

**NEW ZEALAND
VICE-CHANCELLORS' COMMITTEE**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

**NEW ZEALAND VICE-CHANCELLORS' COMMITTEE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

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**NEW ZEALAND VICE-CHANCELLORS' COMMITTEE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

BACKGROUND

Establishment of the Committee

The Committee is a statutory body established under section 240 of the Education Act 1989 (the same body established under the Universities Act 1961). The Vice-Chancellors of the eight universities make up the membership of the Committee. They are assisted in the administration of the Committee's affairs by a range of committees and working groups and a secretariat based in Wellington. The New Zealand Vice-Chancellors' Committee (NZVCC) adopted the name Universities New Zealand – Te Pūkai Tara in August 2010.

Sources of Funds

Grants of \$2,755,000 from the universities were the main source of funding received by the Committee. \$2,345,000 was for the Committee and \$410,000 for the Academic Quality Agency for New Zealand Universities (AQA).

Interest revenue and scholarship administration fees supplement this revenue.

Further Information about Universities New Zealand – Te Pūkai Tara (Universities NZ)

The Universities NZ website, www.universitiesnz.ac.nz provides a wide range of information and publications.

The Universities NZ offices are located at Level 9, 142 Lambton Quay, Wellington.

Further information about the Academic Quality Agency for New Zealand Universities

The Academic Quality Agency for New Zealand Universities was established by the New Zealand Vice-Chancellors' Committee. It is funded by the universities and its Board is appointed by the NZVCC. However its operations, including academic audits, are independent of the NZVCC and of the individual universities. The accounts of the AQA have been included in the consolidated accounts of the NZVCC. This in no way compromises the operational independence of the AQA in carrying out its activities.

The office of the AQA is located at Level 9, 142 Lambton Quay, Wellington.

Further information about the AQA can be found at www.aqa.ac.nz.

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**NEW ZEALAND VICE-CHANCELLORS' COMMITTEE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

STATEMENT OF RESPONSIBILITY

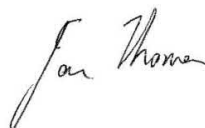
We acknowledge that:

- (a) The preparation of financial statements of the New Zealand Vice-Chancellors' Committee and judgements used herein are our responsibility.
- (b) The establishment and maintenance of an internal control system designed to give reasonable assurance as to the integrity and reliability of the financial and non-financial reports for the year ended 30 June 2020 are our responsibility; and

In our opinion the financial statements for the year under review fairly reflect the financial position and operations of the New Zealand Vice-Chancellors' Committee.



Mr Derek McCormack
Chair
New Zealand Vice-Chancellors' Committee



Professor Jan Thomas
Deputy Chair
New Zealand Vice-Chancellors' Committee

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF NEW ZEALAND VICE CHANCELLORS' COMMITTEE FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

The Auditor-General is the auditor of New Zealand Vice Chancellors' Committee (the "Committee") and group. The Auditor-General has appointed me, Henry McClintock, using the staff and resources of BDO Wellington Audit Limited, to carry out the audit of the financial statements and statement of service performance of the Committee on his behalf.

Opinion

We have audited:

- the financial statements of the Committee on pages 28 to 46, that comprise the statement of financial position as at 30 June 2020, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the Committee is on pages 15 to 27.

In our opinion:

- the financial statements of the Committee on pages 28 to 46:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2020; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity Standards Reduced Disclosure Regime; and
- the statement of service performance of the Committee on pages 15 to 27 presents fairly, in all material respects, the Committee's service performance achievements measured against the proposed outcomes for the year ended 30 June 2020.

Our audit was completed on 28 September 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities relating to the financial statements and the statement of service performance, we comment on other information, and we explain our independence.

Impact of Covid-19

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the Committee as set out in note 26 to the financial statements.

Basis for our opinion

We carried out 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 have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Council for the financial statements and the statement of service performance

The Council is responsible on behalf of the Committee for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Council is also responsible on behalf of the Committee for preparing a statement of service performance that is fairly presented.

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements and the statement of service performance, 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 are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements 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 and statement of service performance.

For the budget information reported in the financial statements and the statement of service performance, our procedures were limited to checking that the information agreed to the Committee's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the statement of service performance.

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. Also:

- We identify and assess the risks of material misstatement of the financial statements and the statement of service performance, 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.
- We 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 Committee's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We 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 Committee'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 and the statement of service performance 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 Committee to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the statement of service performance, including the disclosures, and whether the financial statements and the statement of service performance represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Council is responsible for the other information. The other information comprises the information included on pages 5, 7 and 13, but does not include the financial statements or the statement of service performance, and our auditor's report thereon.

Our opinion on the financial statements and the statement of service performance 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 and the statement of service performance, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the statement of service performance 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.

Independence

We are independent of the Committee in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the Committee.



Henry McClintock
BDO WELLINGTON AUDIT LIMITED
On behalf of the Auditor-General
Wellington, New Zealand

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

**NEW ZEALAND VICE-CHANCELLORS' COMMITTEE
STATEMENT OF OBJECTIVES
FOR THE YEAR ENDED 30 JUNE 2020**

Roles

Universities NZ has three roles:

1. A statutory role in quality assuring all NZ university academic programmes, advising on university entrance standards and managing a range of scholarship schemes.
2. A coordination role in bringing together different parts of the university system to share best practice and to collaborate on matters of common interest.
3. A role working with key Government agencies and ministers to ensure that there is good understanding regarding the university sector and to contribute to the development of Government policy.

Outcomes

Universities New Zealand – Te Pūkai Tara seeks to achieve the following outcomes:

1. Enhanced quality assurance in the New Zealand university system
2. Enhanced efficiency and effectiveness across the New Zealand university system
3. Policies and an operating environment that ensure New Zealand universities are optimally able to contribute to economic growth and social well-being.

Functions

1. To exercise approval and moderation procedures for new academic programmes in universities and to develop and support processes for auditing quality assurance.
2. To administer current scholarship schemes and to develop that function further.
3. To provide policy advice and co-ordinating services to the universities, government and any other bodies on inter-university policy issues including representing the New Zealand university system nationally and internationally.

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

**NEW ZEALAND VICE-CHANCELLORS' COMMITTEE
STATEMENT OF PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2020**

Output 1 – Academic Quality Assurance

Outcomes

This output contributes to the achievement of Outcomes 1 and 3 - enhanced quality assurance in the New Zealand university system, and policies and activities that strengthen the universities' contribution to economic growth and social well-being.

The Academic Quality Agency for New Zealand Universities also contributes to Outcome 1, and their Statement of Performance is provided separately.

Service Provided

To exercise approval and moderation procedures for new academic programmes in universities, develop and support processes for monitoring quality assurance, and provide advice on matters of academic policy.

Quality and Timeliness

The quality and timeliness of the work of the Committee on University Academic Programmes (CUAP) is ensured by CUAP carrying out its functions and procedures in accordance with the criteria and timetable set out in its handbook, and by periodic independent audits of its procedures.

(a) Objective

To complete the two annual rounds of approvals for new university academic programmes.

Achievements

CUAP approved 57 new qualifications in 2019 to be offered in 2020.

(b) Objective

To develop and improve quality assurance arrangements in New Zealand universities.

Achievements

- *CUAP agreed amendments to the CUAP Handbook, specifically the Graduating Year Review template.*
- *The Universities NZ Portfolio Manager – Academic Programmes facilitated a workshop for universities academic office staff to discuss CUAP and institutional policies and processes, and to share good practice. The focus of the 2019 workshop was on technical aspects of the CUAP process and online system.*
- *The Universities NZ Portfolio Manager – Academic Programmes met with representatives from the Teaching Council, Nursing Council and Social Workers Registration Board.*
- *The Universities NZ Portfolio Manager – Academic Programmes attended AQA Quality Forum, the Enhancement Theme Symposium and, the Australian Tertiary Education Quality and Standards Authority (TEQSA) annual conference.*

(c) Objective

To work effectively with the New Zealand Qualifications Authority (NZQA) to fulfil statutory responsibilities and promote quality assurance.

Achievements

The Joint Consultative Group, a body made up of Universities NZ, NZQA and AQA met twice.

CUAP made a submission on NZQA's Review of the New Zealand Qualifications Framework.

Universities NZ continued to liaise closely with NZQA regarding the operation of the New Zealand Qualifications Framework.

(d) Objective

To consider matters relating to university entrance, and to contribute to the process of curriculum development and examination in the senior secondary school.

Achievements

CUAP's Subcommittee on University Entrance met five times (via Zoom).

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

CUAP's Subcommittee on University Entrance met with NZQA's Assessment Division regarding changes to the UE Award in response to COVID-19 disruptions and provided advice to the NZVCC.

The Subcommittee made a submission on the Ministry of Education's Provisional NCEA Level 1 Subject List.

The Universities NZ Portfolio Manager – Academic Programmes attended meetings of the following cross-sector groups:

- Secondary Qualifications Advisory Group (NZQA).
- Māori-medium Secondary Qualifications Advisory Group.
- Pathways Advisory Group (Ministry of Education).

(e) **Objective**

To work effectively with the Academic Quality Agency for New Zealand Universities to fulfil Universities NZ's responsibilities for quality assurance in the universities.

Achievements

- The Joint Consultative Group, a body made up of Universities NZ, NZQA and AQA met twice.
- Universities NZ participated with AQA on presentations on university quality assurance policies to an international delegation from Vietnam.
- Universities NZ Portfolio Manager - Academic Programmes attended AQA's Quality Forum and Enhancement Theme Symposium.
- NZQA, AQA and Universities NZ co-hosted two TEQSA Academic Integrity workshops in New Zealand.

Total budget for academic services:	\$252,873
Total cost for academic services:	\$254,236

Output 2 - Scholarships

Outcomes

This output contributes to the achievement of Outcome 3 - policies and activities that strengthen the universities' contribution to economic growth and social well-being.

Service Provided

To administer current scholarship schemes and to further develop the provision of scholarships.

Quality and Timeliness

The quality and timeliness of scholarship administration is ensured by the supervision of the Scholarships Committee and adherence to the timetable and rules for the award of each scholarship scheme.

