Fees		142,843	120,149	131,246	142,843	120,149	131,246
Other Revenue		82,883	88,288	92,606	81,152	80,902	84,770
Dividends		3,755	3,281	-	3,755	3,281	-
Agency Funds		3,603	3,670	-	3,603	3,670	-
Interest Received		10,854	18,027	7,985	10,854	18,027	7,985
Net GST Movement		2,487	388	588	2,487	388	588
		411,551	397,746	399,913	409,820	390,360	392,077
<b>Cash applied to:</b>							
Personnel Expenses		196,460	184,797	194,502	196,460	184,798	194,502
General / Operating Expenses		139,074	143,374	135,549	138,113	135,845	125,450
Agency Funds		3,603	3,670	-	3,603	3,670	-
Interest Paid		3,898	3,977	3,904	3,898	3,977	3,904
		343,035	335,818	333,955	342,074	328,290	323,856
<b>Net cash provided by Operating Activities (see page 55)</b>		<b>68,516</b>	<b>61,928</b>	<b>65,958</b>	<b>67,746</b>	<b>62,070</b>	<b>68,221</b>
<b>INVESTING ACTIVITIES</b>							
<b>Cash provided from:</b>							
Proceeds from disposal of Fixed Assets		1,505	866	-	1,505	866	-
Proceeds from sale of Investments		17,318	5,436	13,300	17,318	2,878	-
Insurance Receipts		799	4,003	-	799	4,003	-
Maturity of deposits with terms greater than 3 months but less than 12 months		255,494	155,911	-	255,494	155,911	-
		275,116	166,216	13,300	275,116	163,658	-
<b>Cash applied to:</b>							
Capital Expenditure		95,259	78,144	129,449	95,259	78,144	123,627
Purchase of Investments		18,384	5,053	-	15,645	4,703	-
Deposits with terms greater than 3 months but less than 12 months		184,622	255,494	-	184,622	255,494	-
		298,265	338,691	129,449	295,526	338,341	123,627
<b>Net cash used in Investing Activities</b>		<b>(23,149)</b>	<b>(172,475)</b>	<b>(116,149)</b>	<b>(20,410)</b>	<b>(174,683)</b>	<b>(123,627)</b>

# Statement of Cash Flows | Te Tauākī ā-moni utu, whiwhinga rānei

For the year ended 31 December 2019

	Notes	CONSOLIDATED (\$000's)			UNIVERSITY (\$000's)		
		2019 Actuals	2018 Actuals	2019 Budget	2019 Actuals	2018 Actuals	2019 Budget
<b>FINANCING ACTIVITIES</b>							
<b>Cash provided from:</b>							
Capital Contribution from the Crown		-	50,000	-	-	50,000	-
		-	50,000	-	-	50,000	-
<b>Cash applied to:</b>							
Repayment of Loans		50,042	32	54,759	50,042	32	50,032
		50,042	32	54,759	50,042	32	50,032
<b>Net cash provided by Financing Activities</b>		<b>(50,042)</b>	<b>49,968</b>	<b>(54,759)</b>	<b>(50,042)</b>	<b>49,968</b>	<b>(50,032)</b>
Net increase / (decrease) in cash held		(4,675)	(60,579)	(104,950)	(2,706)	(62,645)	(105,438)
Cash and Cash Equivalents on hand at beginning of period		39,015	99,594	104,950	36,373	99,018	105,438
<b>Cash and Cash Equivalents on hand at end of period</b>	<b>8</b>	<b>34,340</b>	<b>39,015</b>	<b>-</b>	<b>33,667</b>	<b>36,373</b>	<b>-</b>

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes. Significant variances to budget are explained in Note 28 EXPLANATIONS OF MAJOR VARIANCES AGAINST THE 2019 BUDGET.

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

# Statement of Cash Flows | Te Tauākī ā-moni utu, whiwhinga rānei

For the year ended 31 December 2019

Reconciliation of Net Surplus / (Deficit) to the net cash flow from operating activities.	Consolidated (\$000's)		University (\$000's)	
	2019 Actuals	2018 Actuals	2019 Actuals	2018 Actuals
<b>OPERATING ACTIVITIES</b>				
Net Surplus / (Deficit)	21,007	5,221	18,577	6,511
<b>Add / (less) non-cash items:</b>				
Depreciation and Amortisation	55,344	53,177	55,344	53,177
Donated Assets	(177)	-	(177)	-
Movement in Reversionary Interest	(2,473)	(761)	(2,473)	(761)
Movement in Long Term Revenue Owing	(161)	(150)	(161)	(150)
Movement in Total Employee Entitlements	(1,150)	(2,142)	(1,150)	(2,142)
Unrealised Foreign Exchange Variations	(121)	74	(121)	74
Net Movement In Fair Value of Interest Rate Swaps	(88)	(84)	(88)	(84)
Investment Management Fees paid in Fund	1,188	1,092	1,188	1,092
<b>Add / (less) movements in other working capital items:</b>				
Accounts Payable	2,744	(1,910)	2,760	(1,497)
Provisions	-	(913)	-	(913)
Revenue in Advance	7,745	5,252	7,745	5,157
Accounts Receivable and Prepayments	(6,424)	(2,079)	(4,780)	(2,225)
Inventories	(70)	(159)	(70)	(159)
<b>Add / (less) items classified as Investing / Financing Activities:</b>				
Net Loss on Disposal included in Investing Activities	(1,899)	(604)	(1,899)	(604)
Movement in Investments	(8,552)	3,329	(8,552)	2,009
Insurance Receipts	799	4,003	799	4,003
Movement in Lease Revenue in Advance	(837)	(835)	(837)	(835)
Movement in Library Serials Prepayment	3,383	(3,044)	3,383	(3,044)
Movement in Fixed Asset Related Payables / Accruals	(1,742)	2,461	(1,742)	2,461
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>68,516</b>	<b>61,928</b>	<b>67,746</b>	<b>62,070</b>

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes. Significant variances to budget are explained in Note 28 EXPLANATIONS OF MAJOR VARIANCES AGAINST THE 2019 BUDGET. The accompanying policies and notes form an integral part of these financial statements.

# Notes to the Financial Statements | He pito kōrero mō ngā tauākī tahua pūtea

For the year ended 31 December 2019

## 1 / General Information

### Reporting entity

The University of Canterbury group is domiciled and operates in New Zealand and consists primarily of the University of Canterbury and its controlled entities the University of Canterbury Foundation (UCF), Canterprise Limited and Entré Limited (together “the University”). Full details of the University and its subsidiaries are shown in Note 12.

The relevant legislation governing the University’s operations includes the Crown Entities Act 2004, the Education Act 1989 and the Financial Markets Conduct Act 2013.

The University is a Tertiary Education Institution (TEI). The primary objective of the University is to provide education services for the benefit of the community, rather than make a financial return. The University has designated itself as a Public Benefit Entity (PBE) for financial reporting purposes.

The financial statements of the University are for the year ended 31 December 2019. The financial statements were authorised for issue by the Council on 26 February 2020.

## 2 / Basis of Preparation

### Statement of compliance

The financial statements of the University have been prepared in accordance with the requirements of the Crown Entities Act 2004, the Education Act 1989 and the Financial Markets Conduct Act 2013, which include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared on a going concern basis and in accordance with Tier 1 PBE accounting standards, which have been applied consistently throughout the period.

These financial statements comply with PBE accounting standards.

### Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000).

### Historical cost convention

These financial statements have been prepared under the historical cost convention except the following assets and liabilities are stated at their fair value: derivative financial instruments, assets held as available for sale, financial instruments which are designated at fair value through surplus or deficit, land and buildings, library special collections including medals, the Logie collection and works of art.

### Budget figures

The budget figures are approved by the Council prior to the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

### Changes in accounting policies

These accounting policies have been consistently applied in the periods covered by these financial statements, which includes compliance with PBE IPSAS 35 *Consolidated financial statements*. The transition requirements of this standard have been met and are disclosed further in Note 24. Changes have been isolated to the definition of control, with no consequential changes to any other accounting policies.

The University has assessed that it controls and shall consolidate the UC Foundation into the group financial statements. Note 3 provides further information about this control assessment.

Additionally, the University has reassessed the status of the UC Trust Funds (which have arisen from multiple trusts and bequests over time). Previously, the University’s judgement was that the Trust Funds were separate entities not controlled by the University. On transition to PBE IPSAS 35, the University reconsidered the status of the Trust Funds.

The significant majority of the Trust Funds are now considered not to be separate entities (for example, where the University is both the trustee and beneficiary of the unincorporated trust or bequest).

The judgement now is that the appropriate accounting policy is to account for these trust funds under PBE IPSAS 23 *Revenue from non-exchange transactions* and as assets held directly by the University, albeit with restrictions and under trust.

The University is early adopting PBE FRS 48 *Service performance reporting*, effective for periods beginning on or after 1 January 2021. The impact of this is discussed in the Statement of Service Performance | Te Tauākī o ngā Whāinga me ngā Taetanga.

### Standards issued and not yet effective or not early adopted

Standards issued and not yet effective that may affect the University include:

An amendment to PBE IPSAS 2 *Statement of Cash Flows* requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The University does not intend to early adopt the amendment.

PBE IPSAS 40 *PBE Combinations*, effective for periods beginning on or after 1 January 2021. The University is not currently considering any combination with another entity that would require compliance with this standard.

PBE IPSAS 41 *Financial Instruments* replaces PBE IPSAS 29 *Financial Instruments: Recognition and Measurement* and PBE IFRS 9 *Financial Instruments* and is effective for financial years beginning on or after 1 January 2022, with earlier adoption permitted.

The main changes compared with PBE IPSAS 29 that are relevant to the University are:

- new financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost
- a new impairment model for financial assets based on expected losses, which might result in the earlier recognition of impairment losses.

The University intends to adopt PBE IPSAS 41 for the 31 December 2022 financial year. The University has not yet assessed in detail the impact of the new standard.

PBE IFRS 9 *Financial instruments*, effective for periods beginning on or after 1 January 2022, and only applies if early adopting, otherwise PBE IPSAS 41 will apply. The University is not early adopting PBE IFRS 9.

### 3 / Summary of Significant Accounting Policies

Significant accounting policies are disclosed within the notes to the financial statements.

They are designated with an  icon.

Significant accounting policies that do not relate to a specific note are outlined below.

#### Basis of consolidation

The group financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses, and cash flows on a line-by-line basis. All significant intra-group balances, transactions, revenue, and expenses are eliminated on consolidation.

#### Foreign currency transactions

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into NZ\$ (the functional currency) using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

#### Provisions

Provisions are required for future expenditure of uncertain amounts or timing when there is a present obligation (either legal or constructive) as a result of a past event that makes it probable that expenditure will be required to settle the obligation. Provisions are only recognised when a reliable estimate can be made as to the amount of the obligation. Provisions are not made for future operating losses but include any onerous contracts.

#### Goods and services tax (GST)

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

#### Income tax

The University and its subsidiaries are exempt from the payment of income tax under section CW55BA (Tertiary education institutions and subsidiaries) of the Income Tax Act 2007. UC Foundation and the entities in the UC Trust Funds are registered charities and are exempt from the payment of income tax. Accordingly, there is no provision for income tax.

#### Investments in Controlled Entities

The University has exercised its judgement and determined that for financial reporting purposes it controls the UC Foundation because:

- the Trust Deed's objects are based around advancement of education at and through the University; and
- there are a number of factors that indicate the University has a special relationship with the Foundation that suggest it has more than a passive interest in the Foundation, including the Foundation's fundraising activities are driven and funded by the University, and the University provides assets and management personnel to the Foundation. Donations managed by the Foundation are for University specific purposes.

The University's interest in the UC Foundation is measured at cost in the University parent financial statements, which is \$nil (2018: \$nil).

#### Restrictions on net assets

As noted above, the University has applied PBE IPSAS 35 for the first time this year and has reassessed the status of trust funds. The UC Foundation and the UC Trust Funds brought into these financial statements were previously separately reported outside of these financial statements. Both the UC Foundation and UC Trust Funds are composed entirely of donor-restricted funds.

Council views the University's core operating activities as excluding receipts of donor-restricted revenues and gains from contributions and investment income.

In order to clearly identify the University's core operating activities, the University has voluntarily elected to classify its net assets and related operating results as either restricted or unrestricted. Assets are classified as restricted when they are subject to donor-imposed restrictions that prevent the University from using them either permanently, or temporarily until certain restrictions are met. Assets are classified as unrestricted when they are not subject to any donor-imposed restrictions.

The surplus or deficit from unrestricted assets relates to the University's core operating activities and as such provides more relevant and reliable information.

Statement of comprehensive revenue and expense | Te Tauākī ā-moni whiwhi, ā whakapaunga pūtea

- Revenue and expenses are classified as relating to either unrestricted or restricted net assets.

Statement of financial position | Te Tauākī ā-tūāhua tahua pūtea

- Net assets are split into unrestricted and restricted.

#### Unrestricted net assets

Unrestricted net assets are not subject to any donor-imposed restrictions. These assets consist primarily of the University's assets, with the most significant category being property, plant and equipment.

#### Restricted net assets

Net assets are considered restricted when they are subject to donor-imposed restrictions that prevent the assets from being used for general or administrative purposes by the Group. The restrictions may be temporary or permanent. Temporarily restricted net assets have donor-imposed restrictions that will expire after the University performs certain actions (e.g. spends money on research in a particular field) or after a certain amount of time. Permanently restricted net assets are subject to donor imposed restrictions that they be invested to provide a permanent source of income to the University.

The investment income from these endowments is usually subject to temporary restrictions. Revenues from sources other than donations are generally reported as increases in unrestricted net assets. Gains and losses on investments are reported as increases or decreases in unrestricted net assets, unless their use is restricted by donor stipulations. Expenses are generally reported as decreases in unrestricted net assets, even if they are financed from restricted sources.

The aggregate carrying amount of unrestricted and restricted net assets is presented on the face of the statement of financial position. The statement of cash flows is unaffected.

### Inventories

Inventories are valued at the lower of cost and net realisable value. The weighted average method is used to determine cost. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

### Prepayments

Prepayments are originally recognised at cost and are evenly recognised as an expense over the expected period of the benefit.

### Critical Accounting Judgements, Estimates and Assumptions

In preparing these financial statements, the University has 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.

The critical accounting judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows (as applicable):

Note 18: Long Service Leave and Sick Leave

Note 11: Land and Buildings Valuation

Note 11: Recognition of Building Impairments

Note 13: Reversionary Interest

Note 18: Employee Entitlements

Critical accounting Judgements, Estimates and Assumptions are designated with an  icon in the notes to the financial statements.

## 4 / Revenue

### Accounting Policy

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the University and the revenue can be reliably measured, regardless of when payment is made. The University recognises revenue from individual categories of transactions as follows:

#### Government Grants – Student Achievement Component (SAC) Funding

SAC funding is the University's main source of operational funding from the Tertiary Education Commission (TEC). The University considers SAC funding to be non-exchange in nature.

