

**NEW ZEALAND
VICE-CHANCELLORS' COMMITTEE**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

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FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

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**NEW ZEALAND VICE-CHANCELLORS' COMMITTEE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

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 Education and Training Act 2020 Part 4 section 311-313 and Schedule 12 sets out the administrative provisions applying to New Zealand Vice-Chancellors' Committee. 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 \$2,695,000 from the universities were the main source of funding received by the Committee. \$2,345,000 was for the Committee and \$350,000 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.

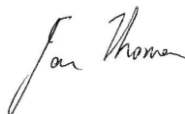
**NEW ZEALAND VICE-CHANCELLORS' COMMITTEE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

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 2021 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.



Professor Jan Thomas
Chair
New Zealand Vice-Chancellors' Committee



Chris Whelan
Chief Executive
New Zealand Vice-Chancellors' Committee

**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 2021, 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 2021; 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 2021.

Our audit was completed on 28 September 2021. 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.

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 and Training Act 2020.

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

**NEW ZEALAND VICE-CHANCELLORS' COMMITTEE
STATEMENT OF OBJECTIVES
FOR THE YEAR ENDED 30 JUNE 2021**

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.

NEW ZEALAND VICE-CHANCELLORS' COMMITTEE STATEMENT OF PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

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 120 new qualifications in 2020 to be offered in 2021.

(b) Objective

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

Achievements

- CUAP published the 2021 edition of the CUAP Handbook. 100 hard copies were printed to be sent to key stakeholders. The 2021 CUAP Handbook is also available on the Universities NZ website.
- 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 2020 workshop was clarification on the application of CUAP processes and a discussion on proposed process improvements.
- The Universities NZ Portfolio Manager – Academic Programmes met with representatives from the Teaching Council and Social Workers Registration Board.

(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 three times.
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 once (via Zoom).
CUAP's Subcommittee on University Entrance made a submission on the Ministry of Education's NCEA Change Programme and NZQA's Te Ao Haka listing on the University Entrance approved subjects 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 (NZQA).

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

- (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 three times.*

Total budget for academic services: \$263,645

Total cost for academic services: \$337,584

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 36 scholarship programmes.

For the programmes Universities NZ:

- *made 67 scholarship or fellowship awards on behalf of sponsors and donors.*
- *made 21 nominations of NZ applicants to overseas decision-making bodies.*
- *Made 4 award payments on behalf of an external funder*

Total budget for scholarship services: \$395,468

Total cost for scholarship services: \$365,560

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 2020/21 – in August 2020 and February 2021.

(b) **Ministers and Government Agencies**

Objective

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

Achievements

This period was substantially dominated by the impact of COVID-19. Key workstreams over the year included;

- *Options for bringing in international students via managed isolation pathways – initially via two cohorts of 250 and then 1000 students.*
- *Implementing a new Code for the Pastoral Care of Domestic and International Students*
- *Receiving and implementing a sub-delegation from the New Zealand Qualifications Authority for administering some elements of the Code for the Pastoral Care of Domestic and International Students in the university sector.*
- *Starting a whole-of-sector project to use analytics and data to improve outcomes for learners.*

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

Submissions were made to the Government during 2020/21 on the following subjects;

- *Submission to the Education and Workforce Select Committee Inquiry into Student Accommodation (June 2020 and February 2021)*
- *Submission regarding the Government's consultation on the Annual Maximum Fee Movement (August 2020)*
- *Submission on the Government's response to the Performance-Based Research Funding (PBRF) Review Findings (October 2020)*
- *Submission on Extending Government Procurement Rules to the University Sector November 2020)*
- *Submission on the Education (Pastoral Care of Tertiary and International Students) Code of Practice (May 2021)*
- *Submission on changes to the setting of Compulsory Student Services Fees (June 2021)*
- *Universities NZ Submission on the Immigration (Covid-19) Amendment Bill (April 2021)*
- *Universities NZ Submission on the Aotearoa New Zealand Infrastructure Strategy Consultation Document (July 2021)*

(c) The Public and Non-Government Stakeholders

Objective

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

Achievements

- *Engagement with the public and other non-Government stakeholders was limited in 2020/21 due to COVID-19.*
- *Universities NZ published three newsletters.*
- *Major submissions and media releases were published on the Universities NZ website.*
- *The Graduate Outcomes tools on the Universities NZ website was updated so 2013 Census data was replaced with 2018 Census data to better communicate earnings and employment outcomes of university graduates.*