Achievements

During the reporting period management and administration services were provided for 37 scholarship programmes.

For the programmes Universities NZ:

- made 53 scholarship or fellowship awards on behalf of sponsors and donors.
- made 34 nominations of NZ applicants to overseas decision-making bodies.
- made the selection of 13 scholars where the awards were then managed by the donor.

Total budget for scholarship services:	\$379,310
Total cost for scholarship services:	\$381,354

Output 3 - Policy Advice and Coordinating Services

Outcomes

This output contributes to the achievement of Outcomes 2 and 3 – enhanced efficiency in the New Zealand university system, and policies and activities that strengthen the universities' contribution to economic growth and social well-being.

Service Provided

To provide policy advice and coordinating services to Government and the universities, particularly through the government agencies of the Tertiary Education Commission (TEC), Ministry of Business, Innovation and Employment (MBIE), New Zealand Qualifications Authority and Ministry of Education, including participating in working parties.

Quality and Timeliness

The quality and timeliness of advice is ensured by approval of policy advice and submissions by Universities NZ as well as its committees.

(a) **Governance**

Objective

To assist Chancellors in holding meetings, and joint meetings with Vice-Chancellors.

Achievements

Chancellors met as a group by themselves, and then with the Vice-Chancellors, twice in 2019/20 – in August 2019 and February 2020.

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

(b) **Ministers and Government Agencies**

Objective

To initiate and respond to policy initiatives on behalf of the universities.

Achievements

Submissions were made to the Government during 2019/20 on the following subjects;

- *Submission on Student Voice (October 2019)*
- *Submission on the Government's Tertiary Education Strategy (October 2019)*
- *Submission on the Ministry of Foreign Affairs and Trade's Export Controls (November 2019)*
- *Submission on the Education (Pastoral Care) Amendment Bill (November 2019)*
- *Submission on Functional Disposal for the Health Sector (December 2019)*
- *Submission on the Education and Training Bill (February 2020)*

Universities New Zealand continued an active programme of engagement with officials and ministers, and contributed to the following;

- *Response to Covid-19, including*
 - *Advice on operations at different alert levels*
 - *Restarting international education*
 - *The financial impact of Covid on the university sector and options for mitigation.*
 - *Supporting learner success of students unable to adequately study online.*
- *Longer term strategies for international education.*
- *Advice around reform of higher education funding policies.*
- *Improving the success of learners through use of business analytics.*
- *Government policy around asbestos.*

Responding appropriately to other smaller scale Government initiatives including;

- *The Ministry of Business, Innovation, and Employment's New Zealand Research Information System project.*
- *Improving student wellbeing and resilience.*
- *The Reform of Vocational Education and the Unified Funding System Review.*
- *The new Centres of Research Excellence funding round.*
- *The Tertiary Education Commission Data 2020 project.*

(c) **The Public and Non-Government Stakeholders**

Objective

To ensure there is understanding and support for the university sector across New Zealand society.

Achievements

- *A new Universities New Zealand website (learnmore.nz) was created to highlight the role and contribution of universities in New Zealand, particularly during the period of COVID19.*
- *During the year, the Chief Executive of Universities NZ presented twice at conferences, and held 15 meetings with stakeholder groups such as Business NZ, the New Zealand Union of Students' Associations, and Science New Zealand. He also made a large number of media statements, both proactive and reactive.*

(d) **Research**

Objectives

To promote the funding of university research in New Zealand.

To facilitate the development of relationships with the Ministry of Business, Innovation and Employment, other research funding bodies such as the Health Research Council and the Royal Society of New Zealand, and the Tertiary Education Commission.

To co-ordinate consideration of research issues amongst the universities.

To foster the universities' relationship with the Crown Research Institutes (CRIs) and Science New Zealand.

To support the care of animals in research.

Achievements

- *Initiated work with 10 government agencies to manage the impact of COVID-19 on research funding. Agencies included the Tertiary Education Commission (TEC), Ministry of Business, Innovation & Employment (MBIE), Ministry for Primary Industries (MPI), Ministry of Education (MoE), Callaghan Innovation, Ministry of Social Development (MSD), Ministry of Health (MoH), Health Research Council (HRC), The Royal Society of NZ and the Ministry of Justice.*
- *Worked with government to advise on what research looks like at different alert levels during COVID-19 pandemic.*
- *Assist in the fight against COVID-19 by establishing key databases such as a publicly available national database of all COVID-19 related research underway to enable connections and collaborations wherever possible, to package and distribute appropriately all offers of assistance made to the Department of the Chief Science Advisor to the Prime Minister to help government during COVID-19 pandemic, and to source all available COVID-19 testing equipment and volunteer expertise from all NZ research laboratories including veterinarian labs.*
- *Made a formal submission in November 2019 to MBIE on their draft Research, Science and Innovation Strategy*
- *Advised on wording regarding the New Zealand Research Information System (NZRIS) in research contracts with HRC*

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

- Prepared information on 'research intensity in universities' to MBIE
- Commenced a programme to strengthen the relationships between universities and the Chief Science Advisor to the Prime Minister (and relevant departmental Chief Science Advisors)
- Made a formal submission to MoE in Oct 2019 regarding the review of the Performance based research funding (PBRF)
- Fostered discussions on 'openness and transparency' of the use of animals in research and teaching
- Made a formal submission to the Ministry of Foreign Affairs and Trade (MFAT) on the proposed changes to export control regulations.
- Worked with the Royal Society on the drafting of their Research Charter for New Zealand.
- Co-sponsored the Speaker's Science Forum series at Parliament; worked with the Royal Society on selecting suitable topics and speakers, and preparing the speakers for potential questions from Members of Parliament.
- Reviewed and advised on the proposed programme of work on open access and the future of research publications with the Council of NZ University Librarians (CONZUL)
- Commenced a project via a draft terms of reference with Department of Prime Minister and Cabinet (DPMC) on Evidence-based policy development and evaluation through knowledge-sharing between university academics and policy makers.

(e) **Te Kāhui Amokura**

Objectives

To provide advice to the Vice-Chancellors, the universities and government on strategies, policies and structures relating to Māori and the universities, in areas of priority to Māori and Māori scholarship.

To instigate initiatives specifically in areas of priority to Māori and Māori scholarship.

Achievements

Universities New Zealand – Te Pūkai Tara and Te Kāhui Amokura continue to be represented on the following advisory and working groups:

- Enhancement Theme Steering Group (Cycle 6 – AQA)
- Secondary Qualifications Advisory Group (NZQA)
- Māori-Medium Secondary Qualifications Advisory Group (NZQA)

Te Kāhui Amokura have established formal relationships with the following government agencies who regularly attend committee meetings:

- Associate Minister Education (Māori) – Kelvin Davis
- Tertiary Education Commission (TEC)
- Ministry of Education (MoE)
- New Zealand Qualifications Authority (NZQA)
- Royal Society of New Zealand
- Ngā Pae o te Māramatanga
- Education New Zealand

Other achievements included:

- Formalised relationship with Minister Davis – Associate Education Minister, Māori
- Leading government agency workshops (MoE, TEC) regarding Māori achievement – Budget Bid Submission (2020)
- Delivery of the NZ Summit – Language Revitalisation and Indigenous Development at the University of Brasília, Brazil.
- Establishment of Ngā Here Mātāuranga – Global Indigenous Network
- Development of the Te Kei – Māori Academic Development Programme across the eight universities for delivery in 2021 (delayed due to COVID-19)
- Formalised relationship with the PVC Indigenous Group Australia
- Participating in the Māori Peak Bodies Hui for Education
- Successful delivery of the Enhancement Theme Symposium 2019 at Massey University

(f) **Komiti Pasifika**

Objectives

To provide advice to the Vice-Chancellors, the universities and government on strategies, policies and structures relating to Pacific and the universities, in areas of Pacific achievement, research and development.

Achievements

Universities New Zealand – Te Pūkai Tara and Komiti Pasifika are represented on the following advisory and working groups:

- Enhancement Theme Steering Group (Cycle 6 – AQA)
- Secondary Qualifications Advisory Group (NZQA)

Komiti Pasifika have established formal relationships with the following government agencies who regularly attend committee meetings:

- Tertiary Education Commission (TEC)
- Ministry of Education (MoE)
- New Zealand Qualifications Authority (NZQA)
- Ministry of Pacific Peoples (MPP)

Other achievements included:

- National Education Conversations – Attendance at Pacific Regional Fono
- Developed a paper for the International Office Managers regarding Scholarships in the Pacific – concerns and opportunities with MFAT
- Performance Based Research System (PBRF) Review – Pasifika Perspective
- Successful delivery of the Enhancement Theme Symposium 2019 at Massey University

(g) DVC Academics

Objectives

To provide advice to the Vice-Chancellors on the wider education sector priorities or issues that may concern the universities. To provide leadership to the sector on the future developments of education.

Achievements

The DVC Academics have the following working groups reporting to them:

- Work Integrated Learning Group (WiL)

The DVC Academic Committee have established formal relationships with the following government agencies who attend committee meetings:

- Tertiary Education Commission (TEC)
- Ministry of Education (MoE)
- New Zealand Qualifications Authority (NZQA)

Other achievements included:

- Formal establishment of Committee and Terms of Reference
- National Education Conversations – Tertiary Education Strategy
- Development of a national stock-take and report on Online Examinations across the universities
- Enhancement Theme Steering Group
- Reskilling and Upskilling Options paper developed for the Ministry of Education (COVID-19 response)

(h) Human Resources

Objectives

To monitor university human resources issues at the national level with particular regard to the international competitiveness of remuneration, staff recruitment and retention.

To advise the Vice-Chancellors on human resources matters.

Achievements

- Human Resources Directors (HR Directors) held seven meetings in 2019/2020
- HR Directors are monitoring impacts related to changes in employment legislation, developments in health, safety and wellbeing including an increase in hate speech, harassment and discrimination, increased working from home or remote working, and related longer term possibilities and logistics presented by changed university circumstances and employee expectations.

(i) Copyright Licensing

Objectives

To negotiate on behalf of universities for licenses with copyright licensing agencies, and to keep new developments in copyright including legislative change under review.