The University's SAC funding is specifically identified by the TEC as being for a funding period as required by section 159YA of the Education Act 1989. The University recognises its SAC funding from the commencement of the specified funding period, which is the same as the University's financial year. SAC Funding is recognised as revenue when the course withdrawal date has passed and is based on the number of students enrolled on the course and the value of the course.

The University had a guaranteed amount of SAC funding agreed with TEC for 2018. That was the last year for the SAC guaranteed funding for the University. In 2019 SAC funding was based on Equivalent Full-Time Student numbers (EFTS).

#### Government Grants – Performance-Based Research Fund (PBRF)

The University considers PBRF funding to be non-exchange in nature. PBRF funding is specifically identified by the TEC as being for a funding period as required by section 159YA of the Education Act 1989. The University recognises its confirmed allocation of PBRF funding from the commencement of the specified funding period, which is the same as the University's financial year. PBRF revenue is measured

based on the University's funding entitlement adjusted for any expected adjustments as part of the final wash-up process. Indicative funding for future periods is not recognised until confirmed for that future period.

#### Other Grants Received

The University considers other grants received to be non-exchange in nature.

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance when received and recognised as revenue when the conditions of the grant are satisfied.

#### Tuition Fees

Domestic student tuition fees are subsidised by government funding and are considered non-exchange in nature.

Revenue is recognised when the course withdrawal date has passed, which is when a student is no longer entitled to a refund for withdrawing from the course.

International student tuition fees are accounted for as exchange transactions and recognised as revenue on a course percentage of completion basis. The percentage of completion is measured by reference to the days of the course completed as a proportion of the total course days.

#### Fees-Free

The University considers Fees-free tuition payments to be non-exchange in nature.

The University recognises Fees-free tuition payments from the Tertiary Education Commission on the same basis as for Domestic Student Tuition Fees and classifies Fees-free payments as part of Tuition fees from students.

### Donations

Donations of money are recognised immediately as revenue unless a condition is attached. This applies to the majority of donations to the UC Foundation. 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.

Donations of assets are recorded at fair value on receipt and recognised as revenue.

### Interest

Interest revenue is recognised on a time proportion basis that takes into account the effective yield on the related asset.

### Investment Revenue

Investment revenue includes both realised and unrealised investment gains, which are shown net. Realised investment gains include dividends, capital gains and foreign exchange gains on disposal of investments. Unrealised investment gains include fair value adjustments for assets valued through surplus or deficit, and foreign exchange gains and losses for investments denominated in a foreign currency.

### Research Revenue

The University exercises its judgement in determining whether funding received under a research contract is received in an exchange or non-exchange transaction. In determining whether a research contract is exchange or non-exchange, the University considers factors such as the following:

- whether the funder has substantive rights to the research output. This is a persuasive indicator of exchange or non-exchange
- how the research funds were obtained – for example, whether through a commercial tender process for specified work or from applying to a more general research funding pool
- nature of the funder
- specificity of the research brief or contract.

For an exchange research contract, revenue is recognised on a percentage completion basis. The percentage of completion is measured by reference to the actual research expenditure incurred as a proportion to total expenditure expected to be incurred.

For a non-exchange research contract, the total funding receivable under the contract is recognised as revenue immediately, unless there are substantive conditions in the contract. If there are substantive conditions, revenue is recognised when the conditions are satisfied. A condition could include the requirement to complete research to the satisfaction of the funder to retain funding or return unspent funds.

Revenue for future periods is not recognised where the contract contains substantive termination provisions for failure to comply with the requirements of the contract. Conditions and termination provisions need to be substantive, which is assessed by considering factors such as contract monitoring mechanisms of the funder and the past practice of the funder. Judgement is often required in determining the timing of revenue recognition for contracts that span a balance date and multi-year research contracts.

### Other Revenue

Other revenue includes revenue from the sales of goods and services, which is recognised when the product is sold to the customer, or the service provided.

Other revenue also includes Reversionary Interest revenue to reflect the Campus Living Villages building assets, which will become University assets in 2040. The interest is calculated using the latest building valuation and a discounted cash flow methodology (see Note 13 Critical Accounting Judgements, Estimates and Assumptions).

### Transfer of Funds from Restricted to Unrestricted

These transfers constitute receipts from the UC Trust Funds and the UC Foundation for scholarships, research and prizes.

#### 4 / Revenue

	Consolidated (\$000's)		University (\$000's)	
	2019 Actuals	2018 Actuals	2019 Actuals	2018 Actuals
<b>Breakdown of Government grants</b>				
<b>Government grants</b>				
Student Achievement Component (SAC) funding	130,569	127,571	130,569	127,571
Performance-Based Research Funding	28,385	30,172	28,385	30,172
Other grants	6,172	6,200	6,172	6,200
<b>TOTAL GOVERNMENT GRANTS</b>	<b>165,126</b>	<b>163,943</b>	<b>165,126</b>	<b>163,943</b>
<b>Breakdown of tuition fees</b>				
<b>Tuition Fees</b>				
Student Tuition Fees Domestic Fee Paying	77,943	73,417	77,943	73,417
Student Tuition Fees Full Fee Paying	48,062	42,521	48,062	42,521
Student Services Levy	10,288	9,588	10,288	9,588
Other Student Related Fees	1,286	1,072	1,286	1,072
<b>TOTAL TUITION FEES</b>	<b>137,579</b>	<b>126,598</b>	<b>137,579</b>	<b>126,598</b>
Fees-free Funded Students Tuition Fees – Domestic Fee Paying	18,258	16,959	18,258	16,959
<b>Breakdown of Net Gain / (Loss) on financial instruments at fair value through Surplus / (Deficit) (also see Note 20)</b>				
Fair value gain / (loss) on financial assets	11,828	(2,292)	8,500	(2,260)
<b>Breakdown of other revenue</b>				
<b>Other Revenue</b>				
Donations / Koha	4,424	4,309	187	22
Donations from Trusts	-	-	5,565	8,561
Earthquake Insurance Receipts	799	4,003	799	4,003
Rentals	2,637	3,369	2,637	3,111
External Sales	4,641	3,896	4,585	3,896
Consultancy	6,563	5,426	6,563	5,426
Membership Fees	655	659	655	659
Reversionary Interest	2,473	761	2,473	761
Sundry Revenue	12,620	14,583	12,376	10,876
<b>TOTAL OTHER REVENUE</b>	<b>34,812</b>	<b>37,006</b>	<b>35,840</b>	<b>37,315</b>
Non-exchange revenue included in total revenue	284,116	278,348	284,116	278,348

## 5 / Personnel Expenses

### Accounting Policy

#### Superannuation

##### Defined Benefit Plan

The University is party to the Government Superannuation Fund (GSF) but has no underwriting responsibilities as any shortfall is met by the Government.

Insufficient information is available to use defined benefit accounting as it is not possible to determine from the terms of the scheme the extent to which the surplus or deficit will affect future contributions

by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme

##### Defined Contribution Plan

Any superannuation defined contributions are undertaken and reflected as normal operating expenses and are included within both the surplus or deficit and Statement of Financial Position as appropriate.

Further information on Employee Entitlements is included in Note 18.

	Consolidated (\$000's)		University (\$000's)	
	2019 Actuals	2018 Actuals	2019 Actuals	2018 Actuals
<b>Breakdown of personal expenses</b>				
<b>Personnel Expenses</b>				
Academic Salaries	93,281	86,231	93,281	86,231
General Salaries	87,926	83,516	87,926	83,516
Superannuation Contributions	8,161	7,709	8,161	7,709
Councillors' Honoraria	236	240	236	240
Redundancy Costs	1,117	1,002	1,117	1,002
Movement in Actuarially Valued Employee Entitlements	(2,094)	1,171	(2,094)	1,171
Other Salary Related Expenditure	4,975	5,055	4,975	5,055
<b>TOTAL PERSONNEL EXPENSES</b>	<b>193,602</b>	<b>184,924</b>	<b>193,602</b>	<b>184,924</b>

## 6. General / Operating Expenditure

	Consolidated (\$000's)		University (\$000's)	
	2019 Actuals	2018 Actuals	2019 Actuals	2018 Actuals
<b>Breakdown of general / operating expenditure - required disclosures</b>				
Audit New Zealand - External Financial Statements Audit	231	208	220	208
Audit New Zealand - Other Assurance Work: Report to Bond Trustees and PBRF	11	14	11	14
Bad Debts Written Off	77	105	77	105
Demolition Costs	80	2,787	80	2,787
Equipment Rentals	236	308	236	308
Exchange Losses	32	41	32	41
Fair Value Movement in Interest Rate Swaps	(88)	(84)	(88)	(84)
Increase / (Decrease) in Provision for Doubtful Debts	190	(12)	190	(12)
Loss on Disposal of Property, Plant & Equipment	113	618	113	618
Property Rentals	2,346	5,058	2,346	5,058
Student Association Service Provision	2,302	2,279	2,302	2,279

## 7 / Finance Charges

### Accounting Policy

Borrowing costs are recognised as an expense in the period in which they are incurred.

More information on Borrowings, Philanthropic Bond, and Derivative Financial Instrument Assets and Liabilities are identified in Notes 16, 17 and 19 respectively.

	Consolidated (\$000's)		University (\$000's)	
	2019 Actuals	2018 Actuals	2019 Actuals	2018 Actuals
<b>Breakdown of finance charges</b>				
Finance Charges	4,318	4,461	4,318	4,461
<b>TOTAL FINANCE CHARGES</b>	<b>4,318</b>	<b>4,461</b>	<b>4,318</b>	<b>4,461</b>

## 8 / Cash and Cash Equivalents

### Accounting Policy

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term, highly liquid investments with original maturities of three months or less. The carrying amount of cash at bank, call deposits and term deposits with maturities less than three months at acquisition approximates their fair value.

The weighted average interest rate as at 31 December 2019 is 1.55% (31 December 2018; 2.30%).

The carrying amount of cash at bank, call deposits and term deposits with maturities less than three months at acquisition approximates their fair value.

	Consolidated (\$000's)		University (\$000's)	
	2019 Actuals	2018 Actuals	2019 Actuals	2018 Actuals
<b>Breakdown of cash and cash equivalents and further information</b>				
Cash at Bank	8,967	35,144	8,294	32,502
Call Deposits	25,373	3,871	25,373	3,871
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>34,340</b>	<b>39,015</b>	<b>33,667</b>	<b>36,373</b>

## 9 / Receivables

	Consolidated (\$000's)		University (\$000's)	
	2019 Actuals	2018 Actuals	2019 Actuals	2018 Actuals
<b>Breakdown of Receivables</b>				
Receivables (gross)	11,624	14,427	11,148	16,405
UCSA Receivable	16,930	10,772	16,930	10,772
Related Party Receivables	-	-	810	2,628
Less Provision for Doubtful Debts	(569)	(379)	(569)	(379)
<b>TOTAL RECEIVABLES</b>	<b>27,985</b>	<b>24,820</b>	<b>28,319</b>	<b>26,798</b>
Total Receivables comprise:				
Receivables from exchange transactions	25,135	21,845	25,469	23,823
Receivables from non-exchange transactions	2,850	2,975	2,850	2,975
<b>TOTAL RECEIVABLES</b>	<b>27,985</b>	<b>24,820</b>	<b>28,319</b>	<b>26,798</b>

### Accounting Policy

Receivables are initially measured at face value and then adjusted for amounts not considered recoverable.

#### Fair value

Receivables are generally short-term and non-interest bearing. The carrying value of receivables approximates their fair value.

#### Impairment

Receivables that are 180 days past due date are considered unrecoverable unless there is a clear agreement for repayment.

Receivables over \$1,000 that are 90-180 days overdue are also assessed for recoverability based on the type of debtor, relationship to the University, communications with the debtor and predicted chances of recovery and costs associated with recovery. The provision for doubtful debts represents receivables assessed as irrecoverable aged greater than 91 days past due (31 December 2018: greater than 91 days past due). The majority of receivables are not past due.

#### Credit risk

There is no concentration of credit risk with respect to Receivables as the balances are made up of a large number of customers.

## 10 / Non-Current Assets Held For Sale

The negotiations to transfer the Christchurch property to Fire and Emergency New Zealand that were under way at the end of 2018 were completed and the property was sold during 2019.

	Consolidated (\$000's)		University (\$000's)	
	2019 Actuals	2018 Actuals	2019 Actuals	2018 Actuals
<b>Breakdown of non-current assets held for sale</b>				
Land	-	1,334	-	1,334
<b>TOTAL NON-CURRENT ASSETS HELD FOR SALE</b>	<b>-</b>	<b>1,334</b>	<b>-</b>	<b>1,334</b>

## 11 / Property, Plant and Equipment and Intangible Assets

### Accounting Policy

#### Initial recognition and subsequent measurement

All assets are initially recorded at cost. Assets with a cost value lower than \$2,500 that are not part of an inseparable set are expensed on acquisition, with the exception of computers and data projectors, which are capitalised regardless of cost.

Where an item of property, plant and equipment is acquired through a non-exchange transaction at no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition.

Subsequent to acquisition, all items of property, plant and equipment are depreciated over their useful life except for Land, Artworks, Medals, the Logie Collection and the Library Permanent Collection, which are not depreciated. Land, buildings, infrastructure, the Library Permanent Collection, and Artworks, Medals and the Logie Collection are subject to periodic revaluation.

Any gains or losses on disposal of property, plant and equipment are determined by comparing the proceeds, if any, with the carrying amount of the assets. Gains and losses on disposal are included in the surplus or deficit. When revalued assets are disposed of, the amounts included in the asset revaluation reserves in respect of those assets are transferred to General Equity.

#### Land

Independent registered valuers undertake revaluations of land every three years in conjunction with that of buildings.

Land has been valued at fair value by CB Richard Ellis Limited as at 31 December 2019. The fair value of land is determined by reference to its highest and best use vacant, and then adjustments are made for possible legal impediments to achieving the fair market value. The fair value of land is normally determined from market-based evidence and a discounted cash flow basis, with no optimisation process applied. When there is no sales-based market evidence, the valuation is based on a discounted hypothetical development less allowances for legal impediments.

#### Buildings

Independent registered valuers undertake revaluations of Buildings every three years, unless there is reason to suggest that values have changed materially in the intervening years, in which case a revaluation may be undertaken outside of the three-year cycle.

Buildings, with the exception of residential and commercial property, including the Ilam Homestead (see below), have been valued on a component basis by CB Richard Ellis Limited at depreciated replacement cost as at 31 December 2019, except where there exists a contestable market, in which case a comparative sales or discounted cash flow approach is used. The valuation makes no adjustment for any contingent costs associated with strengthening for those buildings that have a seismic rating of less than 67% of the New Building Standard, or for any impairment.

The depreciated replacement cost methodology is based on the current gross replacement cost of buildings less allowances for physical deterioration, and optimisation for obsolescence and relative surplus capacity. The Buildings Valuation completed by CB Richard Ellis Limited has been modified by the University to allow for the impact of the Canterbury earthquakes. This is explained further within this note under Impairment.