(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

- Contributed to the development of an Openness Agreement for the Australian and New Zealand Council for the Care of Animals in Research and Teaching.
- Prepared a resource for outgoing New Zealand Ministry of Foreign Affairs and Trade (MFAT) staff member on the Canadian - New Zealand University Research Links in support of MFAT's pre-posting programme.
- Engaged with the head of MFAT's Economic Division to advise on universities' future strategic international relationships in a post-COVID-19 world.
- Contributed to a project to improve sector wide administrative efficiency and effectiveness for CoREs.
- Engaged with early career researchers from Te Punaha Matatini Whanau.
- Engaged with Hon Dr Ayesha Verrall (Labour list MP from Wellington, Minister for Food Safety, Minister for Seniors, and Associate Minister of Health and Associate Minister of Research, Science and Innovation) regarding her portfolios and her responsibility for the connection between education and research.
- Prepared Universities NZ Chief Executive for participation in the international discussion regarding "Research and Innovation Dimensions of Universities and their European Relations".
- Contributed to Universities NZ's Briefing to the Incoming Minister – 'Maximising impact from research and Innovation'.
- Contributed to managing the ongoing impact of COVID-19 pandemic on universities' operations (e.g., PhD students commencing studies offshore/remotely, and the impact of the escalation of alert levels on research animal welfare).
- Participated in the Early Research Career Workforce Workshop held by the Royal Society Te Apārangi.
- Submitted an application to MBIE's Equity, Diversity, and Inclusion Fund in partnership with Universities NZ's Te Kāhui Amokura (TKA).
- Engaged with the findings of the review of Crown Research Institutes.
- Contributed to the review of MFAT's export control framework undertaken by David Smol.
- Protective security requirements programme
 - Established a Trusted Research – Protective Security Requirements working group guided by a formal terms of reference
 - Partnered with the Protective Security Agency and Science NZ to produce "Trust Research: Guidance for Institutions and Researchers".
 - Produced a draft "Guide for University Leaders in Aotearoa New Zealand" and a draft "detailed roadmap".
 - Engaged with international jurisdictions for advice.
 - Engaged with multiple other Universities NZ Committees and officials (MBIE, MFAT, New Zealand Security Intelligence Service (NZSIS), Protective Security Requirements (PSR) and Department of the Prime Minister and Cabinet (DPMC)).
- Prepared a presentation to MBIE on the research workforce based on accessible databases (e.g., the integrated data infrastructure).

- Nominations were put forward for new members of the governance group for New Zealand's Biological Heritage National Science Challenge and Universities NZ's representative on the Loder Cup Committee.
- Continued the programme to strengthen the relationships between universities and the relevant departmental Chief Science Advisors.
- Invited contribution to an international conference in Brazil (Panel Discussion - International Cooperation Strategies for Health Innovation, 1st International Symposium on Research and Innovation).
- Made a formal submission to Ministry of Education (MoE) regarding the 2019 review of the PBRF report.
- Worked with the Royal Society Te Apārangi to finalise 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.
- Finalised the terms of reference for the project "Evidence-based policy development and evaluation" in collaboration with DPMC and the Office of the Prime Minister's Chief Science Advisor (PMCSA).
 - Ran four focus groups and produced report "Improving knowledge sharing between university academics & policy makers".
 - Contributed to development of online survey of academics.
 - Participated in DPMC's case study regarding NZ's response to COVID-19.

(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:

- *Māori Peak Bodies (Education)*
- *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) – Hon. Kelvin Davis*
- *Tertiary Education Commission (TEC)*
- *Ministry of Education (MoE)*
- *New Zealand Qualifications Authority (NZQA)*
- *Te Apārangi - Royal Society of New Zealand*
- *Ngā Pae o te Māramatanga*
- *Education New Zealand*

Other achievements included:

- *Continuation of formal relationship with Minister Davis – Associate Education Minister, Māori*
- *Māori Leadership – University Advocacy and Te Tiriti*
- *Leading government agency workshops (MoE, TEC) regarding Māori achievement – Budget Bid Submission (2022 – Delayed due to COVID)*
- *Developed opinion piece for e-tangata – "Hands on the Māori Future"*
- *Formal submission to the Ministry of Education regarding the review of the PBRF*
- *Updating and secured funding from Education New Zealand for the delivery of the TKA/Committee on International Policy (CIP) Indigenous Internationalisation Plan*
- *Enhancement Theme Steering Group (Cycle 6 – AQA)*
- *Complex Project Work Programme – Learner Success Analytics, Privacy Security Requirements*
- *Memorandum of Understanding signed with Te Mana Ākonga – National Māori Students Association*
- *Participated in International Conferences – FAUBAI, Kōrerorero Series, Enhancement Theme – Scotland QAA*

(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)*
- *Tertiary Sub Sector Advisory Group (NZQA) – Code for Pastoral Care*

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

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)*
- *Te Apārangi – Royal Society of New Zealand*
- *Ministry of Pacific Peoples (MPP)*

Other achievements included:

- *Formal relationship established with Minister Aupito Su'a William Sio (Associate Minister Education – Pacific)*
- *Pacific Leadership – University Advocacy*
- *Established relationship with Taura Pasifika – National Pacific Students Association*
- *Complex Project Work Programme – Learner Success Analytics, Privacy Security Requirements*
- *Data engagement with Statistics New Zealand (Pacific Peoples and classifications)*
- *Universities NZ Pacific Policy Advisor role established (2020)*

(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:

- *Development and review of a Universities National Covid-19 Levels Operational Framework*
- *Contributed to the AQA – “Good Practice Assessment of Online Teaching in Universities in Aotearoa New Zealand during the COVID-19 Pandemic and Lessons for the Future”*
- *Enhancement Theme Steering Group (Cycle 6 – AQA)*

(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 six meetings in 2020/2021*
- *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

- *Negotiated the main Copyright Licence with Copyright Licensing New Zealand (CLNZ). The Licence was close to being signed at the end of this year.*
- *Did work to prepare for reform of the Copyright Act – now deferred until at least 2022.*
- *Saw the Universities NZ Copyright Officer, Melanie Johnson retired on 30 June 2021 after 13 years in the role and a new Copyright Officer was appointed to replace her. The new Copyright Officer Anna Rennie commenced work on 31 May 2021.*

(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 Universities NZ website, including revamping the Home page to allow greater flexibility in presentation
- Updated Key Facts & Stats publication for the university sector
- Updated student directory: Thinking about university? A guide for students, parent and whānau
- Created thinkingaboutuni.nz website to accompany student directory
- Created websites for NZ's Sustainable Development Goals (<https://www.sdgsummits.nz/>) and addressing sexual harm (<https://www.notonmycampus.nz/>)
- Developed 10 media releases and news stories, coordinated comments and quotes, facilitated interviews with the Chief Executive and Chair
- Supported the work of Universities NZ portfolio managers, including updating and publishing CUAP Handbook 2021
- Published regular newsletter on sector issues
- Supported work of university communications teams; created and maintained WhatsApp group and held regular Zoom meetings
- Held annual event for University Communication Managers (Dec 2020)
- Other support work for Vice-Chancellors and Universities NZ.

(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
- 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
- Completed pan-university initiatives:
 - Developed a Future Focus Programme for the university sector
 - Implemented the second phase of the Latin America Strategy; and associated Agent Strategy
 - Developed a short term recovery plan for the universities
 - Implementation of the 250 and 1000 student cohorts border exemption

(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 (ICT) Committee held eight meetings via Zoom in 2020/2021
- Focus areas for the ICT Committee include ensuring universities' operations during COVID; addressing and managing cybersecurity risks; and collaborating with other Universities NZ committees on shared issues and priorities (e.g., security)
- Negotiations for Microsoft licensing are still ongoing

(m) **Libraries**

Objective

To work collaboratively on strategic issues affecting libraries, both nationally and internationally, and improve access for students and staff of NZ universities to the information resources required to advance teaching, learning, research and student success.

Achievements

- *The Council of NZ University Librarians (CONZUL) held nine zoom meetings in 2020/21.*
- *Progressed the understanding and move toward Open Access in universities. Supported a paper on open access in NZ universities that was recently published in PeerJ.*
- *Worked collaboratively on the safe provision of library services during the various changes in COVID alert levels.*
- *Worked with Council of Australian University Librarians (CAUL) on a number of projects of mutual interest including Digital Dexterity, Advancing Open Scholarship (FAIR), and more recently, Respecting Indigenous Knowledge and Building Sustainable Leadership.*
- *Worked with CAUL as part of a consortium for content procurement resulting in a combined AU\$7.7M savings on information resources for 2021 across the sector*
- *Reviewed the CONZUL collaborative print journal store, with an agreement to close this store in 2022 as there is now other options for access that are more efficient and cost-effective.*
- *Provided advocacy support for the National Library of New Zealand strategy to prioritise their Aotearoa, Māori and Pacific collections, and downsize their international collections*

(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 Management Committee met four times via Zoom in 2020/2021*
- *Prepared sector submission on the Infrastructure Commission's 30-Year Infrastructure Strategy*
- *Held workshop to identify and discuss key priorities and risks for the sector for 2021/2022*
- *Established a Space Managers community of practice*
- *Continued to support Asset Managers community of practice*