Achievements

- The Copyright Expert Working Group (CEWG) communicated via email, teleconferences and met once in person in 2019/20. Specific subjects of discussion included: e-reporting and preparations of the annual reporting to Copyright Licensing NZ, changes to licensing agreements, ongoing discussions on review of the Copyright Act, PMCA licence and coverage of MMO copying. Since COVID 19 the CEWG has met weekly by Zoom.
- Face to face meeting at Auckland University of Technology with presentations by Liz Stanton from Universities Australia, the CEOs of OneMusic and CLNZ and a video link to the MBIE team managing the Copyright Act Review, workshops on best practice in managing e-reporting, communicating using social media, presentation of data on copying of copyright content in universities and future licensing needs.
- Clarified with OneMusic that the licence should be interpreted broadly and the communication of music in public university events covered by the licence. Negotiated renewal of licence with no increase in the fee.

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

- Achieved extended rights under the CLNZ licence to copy 50% of print materials for semester 1 2020, when universities moved to teaching remotely.
- Informal discussions with MBIE on changes needed to the Copyright Act post COVID 19.
- Submission on the Marrakesh Treaty to the Select Committee, which resulted in the Committee recommending the removal of the “commercial availability” test.
- Ongoing discussions with CLNZ to include MMO copying under the licence.
- CEWG shared a list of readings they had digitised and were able to share digitised readings to meet the needs of lecturers in other universities.

(j) Communications

Objectives

To promote increased public support for the New Zealand university system by raising awareness of universities’ multifaceted contribution to individual advancement and New Zealand’s economic, social, cultural and environmental goals.

To raise awareness of university education, research and internationalisation activities, and how these add value to New Zealand’s economic and social development.

Achievements

- Maintained and updated website
- Updated Key Facts & Stats publication for the university sector.
- Published updated student directory: *Thinking about university? A guide for students, parent and whanau.*
- Developed 16 media releases and news stories, coordinated comments and quotes, facilitated interviews with the Chief Executive and Chair.
- Developed opinion pieces on key sector issues.
- Published regular newsletter on sector issues.
- Supported planning for and organisation of University Communications Managers’ Annual event.
- Held half-yearly event for University Communication Managers.
- Other support work for Vice-Chancellors and Universities New Zealand.

(k) International

Objectives

To facilitate internationalisation in the NZ universities.

To co-ordinate the consideration of international policy and strategy amongst the universities.

To develop and maintain relationships with foreign higher education providers, governments and peak bodies.

To foster the universities’ relationship with Education NZ, the Ministry of Education, Immigration and other relevant government agencies.

To provide advice to the Vice-Chancellors and government on matters relevant to internationalisation in the New Zealand universities.

Achievements

- The International Policy Committee held 3 meetings during the year
- International Collaboration in higher education was promoted through:
 - Academic forums in Brazil in India
 - Hosting a delegation from Brazil
 - Implementing an outbound mobility project in entrepreneurship at the University of Sao Paulo, and delivering an indigenous language revitalisation, education and development conference in Brasilia
 - Establishing a New Zealand Centre in India at IIT Delhi
- Strengthened relationships with government agencies and advocated for favourable policy settings:
 - Universities NZ sits on the peak-body working group which has representatives from Immigration New Zealand (INZ), Education New Zealand (ENZ), and the Ministry of Education.
 - Have quarterly meetings with INZ and ENZ
 - Secured funding support for strategy implementation and bespoke projects from ENZ
 - Developed a joint work plan with ENZ
- Completed pan-university initiatives:
 - Continued Implementation of the India market development strategy
 - Implemented the second phase of the Latin America Strategy; and associated Agent Strategy
 - Developed a university sector Innovation Plan

(l) **Information and Communications Technology**

Objective

To provide leadership in the use of information and communications technology in the universities, and to advance the efficient and effective use of this technology in the support of teaching, learning, research and administration by the staff and students of NZ universities.

Achievements

- *The Information Communication Technology Committee held eight meetings in 2019/2020*
- *Ensuring universities' operation during COVID has been the primary focus of the group.*
- *Negotiations are underway for Microsoft licensing.*

(m) **Libraries**

Objective

To improve access for students and staff of NZ universities to the information resources required to advance teaching, learning and research.

Achievements

- *The Council of NZ University Librarians (CONZUL) held six meetings in 2019/20*
- *Progressing the understanding and move toward Open Access in universities' publishing processes*

(n) **Facilities Management**

Objective

To provide leadership in the management of resources for the maintenance, compliance and sustainability of the New Zealand universities' property and related infrastructure assets.

Achievements

- *Facilities managers' met once face to face in 2019/20 and five times online in 2020.*
- *Publication of the sector-wide Understanding of Asbestos regulations*
- *Request to review regulatory gaps and ambiguous areas in the current Asbestos legislation submitted to the regulator MBIE.*
- *Establishment of a relationship with the new Infrastructure Commission.*
- *Development of a construction procurement best practice framework and contract schedule templates for university application.*
- *Establishment of an Asset Managers community of practice in the sector.*

(o) **Planning**

Objective

To provide advice on issues concerning the universities' planning, funding and reporting functions, especially those related to the proposals and requirements of the Tertiary Education Commission and the Ministry of Education.

Achievements

- *Formal submission made in July 2019 to the Tertiary Education Commission (TEC) on The Tertiary Education (Conditions Setting Limits on Fees for New Courses) Notice – the 2020 Annual Maximum Fee Movement Notice*
- *Worked with the TEC to resolve persisting issues surrounding the implementation of the government's fees-free policy.*
- *Engaged with the TEC on:*
 - *the impact of COVID-19 on university operations and the Investment Plan Round,*
 - *TEC's Data2020 project and*
 - *TEC's programme for students with disabilities*
- *Informal advice was provided to the Ministry of Education (MOE) on their consultation process with universities regarding the pending National Certificate of Educational Achievement (NCEA) changes.*
- *Engaged with MoE on:*
 - *the impact of COVID-19 on international students and*
 - *a replacement for their Tertiary Data Warehouse which MOE decided to decommission.*
- *Undertook a stocktake of university graduate student surveys with the aim of setting up a working group in July 2020 to design a common set of 5-6 questions to be included in all university graduate surveys from 2021.*

(p) **Student Administration and Academic Services**

Objectives

To provide advice and make recommendations to the Vice-Chancellors on matters relating to the provision of student administration and academic services, and to be the principal contact on behalf of the universities with appropriate government agencies.

Achievements

- CSAAS continued to liaise closely with StudyLink and NZQA.
- CSAAS led discussion on My eQuals with CSAAS representatives on the Australasian governance and steering committees.
- CSAAS members supported Massey and Victoria universities in co-hosting the Australasian Heads of Student Administration conference in Wellington.

(q) Administrative Support

Objective

To provide administrative support to inter-university initiatives.

Achievements

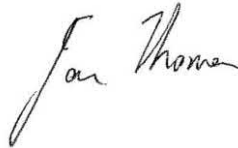
Administrative support was provided to all formal Universities NZ committees during the year and to the NZ Universities Women in Leadership Programme, the NZ Universities Women in Leadership POD Fund, the Council of Deans of Education and to the Tertiary ICT Conference.

The 'Total budget for policy advice and coordinating services' figure reflects the Universities NZ budget as it was set at the start of the financial year. The budget figure is not revised as the year proceeds, however the eight universities do occasionally commit to additional one-off projects after the budget is set and provide additional funding for them. In this year, an additional \$414,208 was provided for one-off projects. This additional amount can be added to the budget figure to more accurately understand the difference between Universities NZ's costs and budget.

Total budget for policy advice and co-ordinating services:	\$1,896,547
Total cost of policy advice and co-ordinating services:	\$2,320,981
Total budget for all outputs:	\$2,528,730
Total cost for all outputs:	\$2,956,571



Mr Derek McCormack
Chair
NZ Vice-Chancellors' Committee



Professor Jan Thomas
Deputy Chair
NZ Vice-Chancellors' Committee

ACADEMIC QUALITY AGENCY FOR NEW ZEALAND UNIVERSITIES

STATEMENT OF PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

Objective 1: Quality Assurance

Quality assurance activities are timely and produce reports which are authoritative, fair and perceptive, are of assistance to universities, and support confidence in the academic quality of New Zealand universities.

Description: AQA undertakes regular academic audits of all New Zealand universities using a framework developed by AQA in consultation with the sector and other stakeholders. Academic audits are conducted to a schedule approved by the Board and with the agreement of the universities. From time to time, AQA may be contracted to undertake other forms of audit or review including academic audits of international universities. The quality and timeliness of the work of AQA are overseen by a Board, comprised of a Vice-Chancellor and academic, student and lay members who are appointed by the NZVCC but operate independently of them and of the universities.

The emphasis in 2019/20 for this objective is on receiving mid-cycle reports from universities and delivering workshops and other training materials to prepared universities and auditors for the audit component of Cycle 6.

Measure	2019/20 Delivered	2019/20 Planned	2018/19 Delivered	2018/19 Planned
<i>1.1 Receive mid-cycle reports as per indicative timeline</i>	1 <i>(Lincoln, Otago delayed due to COVID-19)</i>	2 <i>(Lincoln, Otago)</i>	4 <i>(Auckland, Victoria, Canterbury, Waikato)</i>	4 <i>(Auckland, Victoria, Canterbury, Waikato)</i>
<i>1.2 Publish report on the impact of Cycle 5</i>	0 <i>(summary published in September AQA newsletter, full report or paper still needs to be completed)</i>	1	New measures in 2019 - 20	

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

Measure	2019/20 Delivered	2019/20 Planned	2018/19 Delivered	2018/19 Planned
<i>1.3 Enhancement theme guideline statements confirmed</i>	<i>2 (published in 2nd Edition Guides)</i>	<i>2</i>		
<i>1.4 Deliver Workshop series on self-review and evidence for universities</i>	<i>3 workshops held (Wellington, Auckland, Dunedin, online workshop released 26 May 2020)</i>	<i>3 workshops plus online materials</i>	<i>Defer to 2019/20</i>	<i>1</i>
<i>1.5 Pilot auditor training and develop online materials</i>	<i>Defer to 2020- 21</i>	<i>1 pilot plus 1 workshop delivered, online materials developed</i>	<i>New measures in 2019 - 20</i>	
<i>1.6 Recruit auditors for Cycle 6</i>	<i>37 auditors appointed to the Cycle 6 Register</i>	<i>20 auditors recruited</i>		
<i>1.7 Student Voice Summit held</i>	<i>1 (14 November 2019)</i>	<i>1</i>	<i>1</i>	<i>1</i>

Objective 2: Quality Enhancement - Universities

To contribute to the development, dissemination and implementation of new policies and good practices in quality assurance and quality enhancement of New Zealand universities.