Additions to Land and Buildings subsequent to the date of valuation are recorded at cost. Where land or a building is acquired through a non-exchange transaction at no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition.

#### Residential and commercial property, including the Ilam Homestead

Independent and registered valuers undertake revaluations of the University's residential and commercial property every three years, unless there is a reason to suggest that values have changed materially in the intervening years, in which case a revaluation may be undertaken outside of the three-year cycle.

Residential and commercial property is valued at market value, taking into account recent market activity, and was revalued by CB Richard Ellis Limited as at 31 December 2019.

The University has valued its Ilam Homestead property on a market value basis, as the nature of its use is changing to incorporate more commercial activity. The Ilam Homestead property was valued by CB Richard Ellis Limited as at 31 December 2019.

#### Infrastructure assets

Independent registered valuers undertake revaluations of Infrastructure Assets every three years, unless there is reason to suggest that values have changed materially in the intervening years, in which case a revaluation may be undertaken outside of the three-year cycle.

Infrastructure Assets were valued by AECOM as at 31 December 2017 at depreciated replacement cost.

Additions to Infrastructure assets subsequent to the date of valuation are recorded at cost. Where an Infrastructure asset is acquired through a non-exchange transaction at no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition.

### Library

The Current Collection of books and serials is valued at historical cost less depreciation.

The Permanent Collection of heritage collections including Macmillan Brown, Māori and Pacific, rare books, archives, architectural drawings, photographs and art is revalued every three years by an independent registered valuer.

The Permanent Collection was valued on a fair value basis as at 31 December 2019 by Jones Lang Lasalle Limited. The valuation was carried out in accordance with the University's valuation guidelines. Assets have been valued at market value where appropriate or at depreciated replacement cost where an active market does not exist.

Donated books are treated as a non-exchange transaction on acquisition, and have been included at estimated market value.

Additions to Library Assets subsequent to the date of valuation are recorded at cost.

### Artworks, Medals and the Logie Collection

The collections are revalued by independent valuers on the following cycle:

- Artworks are revalued on a three yearly cycle.
- Medals are revalued on a five yearly cycle.
- The Logie Collection is revalued on a five yearly cycle.

Artwork fair value was determined by reference to market values for comparable works and the size and condition of the piece. They were revalued as at 31 December 2019 by Art + Object Limited.

Medals were valued at fair value by RJ Watt & Associates as at 30 November 2018. Fair value was determined by reference to the New Zealand market and, where appropriate, the global market adjusted for the condition of the medal, rarity and any premium associated with the recipient.

The Logie Collection has been valued at the replacement cost by James Ede, Director of Charles Ede Limited in London, at the valuation date of 30 November 2017.

### Capital work-in-progress

Capital work-in-progress is valued on the basis of expenditure incurred and certified gross Progress Claim Certificates up to balance date, including any retention amounts. Work-in-progress is not depreciated. The total cost of a project is transferred to the relevant asset class on completion and then depreciated accordingly.

### Software acquisition and development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

### Amortisation of software

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives of the University's software range from 3–10 years.

### Accounting for revaluations of property, plant and equipment

The University 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.

### Impairment of property, plant and equipment and intangible assets

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. For revalued assets, any impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, any impairment loss is recognised in the surplus or deficit.

The reversal of any impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is recognised first in the surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

### Depreciation of property, plant and equipment

All items of property, plant and equipment other than Land, the Permanent Collection, and the Artworks, Medals and Logie Collections are depreciated using the straight-line method, at rates that will write off the cost of assets less their residual values, over their estimated remaining useful lives. Depreciation rates used are as follows:

#### Buildings Components:

Structure	1.25 - 3.3%
Building Services	2.50 - 3.3%
Fittings and Fitout	4.00%
Furnishings (chattels)	5.00%
Infrastructure Assets	0.95 - 33.3%
Other Plant and Equipment	6.7 - 33.3%
Leased Equipment	33.3%
Current Collection (Library)	10.00%

Artworks, Medals, Logie and the Permanent Collections are not depreciated because they have indefinite or sufficiently long useful lives that any depreciation between valuations is considered negligible.

### **Critical accounting judgements, estimates and assumptions**

#### **Land and building valuations**

The valuation from CB Richard Ellis Limited assumes that there were no physical consequences of the Canterbury earthquakes that had a detrimental effect on the value of the land and buildings. It also assumes there are no rectification costs that are not covered by insurance and hence no extraordinary costs that will warrant deductions from the valuation. As in previous years, the University has adjusted the valuation to allow for the decrease in value in the buildings asset for unremediated earthquake damage.

In a non-revaluation year, the University assesses whether there has been a material movement in the fair value of land and buildings since the last valuation. This assessment includes the application of relevant cost indices, assessing market information and obtaining advice from the University's valuer who performed the most recent buildings valuation. The University's Land and Buildings were revalued as at 31 December 2019.

The next planned valuation will be 31 December 2022.

#### **The significant assumptions in the 31 December 2019 valuation are as follows:**

##### **(a) Land**

The land valuation includes an allowance to reflect the possible legal impediments to achieving the fair market value of the land's highest and best use, incorporating assumptions as to the realisation period for the disposal of property sections and the number of sub-divisible sections, which has a direct impact on overall returns and the valuation.

##### **(b) Buildings at Depreciated Replacement Cost**

In performing depreciated replacement cost valuations with respect to buildings, there are a number of significant assumptions, most notably:

- the replacement costs of individual buildings are adjusted where appropriate for optimisation due to over-design or surplus capacity
- the depreciated replacement cost comprises construction cost plus any other costs directly attributable to bringing the item to working condition for its intended use. Construction costs are determined by a review of the latest cost indications and a review of relevant market data (if any).

The valuation excludes any capitalisation of borrowing costs that may have been incurred in the construction or acquisition of a component asset.

Adjustments have been made as appropriate to fairly reflect remaining lives by reference to physical condition and capital expenditure.

##### **(c) Residential Properties at Market Value**

The valuation of residential property owned by the University is based on market value. Market value is the estimated amount the property would sell for on the date of valuation, between a willing buyer and willing seller in an arm's length transaction, acting knowledgeably, prudently and without compulsion.

The market value methodology for residential properties takes into account recent sales of comparable properties.

##### **(d) Buildings at Market Value - Ilam Homestead**

The valuation of the Ilam Homestead is based on market value and is predicated on a standard commercial lease arrangement for a property of this type.

##### **(e) Campus Living Villages**

The valuation of land and improvements that are leased to Campus Living Villages ignores the lease impediment and treats the valuation in the same fashion as the balance of the University campus assets; that is, the leased assets are valued at depreciated replacement cost.

#### **Recognition of building impairments**

The University has reviewed its estimates of the extent of damage to its buildings, assessed through the use of independent Quantity Surveyors, Inovo Projects Limited. These estimates are based on the following:

- each building has been separately considered
- historical data and experience gathered over the years of remediation work
- no allowance has been made for cost escalation
- allowances are included for professional fees, contractor's costs and contingencies where appropriate, using industry rates
- certain buildings have detailed information and reports while others have very limited information and where the estimates have been developed using the best information available for each building.

Building impairments are disclosed further within this note under Impairment.

## Property, Plant and Equipment and Intangible Assets

	COST / VALN DEC 17 (\$000's)	ACCUM DEPN & AMORTISATION DEC 17 (\$000's)	NET BOOK VALUE DEC 17 (\$000's)	CURRENT YEAR ADDITIONS DEC 18 (\$000's)	CURRENT YEAR DISPOSALS COST DEC 18 (\$000's)	CURRENT YEAR DISPOSALS ACCUM DEPN DEC 18 (\$000's)	CURRENT YEAR DEPN & AMORTISATION DEC 18 (\$000's)	CURRENT YEAR REVALUATION/ MOVEMENTS DEC 18 (\$000's)	CURRENT YEAR REVALUATION/ ACCUM DEPN DEC 18 (\$000's)	CURRENT YEAR IMPAIRMENT MOVEMENTS DEC 18 (\$000's)	COST / VALN DEC 18 (\$000's)	ACCUM DEPN & AMORTISATION DEC 18 (\$000's)	NET BOOK VALUE DEC 18 (\$000's)
<b>CONSOLIDATED</b>													
Land at Valuation	113,651	-	113,651	518	(1,125)	-	-	(400)	-	-	112,644	-	112,644
Forests	451	-	451	-	-	-	-	-	-	-	451	-	451
Buildings at Valuation	885,666	(26,373)	859,293	118,255	(397)	313	(31,939)	-	-	(4,439)	999,003	(57,918)	941,086
Infrastructure Assets	41,697	-	41,697	5,430	-	-	(2,375)	-	-	-	47,127	(2,375)	44,752
Plant & Equipment at Cost	155,251	(102,792)	52,459	11,187	(11,173)	11,008	(12,138)	-	-	-	155,265	(103,922)	51,343
Library (Current Collection) at Cost	100,481	(81,727)	18,754	3,631	-	-	(3,517)	-	-	-	104,112	(85,244)	18,868
Library (Permanent Collection) / Other Collections at Valuation	56,435	-	56,435	72	-	-	-	5,420	-	-	61,927	-	61,927
<b>Property, plant &amp; equipment</b>	<b>1,353,632</b>	<b>(210,892)</b>	<b>1,142,740</b>	<b>139,093</b>	<b>(12,695)</b>	<b>11,321</b>	<b>(49,969)</b>	<b>5,020</b>	<b>-</b>	<b>(4,439)</b>	<b>1,480,529</b>	<b>(249,459)</b>	<b>1,231,071</b>
<b>Intangible Assets – Software</b>	<b>31,434</b>	<b>(20,440)</b>	<b>10,994</b>	<b>1,837</b>	<b>(4,847)</b>	<b>4,830</b>	<b>(3,208)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,424</b>	<b>(18,818)</b>	<b>9,606</b>
<b>CONSOLIDATED</b>													
Land at Valuation	112,644	-	112,644	-	-	-	-	3,261	-	-	115,905	-	115,905
Forests	451	-	451	-	-	-	-	-	-	-	451	-	451
Buildings at Valuation	999,085	(58,000)	941,085	51,066	(53)	54	(32,435)	15,113	90,379	33,030	1,098,241	(2)	1,098,239
Infrastructure Assets	47,127	(2,375)	44,752	6,328	-	-	(2,547)	-	-	-	53,455	(4,922)	48,533
Plant & Equipment at Cost	155,265	(103,922)	51,343	16,226	(3,913)	3,630	(12,988)	-	-	-	167,578	(113,280)	54,298
Library (Current Collection) at Cost	104,112	(85,244)	18,868	4,177	-	-	(3,461)	-	-	-	108,289	(88,705)	19,584
Library (Permanent Collection) / Other Collections at Valuation	61,927	-	61,927	59	-	-	-	27,529	-	-	89,515	-	89,515
<b>Property, plant &amp; equipment</b>	<b>1,480,611</b>	<b>(249,541)</b>	<b>1,231,070</b>	<b>77,856</b>	<b>(3,966)</b>	<b>3,684</b>	<b>(51,431)</b>	<b>45,903</b>	<b>90,379</b>	<b>33,030</b>	<b>1,633,434</b>	<b>(206,909)</b>	<b>1,426,525</b>
<b>Intangible Assets – Software</b>	<b>28,424</b>	<b>(18,818)</b>	<b>9,606</b>	<b>11,089</b>	<b>(12)</b>	<b>12</b>	<b>(3,913)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,501</b>	<b>(22,719)</b>	<b>16,782</b>

There is no difference between 'University' and 'University and Group' balances.

### Capital Work In Progress

Capital work in progress comprises mostly the University's investment in additional student residential accommodation.

	Consolidated (\$000's)	
	Dec 2019 (\$000's)	Dec 2018 (\$000's)
<b>Capital Work in Progress</b>		
Building	46,072	34,136
Plant and Equipment	367	194
Intangible Assets - Software	1,874	8,998
	<b>48,313</b>	<b>43,328</b>

### Valuation of Land and Buildings

A revaluation of Land and Buildings was last performed at 31 December 2019, with an increase of \$141.783 million. Buildings with a carrying value of \$8.870 million have been revalued based on market value. The remaining buildings are valued at depreciated replacement cost.

### Restrictions and Security

There are no restrictions over the title of the University's Property, Plant and Equipment or Intangibles, nor are any pledged as security for liabilities. See the accounting policies for further critical accounting assumptions regarding Land and Buildings.

### Impairment

The University's buildings received significant damage in the 2010 and 2011 Canterbury earthquakes. The damage incurred has not been factored into the independent valuation, but a separate assessment of impairment has been performed, adjusting the carrying value of buildings that have yet to be remediated to reflect the estimated costs of repairing the buildings back to the state that existed prior to the earthquakes.

The University has accounted for impairments to all damaged buildings at a value equal to each building's estimated damage (unless the estimated damage repair cost is more than Net Book Value (NBV), in which case the building is impaired to \$nil), adjusting also for remediation work completed.

There has been no appreciable damage to land recorded to date.

In preparing these financial statements, the University has reviewed the estimates of earthquake damage or other impairment as at 31 December 2019. As in previous years, the University has used external Quantity Surveyors Inovo Projects Limited to provide the estimate of total building repairs. The University continues to review its property stock and notes that while all property occupied is currently assessed as being above 34% NBS, there remains further work to be done to confirm the full extent of earthquake damage on unremediated buildings. Accordingly, the review by Inovo Projects Limited has assessed the current status and provided an updated schedule of estimated costs of repair, showing an increase on values on the prior year, mostly due to inflation. The risk also remains that the final cost to the University will be in excess of estimate, although the University considers that any further increase in damage assessment will continue to demonstrate a similar pattern to that already experienced. The total impairment recognised in the financial statements is \$80 million (2018: \$84 million).

The estimate of damage remains subject to considerable potential variability and consequently the cost of repair estimated in these financial statements could change. Additionally, while these estimates have been updated for inflation, there is no allowance in these estimates for future inflation or other exogenous factors that may affect the actual cost of repair. The University has written down many of its remaining unremediated buildings to \$nil, and as a consequence any increase in assessed remediation cost for those buildings has minimal effect – there can be no further reduction in NBV.

The University continues to develop its remediation and wider capital asset management plans, which it anticipates will be completed in up to 5 years.

	Consolidated (\$000's)	
	2019	2018
<b>Revaluation Reserves</b>		
Revaluation Reserves consists of:		
Buildings	247,369	108,846
Infrastructure Assets	26,602	26,602
Land	86,428	83,168
Endowment Land	5,203	5,203
Forests	451	451
Library / Collections	80,355	52,826
Balance as at period end	<b>446,408</b>	<b>277,096</b>

### Breakdown of investments

#### INVESTMENT IN NEW ZEALAND SYNCHROTRON GROUP LIMITED

The University has a 9.48% shareholding in the New Zealand Synchrotron Group Limited, which is made up of eight universities and currently four Crown Research Institutes. The New Zealand Synchrotron Group Limited invests as a shareholder in Australian Synchrotron Holding Company Proprietary Limited, and in return receives access rights to usage of the Synchrotron Instrument.