(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

- *Worked with the TEC to resolve persisting issues surrounding the implementation of the government's fees-free policy.*
- *Engaged with the TEC and/or MoE on:*
 - *the impact of COVID-19 on university operations, the Investment Plan Round, international students, and educational performance indicators*
 - *TEC's Data2020 project*
 - *a replacement of the Tertiary Data Warehouse which MoE decided to decommission*
 - *Unified Funding System (UFS) - including the impact of UFS on university Foundation programmes*
 - *Equity reporting*
 - *Investment plan round 2020 and 2021*
 - *Post-election insights*
 - *Budget 2021 and the implications for universities*
 - *The new Tertiary Education Strategy*
 - *Domestic student enrolment increases and associated additional SAC funding requests.*
 - *MoE's demand forecast*
- *Gathered early student enrolment data for the sector's planning purposes.*
- *Commenced work to design a common set of 5-6 questions to be used in all university graduate surveys from 2022. This included the drafting of a formal Terms of Reference for the working group to comment.*
- *Contributed to Universities NZ's student success (data analytics) project.*
- *Made a formal submission to government on the Tertiary Education 2021 Annual Maximum Fee Movement Notice of 2020.*
- *Drafted a discussion paper for Planning Directors Micro-Credentials – Streamlining Funding Approval, Enrolment Data Collection and Responding to Industry Needs.*
- *Engaged with Universities NZ's Research Committee's Trusted-Research - Protective Security Response workstream.*

(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

- The Committee on Student Administration and Academic Services (CSAAS) met nine times.
- CSAAS continued to liaise closely with StudyLink and NZQA on matters related to enrolment and admission.
- CSAAS met with Higher Education Services (HES) to discuss matters related to My eQuals.

(q) Administrative Support**Objective**

To provide administrative support to inter-university initiatives.

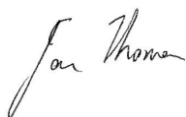
Achievements

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 Māori Staff Development Programme, the Council of Deans of Education and to the Tertiary ICT Conference.

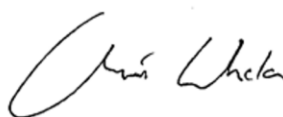
The 'Total budget for policy advice and coordinating services' figure reflects the Universities NZ budget as it was set at the start of the financial year. The budget figure is not revised as the year proceeds, however the eight universities do occasionally commit to additional one-off projects after the budget is set and provide additional funding for them. In this year, an additional \$361,890 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:	\$1,977,337
Total cost of policy advice and co-ordinating services:	\$2,189,688

Total budget for all outputs:	\$2,636,450
Total cost for all outputs:	\$2,892,832



Professor Jan Thomas
Chair
NZ Vice-Chancellors' Committee



Chris Whelan
Chief Executive
NZ Vice-Chancellors' Committee

ACADEMIC QUALITY AGENCY FOR NEW ZEALAND UNIVERSITIES

STATEMENT OF PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

Contextual Information

The Academic Quality Assurance Agency for New Zealand Universities (AQA) was established by the New Zealand Vice-Chancellors' Committee (NZVCC) in 1993 as an operationally independent body to carry out institutional quality assurance and promote quality enhancement for the universities.¹

The Purpose of AQA is to contribute to the advancement of New Zealand university education by:

- engaging as a leader and advocate in the development of universities based on high quality, internationally acceptable, academic practices;
- providing quality assurance and quality enhancement services which assist universities in facilitating excellent student experience and learning outcomes; and
- supporting confidence in the academic quality of New Zealand universities.²

It achieves its purpose through two strategic goals:

- | | |
|-------------------------|--|
| G1 Quality Assurance: | AQA's audits are robust, independent, fair and perceptive, reflect international best practice, assist universities and their students and give national and international confidence in the academic quality of New Zealand universities. |
| G2 Quality Enhancement: | AQA facilitates and supports an enhancement orientation to quality assurance in New Zealand universities and in its own activities. |

These goals are in turn pursued through seven strategies.

The 2020/21 period was characterised by the deferral of the audit phase of the Cycle, ongoing preparation for the audit phase of the Cycle, undertaking a *Good Practice Assessment of Online Teaching in Universities in Aotearoa New Zealand during the COVID-19 Pandemic and Lessons for the Future* and developing responses to recommendations made in the five-yearly external review of AQA.

¹ Originally established as the New Zealand Universities Academic Audit Unit.

² AQA (2018). Constitution. Retrieved from https://www.aqa.ac.nz/sites/all/files/AQA%20Constitution%20Approved%20April%202018_0.pdf

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

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 2020/21 is the commencement of the audit phase of Cycle 6. The first two universities in the cycle are due to have submitted their self-review portfolios in the period of this SPE and the site visit for the first university in the cycle is scheduled for the last week in June 2021. Auditor recruitment and training will be also be a priority over this period.