Description: AQA's mission includes assisting universities to facilitate excellent student experience and learning outcomes. AQA undertakes this quality enhancement role in a variety of ways, including by identifying and disseminating national and international good practice in regard to academic quality assurance and quality enhancement, and by facilitating dialogue on quality enhancement initiatives.

In 2017/18 New Zealand universities commenced an 'enhancement theme' as part of Cycle 6 academic audit. This continued in 2019/20 and guided much of AQA's activity over this period.

Measure	2019/20 Delivered	2019/20 Planned	2018/19 Delivered	2018/19 Planned
<i>2.1 Meetings of enhancement steering group held</i>	3 (18 July 2019; 17 Oct. 2019; 12 March 2020)	3	(19 July 2018, 19 Sep. 2018; 15 Nov. 2018; 14 Mar. 2019).	3
<i>2.2 Enhancement theme evaluation undertaken</i>	0 No external review to be commissioned.	1	1	1
<i>2.3 Enhancement theme symposium held (subject to support from ETSG)</i>	1 (1 November 2019)	1	1	1
<i>2.4 Dissemination of enhancement theme activities and progress (conference presentations, media reports)</i>	3 (response to review of theme published; dedicated website, Symposium report)	3	4	3
<i>2.5 Publication of AQA newsletter</i>	4	4	4	4
<i>2.6 Workshops and/or meetings held with New Zealand universities on matters pertaining to university quality</i>	1 (Quality Forum held 31 October 2019)	1	4	1 (QM meeting,)

Objective 3: Quality Enhancement - AQA

To improve the quality of AQA activities, including audit practice, by interaction with other education and academic quality assurance agencies, both nationally and internationally, and by seeking feedback and reflecting on its own practices.

Description: AQA's work is benchmarked internationally: the agency is independently audited every five years (last audited in June 2015) and has been assessed as meeting the Guidelines of Good Practice in Quality Assurance of the International Network for Quality Assurance Agencies in Higher Education (recognition of alignment current to 1 December 2020). Interaction and engagement with national and international peer

agencies are important components of AQA’s continued commitment to its own development and to the professional development of its staff and activities.

Measure	2019/20 Delivered	2019/20 Planned	2018/19 Delivered	2018/19 Planned
<i>3.1 Membership of related national boards, committees and working groups</i>	2 (JCG, NZQF Review Advisory and Expert Working groups)	2 (JCG, NZQF Review Advisory Group, NZQF Expert Group)	2 (JCG; NZQA Qualifications Framework review)	2
<i>3.2 Gain or add value from international engagement, demonstrated through practice change, invitations to undertake work internationally, provide advice or contribute to conferences.</i>	3 (TEQSA workshops, FNU Review, Student Voice Australia 11 October 2019)	2	Changed measure for 2019 - 20	
<i>3.3 Biennial QE/communications survey of stakeholders</i>	Will not be undertaken in 2019-20	Biennial	1 (Reported in June 2019 newsletter)	1
<i>3.4 Self-review for external review of AQA submitted</i>	1	1	New measure in 2019 - 20	

Objective 4: Quality Support

To ensure effective processes and adequate resourcing to achieve the above objectives at a high level of satisfaction for universities and other stakeholders.

Description: AQA’s annual operating grant is funded by the universities collectively. The Board of AQA prepares and recommends a budget to the NZVCC prior to the commencement of each financial year. In doing so, the Board seeks to ensure that the annual grant provides for an adequate level of resources to enable the organisation to achieve its stated objectives for that year, and that the organisation’s net asset levels and cash flow are sufficient to sustain its continued operation.

Measure	2019/20 Delivered	2019/20 Planned	2018/19 Delivered	2018/19 Planned
4.1 Review of annual service lease agreement with Universities New Zealand	Review completed and lease re-signed 26 June 2020	Review completed and lease re-signed	Review completed and lease re-signed (26 June 2019)	Review completed and lease re-signed
4.2 Review of budget and staffing requirements alongside ongoing monitoring of AQA Strategic Plan	Review undertaken	Review undertaken	Review undertaken	Review undertaken
4.3 Approval of requested annual grant by Vice-Chancellors	Annual grant approved	Annual grant to ensure financial sustainability of AQA approved as sought	Annual grant approved as sought	Annual grant approved as sought

Total budget for Academic Quality Agency for NZ Universities

\$420,217

Total cost for Academic Quality Agency for NZ Universities

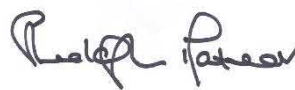
\$431,679

For and on behalf of the board



Emeritus Professor Pat Walsh
Chair of the Board
Academic Quality Agency for New Zealand Universities

Date: 19 August 2020



Emeritus Professor Sheelagh Matear
Executive Director
Academic Quality Agency for New Zealand Universities

Date: 19 August 2020

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

**NEW ZEALAND VICE-CHANCELLORS' COMMITTEE
FINANCIAL STATEMENTS**

**STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE
FOR THE YEAR ENDED 30 JUNE 2020**

Note	Group Actual 2020	Group Budget 2020	Group Actual 2019	NZVCC Actual 2020	NZVCC Budget 2020	NZVCC Actual 2019
Revenue						
	2,755,000	2,755,004	2,672,700	2,345,000	2,345,000	2,272,700
	200,885	0	140,264	200,885	0	140,264
	0	0	65,000	0	0	65,000
	34,500	0	0	0	0	0
	51,465	54,300	53,856	51,465	54,300	53,856
	23,664	21,200	22,266	16,681	18,700	16,731
	35,775	0	0	77,784	38,900	61,813
	225,980	6,000	129,237	213,323	0	121,975
	3,327,269	2,836,504	3,083,323	2,905,138	2,456,900	2,732,339
	3,341,241	2,910,047	3,093,586	2,956,571	2,528,730	2,774,429
	(\$13,972)	(\$73,543)	(\$10,263)	(\$51,433)	(\$71,830)	(\$42,090)
	0	0	0	0	0	0
	(\$13,972)	(\$73,543)	(\$10,263)	(\$51,433)	(\$71,830)	(\$42,090)

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

**NEW ZEALAND VICE-CHANCELLORS' COMMITTEE
FINANCIAL STATEMENTS**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Group Actual 2020 \$	Group Budget 2020 \$	Group Actual 2019 \$	NZVCC Actual 2020 \$	NZVCC Budget 2020 \$	NZVCC Actual 2019 \$
Equity at start of the year	829,363	829,363	839,626	526,774	526,774	568,864
Total Comprehensive Revenue and Expense for the year	(13,972)	(73,543)	(10,263)	(51,433)	(71,830)	(42,090)
Equity at end of the year	\$815,391	\$755,820	\$829,363	\$475,341	\$454,944	\$526,774

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

**NEW ZEALAND VICE-CHANCELLORS' COMMITTEE
FINANCIAL STATEMENTS**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

Note	Group Actual 2020 \$	Group Budget 2020 \$	Group Actual 2019 \$	NZVCC Actual 2020 \$	NZVCC Budget 2020 \$	NZVCC Actual 2019 \$
Assets						
Current Assets						
Cash and cash equivalents	7	1,056,907	986,139	904,601	925,946	815,134
Bank Investments	8	3,453,341	3,395,532	3,394,609	3,213,440	3,161,532
Receivables (from exchange transactions)	9	115,562	79,000	76,931	112,921	75,379
Recoverables (from non-exchange transactions)	10	60,401	5,500	3,000	60,401	5,500
		4,686,211	4,466,171	4,379,141	4,312,708	4,128,403
Non-Current Assets						
Property, Plant & Equipment	11	77,617	84,971	71,071	77,617	71,071
Intangible Assets	12	31,552	18,484	63,104	30,102	17,034
JM Wealth Investment Portfolio	8	1,255,247	1,292,015	1,292,015	1,255,247	1,292,015
		1,364,416	1,395,470	1,426,190	1,362,966	1,394,020
Total Assets		6,050,627	5,861,641	5,805,331	5,675,674	5,478,335
Liabilities						
Current Liabilities						
Payables (from exchange transactions)	13	115,235	185,000	182,808	94,111	158,425
Non-exchange liabilities						
Scholarship Commitments	14	17,225	0	0	17,225	0
Employee benefit liability	15	262,239	237,774	141,328	245,457	135,774
Income in Advance	17	382,482	150,000	161,367	382,482	161,367
GST Payment/(Refund)		4,281	42,366	2,784	7,284	8,314
CONZUL	18	19,595	36,311	36,311	19,595	36,311
Māori Staff Development	18	98,000	0	0	98,000	0
NZ Council of Deans of Education	18	187,468	183,553	183,553	187,468	183,553
NZ Universities Women in Leadership	18	17,832	170,856	170,856	17,832	170,856
NZUWiL - POD Fund	18	5,897	3,811	3,811	5,897	3,811
Tertiary ICT Fund	18	118,766	118,767	118,767	118,766	118,767
		1,229,020	1,128,438	1,001,585	1,194,117	1,090,096
Non-Current Liabilities						
Employee benefit liability	15	5,976	11,105	8,105	5,976	11,105
Non-exchange liabilities						
Scholarship Commitments	16	4,000,240	3,966,278	3,966,278	4,000,240	3,966,278
		4,006,216	3,977,383	3,974,383	4,006,216	3,974,383
Total Liabilities		5,235,236	5,105,821	4,975,968	5,200,333	4,951,561