	Consolidated (\$000's)		University (\$000's)	
	2019 Actuals	2018 Actuals	2019 Actuals	2018 Actuals
<b>Investment Category</b>				
Investments at Fair Value through other Comprehensive Revenue and Expense - Non Current				
Investment in New Zealand Synchrotron Group Limited	47	46	47	46
<b>TOTAL</b>	<b>47</b>	<b>46</b>	<b>47</b>	<b>46</b>

#### Investment in controlled entities

The consolidated financial statements include the financial statements of the University of Canterbury, the ultimate parent of the Group, and its controlled entities being Canterprise Limited, UC International College Limited, Entré Limited and University of Canterbury Foundation (UCF). These are all measured at \$nil cost.

The University has a 100% interest in Canterprise Limited and UC International College Limited. Both companies are non traders, have no net assets and are held at \$nil value (31 December 2018: \$nil).

The University also has a 100% interest in Entré Limited. Entré Limited is set up to facilitate entrepreneurial challenges for tertiary students in the Canterbury region. This entity is also held at \$nil value due to historically low returns and minimal net assets (31 December 2018: \$nil).

#### Other investments

UC Trust Funds (UCTF) and UCF have net assets of \$126 million and \$34 million respectively, which are not generally available to the University. The UCTF assets are only available for the purposes approved by the donors, and the UCF Trustees must approve all applications from the University for funding prior to funds being transferred. Most funding provided is for visiting international lecturer costs, doctoral fees, stipends and student prizes.

Investments included in the UC Trust Funds and UC Foundation are accounted for in the financial statements at fair value through surplus / (deficit).

	Consolidated (\$000's)		University (\$000's)	
	2019 Actuals	2018 Actuals	2019 Actuals	2018 Actuals
<b>Breakdown of current and non-current investments</b>				
Equity – Listed	56,319	51,368	50,157	45,399
Equity – Private Equity	16,848	16,161	14,077	13,337
Fixed Interest	38,242	38,941	30,966	31,963
Multi Asset	39,333	35,935	21,803	20,706
<b>TOTAL</b>	<b>150,742</b>	<b>142,405</b>	<b>117,003</b>	<b>111,405</b>

Fair value is determined by reference to quoted market prices for list movements and using observable inputs for private equity investments and are accounted for in the financial statements at fair value through surplus / (deficit). For details of the fair value valuation technique, see Note 20.

All of the investments in the table above are classified as held for trading.

The University also has equity investments of minimal or nil value as follows as at 31 December 2019:

Name	Percentage Held
<b>Subsidiaries</b>	
Canterprise Limited	100%
Entré Limited	100%
UC International College Limited	100%

#### Other Investments

Flow Holdings Limited	36%
New Zealand Drylands Forests IP Limited	25%
Dock Bio Holdings Limited	22%
NPX Environmental Limited	17%
Stratified Concrete Technologies Limited	15%
Unisaver Limited	14%
Mars Bioimaging	12%
Transfection Holdings Limited	7%
Kiwi Innovation Network Limited	7%
Tiro Medical Limited (formerly Tiro Life Sciences Limited)	4%
Veritide Limited	2%

### 13 / Term Receivables

#### Critical accounting judgements, estimates and assumptions

##### Reversionary Interest

The University has a detailed contract with Campus Living Villages (CLV), the operator of the residences the University has leased to it. This contract does not entail any control of the residences built by CLV that will revert to the University in 2040.

Therefore, the University considers this arrangement does not constitute a Service Concession Arrangement within the terms of PBE IPSAS 32.

Instead, the University accounts for its interest in the residences built by CLV as a Reversionary Interest, where an amount is recognised

representing the progressive recognition of the value of the CLV accommodation that will ultimately vest in the University.

The key assumptions in the calculation of this progressive recognition are:

- discount rate 4.00% (2018: 5.29%)
- independent valuation of property
- application of appropriate index to determine depreciated replacement cost at vesting. 2019: 1.8% (2018: 1.8%)

Any changes in these factors will affect any revenue recognised.

	Consolidated (\$'000's)		University (\$'000's)	
	2019 Actuals	2018 Actuals	2019 Actuals	2018 Actuals
<b>Breakdown of Term Receivables</b>				
Campus Living Villages – Term Receivable	2,462	2,301	2,462	2,301
Reversionary interest	22,258	19,785	22,258	19,785
<b>TOTAL TERM RECEIVABLES</b>	<b>24,720</b>	<b>22,086</b>	<b>24,720</b>	<b>22,086</b>

### Campus Living Villages – Term Receivable

In December 2005 the University entered into a 35 year arrangement to lease the student accommodation facilities to CLV for \$35 million.

A portion of revenue was received in advance (\$28 million) for the current facilities and is being spread over the term of the lease on a straight-line basis (Note 14).

The term receivable represents the present value of the amount still owing by CLV. This amount will increase over the term of the lease and a final payment will be made by CLV on maturity.

### Reversionary interest

In line with the CLV lease agreement, additional buildings have been constructed at Campus Living's cost. Ownership of these buildings will vest with the University at the end of the lease.

The Reversionary Interest represents the value of the University's interest in these buildings which will generally increase over time, dependent on the discount rate used and the valuation of the buildings, and is valued on an estimated present value basis.

## 14 / Revenue Received in Advance

### Accounting Policy

Refer also to the Revenue Accounting Policy in Note 2.

	Consolidated (\$000's)		University (\$000's)	
	2019 Actuals	2018 Actuals	2019 Actuals	2018 Actuals
<b>Breakdown of revenue received in advance</b>				
<b>Current Revenue Received in Advance</b>				
Student Fees	24,681	18,388	24,681	18,388
Research Revenue	21,418	19,910	21,418	19,910
Future minimum operating lease revenue not later than one year	868	868	868	868
Other	6,617	6,673	6,617	6,673
	53,584	45,839	53,584	45,839
<b>Non Current Revenue Received in Advance</b>				
<i>Future minimum operating lease revenue:</i>				
Later than one year and not later than five years	5,469	5,563	5,469	5,563
Later than five years (see Note 13)	15,359	16,196	15,359	16,196
	20,828	21,759	20,828	21,759
<b>TOTAL REVENUE RECEIVED IN ADVANCE</b>	<b>74,412</b>	<b>67,598</b>	<b>74,412</b>	<b>67,598</b>
Non-exchange revenue in advance included above	21,418	19,910	21,418	19,910

15 / Accounts Payable				
	Consolidated (\$000's)		University (\$000's)	
	2019 Actuals	2018 Actuals	2019 Actuals	2018 Actuals
<b>Breakdown of accounts payable</b>				
<b>Payables under exchange transactions</b>				
Trade Payables	6,101	6,724	6,101	6,817
UCSA Payable	8,220	7,783	8,220	7,783
Other Payables	15,518	15,356	15,488	15,216
<b>Total Payables under exchange transactions</b>	<b>29,839</b>	<b>29,863</b>	<b>29,809</b>	<b>29,816</b>
<b>Payables under non-exchange transactions</b>				
Taxes payable (PAYE, GST)	5,849	3,082	5,849	3,082
<b>Total Payables under non-exchange transactions</b>	<b>5,849</b>	<b>3,082</b>	<b>5,849</b>	<b>3,082</b>
<b>TOTAL ACCOUNTS PAYABLE</b>	<b>35,688</b>	<b>32,945</b>	<b>35,658</b>	<b>32,898</b>

Trade Payables and Other Payables are non-interest bearing and are normally settled on 30-day terms, therefore their carrying value approximates to their fair value.

## 16 / Loans

### Accounting Policy

#### Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the University has an unconditional right to defer settlement of liability for at least 12 months after balance date or if the borrowings are expected to be settled within 12 months of the balance date.

#### Finance Lease

The University has no finance leases.

	Consolidated (\$000's)		University (\$000's)	
	2019 Actuals	2018 Actuals	2019 Actuals	2018 Actuals
<b>Breakdown of loans</b>				
<b>Current Loans</b>				
Sonoda Gakuen Corporation of Japan Loan	32	32	32	32
<b>Non Current Loans</b>				
Sonoda Gakuen Corporation of Japan Loan	736	768	736	768
<b>TOTAL LOANS</b>	<b>768</b>	<b>800</b>	<b>768</b>	<b>800</b>
<b>Analysis of Loan Liabilities</b>				
Within one year	32	32	32	32
One to five years	128	128	128	128
Greater than five years	608	640	608	640
<b>TOTAL LOANS</b>	<b>768</b>	<b>800</b>	<b>768</b>	<b>800</b>

Sonoda Gakuen Corporation of Japan advanced \$1.6 million in March 1992 to assist with the funding of the construction of the Sonoda Christchurch Campus.

The loan is for a term of 50 years at an interest rate of 3% per annum.

The carrying amount for loans approximates their fair value.

The University operates a purchasing card facility and had a credit limit of \$11 million as at 31 December 2019 (31 December 2018: \$11 million).

17 / Philanthropic Bond				
	Consolidated (\$000's)		University (\$000's)	
	2019 Actuals	2018 Actuals	2019 Actuals	2018 Actuals
<b>Breakdown of Philanthropic Bond</b>				
Philanthropic Bond – Current	-	49,978	-	49,978
Capitalised bond issue costs	-	(109)	-	(109)
	-	49,869	-	49,869
Philanthropic Bond – Long Term	-	-	-	-
Capitalised bond issue costs	-	-	-	-
	-	-	-	-
<b>TOTAL PHILANTHROPIC BOND</b>	-	49,869	-	49,869

The University redeemed the Bond at maturity, with payment on 16 December 2019. There are no plans for any new Bond or other financial instrument to be issued to the market, and the University delisted from the NZX Debt market on 13 December 2019. From that point, the University has no further reporting responsibilities under the NZX Rules.

#### Capitalised bond issue costs

Expenses incurred in the issue of the 10 year Fixed Rate Unsubordinated Unsecured Philanthropic Bond were capitalised and were amortised over the period of the Bond.

#### Bond Covenants

The Bond trust deed required the University to ensure that the following financial covenant ratios were to be achieved during the year:

- secured debt not to exceed 5% of the aggregate of debt plus equity
- debt not to exceed 25% of the aggregate of debt plus equity.

There was no breach of the covenants in the year (2018: no breach)

#### Ministry of Education (MOE) Borrowing Consent

The borrowing consent from the Secretary for Education required appointment of an independent advisor as soon as practicable after the University Council forms the view that it will be required to have outstanding borrowings of more than \$65 million; for the provision of Financial Planning and Resourcing Committee and Council papers; limits on use of assets as security; and provision of capital asset management planning and capital expenditure reporting. There are no financial covenants.

The MOE consent requirements were fully complied with for the 2019 year (2018: full compliance). The consent was revoked in December 2019 following the delisting of the University from the NZX.

## Accounting Policy

### Employee entitlements

Provision is made in respect of the University's liability for annual leave, long service leave, retirement leave and sick leave.

Annual leave which has vested in the employee (an entitlement has been established) has been measured at nominal value using remuneration rates current at reporting date. This provision is shown as a current liability.

Long service leave for all eligible staff is equal to the present value of the estimated future cash flows as a result of employee service, as calculated at balance date by an independent actuary. The portion that has already vested in the employee (an entitlement has been established) is presented as a current liability using remuneration rates current at reporting date. The balance is shown as a non-current liability.

Retirement leave for all eligible staff is equal to the present value of the estimated future cash flows as a result of employee service, as calculated at balance date by an independent actuary. This provision is shown as a non-current liability, except for the estimated amount attributable to retirees for the following financial period, which is shown as a current liability.

Sick leave for all eligible staff is calculated at balance date by an independent actuary and is an actuarial function of the extent to which absences are expected to be greater than sick leave entitlements earned over the next twelve months and future years. The liability balance is split into a current and non-current position.

## Critical accounting judgements, estimates and assumptions

### Long Service, Retirement Leave and Sick Leave

The present value of long service, retirement and sick leave obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The key assumptions used in calculating this liability include the discount rate and the salary growth factor. Any changes in these assumptions will impact on the carrying amount of the liability. The valuation was carried out by an independent actuary, Eriksen & Associates Limited, as at 31 December 2019. They have based their valuation on the model recommended by Treasury for the reporting purposes of Crown Entities.

The estimates and uncertainties surrounding these valuations by Eriksen & Associates Limited at 31 December 2019 include an estimation of salary growth rate of 2.5%, resignation rates (as per Government Superannuation Fund), retirement rates (as per Government Superannuation Fund), and discounting rates based on the yields on Government Bonds ranging from 1.06% to 4.30% (consistent with all entities that form part of the Crown's annual reporting).

18 / Employee Entitlements (continued)				
	Consolidated (\$000's)		University (\$000's)	
	2019 Actuals	2018 Actuals	2019 Actuals	2018 Actuals
<b>Breakdown of employee entitlements</b>				
Sick Leave	503	762	503	762
Annual Leave	8,004	7,490	8,004	7,490
Long Service Leave	1,556	1,673	1,556	1,673
Retirement Leave	29,019	30,952	29,019	30,952
<b>Total</b>	<b>39,082</b>	<b>40,877</b>	<b>39,082</b>	<b>40,877</b>
Redundancy Provision <sup>1</sup>	299	194	299	194
<b>Total Employee Entitlements</b>	<b>39,381</b>	<b>41,071</b>	<b>39,381</b>	<b>41,071</b>
Made up of:				
Current	10,865	10,621	10,865	10,621
Non Current	28,516	30,450	28,516	30,450
<b>Total Employee Entitlements</b>	<b>39,381</b>	<b>41,071</b>	<b>39,381</b>	<b>41,071</b>

	Consolidated (\$000's)	
	2019 Actuals	2018 Actuals
<b><sup>1</sup>Redundancy Provision – University &amp; Group</b>		
Redundancy Provision Opening Balance	194	715
Provision made	299	194
Amounts used	(194)	(715)
Redundancy Provision Closing Balance	299	194

The Redundancy Provision was created for confirmed redundancies at year end.

## Accounting Policy

### Derivative Financial Instruments

The University enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including forward foreign exchange contracts and interest rate swaps. Further details of derivative financial instruments are disclosed within this note and Note 20.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into, and are subsequently re-measured to their fair value at each balance sheet date. The resulting gain or loss is recognised in the surplus or deficit immediately, unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the surplus or deficit depends on the nature of the hedge relationship. The University designates certain derivatives as hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges).

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

### Hedge Accounting

The University designates certain hedging instruments, which may include derivatives, embedded derivatives and non-derivatives in respect of foreign currency exchange risk and interest rate risk, as cash flow hedges. Hedges of foreign currency exchange risk on firm commitments, forecast transactions, and hedges of interest rate risk on future interest payments are accounted for as cash flow hedges. At the inception of the hedge relationship, the University documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the University documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in cash flows of the hedged item.

This note sets out details of the fair values of the derivative financial instruments used for hedging purposes. Movements in the hedging reserve in equity are also detailed in the Statement of Changes in Net Assets / Equity.