Measure	2020/21 Delivered	2020/21 Planned	2019/20 Delivered	2019/20 Planned
1.1 Receive mid-cycle reports as per indicative timeline	2 (Otago, AUT)	1 (AUT)	1 (Lincoln, Otago delayed due to COVID-19)	2 (Lincoln, Otago)
1.2 Recruit auditors for Cycle 6	46 auditors appointed; 4 Māori auditors; 5 student auditors	40 auditors, including at least 8 Māori auditors and 8 student auditors recruited	37 auditors appointed to the Cycle 6 Register	20 auditors recruited
1.3 Pilot auditor training and develop online materials (deferred from 2019-20)	Deferred to 2021-22	1 pilot plus 1 workshop delivered, online materials developed	Defer to 2020-21 (was 1.5)	1 pilot plus 1 workshop delivered, online materials developed
1.4 Audit operations manual redeveloped	0 Defer to Q1 (2021-22)	1	New measure in 2020-2021	
1.5 Student Voice Summit held	1 (19 November 2020)	1	1 (14 November 2019)	1

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.

Measure	2020/21 Delivered	2020/21 Planned	2019/20 Delivered	2019/20 Planned
2.1 Publication of AQA newsletter	4	4	4	4
2.2 Workshops and/or meetings held with New Zealand universities on matters pertaining to university quality	1 (Quality Forum 20 November 2020 – online)	1	1 (Quality Forum held 31 October 2019)	1
2.3 Produce 'Good practice assessment' report identifying good practice in universities' online teaching in response to Covid-19	1 submitted to DVCsA 26 May 2021; published on AQA website June 2021	1	New measure in 2020-2021	

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 September 2020) 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 23 November 2025). 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.

Response to recommendations in the 2020 external review of AQA will commence in the period this SPE covers and AQA's strategic framework will be reviewed and renewed.

Measure	2020/21 Delivered	2020/21 Planned	2019/20 Delivered	2019/20 Planned
3.1 Membership of related national boards, committees and working groups	3 (JCG, NZQF Review Advisory Group University of Waikato External Advisory Group)	2	2 (JCG, NZQF Review Advisory and Expert Working groups)	2 (JCG, NZQF Review Advisory Group, NZQF Expert Group)
3.2 Gain or add value from international engagement, demonstrated through practice change, invitations to undertake work internationally, provide advice or contribute to conferences.	3 (Pacific Quality Forum 28 October 2020; International Enhancement Conference 4 November 2020; paper review for Journal of Higher Education and Policy Management)	2	3 (TEQSA workshops, FNU Review, Student Voice Australia 11 October 2019)	2
3.3 Biennial QE/communications survey of stakeholders	1	1	Biennial	Biennial
3.4 Complete enhancement initiatives from Self-review report	0 (to be aligned with recommendations made in the 2020 external review of AQA; deferred pending VCs' response to proposed response to recommendations)	4 (EI 1 Review publication formats and channels; EI 5 Consider publishing AQA Board agendas and minutes; EI 7 Review mechanisms for improving public understanding; EI 8 Give effect to acknowledgement of Te Tiriti o Waitangi).	Changed measure for 2020-21	
3.5 Respond to recommendations in 2020 external review of AQA	1 (The AQA Board has recommended proposed responses to recommendations to the VCs)	1	New measure in 2020 - 21	
3.6 Review AQA's Strategic Framework	0 (defer to 2021-22)	1	New measure in 2020 - 21	

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

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	2020/21 Delivered	2020/21 Planned	2019/20 Delivered	2019/20 Planned
4.1 Review of annual service lease agreement with Universities NZ	Not complete	Review completed and lease re-signed	Review completed and lease re-signed 26 June 2020	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 approved	Annual grant approved	Annual grant to ensure financial sustainability of AQA approved as sought

Total budget for Academic Quality Agency for NZ Universities

\$359,941

Total cost for Academic Quality Agency for NZ Universities


\$350,874

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 2021



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

Date: 19 August 2021

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 2021**

	Note	Group Actual 2021	Group Budget 2021	Group Actual 2020	NZVCC Actual 2021	NZVCC Budget 2021	NZVCC Actual 2020
Revenue							
University Annual Grants		2,695,000	2,695,004	2,755,000	2,345,000	2,345,000	2,345,000
University Cost-splitting Income		140,856	0	200,885	140,856	0	200,885
Audit Fees		0	0	34,500	0	0	0
Administration Fees		50,274	50,350	51,465	50,274	50,350	51,465
Interest Revenue - Bank Term Deposits		11,408	14,300	23,664	8,247	11,800	16,681
Rent & other services revenue		0	3,900	35,775	42,802	42,800	77,784
Sundry Revenue		386,034	87,500	225,980	386,034	87,500	213,323
Total Revenue		3,283,572	2,851,054	3,327,269	2,973,213	2,537,450	2,905,138
Less Expenditure	6	3,200,904	2,957,491	3,341,241	2,892,832	2,636,450	2,956,571
Surplus/(Deficit) for the year		\$82,668	(\$106,437)	(\$13,972)	\$80,381	(\$99,000)	(\$51,433)
Other Comprehensive Revenue and Expense		0	0	0	0	0	0
Total comprehensive revenue and expense for the year		\$82,668	(\$106,437)	(\$13,972)	\$80,381	(\$99,000)	(\$51,433)