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

**NEW ZEALAND VICE-CHANCELLORS' COMMITTEE
FINANCIAL STATEMENTS**

**STATEMENT OF FINANCIAL POSITION cont.
AS AT 30 JUNE 2020**

Note	Group Actual 2020 \$	Group Budget 2020 \$	Group Actual 2019 \$	NZVCC Actual 2020 \$	NZVCC Budget 2020 \$	NZVCC Actual 2019 \$
Net Assets/Equity						
Accumulated revenue and expense	815,391	755,820	829,363	475,341	454,944	526,774
Net assets/equity attributable to the owners of the controlling entity	815,391	755,820	829,363	475,341	454,944	526,774
Total Net Assets/Equity	\$815,391	\$755,820	\$829,363	\$475,341	\$454,944	\$526,774
Total net Assets/Equity and Liabilities	\$815,391	\$755,820	\$829,363	\$475,341	\$454,944	\$526,774

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

NEW ZEALAND VICE-CHANCELLORS' COMMITTEE
FINANCIAL STATEMENTS
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2020

Note	Group Actual 2020 \$	Group Budget 2020 \$	Group Actual 2019 \$	NZVCC Actual 2020 \$	NZVCC Budget 2020 \$	NZVCC Actual 2019 \$
Cash Flows From Operating Activities						
Interest Received	26,970	21,155	21,005	19,501	18,700	15,950
Annual Grants from Universities	2,755,000	2,755,004	2,672,700	2,345,000	2,345,000	2,272,700
Administration Fees	25,425	54,300	63,045	25,425	54,300	63,045
Audit Fees	34,500	0	2,164	0	0	0
Accumulation of Scholarship Funds	78,486	8,892	206,891	78,486	8,892	206,891
Goods and Services Tax	(11,139)	35,767	33,403	(12,410)	28,060	35,380
Other Receipts	519,798	(35,400)	334,895	550,041	(2,500)	390,444
Payments to Suppliers	(1,272,084)	(929,211)	(1,121,319)	(1,126,673)	(790,215)	(1,030,959)
Payments to Employees	(1,879,469)	(1,787,092)	(1,955,847)	(1,650,686)	(1,551,000)	(1,735,117)
Net Cash Flows from Operating Activities	277,487	123,415	256,937	228,684	111,237	218,334
Cash Flows From Investing Activities						
Decrease/(Increase) in Term Deposits & Portfolio	(82,310)	0	(46,198)	(75,000)	0	23,895
Purchase of intangible assets	0	0	(45,220)	0	0	(45,220)
Purchase of Property, Plant & Equipment	(42,872)	(40,000)	(61,498)	(42,872)	(40,000)	(61,498)
Net Cash Flows From Investing Activities	(125,182)	(40,000)	(152,916)	(117,872)	(40,000)	(82,823)
Net Increase (Decrease) In cash and cash equivalents	152,306	83,415	104,021	110,812	71,237	135,511
Opening Cash at Beginning of Year	904,601	904,601	800,580	815,134	815,134	679,623
Closing Cash at 30 June 2020	\$1,056,907	\$988,016	\$904,601	\$925,946	\$886,371	\$815,134
Represented by:						
Petty Cash	773		740	578		539
Bank of New Zealand Current accounts	1,056,134		903,861	925,368		814,595
7	\$1,056,907		\$904,601	\$925,946		\$815,134

The accompanying accounting policies and notes form part of and should be read in conjunction with this statement.

**NEW ZEALAND VICE-CHANCELLORS' COMMITTEE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTES TO THE FINANCIAL STATEMENTS

1 Reporting Entity

The reporting entity is NZVCC (the "Parent") a public benefit entity and was established under the Education Act 1989. NZVCC is required to prepare financial statements in accordance with Section 153-156 of the Crown Entities Act 2004.

The consolidated financial statement for the year ended 30 June 2020 comprise of NZVCC and AQA together referred to as the 'Group'.

2 Basis of Preparation

(a) Statement of Compliance

The financial statements of NZVCC and the Group have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) and other applicable Financial Reporting Standards as appropriate for Tier 2 Public Sector Public Benefit Entity (PBE) Standards, for which all reduced disclosure regime exemptions have been adopted.

The NZVCC and the Group has elected to report in accordance with Tier 2 Public Sector PBE Standards as for the two most recent reporting periods it has had between \$2m and \$30m operating expenditure.

These financial statements were authorised for issue by Mr Derek McCormack, Chair of NZVCC on 28 September 2020.

(b) Measurement basis

The consolidated financial statements have been prepared on the historical cost basis except as indicated below:

- Financial instruments
- Long-term employee benefits

(c) Functional and presentation currency

These financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar.

There has been no change in the functional currency of the Group or any significant foreign operations of the Group during the year.

3 Use of Judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(a) Judgements

Judgements made in applying accounting policies that have had the most significant effects on the amounts recognised in the NZVCC and Group financial statements include the following:

- Revenue recognition non-exchange revenue
- Intangible assets having indefinite useful lives

(b) Assumptions and estimation uncertainties

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 30 June 2020 include the following:

- Key assumptions underlying determining the recoverable amounts for impairment testing
- Useful life, recoverable amount, depreciation method and rate
- Likelihood and magnitude of outflows in determining recognition and measurement of provisions.

(c) Changes in accounting estimates

There have been no changes in accounting estimates during the period.

4 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Group, except as explained in note 5 which addresses changes in accounting policies.

(a) Basis of consolidation

The Group financial statements consolidate the financial statements of the NZVCC and all entities over which the NZVCC has the power to govern the financial and operating policies so as to obtain benefits from their activities (defined as “subsidiaries”). The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

All subsidiaries have a 30 June reporting date and consistent accounting policies are applied.

The purchase method is used to prepare the consolidated financial statements, which involves adding together like terms of assets, liabilities, revenue and expenses on a line-by-line basis. All transactions and balances between the Group are eliminated on consolidation, including unrealised gains and losses on transactions between NZVCC and AQA. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the Groups perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

In the NZVCC financial statements investments in subsidiaries are stated at cost less any impairment losses.

Loss of control of a controlled entity

A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction.

(b) Foreign currency

Transactions in foreign currencies are recorded at the New Zealand rate of exchange ruling at the date of transaction. At balance date foreign monetary assets and liabilities are translated at appropriate closing exchange rates, and gains or losses due to currency fluctuations on these items are included in the Financial Statements.

(c) Revenue

Revenue from exchange transactions

Revenue from exchange transactions are those where the Group receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to another entity.

Revenue from exchange transactions are recognised when the amount of revenue is earned and is reported in the financial period to which it relates.

Grant Revenue

Grant revenue is received from the eight universities on a six monthly basis, and applied on a straight-line basis over the financial year in which it relates.

Rendering of services

Revenue from services rendered is recognised in surplus or deficit in proportion to the stage-of-completion of the transaction at the reporting date.

Revenue from non-exchange transactions

Non-exchange transactions are those where the Group receives an inflow of resources but provides no (or nominal) direct consideration in return.

Scholarships Revenue

Scholarship emolument commitments are recognised as available when the Committee has received funding for the obligation. Scholarship emolument commitments are recognised when invoices are paid from the universities or scholarship entitlement is confirmed by the Scholarships Manager. Universities receive payments from NZVCC to reimburse them for scholarship emoluments paid to scholars, who receive a scholarship, which the university has paid to the scholar.

NZVCC Scholarship Funds Management Guidelines were introduced in October 2011 to manage scholarship cash flow requirements during the selection process. Both the funding received and the scholarships paid are excluded from the Statement of Comprehensive Revenue and Expenditure.

(d) Employee Benefits

Short-term employee benefits

Short-term employee benefit liabilities, wages and salaries, including non-monetary benefits and annual leave are recognised when the Group has a legal or constructive obligation to remunerate employees for services provided within 12 months of reporting date, and are measured at the amounts expected to be paid when the liabilities are settled on an undiscounted basis.

Retirement Leave

NZVCC's obligation in respect of Retirement Leave is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The obligation is calculated on an actuarial basis based on the probability of each entitled staff member remaining in service until retirement, length of service and current age and salary.

Long Service Leave

NZVCC's obligation in respect of long service leave is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The obligation is calculated on an actuarial basis based on the probability of each staff member attaining a specific number of years of service. Current entitlements to long service leave are recognised at the amounts expected to be paid when liabilities are settled on an undiscounted basis.

Long-term employee benefits

Long-term employee benefit obligations are recognised when the Group have a legal or constructive obligation to reimburse employees for services provided beyond 12 months of reporting date.

Defined Contribution Plans

Obligations for contributions to defined contribution pension plans (including KiwiSaver) are recognised as an expense in surplus or deficit when they are due.

Termination Benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

(e) Finance income

Interest revenue is recognised using the effective interest method as it accrues.

(f) Financial instruments

All assets and liabilities of NZVCC and the Group, with the exception of GST, Income in advance, Prepayments, Property, Plant & Equipment and intangible assets are financial instruments and are recognised in the Statement of Financial Position. No other financial instruments exist other than those recognised in the Statement of Financial Position. Revenues and expenses in relation to these financial instruments are recognised in the Statement of Comprehensive Revenue and Expenditure.

Financial instruments are measured in accordance with the accounting policies disclosed in relation to each type of asset and liability. Unless stated, the carrying amounts reflected in the financial statements equate to the estimated fair value of the Committee's assets and liabilities at 30 June 2020 for each financial instrument.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets.

Available-for-sale financial assets comprise of the JMIS Investment Portfolio.

Available-for-sale financial assets are subsequently measured at fair value with gains or losses recognised in other comprehensive revenue and expense. These gains and losses, along with revenue, are then allocated to the 4 related scholarships in proportion with their investment in the fund.

Creditors and other payables

Creditors and other payables are initially measured at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method

Trade and Other Receivables

Trade and Other Receivables are recognized initially at fair value plus any directly attributable transaction costs. Subsequently, trade and other receivables are measured at amortised cost using the effective interest method less any impairment losses.

Cash and cash equivalents

Cash includes cash on hand and funds on deposit with banks and is measured at its face value.

Deposits with a bank that have maturities of 90 days or more at acquisition are deemed to be investments.