### Cash Flow Hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive revenue and expense and accumulated as a separate component of equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the surplus or deficit, and is included in other revenue or general expenditure line items, as appropriate.

Amounts recognised in the hedging reserve are reclassified from equity to the surplus or deficit (as a reclassification adjustment) in the periods when the hedged item is recognised in the surplus or deficit, in the same line as the recognised hedged item.

However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in the hedging reserve are reclassified from equity and included in the initial measurement of the cost of the asset or liability (as a reclassification adjustment).

Hedge accounting is discontinued when the University revokes the hedging relationship, or the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss recognised in the hedging reserve at that time remains in equity and is recycled into the surplus or deficit over the remainder of the hedge maturity period. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in the hedging reserve is recognised immediately in the surplus or deficit.

19 / Derivative and Other Financial Instrument Assets and Liabilities (continued)				
	Consolidated (\$000's)		University (\$000's)	
	2019 Actuals	2018 Actuals	2019 Actuals	2018 Actuals
<b>Breakdown of other financial instrument assets and liabilities</b>				
<b>Other Financial Assets / Term Deposits</b>				
Short-term deposits with maturities over three months but less than 12 months	184,622	255,494	184,622	255,494
<b>Total Short Term Deposits</b>	184,622	255,494	184,622	255,494
<b>Other Financial Assets and Liabilities – Derivative Financial Instruments</b>				
<b>Derivative Financial Instrument Assets – Non Current</b>				
Interest Rate Swap Derivative	-	966	-	966
<b>Total Derivative Financial Instrument Assets</b>	-	966	-	966
<b>Derivative Financial Instrument Liabilities – Current</b>				
Forward Currency Exchange Contracts – Current	20	154	20	154
<b>Derivative Financial Instrument Liabilities – Non Current</b>				
Interest Rate Swap Derivative	-	1,932	-	1,932
<b>Total Derivative Financial Instrument Liabilities</b>	20	2,086	20	2,086
<b>Total Derivative Financial Instruments</b>	(20)	(1,120)	(20)	(1,120)
<b>Analysis of Derivative Financial Instruments</b>				
Net Settled Derivatives (Interest Rate Swaps)	-	(966)	-	(966)
Gross Settled Derivatives (Forward Exchange Contracts)	(20)	(154)	(20)	(154)
<b>Total Derivative Financial Instruments</b>	(20)	(1,120)	(20)	(1,120)

### Term Deposits

The carrying amount of both short- and long-term deposits approximates their fair value.

Short term deposits maturing over three months but less than 12 months from date of acquisition are all at fixed rates. The weighted average rate secured as at 31 December 2019 is 2.46% per annum (31 December 2018; 3.19% per annum).

Long term deposits maturing over three months and remaining duration is more than 12 months from date of acquisition are all at fixed rates. There are no long term deposits held at 31 December 2019 (31 December 2018: 3.33% per annum).

### Fair Value

The fair values of interest rate swaps have been determined by calculating the expected cash flows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are from independently sourced market parameters such as interest rate yield curves. Most market parameters are implied from instrument prices.

The fair values of forward exchange contracts have been determined using a discounted cash flow valuation technique based on quoted market prices. The inputs into the valuation model are from independently sourced market parameters such as currency rates. Most market parameters are implied from forward foreign exchange contract prices.

## Accounting Policy

### Classification and initial recognition

All financial assets and financial liabilities are initially recognised at fair value. The University determines the classification of its financial assets and liabilities at initial recognition and re-evaluates this designation at every reporting date.

### Financial assets

The University and Group have the following non-derivative financial assets:

- Cash and cash equivalents
- Receivables
- Deposits
- Investments – privately held company shares
- Investments – actively managed fixed interest and equity investments

The University classifies its financial assets into the following four categories: financial assets at fair value through the surplus or deficit; loans and receivables; held to maturity investments; and available-for-sale. The classification depends on the purpose for which the financial assets were acquired.

Loans and receivables include term deposits with maturities greater than three months, classified as current where the remaining duration is less than 12 months, or non-current where the remaining duration is more than 12 months. Held to maturity investments are non-derivative financial assets where the University has the positive intention and ability to hold them to maturity. Available-for-sale assets include investments. The actively managed investment assets are measured at fair value through surplus or deficit.

### Financial liabilities

The University and Group have the following non-derivative financial liabilities:

- Accounts payable
- Sonoda Gakuen Corporation of Japan loan

The University classifies its other financial liabilities as financial liabilities at amortised cost.

### Subsequent measurement

After initial recognition at fair value, other financial assets are measured as follows:

- fair value through surplus or deficit – at fair value
- loans and receivables – at amortised cost using the effective interest rate method
- held to maturity investments – at amortised cost using the effective interest rate method
- available-for-sale – at fair value through other comprehensive revenue and expense.

After initial recognition at fair value, other financial liabilities are measured at amortised cost using the effective interest rate method.

The University has a series of policies to manage the risks associated with financial instruments in line with statutory and Council guidelines. The University is risk averse and seeks to minimise exposure from its treasury activities.

In addition, the UC Foundation and UC Trust Funds maintain a Statement of Investment Principles and Objectives (SIPO) that set out how investment risk is managed. This includes:

- defined investment structure for managing investments;
- compliance with all applicable fiduciary, prudential and due diligence requirements;
- guiding principles of: strategic assets allocation; risk management by diversification; limits on illiquid assets; and short-term / long-term split of investments to meet cash flow requirements.

### Fair value hierarchy disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price - financial instruments with quoted prices for identical instruments in active markets.
- Valuation techniques using observable inputs - financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs - financial instruments valued using models where one or more significant inputs are not observable.

Derivative financial instruments (both current and non-current) are valued with valuation techniques using observable inputs.

Investments have been valued with valuation techniques with significant non-observable inputs.

20 / Financial Instruments (continued)				
	Valuation Technique			
	Total (\$000's)	Quoted Market Price (\$000's)	Observable Inputs (\$000's)	Significant Non- Observable Inputs (\$000's)
<b>Consolidated December 2019</b>				
<b>Financial Assets</b>				
Multi Asset Managed Fund	39,333	39,333	-	-
Shares - Listed	56,319	56,319	-	-
Shares - Private Equity	16,848	-	16,848	-
Fixed Interest	38,242	38,242	-	-
<b>Financial Liabilities</b>				
Derivatives	20	-	20	-
<b>University December 2019</b>				
<b>Financial Assets</b>				
Multi Asset Managed Fund	21,803	21,803	-	-
Shares - Listed	50,157	50,157	-	-
Shares - Private Equity	14,077	-	14,077	-
Fixed Interest	30,966	30,966	-	-
<b>Financial Liabilities</b>				
Derivatives	20	-	20	-
<b>Consolidated December 2018</b>				
<b>Financial Assets</b>				
Derivatives	966	-	966	-
Multi Asset Managed Fund	35,935	35,935	-	-
Shares - Listed	51,368	51,368	-	-
Shares - Private Equity	16,161	-	16,161	-
Fixed Interest	38,941	38,941	-	-
<b>Financial Liabilities</b>				
Derivatives	2,086	-	2,086	-
<b>University December 2018</b>				
<b>Financial Assets</b>				
Derivatives	966	-	966	-
Multi Asset Managed Fund	20,706	20,706	-	-
Shares - Listed	45,399	45,399	-	-
Shares - Private Equity	13,337	-	13,337	-
Fixed Interest	31,963	31,963	-	-
<b>Financial Liabilities</b>				
Derivatives	2,086	-	2,086	-

There were no transfers between the different levels of the fair value hierarchy.

## 20. Financial Instruments (continued)

### Risk management

#### Price Risk

There is no significant equity investments price risk in the University. Some price risk exposure exists in the restricted funds with the investment in fixed interest instruments and equities, both listed and private equity. These movements are included in the annual investment valuation but only crystallise when the investment is sold. Regular reviews are held to determine optimal sale conditions.

#### Foreign Exchange Risk

The University's sensitivity to foreign currency has decreased during the current year as a result of foreign currency forward contracts taken to reduce exposure to currency fluctuations. The University's exposure remains immaterial for these financial statements. Some foreign exchange risk exists with the investment in foreign equities by the University's restricted activities. This is included in the annual investment valuation, but only crystallises when the investment is sold. Most investments are held for the medium and long term which mitigates short term foreign exchange risk exposure.

#### Forward Foreign Currency Exchange Contracts

It is the policy of the University to enter into forward foreign currency exchange contracts to cover specific significant foreign currency payments.

As at 31 December 2019, the aggregate amount of unrealised gains/ (losses) under forward foreign exchange contracts deferred in the hedging reserve relating to the exposure on these anticipated future transactions is \$(19,763) (31 December 2018: \$(154,172)).

#### Cash Flow Interest Rate Risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Cash and Cash Equivalents and short term deposits issued at variable interest rates create exposure to cash flow interest rate risk.

#### Fair Value Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Financial instruments that potentially subject the University to concentrations of interest rate risk consist principally of Cash and Cash Equivalents, Short and Long Term Deposits, Loans and Investments.

Although overall interest rate risk has been reduced due to the utilisation of fixed interest rates for both borrowing and investment in bonds and deposits, this does expose the University to a degree of "fair value interest rate risk" should market conditions move significantly.

Note 8 and Note 19 provide an analysis in relation to these financial instruments.

Fixed interest investments, including bonds, held in the UC Trust Funds and the UC Foundation are exposed to fair value interest rate risk. These investments are held for the long term and this mitigates short term fair value interest rate exposure. Investment assets are regularly reviewed and underperforming investments removed.

#### Interest Rate Swap Contracts

The University has used interest rate swaps to reduce its exposure to cash flow interest rate risk resulting from resetting the fixed interest rates on bond borrowings. At 31 December 2019 there were no interest rate swaps held by the University.

Under an interest rate swap contract, the University agreed to exchange the difference between floating and fixed rate interest amounts calculated on an agreed notional principal amount. This was designated as a cash flow hedge. This contract enables the University to mitigate future cash flow exposures on the interest rate reset (which was set for 15 December 2014) of the issued fixed rate bond debt. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curve at reporting date and the credit risk inherent in the contract, and is disclosed below. The average interest rate was based on the outstanding balances at 31 December.

On 15 December 2014 the Philanthropic Bond interest rate was reset at 5.77% and the hedging relationship between the original swap and the Bond was de-designated. At the time the accumulated losses on this hedge relationship held in reserves was \$4,390,000. In accordance with NZ PBE IPSAS 29 *Financial Instruments: Recognition and Measurement*, this balance was recycled through the surplus and deficit from the hedge reserve on a straight-line basis over the remaining 5 years of the Bond.

A second Interest rate swap contract was entered into at the same time as the Philanthropic Bond interest rate reset, effectively locking in the interest payable by the University over the remaining term of the Philanthropic Bond.

Both interest rate swaps settled on a quarterly basis. The floating rate on the interest rate swap was the floating rate in New Zealand. The University settled the difference between the fixed and floating rate on a net basis.

The interest payments on the Bond were made half yearly and the interest payments on the interest rate swaps were made quarterly. The Bond rate was 5.77% but with the swap arrangement, the University's effective interest rate was 7.77%. The Bond has now been repaid and the University's effective interest rate at 31 December 2019 is 3%.

The following tables detail the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at 31 December.

### Interest Rate Swaps

Swap 1 Outstanding pay fixed receive floating contract

Swap 2 Outstanding pay floating receive fixed contract

	Average contracted fixed interest rate		Notional Principal Amount	
	2019 %	2018 %	2019 (NZ\$000's)	2018 (NZ\$000's)
University & Group				
Swap 1:				
Less than one year	-	5.95	-	50,010
Swap 2:				
Less than one year	-	Floating	-	50,010

### Sensitivity Analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at 31 December.

For floating rate liabilities and assets, the analysis is prepared assuming the exposure outstanding at 31 December was outstanding for the whole year.

For interest rate swap contracts, the analysis is prepared assuming that the interest rate swap contracts are revalued to fair value at 31 December, and that the 31 December contracts were in place for the whole year.

## Consolidated

	2019				2018			
	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
<b>INTEREST RATE RISK</b>	-50bps		+50bps		-50bps		+50bps	
	Surplus	Other Equity	Surplus	Other Equity	Surplus	Other Equity	Surplus	Other Equity
<b>Financial Assets</b>								
Cash and Cash Equivalents	(1,928)	-	1,928	-	1,763	-	(1,763)	-
Loans	(124)	-	(62)	-	(101)	-	(39)	-
<b>Financial Liabilities</b>								
Interest Rate Swaps	(20)	-	(29)	-	-	-	-	-
Loans	(6)	-	2	-	(6)	-	2	-
<b>Total Sensitivity</b>	<b>(2,079)</b>	<b>-</b>	<b>1,839</b>	<b>-</b>	<b>1,656</b>	<b>-</b>	<b>(1,799)</b>	<b>-</b>
<b>FOREIGN EXCHANGE RISK</b>	-10%		+10%		-10%		+10%	
	Surplus	Other Equity	Surplus	Other Equity	Surplus	Other Equity	Surplus	Other Equity
<b>Financial Assets</b>								
Foreign Bank Accounts	134	-	(110)	-	451	-	(369)	-
<b>Financial Liabilities</b>								
Foreign Exchange Derivatives	-	143	-	(117)	-	134	-	(110)
<b>Total Sensitivity</b>	<b>134</b>	<b>143</b>	<b>(110)</b>	<b>(117)</b>	<b>451</b>	<b>134</b>	<b>(369)</b>	<b>(110)</b>
<b>PRICE RISK</b>	-10%		+10%		-10%		+10%	
	Surplus	Other Equity	Surplus	Other Equity	Surplus	Other Equity	Surplus	Other Equity
<b>Market Risk</b>								
Listed equities and fixed interest	-	(989)	-	989	-	138	-	(138)
<b>Total Sensitivity</b>	<b>-</b>	<b>(989)</b>	<b>-</b>	<b>989</b>	<b>-</b>	<b>138</b>	<b>-</b>	<b>(138)</b>

## University

	2019	2019	2019	2019	2018	2018	2018	2018
	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
<b>INTEREST RATE RISK</b>	-50bps	-50bps	+50bps	+50bps	-50bps	-50bps	+50bps	+50bps
	Surplus	Other Equity	Surplus	Other Equity	Surplus	Other Equity	Surplus	Other Equity
<b>Financial Assets</b>								
Cash and Cash Equivalents	(1,928)	-	1,928	-	1,763	-	(1,763)	-
Loans	(124)	-	(62)	-	(101)	-	(39)	-
<b>Financial Liabilities</b>								
Interest Rate Swaps	(20)	-	(29)	-	-	-	-	-
Loans	(6)	-	2	-	(6)	-	2	-
<b>Total Sensitivity</b>	<b>(2,079)</b>	<b>-</b>	<b>1,839</b>	<b>-</b>	<b>1,656</b>	<b>-</b>	<b>(1,799)</b>	<b>-</b>
<b>FOREIGN EXCHANGE RISK</b>	-10%	-10%	+10%	+10%	-10%	-10%	+10%	+10%
	Surplus	Other Equity	Surplus	Other Equity	Surplus	Other Equity	Surplus	Other Equity
<b>Financial Assets</b>								
Foreign Bank Accounts	134	-	(110)	-	451	-	(369)	-
<b>Financial Liabilities</b>								
Foreign Exchange Derivatives	-	143	-	(117)	-	134	-	(110)
<b>Total Sensitivity</b>	<b>134</b>	<b>143</b>	<b>(110)</b>	<b>(117)</b>	<b>451</b>	<b>134</b>	<b>(369)</b>	<b>(110)</b>
<b>PRICE RISK</b>	-10%	-10%	+10%	+10%	-10%	-10%	+10%	+10%
	Surplus	Other Equity	Surplus	Other Equity	Surplus	Other Equity	Surplus	Other Equity
<b>Market Risk</b>								
Listed Equities and fixed interest	-	(656)	-	656	-	135	-	(135)
<b>Total Sensitivity</b>	<b>-</b>	<b>(656)</b>	<b>-</b>	<b>656</b>	<b>-</b>	<b>135</b>	<b>-</b>	<b>(135)</b>

### Credit Risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The University is subject to an element of credit risk principally within Receivables, Cash and Cash Equivalents and Term Deposits. To mitigate risk, the University's Treasury Management Framework is adhered to. Cash, Cash Equivalents and Term Deposits are diversified through placements with a number of different New Zealand financial institutions. Credit exposure is further reduced by monitoring individual weightings.