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 2021**

	Group Actual 2021 \$	Group Budget 2021 \$	Group Actual 2020 \$	NZVCC Actual 2021 \$	NZVCC Budget 2021 \$	NZVCC Actual 2020 \$
Equity at start of the year	815,391	815,391	829,363	475,341	475,341	526,774
Total Comprehensive Revenue and Expense for the year	82,668	(106,437)	(13,972)	80,381	(99,000)	(51,433)
Equity at end of the year	\$898,059	\$708,954	\$815,391	\$555,722	\$376,341	\$475,341

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 2021**

	Note	Group Actual 2021 \$	Group Budget 2021 \$	Group Actual 2020 \$	NZVCC Actual 2021 \$	NZVCC Budget 2021 \$	NZVCC Actual 2020 \$
Assets							
Current Assets							
Cash and cash equivalents	7	1,250,050	1,075,263	1,056,907	1,123,350	947,913	925,946
Bank Investments	8	3,346,159	3,452,872	3,453,341	3,103,155	3,213,440	3,213,440
Receivables (from exchange transactions)	9	53,673	77,000	115,562	52,296	75,000	112,921
Recoverables (from non-exchange transactions)	10	50,000	61,871	60,401	50,000	61,871	60,401
		4,699,882	4,667,006	4,686,211	4,328,801	4,298,224	4,312,708
Non-Current Assets							
Property, Plant & Equipment	11	93,850	87,142	77,617	93,850	86,417	77,617
Intangible Assets	12	15,487	14,702	31,552	14,762	14,702	30,102
JM Wealth Investment Portfolio	8	1,870,266	1,255,247	1,255,247	1,870,266	1,255,247	1,255,247
		1,979,603	1,357,090	1,364,416	1,978,878	1,356,365	1,362,966
Total Assets		6,679,485	6,024,096	6,050,627	6,307,679	5,654,589	5,675,674
Liabilities							
Current Liabilities							
Payables (from exchange transactions)	13	155,706	185,000	115,235	127,169	155,000	94,111
Non-exchange liabilities			0				
Scholarship Commitments	14	53,030	16,195	17,225	53,030	16,195	17,225
Employee benefit liability	15	167,748	347,457	262,239	163,398	342,457	245,457
Income in Advance	17	305,055	300,000	382,482	305,055	300,000	382,482
GST Payment/(Refund)		(34,110)	9,718	4,281	(30,692)	7,824	7,284
CONZUL	18	34,675	19,595	19,595	34,675	19,595	19,595
Māori Staff Development	18	96,947	98,000	98,000	96,947	98,000	98,000
NZ Council of Deans of Education	18	180,889	187,467	187,468	180,889	187,467	187,468
NZ Universities Women in Leadership	18	162,967	17,832	17,832	162,967	17,832	17,832
NZUWiL - POD Fund	18	5,896	5,895	5,897	5,896	5,895	5,897
Tertiary ICT Fund	18	118,767	118,767	118,766	118,767	118,767	118,766
		1,247,570	1,305,926	1,229,020	1,218,101	1,269,032	1,194,117
Non-Current Liabilities							
Employee benefit liability	15	3,401	8,976	5,976	3,401	8,976	5,976
Non-exchange liabilities							
Scholarship Commitments	16	4,530,455	4,000,240	4,000,240	4,530,455	4,000,240	4,000,240
		4,533,856	4,009,216	4,006,216	4,533,856	4,009,216	4,006,216
Total Liabilities		5,781,426	5,315,142	5,235,236	5,751,957	5,278,248	5,200,333

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 2021

	Note	Group Actual 2021 \$	Group Budget 2021 \$	Group Actual 2020 \$	NZVCC Actual 2021 \$	NZVCC Budget 2021 \$	NZVCC Actual 2020 \$
Net Assets/Equity							
Accumulated revenue and expense		898,059	708,954	815,391	555,722	376,341	475,341
Net assets/equity attributable to the owners of the controlling entity		898,059	708,954	815,391	555,722	376,341	475,341
Total Net Assets/Equity		\$898,059	\$708,954	\$815,391	\$555,722	\$376,341	\$475,341
Total net Assets/Equity and Liabilities		\$898,059	\$708,954	\$815,391	\$555,722	\$376,341	\$475,341