Investments

Investments in shares classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are recognised directly in other comprehensive revenue. When an investment is derecognised, the cumulative gain or loss previously recognised in other comprehensive revenue is transferred to surplus or deficit.

Investments held and administered on behalf of Scholarship Funds are measured and carried at market value and changes therein together with revenue from interest and dividends are recognized directly in the Scholarship Commitments liability.

Premium (discount) on Investment

Premium or discount on investment is amortised on a straight line basis over the remaining periods before the maturity date. This policy is not significantly different to applying the yield to maturity basis of revenue recognition.

(g) Impairment of non-derivative financial assets

NZVCC assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar characteristics. All impairment losses are recognised in surplus or deficit and reflected in an allowance account against receivables. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in surplus or deficit.

(h) Property, plant and equipment

Recognition and measurement

Property, plant and equipment are initially recognised at cost. Property, plant and equipment are recorded at cost less accumulated depreciation. Subsequent costs are added to the carrying amount of an item of property, plant and equipment when the cost is incurred if it is probable that the

future economic benefits embodied with the item will flow to the entity and the cost of the item can be measured reliably. All other costs are recognised in surplus or deficit as an expense when incurred.

Depreciation

Depreciation is provided on all items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Computers and Printers	33.3%SL
Office equipment, furniture and fittings	20%SL

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(i) Intangible assets

Recognition and measurement

IT Software Development has a finite useful life. It is recorded at cost less accumulated amortisation and accumulated impairment losses. Software is capitalised and amortised at 50% per annum on the diminishing value. Costs associated with developing or maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the entity, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the costs of software development employees and an appropriate portion or relevant overheads.

(j) Impairment of non-financial assets

Property, plant, equipment and Intangible Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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. The total impairment deficit is recognised in the surplus and deficit. The reversal of an impairment deficit is also recognised in the Statement of Comprehensive Revenue and Expense.

(k) Leases

Leases where the NZVCC and the Group assume substantially all the risks and rewards incidental to ownership of the leased assets, are classified as finance leases. All other leases are classified as operating leases.

Upon initial recognition finance leased assets are measured at an amount equal to the lower of its fair value and the present value of minimum leased payments and a matching liability is recognized for minimum lease payment obligations excluding the effective interest expense. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to the asset.

Payments made under operating leases are recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives are recognised as an integral part of the total lease expense, over the term of the lease. Associated costs, such as maintenance and insurance, are expensed as incurred.

(l) Cost Accounting

The Committee reviewed and adopted the following Cost Allocation policy on 1 June 2019. The income and expenditure has been allocated across three cost centres utilising the following rules:

- (i) A Full Time Equivalent's (FTE's) Staff Cost Allocation calculation will be used in this policy. "FTE's Staff cost allocation percentage distribution of Office Support or other FTE's Staff working across cost centres plus the FTE's Staff working in each cost centre as at 1 July each financial year "
- (ii) All income or expenditure will be allocated utilising the following rules-
 - a) All project costs with offsetting income, or specific budget requests to Vice-Chancellors will be attributed directly to the cost centre responsible.
 - b) All baseline expenditure will be allocated to Policy and using the FTE's Staff Cost Allocation Percentages will be calculated for presentation in the year-end accounts into the respective cost centres.
- (iii) Allocation of the income from Universities Annual Grants will be allocated each year based on the FTE's Staff Cost Allocation Percentages.
- (iv) All directly attributable income for projects or specific budget requests to Vice-Chancellors will be allocated to the cost centre responsible.

(m) Budget

The budget figures for NZVCC and AQA are those approved by the NZVCC Committee at their June 2019 meeting.

The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Committee for the preparation of the financial statements.

(n) Goods and Services Tax

The financial statements are exclusive of GST except for Trade Payables and Trade Receivables which are GST inclusive.

(o) **Taxation**

The NZVCC and the Group is a statutory body and is registered with the Charities Commission under the Charities Act 2005 and consequently is exempt from income tax.

(p) **Statement of Cash Flows**

The statement of cash flows has been prepared using the direct approach method.

Cash includes cash on hand and deposits held at call with banks.

Operating activities includes cash received from all revenue sources of the NZVCC and the Group including annual grants, interest, accumulation of scholarship funds and administration fees.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt structure of the NZVCC and the Group.

5 Changes in accounting policy

The accounting policies applied in these financial statements are the same as those applied to NZVCC and the Group's financial statements as at the year ended 30 June 2019.

6 Expenses

	Note	Group Actual 2020 \$	Group Budget 2020 \$	Group Actual 2019 \$	NZVCC Actual 2020 \$	NZVCC Budget 2020 \$	NZVCC Actual 2019 \$
ACC Levy		3,290	4,650	2,665	3,099	4,000	2,665
ANZCCART-Contribution		40,000	40,000	40,000	40,000	40,000	40,000
Audit Fee	22	26,903	26,525	26,230	16,810	16,760	16,340
Accountancy		18,493	11,500	10,625	9,468	4,500	3,800
Advertising		113	9,000	9,623	0	8,000	5,155
Amortisation Intangible Assets		31,552	44,620	42,659	30,102	43,170	39,759
AQA Chairman & Board Honoraria		32,652	31,610	23,305	0	0	0
Bank Fees		2,074	1,848	1,578	1,651	1,500	1,463
Computer Maintenance and Training Conference and Committee Expenses		120,020	92,404	81,118	119,674	91,400	79,305
Consultancy Fees		94,939	59,250	65,575	81,481	47,000	53,772
Depreciation Computer Equipment		317,468	136,200	279,037	293,047	113,200	264,666
Depreciation Office Equipment, Furniture & Fittings		26,427	25,000	20,380	26,427	25,000	20,380
GLSNZ		9,899	1,100	9,895	9,899	1,100	9,895
Insurance		0	0	65,000	0	0	65,000
Interest		10,379	11,300	8,024	4,816	5,000	3,079
IRD Penalties		141	0	1	72	0	0
Legal Advisory Costs		3	0	64	0	0	0
Legal Costs		0	48,000	3,018	0	48,000	3,018
Occupancy Costs		28,670	2,000	6,000	28,670	2,000	6,000
Office Expenses and Administration		18,918	20,000	21,256	18,918	20,000	21,256
Occupancy Rent		73,401	91,092	93,633	60,010	75,900	80,975
Photocopier Lease		156,479	165,000	162,623	156,479	161,800	162,623
Publications and Reports		10,382	11,400	11,400	10,382	11,400	11,400
Salaries		5,598	29,000	31,321	5,598	29,000	31,321
Superannuation Contributions (including KiwiSaver)		1,966,336	1,793,272	1,821,248	1,735,842	1,570,000	1,627,189
Staff Training		88,751	85,796	86,477	79,596	77,000	78,733
Telephone, Tolls and Faxes		8,573	19,000	13,748	8,573	18,000	13,118
Travel and Accommodation		17,772	11,480	16,580	17,373	11,000	16,189
		232,008	139,000	140,503	198,584	104,000	117,328
		\$3,341,241	\$2,910,047	\$3,093,586	\$2,956,571	\$2,528,730	\$2,774,429

The Universities NZ budget was set at the start of the financial year. The budget figure is not revised as the year proceeds, however the eight universities do occasionally commit to additional one-off projects after the budget is set and provide additional funding for them. In this year, an additional \$414,208 was provided for one-off projects This additional amount can be added to the budget figure to more accurately understand the difference between Universities NZ's costs and budget.

7 Cash & Cash Equivalents

	Group 2020 \$	Group 2019 \$	NZVCC 2020 \$	NZVCC 2019 \$
Bank of New Zealand				
Current Account (0.10%)	105,256	87,851	89,841	71,147
Autocall Account (0.10%)	950,878	816,010	835,527	743,448
	1,056,134	903,861	925,368	814,595
Petty Cash	773	740	578	539
	\$1,056,907	\$904,601	\$925,946	\$815,134

8 Investments

	Group 2020 \$	Group 2019 \$	NZVCC 2020 \$	NZVCC 2019 \$
Current Investments				
Deposits with trading banks				
ASB Bank (Average Interest Rate 2.65%)	900,000	900,000	900,000	900,000
BNZ Bank (Average Interest Rate the Group 2.68%, NZVCC 2.75%)	2,514,432	2,432,123	2,275,000	2,200,000
Interest Accrued	38,909	62,486	38,440	61,532
	\$3,453,341	\$3,394,609	\$3,213,440	\$3,161,532
Term Investments				
JMIS Portfolio				
Financial assets held for sale:				
Investments in listed companies	903,218	862,328	903,218	862,328
Investments in capital notes	70,447	143,591	70,447	143,591
Investments in bonds	281,582	211,096	281,582	211,096
Investments in New Zealand fixed interest	0	75,000	0	75,000
	\$1,255,247	\$1,292,015	\$1,255,247	\$1,292,015
Total Investments	\$4,708,588	\$4,686,624	\$4,468,687	\$4,453,547

The JMIS investment portfolio and deposits placed in banks have been classified as investment held and administered on behalf of Scholarship Funds. Changes in market value and revenue from interest and dividends are recognised directly in Scholarship Commitments liability as disclosed in Note 16.