Due to the large number of individual trade debtors, the concentration of credit risk with respect to Trade Receivables is greatly reduced.

The University invests in line with the requirements of the Education Act 1989, and its Treasury Management Framework only permits investment grade counterparties of Standard & Poor's rating A or greater. All investments in New Zealand Financial Institutions are rated A or greater.

The University exposure to credit risk is reflected by the carrying amount in the Statement of Financial Position for cash and cash equivalents, receivables, term deposits, and forward foreign exchange contract assets.

### Liquidity Risk

Liquidity risk is the risk that the University will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The maturity profiles of the University's interest bearing financial instruments and investments are disclosed in Notes 8, 16 and 19 respectively.

Liquidity ratio measurement analysis and forecasting is undertaken in order that liquidity risk is reduced.

### Contractual maturity analysis of financial liabilities, excluding derivatives.

The table below analyses financial liabilities (excluding derivatives) into relevant maturity groupings based on the period remaining to the contractual maturity date as at 31 December. Future interest payments on floating rate debt are based on the floating rate applicable to the instruments at 31 December.

The amounts disclosed are the contractual undiscounted cash flows.

	Carrying Amount (\$000's)	Contractual (\$000's)	Less than 1 year (\$000's)	Between years 1-2 (\$000's)	Between years 2-3 (\$000's)	From year 3 (\$000's)
<b>Consolidated December 2019</b>						
Accounts Payable	35,688	35,688	35,688	-	-	-
Sonoda Gakuen Corporation of Japan Loan	768	1,056	55	54	53	894
<b>Total</b>	<b>36,456</b>	<b>36,744</b>	<b>35,743</b>	<b>54</b>	<b>53</b>	<b>894</b>
<b>University December 2019</b>						
Accounts Payable	35,658	35,658	35,658	-	-	-
Sonoda Gakuen Corporation of Japan Loan	768	1,056	55	54	53	894
<b>Total</b>	<b>36,426</b>	<b>36,714</b>	<b>35,713</b>	<b>54</b>	<b>53</b>	<b>894</b>
<b>Consolidated December 2018</b>						
Accounts Payable	32,945	32,945	32,945	-	-	-
Philanthropic Bond	49,869	52,896	52,896	-	-	-
Sonoda Gakuen Corporation of Japan Loan	800	1,112	56	55	54	947
<b>Total</b>	<b>83,614</b>	<b>86,953</b>	<b>85,897</b>	<b>55</b>	<b>54</b>	<b>947</b>
<b>University December 2018</b>						
Accounts Payable	32,898	32,898	32,898	-	-	-
Philanthropic Bond	49,869	52,896	52,896	-	-	-
Sonoda Gakuen Corporation of Japan Loan	800	1,112	56	55	54	947
<b>Total</b>	<b>83,567</b>	<b>86,906</b>	<b>85,850</b>	<b>55</b>	<b>54</b>	<b>947</b>

### Contractual maturity analysis of derivative financial liabilities

The table below analyses derivative financial liabilities into those that are settled net and those that will be settled on a gross basis into their relevant maturity groupings based on their remaining period from 31 December to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying Amount (\$000's)	Contractual cash flows (\$000's)	Less than 1 year (\$000's)	Between years 1-2 (\$000's)	Between years 2-3 (\$000's)	From year 3 (\$000's)
<b>University and Group December 2018</b>						
Net settled derivatives	966	975	975	-	-	-

### Contractual maturity analysis of financial assets

The table below analyses financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

	Carrying Amount (\$000's)	Contractual cash flows (\$000's)	Less than 1 year (\$000's)	Between years 1-2 (\$000's)	Between years 2-3 (\$000's)	From year 3 (\$000's)
<b>Consolidated December 2019</b>						
Cash and Cash Equivalents	34,340	34,340	34,340	-	-	-
Receivables	27,985	27,985	27,985	-	-	-
Other Financial Assets	184,622	186,559	186,559	-	-	-
Term Receivable	2,462	7,000	-	-	-	7,000
<b>Total</b>	<b>249,409</b>	<b>255,884</b>	<b>248,884</b>	<b>-</b>	<b>-</b>	<b>7,000</b>
<b>University December 2019</b>						
Cash and Cash Equivalents	33,667	33,667	33,667	-	-	-
Receivables	28,319	28,319	28,319	-	-	-
Other Financial Assets	184,622	186,559	186,559	-	-	-
Term Receivable	2,462	7,000	-	-	-	7,000
<b>Total</b>	<b>249,070</b>	<b>255,545</b>	<b>248,545</b>	<b>-</b>	<b>-</b>	<b>7,000</b>
<b>Consolidated December 2018</b>						
Cash and Cash Equivalents	39,015	39,015	39,015	-	-	-
Receivables	24,820	24,820	24,820	-	-	-
Other Financial Assets	255,494	259,865	259,865	-	-	-
Term Receivable	2,301	7,000	-	-	-	7,000
<b>Total</b>	<b>321,630</b>	<b>330,700</b>	<b>323,700</b>	<b>-</b>	<b>-</b>	<b>7,000</b>
<b>University December 2018</b>						
Cash and Cash Equivalents	36,373	36,373	36,373	-	-	-
Receivables	26,798	26,798	26,798	-	-	-
Other Financial Assets	255,494	259,865	259,865	-	-	-
Term Receivable	2,301	7,000	-	-	-	7,000
<b>Total</b>	<b>320,966</b>	<b>330,036</b>	<b>323,036</b>	<b>-</b>	<b>-</b>	<b>7,000</b>

### Transactions with related parties

The University transacts with other Government owned or related entities independently and on an arm's length basis. Transactions cover a variety of services including funding and grants for education and research services and purchases of electricity, postage, travel and tax.

All related party transaction figures are stated exclusive of GST.

### The University of Canterbury Trust Funds

The University of Canterbury Trust Funds comprise a number of individual trusts governed variously by individual trust deed, will or bequest.

The University Council administers these funds as trustee and is bound by the requirements for the individual trusts.

During the period the Trusts transferred \$1,431,000 to the University (2018: \$881,000).

### The University of Canterbury Foundation

The Foundation pays grants and donations to the University on non arm's lengths terms, for nil consideration. During the period, the trustees approved grants to the University of \$5,565,000 (2018: \$8,561,000) and \$881,000 to UCSA. At reporting date, grants payable to the University amounted to \$603,000 (2018:\$2,389,000).

Other than the above, during the year ended 31 December 2019 and the year ended 31 December 2018, the University had no intra-group transactions with its subsidiaries or controlled entities.

### Key Management Personnel

The University Council and Senior Management Team may be directors or officers of other companies or organisations with whom the University may transact. Such transactions are all carried out independently on an arms' length basis.

### UCSA

The President of the UCSA is a member of Council, and the following transactions are in place between the University and UCSA:

- Commencing 1 August 2016, the University has leased property to the UCSA on the Dovedale campus for the provision of child care facilities. The lease is for 30 years at a peppercorn rent,
- The University made a loan in February 2017 of \$350,000 to the UCSA to assist in funding the necessary refurbishment required to the leased property. The loan is interest free and is repayable in 30 equal annual amounts.

The University has entered into a Deed with UCSA recording the ownership and occupation of the new UCSA building, occupied in August 2019, with a new ownership ratio of 49% / 51%, University / UCSA.

Previously the University shared ownership of the UCSA building in the 35% / 65% ratio, University / UCSA.

The Deed provides for the sharing of the costs of demolition of the old UCSA buildings and construction of the new one between the University and UCSA using this new ratio. The Deed also specifies payment terms and the calculation of interest on insurance funds held by the University and payable to the UCSA, which are intended to be used as a contribution to UCSA's share of costs when they fall due. The Deed specifies that the contribution can be made on a date agreed upon by the University and UCSA as part of the full payment due for UCSA's share of costs, but no later than 6 months after the practical completion date of the UCSA building.

The University has recognised a debtor in respect of the demolition and construction of the new UCSA building for the UCSA's share of costs to date. This debtor has yet to fall due under the Deed.

Should the UCSA be unable to make full payment, the building will remain in the beneficial ownership of the University until full payment is received. Interest on any outstanding balance during this period is to be for a fixed rate for 5 years of 3% above the official cash rate prevailing at 31 December 2019, to be reset at the conclusion of each 5 years.

## Breakdown of related party transactions

		University (\$000's)	
		2019 Actuals	2018 Actuals
Balance owing by UCSA 31 December	ELC loan	315	350
	New UCSA building	16,615	10,772
		16,930	11,122
Balance owed to UCSA 31 December	Earthquake Insurance		
	Proceeds and Interest	8,220	7,783

During the year to 31 December 2019, the University had no inter-group transactions with its subsidiaries.

Note all related party transaction figures are stated exclusive of GST.

### Transactions with Key Management Personnel

Rod Carr, previous Vice-Chancellor, was a director of Canterprise Limited and UC International College Limited during the period. Directors' Fees paid were \$nil (December 2018: \$nil).

### Senior Management

The compensation of Council Members and Senior Management, being the key management personnel of the University, is as follows:

		University (\$000's)	
		2019 Actuals	2018 Actuals
<b>Council Members</b> – Council Fee		236	240
<b>Senior Management Team, including the Vice-Chancellor</b> – Remuneration		5,153	4,456
		<i>Number</i>	<i>Number</i>
<b>Council Members</b> – Full-time equivalent members <sup>1</sup>		12	12
<b>Senior Management Team, including the Vice-Chancellor</b> – Full-time equivalent members		14	14

<sup>1</sup> Due to the difficulty in determining the full-time equivalent for Council Members, the full-time equivalent figure is taken as the number of Council Members.

Senior Management comprises the Vice-Chancellor, Deputy Vice-Chancellor, Assistant Vice-Chancellor (Academic), Assistant Vice-Chancellor (Māori), Registrar and Assistant Vice-Chancellor,

Executive Director / Chief Financial Officer, Pro Vice-Chancellors for the Colleges and the Executive Directors of the Service Areas.

## 22 / Early Childhood Education

The purpose of this note is to meet the disclosure requirements of the Ministry of Education for operators of funded childcare facilities.

	2019 <i>University and Group Actuals (\$000's)</i>	2018 <i>University and Group Actuals (\$000's)</i>
<b>EARLY CHILDHOOD LEARNING CENTRE</b>		
<b>STATEMENT OF COMPREHENSIVE REVENUE AND EXPENDITURE</b>		
<b>OPERATING REVENUE</b>		
Government Grant – Child Funded Hours	645	613
Other Revenue	412	406
<b>TOTAL OPERATING REVENUE</b>	<b>1,057</b>	<b>1,019</b>
<b>OPERATING EXPENDITURE</b>		
Personnel Expenses	934	921
Site & Property Costs	101	110
General / Operating Expenditure	14	14
Depreciation	1	1
<b>TOTAL OPERATING EXPENDITURE</b>	<b>1,050</b>	<b>1,046</b>
<b>NET SURPLUS / (DEFICIT) FOR THE YEAR AND TOTAL COMPREHENSIVE REVENUE</b>	<b>7</b>	<b>(27)</b>

**Operating Lease expenditure**

Leases that do not transfer the risks and rewards incidental to ownership are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the the lease term.

**Operating lease revenue**

See the accounting policy on Revenue in Note 4.

**Capital Commitments**

Capital commitments are the aggregate amount of capital expenditure contracted for the acquisition of property, plant and equipment and intangible assets that have not been paid for or not recognised as a liability at balance date.

**Non-cancellable Operating Lease Commitments**

The University leases property in the normal course of business. These leases are predominantly for premises that have remaining non-cancellable leasing periods ranging from six months to 23 years. The leases have varying terms and renewal rights. There are no restrictions placed on the University by any of its leasing arrangements.

**Breakdown of capital commitments, non-cancellable operating lease commitments.**

	2019 University & Group Actuals (\$000's)	2018 University & Group Actuals (\$000's)
<b>Capital Commitments</b>		
Not later than one-year	63,023	47,973
Later than one year and not longer than five years	2,622	793
<b>Total Capital Commitments<sup>1</sup></b>	<b>65,645</b>	<b>48,766</b>
<sup>1</sup> Capital Commitments relate to buildings.		
<b>Non-cancellable Operating Lease Commitments as Lessee</b>		
Not later than one year	1,795	2,297
Later than one year and not longer than five years	4,379	4,566
Later than five years	3,678	4,514
<b>Total Non-cancellable Operating Lease Commitments</b>	<b>9,852</b>	<b>11,377</b>
The University has rights of renewal of varying periods in some of its leases.		
<b>Non-cancellable Operating Lease Commitments as Lessor</b>		
Not later than one year	924	804
Later than one year and not longer than five years	2,106	1,081
Later than five years	53	161
<b>Total Non-cancellable Operating Lease Commitments</b>	<b>3,083</b>	<b>2,046</b>

No contingent rents have been recognised in revenue during the year.

At the reporting date, the University of Canterbury Trust Funds hold drawdown commitments of \$0.044 million (2018: \$nil) with partnership private equity investment vehicles.

At the reporting date, the University of Canterbury Foundation holds drawdown commitments of \$1.145 million (2018: \$1.297 million) with private equity investment vehicles.