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 2021

Note	Group Actual 2021 \$	Group Budget 2021 \$	Group Actual 2020 \$	NZVCC Actual 2021 \$	NZVCC Budget 2021 \$	NZVCC Actual 2020 \$
Cash Flows From Operating Activities						
Interest Received	73,501	14,269	26,970	70,044	11,800	19,501
Annual Grants from Universities	2,695,000	2,695,004	2,755,000	2,345,000	2,345,000	2,345,000
Administration Fees	52,075	50,350	25,425	52,075	50,350	25,425
Audit Fees	0	0	34,500	0		0
Accumulation of Scholarship Funds	(67,092)	(2,500)	78,486	(67,092)	(2,500)	78,486
Goods and Services Tax	(34,577)	8,689	(11,139)	(34,863)	3,701	(12,410)
Other Receipts	695,289	80,368	519,798	695,289	80,368	550,041
Payments to Suppliers	(1,250,065)	(1,754,823)	(1,272,084)	(1,139,142)	(1,633,000)	(1,126,673)
Payments to Employees	(2,008,484)	(1,034,003)	(1,879,469)	(1,764,801)	(794,753)	(1,650,686)
Net Cash Flows from Operating Activities	155,647	57,354	277,487	156,510	60,966	228,684
Cash Flows From Investing Activities						
Decrease/(Increase) in Term Deposits & Portfolio	96,602	0	(82,310)	100,000	0	(75,000)
Purchase of intangible assets	0	0	0	0	0	0
Purchase of Property, Plant & Equipment	(59,106)	(39,000)	(42,872)	(59,106)	(39,000)	(42,872)
Net Cash Flows From Investing Activities	37,496	(39,000)	(125,182)	40,894	(39,000)	(117,872)
Net Increase (Decrease) In cash and cash equivalents	193,143	18,354	152,305	197,404	21,966	110,812
Opening Cash at Beginning of Year	1,056,907	1,056,907	904,601	925,946	925,946	815,134
Closing Cash at 30 June 2021	\$1,250,050	\$1,075,261	\$1,056,907	\$1,123,350	\$947,912	\$925,946
Represented by:						
Petty Cash	589		773	414		578
Bank of New Zealand Current accounts	1,249,461		1,056,134	1,122,936		925,368
7	\$1,250,050		\$1,056,907	\$1,123,350		\$925,946

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 2021

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. The Education and Training Act 2020 Part 4 section 311-313 and Schedule 12 sets out the administrative provisions applying to NZVCC. 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 2021 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 Professor Jan Thomas, Chair of NZVCC on 28 September 2021.

(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 2021 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 2021 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 October 2020 (NZVCC) and April 2020 (AQA) meetings.

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 2020.

6 Expenses

	Note	Group Actual 2021 \$	Group Budget 2021 \$	Group Actual 2020 \$	NZVCC Actual 2021 \$	NZVCC Budget 2021 \$	NZVCC Actual 2020 \$
ACC Levy		2,895	4,650	3,290	2,584	4,000	3,099
ANZCCART-Contribution		40,000	40,000	40,000	40,000	40,000	40,000
Audit Fee	22	27,825	27,065	26,903	17,635	17,300	16,810
Accountancy		55,375	21,500	18,493	47,075	9,500	9,468
Advertising		3,040	12,000	113	2,890	8,000	0
Amortisation Intangible Assets		16,065	16,125	31,552	15,340	15,400	30,102
AQA Chairman & Board Honoraria		32,703	34,306	32,652	0	0	0
Bank Fees		960	1,948	2,074	792	1,600	1,651
Computer Maintenance and Training		92,771	102,560	120,020	92,263	98,500	119,674
Conference and Committee							
Expenses		21,263	44,000	94,939	20,385	42,500	81,481
Consultancy Fees		442,431	172,000	317,468	441,481	168,000	293,047
Depreciation Computer Equipment		28,625	25,200	26,427	28,625	25,200	26,427
Depreciation Office Equipment,							
Furniture & Fittings		14,248	5,000	9,899	14,248	5,000	9,899
Insurance		9,523	11,300	10,379	5,059	5,000	4,816
Interest		4	0	141	2	0	72
IRD Penalties		32	0	3	0	0	0
Legal Advisory Costs		90,301	28,000	0	90,301	28,000	0
Legal Costs		0	2,000	28,670	0	2,000	28,670
Occupancy Costs		21,925	20,000	18,918	21,925	20,000	18,918
Office Expenses and Administration		78,509	89,899	73,401	68,178	79,200	60,010
Occupancy Rent		167,052	161,800	156,479	167,052	161,800	156,479
Photocopier Lease		11,266	11,300	10,382	11,266	11,300	10,382
Publications and Reports		24,969	29,000	5,598	24,969	29,000	5,598
Salaries		1,879,755	1,922,928	1,966,336	1,653,648	1,701,000	1,735,842
Superannuation Contributions							
(including KiwiSaver)		79,818	77,880	88,751	70,963	69,000	79,596
Staff Training		5,977	12,750	8,573	5,760	12,750	8,573
Telephone, Tolls and Faxes		16,690	12,880	17,772	16,291	12,400	17,373
Travel and Accommodation		36,882	71,400	232,008	34,100	70,000	198,584
		\$3,200,904	\$2,957,491	\$3,341,241	\$2,892,832	\$2,636,450	\$2,956,571

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 \$361,890 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. An additional \$165,000 was also provided from NZQA for the establishment of the Universities Pastoral Care process.