9 Receivables – exchange transactions

	Group 2020 \$	Group 2019 \$	NZVCC 2020 \$	NZVCC 2019 \$
Scholarships - exchange transactions	0	0	0	0
Sundry and miscellaneous exchange revenue	101,030	37,801	101,575	38,386
Prepayments	14,532	39,130	11,346	36,993
	\$115,562	\$76,931	\$112,921	\$75,379

10 Receivables – non-exchange transactions

	Group 2020 \$	Group 2019 \$	NZVCC 2020 \$	NZVCC 2019 \$
Scholarships - non-exchange transactions	60,401	3,000	60,401	3,000
	\$60,401	\$3,000	\$60,401	\$3,000

11 Property, Plant & Equipment

	Group Computer Equipment	Group Office Equipment and Furniture	Group Total	NZVCC Computer Equipment	NZVCC Office Equipment and Furniture	NZVCC Total
	\$	\$	\$	\$	\$	\$
Cost or valuation						
Balance at 1 July 2018	84,300	22,062	106,362	84,300	22,062	106,362
Additions	20,570	40,928	61,498	20,570	40,928	61,498
Disposals	(7,121)	(5,494)	(12,615)	(7,121)	(5,494)	(12,615)
Balance at 30 June 2019	97,749	57,496	155,245	97,749	57,496	155,245
Balance at 1 July 2019	97,749	57,496	155,245	97,749	57,496	155,245
Additions	42,872	0	42,872	42,872	0	42,872
Disposals	(58,382)	0	(58,382)	(58,382)	0	(58,382)
Balance at 30 June 2020	82,239	57,496	139,735	82,239	57,496	139,735
Accumulated depreciation and impairment losses						
Balance 1 July 2018	58,923	7,591	66,514	58,923	7,591	66,514
Depreciation expense	20,380	9,895	30,275	20,380	9,895	30,275
Elimination on disposal	(7,121)	(5,494)	(12,615)	(7,121)	(5,494)	(12,615)
Balance at 30 June 2019	72,182	11,992	84,174	72,182	11,992	84,174
Accumulated depreciation and impairment losses						
Balance 1 July 2019	72,182	11,992	84,174	72,182	11,992	84,174
Depreciation expense	26,427	9,899	36,326	26,427	9,899	36,326
Elimination on disposal	(58,382)	0	(58,382)	(58,382)		(58,382)
Balance at 30 June 2020	40,227	21,891	62,118	40,227	21,891	62,118
Carrying amounts						
At 1 July 2018	25,377	14,471	39,848	25,377	14,471	39,848
At 30 June / 1 July 2019	25,567	45,504	71,071	25,567	45,504	71,071
At 30 June 2020	42,012	35,605	77,617	42,012	35,605	77,617

The additions were to Computer Equipment \$42,872 (2019, \$25,270). Costs have reduced by items that had fully depreciated during the financial year on 1 July 2019.

The related depreciation expense for each category has been disclosed separately in note 6.

	Group IT Software Development	Group Total	NZVCC IT Software Development	NZVCC Total
	\$	\$	\$	\$
Cost or valuation				
Balance at 1 July 2018	190,112	190,112	176,192	176,192
Additions-Developed	45,220	45,220	45,220	45,220
Disposals	0	0	0	0
Balance at 30 June 2019	235,332	235,332	221,412	221,412
Balance at 1 July 2019	235,332	235,332	221,412	221,412
Additions-Developed	0	0	0	0
Disposals	0	0	0	0
Balance at 30 June 2020	235,332	235,332	221,412	221,412
Accumulated Amortisation and impairment losses				
Balance 1 July 2018	129,569	129,569	121,449	121,449
Amortisation expense	42,659	42,659	39,759	39,759
Elimination on disposal	0	0	0	0
Balance at 30 June 2019	172,228	172,228	161,208	161,208
Accumulated Amortisation and impairment losses				
Balance 1 July 2019	172,228	172,228	161,208	161,208
Amortisation expense	31,552	31,552	30,102	30,102
Elimination on disposal	0	0	0	0
Balance at 30 June 2020	203,780	203,780	191,310	191,310
Carrying amounts				
At 1 July 2018	60,543	60,543	54,743	54,743
At 30 June / 1 July 2019	63,104	63,104	60,204	60,204
At 30 June 2020	31,552	31,552	30,102	30,102

There were no additions to the IT Software during this financial year (2019, \$45,20).

The related amortisation expense has been disclosed separately in note 6.

13 Payable – exchange transactions

	Group 2020 \$	Group 2019 \$	NZVCC 2020 \$	NZVCC 2019 \$
Exchange payments from scholarship funds	0	0	0	0
Sundry trade other payables	115,235	182,808	94,111	158,425
	\$115,235	\$182,808	\$94,111	\$158,425

14 Payable – non-exchange transactions

	Group 2020 \$	Group 2019 \$	NZVCC 2020 \$	NZVCC 2019 \$
Non-exchange payments from scholarship funds	17,225	0	17,225	0
	\$17,225	\$0	\$17,225	\$0

15 Employee benefit Liability

	Group 2020 \$	Group 2019 \$	NZVCC 2020 \$	NZVCC 2019 \$
Long Term Employee entitlements				
Retirement Leave	0	0	0	0
Long Service Leave	5,976	8,105	5,976	8,105
Total Long Term Employee entitlements	5,976	8,105	5,976	8,105
Short Term Employee entitlements				
Salary Accrual	130,489	64,063	120,246	55,706
Employer Superannuation Contribution on Salary Accrual	7,786	2,802	7,376	2,504
Annual Leave	87,329	42,418	81,435	45,400
Employer Superannuation Contribution on Annual Leave	3,250	1,362	3,015	1,481
Long Service Leave	14,052	12,912	14,052	12,912
Retirement Leave	19,333	17,771	19,333	17,771
Total Short Term Employee entitlements	262,239	141,328	245,457	135,774
Total Employee Entitlements	\$268,215	\$149,433	\$251,433	\$143,879

16 Scholarship Commitments

	2020 \$	2019 \$
Balance at beginning of the year	3,966,278	3,756,387
Plus: Interest and Dividend Revenue Funding	145,340	141,510
	877,101	1,139,307
	1,022,441	1,280,817
	4,988,719	5,037,204
Less: Scholarships Allocated	946,117	1,095,069
	4,042,602	3,942,135
Allocation of fair value change	(42,362)	24,143
Balance at end of the year	\$4,000,240	\$3,966,278

For the Group and NZVCC Represented by:	2020 \$	Fair Value Change	Funds Received	Funds Allocated	2019 \$
Non-Interest Bearing Scholarships					
Asia 2000	238		0	0	238
Commonwealth Scholarship	23,212		0	0	23,212
Freyberg	116,501		70,000	68,500	115,001
Kitchener	0		500	500	0
Miscellaneous Scholarship Fund	2,971		0	0	2,971
NZ University Scholarship	743		0	0	743
The Hydrological Sciences Fellowship	3,289		0	0	3,289
Unicare Fund	2,672		0	0	2,672
Interest Bearing Scholarships					
Auckland Council Economics	25		3,008	3,000	17
Auckland Medical Aid Trust Scholarship	9,582		8,060	7,835	9,357
AUS Crozier Scholarship	2,517		76	0	2,441
Bank of New Zealand Scholarship	65,385		1,975	0	63,410
Bing's Scholarship	5,225		198	2,300	7,327
Bruce Cronin Scholarship	5,362		10,107	10,000	5,255
Buddle Findlay Centennial Scholarship	7,780		235	0	7,545
Children's Health Camps Scholarship	2,774		84	0	2,690
Claude McCarthy Fellowship	222,381		115,907	25,568	132,042
Dick & Mary Earle Scholarship	12,056		4,955	34,270	41,371
Douglas Myers	(5,955)		0	5,927	(28)
Edward & Isobel Kidson Scholarship	1,193,295	(13,980)	55,121	36,513	1,188,667
E W File Scholarship	20		2,005	2,000	15
Edna Waddell Scholarship	16,451		20,523	22,500	18,428
Electoral Commission Scholarship	105		3	0	102
Georgetti Scholarship	216,262		311,645	239,682	144,299
Girdlers	(6,374)		247	6,649	28
Gordon Watson Scholarship	782,696	(13,755)	35,953	41,193	801,691
Henry Kelsey Scholarship	3,205		30,097	30,000	3,108
J H Aspinall Scholarship	8		0	0	8
Judith Clark Fellowship	395		7,138	11,126	4,383
Kia Ora Foundation	43,031		72,052	85,856	56,835
Kiwi Music Scholarship	711		70,105	70,000	606
Kiwirail Group Ltd	9,233		8,222	13,000	14,011
L B Wood Traveling Scholarship	2,256		6,075	6,000	2,181
Mervyn Sterling Memorial Scholarship	7,787		2,216	1,000	6,571
NZ Association of Economists	136		4	0	132
NZFPA Alice Bush Scholarship	4,217		128	0	4,089
NZLF Ethel Benjamin	1,262		15,258	40,000	26,004
Sullivan Scholarship	34,540		1,103	3,260	36,697
PEANZ	845		26	0	819
Peter Windle Scholarship	23		0	0	23
Pukehou Pouto Scholarship	551,200	(5,761)	21,766	17,200	552,395
Resource Management Law Assn	5,674		172	0	5,502
Reynolds Scholarship	541		100	10,000	10,441
Rhodes Scholarship	3,545		16,008	12,463	0
Road Safety Research Scholarship	7,337		221	0	7,116
Robertson	(9,381)		0	9,376	(5)
Seafarers Union Scholarship	3,792		5,067	5,000	3,725
Shirtcliffe Fellowship	535,124	(8,866)	24,051	16,083	536,022
Spark Scholarship	616		65,175	65,000	441
Te Putea Awhina Akonga Māori A Te Manatu Waka	56,131		28,182	0	27,949
Todd Foundation Awards for Excellence	19,753		2,489	39,625	56,889
Tower Undergraduate Scholarship	19,295		583	0	18,712
Transit NZ Post Graduate Scholarships	19,428		587	0	18,841
Woolf Fisher	323		5,014	4,691	0
	\$4,000,240	(\$42,362)	\$1,022,441	\$946,117	\$3,966,278

Interest earned on the investments held as non-interest bearing scholarships has been credited to the NZVCC in lieu of charging administration fees.

Interest totalling \$76,366 (2019, \$76,307) was earned on investments represented by interest-bearing scholarship funds. This interest has been apportioned to each respective Scholarship Fund by applying an average interest rate earned for each month to the closing balance of the Scholarship Fund for that month.

Revenue, expenditure and fair value change on investments in the JMIS Portfolio are allocated to the 4 related scholarships in proportion with their investment in the fund. (Gordon Watson 32.47%, Edward & Isobel Kidson 33%, Pukehou Pouto 13.6% and Shirtcliffe Fellowship 20.93%). Interest & Dividends earned totalled \$68,974 (2019, \$65,204) and -\$42,362 (2019, \$24,143) represented the fair value change.

Administration fees are charged to all interest-bearing scholarship funds by the Committee for annual services rendered.

The Committee has assumed the obligation for paying out the above scholarships. The period of payment will depend on the timing of approval of the applications.