## 24 / Restatement of comparative figures

The University and Group has restated the opening balances as at 1 January 2018 and adjusted its comparatives at 31 December 2018 to reflect the reassessment of the status of Trust Funds under PBE IPSAS 23 and the transition to PBE IPSAS 35. The adjustments are shown in the tables below:

	University 31 December 2018			University and Group 31 December 2018		
	As previously reported (\$000's)	PBE IPSAS 23 adjustments (\$000's)	As restated (\$000's)	As previously reported (\$000's)	PBE IPSAS 23 & PBE IPSAS 35 adjustments (\$000's)	As restated (\$000's)
<b>Consolidated Statement of Comprehensive Revenue and Expense</b>						
Operating revenue	331,194	-	331,194	331,194	-	331,194
Realised Investment Gains	10,540	3,924	14,464	10,540	4,042	14,582
Unrealised Investment Gains / (Losses)	-	(2,634)	(2,634)	-	(2,634)	(2,634)
Other Revenue	37,292	23	37,315	29,677	7,329	37,006
Transfer of funds Restricted to Unrestricted	881	(881)	-	8,561	(8,561)	-
<b>Total operating revenue</b>	<b>379,907</b>	<b>432</b>	<b>380,339</b>	<b>379,972</b>	<b>176</b>	<b>380,148</b>
Personnel Expenses	184,907	17	184,924	184,907	17	184,924
General / Operating Expenditure	127,823	3,443	131,266	127,865	4,500	132,365
Finance Charges	4,461	-	4,461	4,461	-	4,461
Depreciation and Amortisation	53,177	-	53,177	53,177	-	53,177
Total operating expenditure	370,368	3,460	373,828	370,410	4,517	374,927
<b>SURPLUS/(DEFICIT)</b>	<b>9,539</b>	<b>(3,028)</b>	<b>6,511</b>	<b>9,562</b>	<b>(4,341)</b>	<b>5,221</b>

The adjustments reflect inclusion of the investment activity from UC Foundation and UC Trust Funds, including mainly investment returns in revenue and investment manager fees and legal expenses in expenditure.

<b>Other Comprehensive Revenue and Expense</b>						
Movements in revaluation reserves relating to the Library Permanent Collection / Other Collections	5,420	-	5,420	5,420	-	5,420
Movements in revaluation reserves relating to Land	-	(400)	(400)	-	(400)	(400)
Movements in revaluation reserves relating to Building Assets	(4,439)	-	(4,439)	(4,439)	-	(4,439)
Net Movements in revaluation reserves	981	(400)	581	981	(400)	581
Effective portion of changes in fair value of cash flow hedges	751	-	751	751	-	751
<b>Total Other Comprehensive Revenue and Expense</b>	<b>1,732</b>	<b>(400)</b>	<b>1,332</b>	<b>1,732</b>	<b>(400)</b>	<b>1,332</b>
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>	<b>11,271</b>	<b>(3,428)</b>	<b>7,843</b>	<b>11,294</b>	<b>(4,741)</b>	<b>6,553</b>

No significant adjustments.

## 24 / Restatement of comparative figures (continued)

	University 31 December 2018			University and Group 31 December 2018		
	As previously reported (\$000's)	PBE IPSAS 23 adjustments (\$000's)	As restated (\$000's)	As previously reported (\$000's)	PBE IPSAS 23 & PBE IPSAS 35 adjustments (\$000's)	As restated (\$000's)
<b>Current assets</b>						
Cash and cash equivalents	35,622	751	36,373	35,688	3,327	39,015
Other financial assets/short term deposits	255,494	-	255,494	255,494	-	255,494
Investments	-	2,040	2,040	-	2,040	2,040
Receivables	26,569	229	26,798	26,569	(1,749)	24,820
Other current assets	13,422	-	13,422	13,422	-	13,422
<b>Total current assets</b>	<b>331,107</b>	<b>3,020</b>	<b>334,127</b>	<b>331,173</b>	<b>3,618</b>	<b>334,791</b>
<b>Current liabilities</b>	<b>139,221</b>	<b>192</b>	<b>139,413</b>	<b>139,227</b>	<b>233</b>	<b>139,460</b>
<b>Working capital</b>	<b>191,886</b>	<b>2,828</b>	<b>194,714</b>	<b>191,946</b>	<b>3,385</b>	<b>195,331</b>
<b>Non-current assets</b>						
Property, Plant and Equipment	1,225,350	5,721	1,231,071	1,225,350	5,721	1,231,071
Investments	-	109,365	109,365	-	140,365	140,365
Other non-current assets	76,032	-	76,032	76,032	-	76,032
<b>Total non-current assets</b>	<b>1,301,382</b>	<b>115,086</b>	<b>1,416,468</b>	<b>1,301,382</b>	<b>146,086</b>	<b>1,447,468</b>
<b>Non-current liabilities</b>	<b>52,817</b>	<b>2,092</b>	<b>54,909</b>	<b>52,817</b>	<b>2,092</b>	<b>54,909</b>
<b>NET ASSETS</b>	<b>1,440,451</b>	<b>115,822</b>	<b>1,556,273</b>	<b>1,440,511</b>	<b>147,379</b>	<b>1,587,890</b>
<b>Equity</b>						
General equity - unrestricted	1,170,014	-	1,170,014	1,170,074	-	1,170,074
General equity - restricted	-	110,168	110,168	-	141,725	141,725
Property revaluation reserves	271,442	5,654	277,096	271,442	5,654	277,096
Other reserves	(1,005)	-	(1,005)	(1,005)	-	(1,005)
<b>TOTAL EQUITY</b>	<b>1,440,451</b>	<b>115,822</b>	<b>1,556,273</b>	<b>1,440,511</b>	<b>147,379</b>	<b>1,587,890</b>

The adjustments reflect mainly the inclusion of UC Foundation investments and UC Trust Funds investment assets and endowment land.

<b>Statement of cash flows</b>						
Cash provided from activities	386,129	4,231	390,360	386,200	11,546	397,746
Cash applied to activities	(324,305)	(3,985)	(328,290)	(324,352)	(11,466)	(335,818)
<b>Net cash provided by operating activities</b>	<b>61,824</b>	<b>246</b>	<b>62,070</b>	<b>61,848</b>	<b>80</b>	<b>61,928</b>
<b>Cash flows from investing activities</b>	<b>(172,858)</b>	<b>(1,825)</b>	<b>(174,683)</b>	<b>(172,858)</b>	<b>383</b>	<b>(172,475)</b>
<b>Cash flows from financing activities</b>	<b>49,968</b>	<b>-</b>	<b>49,968</b>	<b>49,968</b>	<b>-</b>	<b>49,968</b>
<b>Net increase (decrease) in cash held</b>	<b>(61,066)</b>	<b>(1,579)</b>	<b>(62,645)</b>	<b>(61,042)</b>	<b>463</b>	<b>(60,579)</b>
<b>Cash and Cash Equivalents on hand at beginning of period</b>	<b>96,688</b>	<b>2,330</b>	<b>99,018</b>	<b>96,730</b>	<b>2,864</b>	<b>99,594</b>
<b>Cash and Cash Equivalents on hand at end of period</b>	<b>35,622</b>	<b>751</b>	<b>36,373</b>	<b>35,688</b>	<b>3,327</b>	<b>39,015</b>

No material adjustments. Operating activity cash flows are consistent with the operating statement for UC Foundation and UC Trust Funds, as appropriate.

## 25 / Contingencies

### Construction

In common with many large construction projects, the University and its remaining large project construction contractor are involved in regular review of contract variations due inter alia to developments in working conditions, design changes and finalisation of provisional sums in the original contract. These discussions are often complex and technical and do not always result in a financial outcome. Accordingly, the University is unable to estimate any amount payable in relation to current variations or other risk sharing arrangements under review.

### Other contingencies

The University has provided a bond of \$30,000 to the NZX to secure amounts payable under the NZX Listing Rules for Debt-only Issuers Listed on the NZX Main Board. This bond is held by the University's bankers, ANZ, and has now been revoked as the University has delisted from the NZX.

The University has also provided 5 Carnet Indemnities for \$87,500, \$37,000, \$71,240, \$24,000 and \$23,743.75 to the Wellington Regional Chamber of Commerce. The Carnet for \$87,500 expires Mar 2020, the Carnet for \$37,000 will expire in June 2020, the Carnet for \$71,240 will expire in May 2021, the Carnet for \$24,000 will expire in June 2021 and the carnets for \$23,743.75 will expire June 2022.

The University and Group have no other contingent liabilities or assets at 31 December 2019 or 31 December 2018.

## 26 / Capital Management

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

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

The University manages its revenue, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

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

The objective of managing the University's equity is to ensure that it effectively and efficiently achieves the goals and objectives for which the University was established, while remaining financially viable.

In 2009, the University issued a \$50 million, 10 year, fixed rate, unsubordinated, unsecured Bond (refer Note 17) to assist with capital investment. The University redeemed the Bond on maturity 16 December 2019.

The UC Trust Funds and UC Foundation manage their capital within the bounds of individual Statements of Investment Principles and Objectives (SIPO), which are designed to manage risk. The principal objective is to maintain capital where required by the allocation of investment earnings, and to maintain adequate reserves and liquidity to meet their obligations, noting that some trusts permit the use of all funds, including capital, to meet their objectives.

## 27 / Events after Balance Date – University and Group

There are no significant events after balance date.

### Statement of Comprehensive Revenue and Expenses

#### Revenue

There were no significant variances - the University did not quite make its ambitious Full Fee student target, and lost funding on the latest PBRF adjustments. However, this was compensated for by additional investment and consulting revenue over budget, and from the surplus on the sale of assets.

#### Expenditure

Overall, personnel costs have increased but are less than budget, largely due to a less than expected increase in the actuarial valuation of its employee benefits.

Operating expenditure was considerably less than budget - reduced activity in certain IT projects and unexpected savings in moving costs have balanced out additional maintenance work on some of the older buildings.

Depreciation was budgeted for based on a higher than achieved capital investment programme. This position will regularise in 2020.

#### Other Comprehensive Revenue and Expense

The University does not budget for revaluation increases, as they can be uncertain to predict and do not affect the operating surplus in the current year. The main valuation increases in the land and buildings valuation were not unexpected, however, given rising construction costs across New Zealand.

#### Statement of Changes in Net Assets / Equity

No significant variance except for the revaluations noted above.

#### Statement of Financial Position

##### Current

The University is now focusing on its new strategy, with investment plans being developed. The University maintains short term (4-6 month) cash investment in the current low-interest environment with inverse yield curves, and to meet its debts as they fall due. Higher cash balances than budget come from reduced capital and operating spend below budget. Trade payables and accruals are falling in comparison with prior years, in line with budget, as the large construction capital investment plans come to an end.

##### Non-current

Overall, non-current assets are over budget due to the revaluations noted above.

### Statement of Cash Flows

#### Net cash provided by Operating Activities

Increased cash flows from tuition fees with increased domestic students over budget have led to operating cash inflows in excess of budget while expenditure has been kept under control.

#### Net cash used in Investing Activities

This is significantly less than budget, with lower capital expenditure and increased reinvestment of term deposits as they matured.

#### Net Cash from Financing Activities

As budgeted, the University repaid its Philanthropic Bond to bondholders at the end of 2019.



# 2019

Compulsory  
Student  
Services Levy |  
Ngā Utu Ratonga  
Ākonga me Utu



# Compulsory Student Services Levy | Ngā Utu Ratonga Ākonga me Utu

For the year ended 31 December 2019

The University of Canterbury consults with student representatives through the Joint Operations Advisory Board (JOAB) to make the following decisions related to Compulsory Student Services Levy:

- the maximum amount that students will be charged for student services;
- the types of services to be delivered;
- the procurement of these services; and
- the method for authorising expenditure on these services.

JOAB is the primary body for managing the partnership between the University and the UCSA. It is made up on an even balance of University staff and UCSA members as representatives and as full members. Among its responsibilities the board makes recommendations to the Vice-Chancellor on allocations of funds from the levy and on setting the Levy.

JOAB provides a formal forum for UCSA representatives to present to UC Management the student body's views related to activities wholly

or partially funded by the "Student Services Levy". Students also have representation on the University Council which is responsible for the governance of the University, including oversight of the institution's policy, degree, financial and capital matters.

In conjunction with the UCSA in the years 2011 through to 2019 JOAB has carried out surveys of student preferences on the allocations of operational and student space capital fund. These findings from these surveys have been reviewed and debated in various meetings, leading to recommendations being made to inform operations and allocations from the Student Services Levy funds.

For 2019 the Compulsory Student Services Levy per Equivalent Full Time student was \$827.00. These fees are separately accounted for in the University of Canterbury's accounting system. Details of Student Services Fees expenditure are provided to students in the Guide to Enrolment publication, on the Enrol at UC website, in student publication Canta and via campus poster campaigns.

## UC Student Services Levy Allocations for 2019

	Revenue	Expenditure		
	CSSF levy collected (\$000's)	Actual (\$000's)	Budget (\$000's)	Variance (\$000's)
Compulsory Student Services Fees Collected	10,288	10,288	10,452	(164)
<b>Services Funded by the Compulsory Student Services Fees</b>				
1. Advocacy, legal and financial advice	666	666	678	(12)
2. Careers & employment information, advice & guidance	700	700	702	(2)
3. Counselling services and pastoral care	1,146	1,146	1,198	(51)
4. Health services	1,304	1,304	1,184	120
5. Media	366	366	366	0
6. Sports, recreation & cultural activities; Clubs & societies	3,238	3,238	3,316	(78)
7. Balance to Student Space Capital Fund	2,868	2,868	3,008	(140)
<b>Total</b>	<b>10,288</b>	<b>10,288</b>	<b>10,452</b>	<b>(164)</b>
<b>Surplus/(Deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

From categories of student services outlined in Education (Compulsory Student Services Fees) Notice 2014:

- Cat. 1 above merges Advocacy and Legal Advice and Financial support.
- Cat. 2 above merges Careers information, advice and guidance and Employment information.

Other allocation categories match. Note also that:

- The balance not allocated is transferred to the Student Space Capital Reserve.
- No funding is provided for Childcare services or Accommodation services.

## Student Space Capital Reserve for 2019

	(\$000's)
<b>Opening Balance 01 Jan 2019</b>	<b>10,320</b>
Capital Reserve allocation from 2019 Levy	2,868
<b>Closing Balance 31 Dec 2019</b>	<b>13,188</b>

## Amounts allocated towards future year spending

	(\$000's)	
Recreation Centre Development	500	From 2013 allocations
Capital Works Building Projects	1,168	From 2014 allocations
Recreation Centre Development	500	From 2014 allocations
Capital Works Building Projects	1,922	From 2015 allocations
Capital Works Building Projects	1,698	From 2016 allocations
Capital Works Building Projects	2,123	From 2017 allocations
Capital Works Building Projects	2,409	From 2018 allocations
Capital Works Building Projects	2,868	From 2019 allocations
Future Year Allocations	13,188	

## UC Student Services Levy Allocations for 2019 (\$000's)

### Actual expenditure of Student Services Levy by UC and UCSA Departments

	1. Advocacy & Financial	2. Careers & Employment	3. Counselling	4. Health services	5. Media	6. Sport, Cultural, Clubs	7. Capital	8. Total
1. <b>UC Student Success teams</b> , composed of 12 staff, develop and deliver a specialised range of student-focused support services that facilitate the academic, social and cultural development of students from diverse background designed to help students succeed at UC. The Student Care team offers practical advice for student wellbeing and success, and the Student Experience team are involved in university-led initiatives to support student engagement, retention and success.	80	120	400	40	0	160	0	801
2. <b>UC Health Centre Counselling</b> : this team of 7 counsellors deal with all sorts of problems eg loneliness, grief, anxiety, depression, stress, homesickness, relationship problems, gender worries. Most counselling is short to medium term.	0	0	519	0	0	0	0	519
3. <b>UC Health Centre</b> : with a team of over 25 staff made up of doctors, nurses and support staff the Health Centre provides high-quality, responsive and cost effective services to its clients, to enable students to pursue their academic endeavours with minimal hindrance from medical and psychological problems, by providing affordable, accessible and comprehensive health services.	0	0	0	883	0	0	0	883
4. <b>UC Rec Centre</b> : the team of 15 plus an array of group fitness and exercise instructors they manage UC Recreation Centre membership, programmes and facilities, to registered members.	0	0	0	0	0	1,256	0	1,256
5. <b>UC Sport</b> : this team of 4 supports staff they deliver high-quality sport, fitness, health and education opportunities that enable students and the wider UC Community to be more effective in their study and work and add value to their UC experience. The services are provided in partnership with UCSA with their separate allocation shown below.	0	0	0	109	0	436	0	545
6. <b>UC Careers, Internship and Employment</b> : this team of 4 engages with students and graduates by providing quality career education informed through effective connections with employers and industry.	0	541	0	0	0	0	0	541
7. <b>UC Māori Development</b> : this team of 6 delivers integrated support programmes for Māori students, focussing on skill development, community connections and pathways to academic success. A significant portion of their funding comes from TEC Equity Funding. <sup>Note 1</sup>	93	0	76	0	0	113	0	282
8. <b>UC Pacific Development</b> : this team of 6 provides leadership in identifying and meeting Pacific educational aspirations, focussing on skill development, community connections and pathways to academic success. A significant portion of their funding comes from TEC Equity Funding. <sup>Note 1</sup>	45	15	151	0	0	91	0	302
9. <b>UCSA Advocacy &amp; Welfare</b> : provide advice, dispute resolution services, and welfare provision (free legal advice, budgeting help and a food bank); they also administer the Class Reps system. Included within Advocacy and Welfare is UCSA Dental which provides access for basic dental care (check-up; x-ray; fillings; extractions) utilising the CDHB's Community Dental Clinic in Memorial Avenue for 20 hours/week.	447	0	0	0	0	0	0	447
10. <b>UCSA Dental</b> : provides access for basic dental care (check-up; x-ray; fillings; extractions) utilising the CDHB's Community Dental Clinic in Memorial Avenue for 20 hours/week.	0	0	0	272	0	0	0	272
11. <b>UCSA Media &amp; Comms</b> : handle UCSA's communication channels to inspire debate, make you laugh, cry, angry, informed, ambivalent, nonplussed or otherwise.	0	0	0	0	366	0	0	366
12. <b>UCSA Activities &amp; Events</b> : provide direct support to clubs, weekly student events and organise the big events of the year including Orientation, Grad Ball and the like.	0	0	0	0	0	1,063	0	1,063
13. <b>UCSA UC Sport</b> : the services are provided in partnership with the UC Sport and UC Recreation Services, with their separate allocation shown above.	0	0	0	0	0	120	0	120
14. <b>UCSA Careers and Employment</b> : Student Job Search (SJS) is owned by 18 university student organisations across the country. Members of SJS pay an annual levy to allow students free access to look for work while studying all year round. And helps fill 27,000 jobs annually.	0	24	0	0	0	0	0	24
15. <b>Student Space Capital</b> : The balance of the Student Services Levy transferred to the Student Space Capital Fund.	0	0	0	0	0	0	2,868	2,868
<b>Total</b>	<b>666</b>	<b>700</b>	<b>1,146</b>	<b>1,304</b>	<b>366</b>	<b>3,238</b>	<b>2,868</b>	<b>10,288</b>

Note 1: UC Māori Development and UC Pacific Development funding for academic, recruitment and other non-prescribed CSSF Ministerial Direction category activities are funded directly by UC or from TEC Equity Funding. The table above identifies the cost activities that meet the prescribed CSSF Ministerial Direction categories.



# 20 19

Equity Report |  
Kia Taurite



# Equity Report | Kia Taurite

## Frameworks

Te Tiriti o Waitangi provides the context and foundation for equity and diversity at Te Whare Wānanga o Waitaha | University of Canterbury (UC). Our strategic partnership with Ngāi Tūāhuriri and Te Rūnanga o Ngāi Tahu constitutes the core of UC's relationship with mana whenua in Te Waipounamu. Similarly, in line with the Human Rights Act 1993 and Education Act 1989, UC is committed to ensuring equity of opportunity in employment and education for all its staff and students, irrespective of their background. The aim of UC's equity and diversity programmes is to foster a campus environment of inclusion, knowledge and understanding in which students and staff feel a sense of belonging, learn to value diversity and respect individual differences that enrich the UC community and student experience.

The Central Equity and Diversity Advisory Committee (CEDAC), composed of UC students, general and academic staff from each of the five UC colleges, meets regularly to discuss initiatives and best practice. In 2019 its main focus, with extensive consultation, was the introduction and approval of an equity and diversity policy. The policy underpins UC's commitment to eliminating discrimination and reflects Te Rautaki Whakawhanake Kaupapa Māori (Te Rautaki), UC's Strategy for Māori Development and the UC Pasifika Strategy.

The Equity and Diversity Plan 2018–2020 seeks to deepen that culture of inclusiveness at UC. The plan outlines strategic priorities for adult (mature-aged) students, faith groups, students who are first in their family to attend university, international students, LGBTQIA+, Māori, Pasifika, postgraduates, people with disabilities, and women.

## Embedding into learning programmes

The UC graduate profile has provided one mechanism for students to understand and reflect on equity and diversity within the curriculum. Among the attributes in the UC graduate profile are knowledge and understanding of diverse communities through bicultural competence and confidence, global awareness and community engagement. At the heart of all three of those pillars is a reflection and understanding of a culture other than one's own.

The bicultural competence and confidence attribute focuses on the unique nature of biculturalism in Aotearoa New Zealand; however, it also provides a place-based framework to support students to be interculturally competent in an international context. The community engagement attribute ensures students will have observed and understood a culture within a community by reflecting on their own performance and experiences within that community. Finally, global awareness ensures students will be competent in engaging with global and multicultural contexts.

The unique aspect of the UC graduate profile is that it is embedded throughout the curriculum. For example, SOWK205 Social Work and Community Engagement focuses on the development of the practice skills students need to engage well with individuals and community groups. This process of engagement will emphasise working biculturally with individuals, groups and organisations that serve diverse groups across the lifespan. Another example is how the courses are delivered. In the "From UC to Helsinki" initiative in the College of Arts, students from across the globe work via social media to share views, comments, questions and even assessments, bringing multiple perspectives to a single topic.

Small additions to courses – such as a practice aimed at enhancing global awareness through short videos shown at the beginning of each class at 100-level – have grown across courses. Students report it gives a sense of belonging across both national and international cohorts.

Finally, the bicultural competence and confidence attribute has been extensively embedded throughout the curriculum with an introduction early across degrees. It not only provides a view of the Māori perspective but also teaches our students about multiple perspectives across their discipline and demonstrates that there are many ways to look at a single issue.

## Māori

Our strategic approach to Māori development at UC is outlined in Te Rautaki and defines our commitment to Māori advancement. This is led through Te Tari o te Amokapua Māori | Office of the Assistant Vice-Chancellor Māori and is aligned with the Bicultural Competence and Confidence Framework in our UC student graduate profile.

The year 2019 saw the greatest number of Māori students enrolled at UC to date at 1,331. Of this total, 1,111 were enrolled full time. Te Tari o te Amokapua Māori works across academic colleges, providing services that meet the academic, pastoral and cultural needs of Māori students. It co-constructs a range of Māori student innovations and engagements with colleges and wider student services across the institution.

In terms of outreach, Te Tari o te Amokapua Māori has continued to focus on engaging with and being responsive to the Māori community, prospective Māori students and whānau. In 2019 engagement activities included attending and supporting the local and national Ngā Manu Kōrero Māori Secondary School Speech competitions, the regional kapa haka competition and other significant Māori youth events. One notable example was Raranga Tahī, a series of Māori youth events key to developing Maihi Karauna the Crown's Strategy to revitalise te reo Māori and celebrating the International Year of Indigenous Languages. In addition to engagement events, Te Tari o te Amokapua Māori partners with Liaison to ensure Māori secondary school students are provided with high-quality advice and support to transition successfully to their chosen study pathway at UC.

Te Tari o te Amokapua Māori has continued its strategic approach to creating local partnerships with local learners in Ōtautahi Christchurch. The Eke! Māori student outreach programme of events continues to meet its objectives and plans are under way to enhance the programme in response to positive feedback. Te Tari o te Amokapua Māori continues to deliver the annual He Puna Pūtaiao programme, a year 10 science-based wānanga focused on Te Waihora, which was co-created with the College of Science and in conjunction with Te Taumutu Rūnanga. Māori scholarships parallel UC's wider scholarship programme and we embed scholarship information in various events, as a way of prioritising Māori across our student profile.

In regard to retention, Te Tari o te Amokapua Māori continued to deliver the annual phone call-out project, where a Kaiurungi Māori Student Advisor contacts every new to UC Māori student who submits an application to enrol. The phone call-out aims to help ākongā to balance their workload and subject choices to align with their personal goals and optimise their academic outcomes. For ākongā who have not yet met Te Tari o te Amokapua Māori staff, the phone call-out is an

opportunity to start building a supportive relationship with potential new ākonga and whānau. New ākonga also attended Eke Panuku, the extensive Māori student orientation programme that includes a mihi whakatau, peer networking opportunities, introduction to wider UC campus student support services and Tōia Mai, a noho marae where ākonga engaged in mātauranga Māori, place-based learning, and professional and personal development.

Te Tari o te Amokapua Māori student engagement data for 2019 saw some 1,060 engagements related to pastoral and academic support during the year, in addition to the many more engagements that occurred with ākonga through various outreach and retention activities on and off campus.

UC's commitment to bicultural competence and confidence (BiCC) has been reflected in the ongoing development of our curricula across all programmes of study. In 2020, we will focus on articulating the narrative of bicultural competence and confidence and link with broader intercultural competence. To support BiCC implementation across UC, staff participation in professional development programmes such as "Tangata Tū, Tangata Ora", "Te reo Māori for the workplace" and "Culturally Responsive Pedagogies" continues to increase.

UC continues to facilitate two celebrations for Māori graduands and graduates and whānau, alongside the UC graduation ceremonies. These are attended by significant numbers of ākonga across the year and are an opportunity to celebrate the success of the students, while profiling tertiary study pathways with wider whānau, including potential future students.

Finally, during 2019 UC continued as a participant and leader in the AQUA Enhancement Theme project, focusing on Māori and Pasifika learner recruitment, retention and achievement. Assistant Vice-Chancellor Māori Darryn Russell and Assistant Vice-Chancellor (Academic) Catherine Moran have been continuing in a governance role in the audit cycle 6 processes, which culminated in a summit on Māori and Pasifika achievement at the end of 2019. In 2020, the audit cycle will begin across the sector.

## Pasifika

UC remains committed to improving outcomes for Pasifika communities and its Pasifika students and staff. Outreach efforts continued as UC for the first time spent three days in Oamaru building relationships with its Pasifika communities, which is now one of the largest Pasifika populations per capita in New Zealand. A highlight of the year was the hosting of the 'Dawn Raids – Educate to Liberate' arts exhibition in the UC Matariki Gallery which was open for local communities to see. The exhibition was a chance for all UC staff and students to learn more about an important part of Pasifika peoples history in New Zealand. Pasifika students have continued to thrive, with 2019 once again delivering our highest number of Pasifika graduates to date.

2019 also marked the first time that there was a major focus on ensuring that new course proposals and course reviews received feedback around ideas on how to improve suitability for Pasifika students. This focus has been strengthened moving into the future with the creation of a continuing position.

**'The Equity and Diversity Plan 2018–2020 seeks to deepen that culture of inclusiveness at UC. The plan outlines strategic priorities for adult (mature-aged) students, faith groups, students who are first in their family to attend university, international students, LGBTQIA+, Māori, Pasifika, postgraduates, people with disabilities, and women.'**

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## Students with disabilities

The Disability Policy was reviewed to provide a clearer understanding of the connection between the Disability Resource Service (DRS) and resources available from other areas of the University, as well as to strengthen its connection to the Equity and Diversity Policy. UC supported 675 students with disabilities, an increase of 5% on the previous year. Students registered with DRS pass nearly 90% of their courses and report high levels of satisfaction with the service.

## Women

Fifty-two percent of employees at UC are women – a ratio mirrored by the Senior Management Team, where seven of the 13 members are female. UC regularly assesses the value of positions in relation to pay equity, which includes work by an independent consultant and systems that monitor promotions. Student and staff identities, including gender, are appropriately captured in student and staff management systems. A "UC Women" initiative was undertaken to establish priorities to support equal employment opportunities for women at UC.

UC took the opportunity in the context of the #MeToo movement to improve education for students on sexual consent and healthy relationships, which was developed by the Sexual Violence Prevention Working Group.

## Rainbow community

As part of UC's strategy to enhance the experience of LGBTQIA+ students, a Rainbow hui was organised by Q Canterbury and funded by the UC Foundation. Representatives from all colleges and the UCSA provided an overview of what has been done to support UC's rainbow community. Workshops were held on future development priorities. Initiatives progressed during the year included support for students undergoing name changes, improved representation in UC communications and marketing, and gender-neutral toilet options including re-signing and re-zoning.

# Directory | Rārangi Mōhiohio

## Address

University of Canterbury  
Private Bag 4800  
Christchurch 8140, New Zealand

## Telephone

+ 64 3 366 7001  
+ 64 3 364 2987 automated attendant  
Freephone 0800 Varsity (0800 827 748)

## Email

info@canterbury.ac.nz

## Website

www.canterbury.ac.nz

## Auditor

Audit New Zealand (on behalf of the Auditor-General)

## Bank

ANZ Banking Group

## Solicitors

MDS Law

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## **Statement of Service Performance, Financial Statements, Appropriation Statement, and Compulsory Student Service Levy**

Adrian Hayes, BA (Hons), MA (Hist) (Open), FCA, CA with input from relevant  
University staff

## Design

Brian Carney and Dean Patterson  
Student Services and Communications

## Photography

Corey Blackburn, Student Services and Communications

## Printer

UC Print

**University of Canterbury**  
Te Whare Wānanga o Waitaha  
Private Bag 4800  
Christchurch 8140  
New Zealand

Telephone: +64 3 366 7001  
Freephone: 0800 Varsity (0800 827 748)  
Email: [info@canterbury.ac.nz](mailto:info@canterbury.ac.nz)  
[www.canterbury.ac.nz](http://www.canterbury.ac.nz)