All scholarship commitments are non-current liabilities until all restrictions or stipulations of the scholarship award are met. See note 14 for current non-exchange payments from scholarship funds.

17 Income in Advance

The Committee received funding for the Universities NZ Work Programme, AQA Review and Future Focus Programme in the 2019/20 year that is ongoing as at 30 June 2020 and that the Committee has an obligation to continue in the 2020/21 year.

The liability held in income in advance is unspent income as at 30 June 2020 and will have matching expenditure in the 2020/21 year.

18 Specialised Funds

Council of New Zealand University Librarians (CONZUL)

NZVCC administers the CONZUL funds on behalf of CONZUL. Funds are received from the eight universities to fund collaborative projects.

Māori Staff Development

NZVCC has undertaken to provide financial administration services on behalf of the Māori Staff Development Fund.

NZ Council of Deans of Education

The NZ Council of Deans of Education received funds as a result of the winding up of the ACENZ and NZVCC has agreed to administer the funds on their behalf.

NZ Universities Women in Leadership Programme (NZUWiL)

NZVCC has undertaken to provide financial administration services on behalf of the NZ Universities Women in Leadership programme.

New Zealand Universities Women in Leadership Discipline Pod Programme (NZUWiL Pod funds)

NZVCC has undertaken to provide financial administration services on behalf of the NZUWiL Discipline Pod programme.

Tertiary ICT Conference Fund

NZVCC has undertaken to provide financial administration services on behalf of the Tertiary ICT Conference Fund.

19 Separate Funds

The Rhodes Scholarship Fund operates a separate bank/investment account, and the Fund balance is not included in the NZVCC's Statement of Financial Position \$0 (2019 \$441). The Rhodes Scholarship separate funds account was closed in June 2020 and this scholarship will be accounted for in the same way as all other NZVCC scholarships from 1 July 2020. The balance of the Rhodes Scholarship separate funds account was transferred to NZVCC account and shows as a scholarship liability as at 30 June 2020.

20 Financial Instruments

The carrying amounts of financial assets and financial liabilities in each of the NZ IAS 39 categories are as follows:

	Group 2020 \$	Group 2019 \$	NZVCC 2020 \$	NZVCC 2019 \$
Financial Assets				
Loans and receivables				
Cash and cash equivalents	1,056,907	904,601	925,946	815,134
Bank Term Investments	3,453,341	3,394,609	3,213,440	3,161,532
Receivables - exchange transactions	115,562	76,931	112,921	75,379
Recoverables - non-exchange transactions	60,401	3,000	60,401	3,000
Available for Sale				
JMIS Investment Portfolio	1,255,247	1,292,015	1,255,247	1,292,015
Financial Liabilities				
Financial liabilities measured at amortised cost				
Trade and Other payables	115,235	182,808	94,111	158,425

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 (level 1) - Financial instruments with quoted prices for identical instruments in active markets.

Valuation technique using observable inputs (level 2) - 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 (level 3) - Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position.

For NZVCC and the Group

	Total \$	Valuation technique		
		Quoted market Price \$	Observable inputs \$	Significant non- observable inputs \$
30 June 2019				
Financial Assets				
JMIS Investment Portfolio	1,292,015	1,292,015	0	0
30 June 2020				
Financial Assets				
JMIS Investment Portfolio	1,255,247	1,255,247	0	0

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

Credit Risk

Financial instruments which potentially subject NZVCC and the Group to credit risk principally consist of Cash and Cash Equivalents and Trade and Other Receivables.

The maximum exposures to credit risk at balance date were:

	Group 2020 \$	Group 2019 \$	NZVCC 2020 \$	NZVCC 2019 \$
Cash on Hand	773	740	578	539
Bank Balances	1,056,134	903,861	925,368	814,595
Receivables - exchange transactions	115,562	76,931	112,921	75,379
Recoverables - non-exchange transactions	60,401	3,000	60,401	3,000
Investments	1,255,247	1,292,015	1,255,247	1,292,015
Bank Deposits	3,453,341	3,394,609	3,213,440	3,161,532
BNZ Credit Cards	52,500	57,500	44,500	49,500

The above maximum exposures are net of any recognised provision for losses on these financial instruments. No collateral is held on the above amounts.

Counterparty risk is minimized by spreading investments over registered New Zealand banks.

Concentrations of Credit Risk

The NZVCC and the Group is not exposed to any concentration of credit risk.

Interest Rate Risk

The NZVCC and the Group is primarily a short term investor in on-call funds and term deposits not exceeding one year. The interest rate risk exposure on deposits pertains to fluctuations in market rates of interest.

The NZVCC and the Group seeks to manage movements in investment interest rates by maintaining a balanced portfolio.

Foreign Exchange Risk

Transactions in foreign currencies are recorded at the New Zealand rate of exchange ruling at the date of transaction. At balance date foreign monetary assets and liabilities are translated at appropriate closing exchange rates, and gains or losses due to currency fluctuations on these items are included in the Financial Statements.

21 Operating leases

The NZVCC entered into a non-cancellable lease for Level 9, 142 Lambton Quay from Zircon Properties Ltd with effect from 1 August 2009 the lease has been renewed for a further 6 year term from 1 August 2018. The NZVCC entered into a photocopier lease with Konica Minolta in December 2019. The total lease commitments are as follows:

	Group 2020	Group 2019	NZVCC 2020	NZVCC 2019
	\$	\$	\$	\$
Not later than one year	168,788	168,922	168,788	168,922
Later than one year but not later than five years	525,124	640,536	525,124	640,536
Later than five years	0	13,127	0	13,127
Total lease commitments	\$693,912	\$822,585	\$693,912	\$822,585

The total expense for the year relating to the payment of leases was \$162,036 (2019, \$169,539).

22 Auditors' Remuneration

The auditor of NZVCC and AQA is BDO Wellington on behalf of the Auditor-General.

	Group 2020	Group 2019	NZVCC 2020	NZVCC 2019
	\$	\$	\$	\$
Audit of the Financial Statements	25,553	24,880	15,960	15,490
Office Audit General overhead charge	1,350	1,350	850	850
Total	\$26,903	\$26,230	\$16,810	\$16,340

23 Related Party

The AQA is a related party by virtue of the fact that the NZVCC has the capacity to appoint all members of the Governing body of the AQA.

During the year NZVCC applied for and received \$410,000 (2019, \$400,000) of University Annual Grants on behalf of the AQA. These funds were then paid to the AQA upon receipt of an invoice.

NZVCC provided serviced offices and provided other administrative services to AQA during the year and received \$42,009 (2019, \$61,813) revenue for these services.

The Universities are a related party by virtue of the fact that they provide the majority of the funding for the NZVCC. During the year NZVCC applied for and received from the universities the following in University Annual Grants.

	Group 2020	Group 2019	NZVCC 2020	NZVCC 2019
	\$	\$	\$	\$
The University of Auckland	595,894	577,403	507,213	490,988
Auckland University of Technology	330,316	325,915	281,159	277,138
The University of Waikato	220,621	237,402	187,788	201,872
Massey University	337,497	327,994	287,270	278,906
Victoria University of Wellington	351,581	312,104	299,258	265,394
University of Canterbury	307,628	301,144	261,847	256,074
Lincoln University	149,818	146,156	127,522	124,282
University of Otago	461,645	444,582	392,943	378,046
Total	\$2,755,000	\$2,672,700	\$2,345,000	\$2,272,700

The Universities provided funding for the Graduate Longitudinal Study New Zealand (GLSNZ). The University of Otago is undertaking this study. These funds are paid to the University of Otago upon receipt of an invoice.

	Group 2020 \$	Group 2019 \$	NZVCC 2020 \$	NZVCC 2019 \$
The University of Auckland	0	14,042	0	14,042
Auckland University of Technology	0	7,926	0	7,926
The University of Waikato	0	5,774	0	5,774
Massey University	0	7,977	0	7,977
Victoria University of Wellington	0	7,590	0	7,590
University of Canterbury	0	7,324	0	7,324
Lincoln University	0	3,555	0	3,555
University of Otago	0	10,812	0	10,812
Total	\$0	\$65,000	\$0	\$65,000

The Universities Cost-splitting income provides funding for specific projects. In 2020 calendar year \$170,000 additional funding was received from the Universities for the Universities NZ Enhanced Work Programme for the 2020 calendar year.

	Group 2020 \$	Group 2019 \$	NZVCC 2020 \$	NZVCC 2019 \$
The University of Auckland	47,973	36,726	47,973	36,726
Auckland University of Technology	26,965	20,730	26,965	20,730
The University of Waikato	19,264	15,100	19,264	15,100
Massey University	27,233	20,863	27,233	20,863
Victoria University of Wellington	26,488	19,852	26,488	19,852
University of Canterbury	24,961	19,155	24,961	19,155
Lincoln University	12,124	9,296	12,124	9,296
University of Otago	36,991	28,278	36,991	28,278
Total	\$221,999	\$170,000	\$221,999	\$170,000

The University of Auckland provides assistance with Copyright issues and NZVCC pays for these services upon receipt of an invoice 2020, \$27,750 (2019, \$37,000).

Key Management employees received the following forms of compensation during the course of the year.

	Group 2020 \$	FTE's 2020	Group 2019 \$	FTE's 2019	NZVCC 2020 \$	FTE's 2020	NZVCC 2019 \$	FTE's 2019
Key Management Personnel	765,413	4	721,235	4	546,827		520,971	3
AQA Board Honoraria	32,652	7 People	23,305	7 People	0	3 People	0	0 People
	798,065		744,540		546,827		520,971	

24 Commitments and contingencies

Commitments

There are no capital commitments at 30 June 2020. (2019 Nil)

Contingent liabilities

There are no contingent liabilities at 30 June 2020. (2019 Nil)

25 Events after reporting date

There were no significant events after the balance date.

26 COVID-19

The COVID-19 pandemic has not had a significant impact on the 2020 financial year, as staff were able to continue their work remotely. COVID-19 is not expected to impact NZVCC operationally going forward, however there will be a shift in focus towards mitigating the effects of COVID-19 on international education revenue and on other related areas that have reduced the ability of New Zealand universities to be part of an international research system.