7 Cash & Cash Equivalents

	Group 2021 \$	Group 2020 \$	NZVCC 2021 \$	NZVCC 2020 \$
Bank of New Zealand				
Current Account (0.05%)	76,960	105,256	50,124	89,841
Autocall Account (0.05%)	1,172,501	950,878	1,072,812	835,527
	1,249,461	1,056,134	1,122,936	925,368
Petty Cash	589	773	414	578
	\$1,250,050	\$1,056,907	\$1,123,350	\$925,946

8 Investments

	Group 2021 \$	Group 2020 \$	NZVCC 2021 \$	NZVCC 2020 \$
Current Investments				
Deposits with trading banks				
ASB Bank (Average Interest Rate 0.96%)	800,000	900,000	800,000	900,000
BNZ Bank (Average Interest Rate the Group 1.23%, NZVCC 1.28%)	2,517,831	2,514,432	2,275,000	2,275,000
Interest Accrued	28,328	38,909	28,155	38,440
	\$3,346,159	\$3,453,341	\$3,103,155	\$3,213,440
Term Investments				
JMIS Portfolio				
Financial assets held for sale:				
Investments in listed companies	1,521,518	903,218	1,521,518	903,218
Investments in capital notes	0	70,447	0	70,447
Investments in bonds	348,748	281,582	348,748	281,582
Investments in New Zealand fixed interest	0	0	0	0
	\$1,870,266	\$1,255,247	\$1,870,266	\$1,255,247
Total Investments	\$5,216,425	\$4,708,588	\$4,973,421	\$4,468,687

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 2021 \$	Group 2020 \$	NZVCC 2021 \$	NZVCC 2020 \$
Scholarships - exchange transactions	0	0	0	0
Sundry and miscellaneous exchange revenue	30,789	101,030	30,767	101,575
Prepayments	22,884	14,532	21,529	11,346
	\$53,673	\$115,562	\$52,296	\$112,921

10 Receivables – non-exchange transactions

	Group 2021 \$	Group 2020 \$	NZVCC 2021 \$	NZVCC 2020 \$
Scholarships - non-exchange transactions	50,000	60,401	50,000	60,401
	\$50,000	\$60,401	\$50,000	\$60,401

	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 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
Balance at 1 July 2020	82,239	57,496	139,735	82,239	57,496	139,735
Additions	26,463	32,643	59,106	26,463	32,643	59,106
Disposals	(4,711)	0	(4,711)	(4,711)	0	(4,711)
Balance at 30 June 2021	103,991	90,139	194,130	103,991	90,139	194,130
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
Accumulated depreciation and impairment losses						
Balance 1 July 2020	40,227	21,891	62,118	40,227	21,891	62,118
Depreciation expense	28,625	14,248	42,873	28,625	14,248	42,873
Elimination on disposal	(4,711)	0	(4,711)	(4,711)	0	(4,711)
Balance at 30 June 2021	64,141	36,139	100,280	64,141	36,139	100,280
Carrying amounts						
At 1 July 2019	25,567	45,504	71,071	25,567	45,504	71,071
At 30 June / 1 July 2020	42,012	35,605	77,617	42,012	35,605	77,617
At 30 June 2021	39,850	54,000	93,850	39,850	54,000	93,850

The additions were to Computer Equipment \$26,463 (2020, \$42,872) and Office Equipment \$32,643 (2020, \$0). Costs have reduced by items that had fully depreciated during the financial year on 1 July 2020.

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 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
Balance at 1 July 2020	235,332	235,332	221,412	221,412
Additions-Developed	0	0	0	0
Disposals	0	0	0	0
Balance at 30 June 2021	235,332	235,332	221,412	221,412
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
Accumulated Amortisation and impairment losses				
Balance 1 July 2020	203,780	203,780	191,310	191,310
Amortisation expense	16,065	16,065	15,340	15,340
Elimination on disposal	0	0	0	0
Balance at 30 June 2021	219,845	219,845	206,650	206,650
Carrying amounts				
At 1 July 2019	63,104	63,104	60,204	60,204
At 30 June / 1 July 2020	31,552	31,552	30,102	30,102
At 30 June 2021	15,487	15,487	14,762	14,762

There were no additions to the IT Software during this financial year 2021, \$0 (2020, \$0).

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

13 Payable – exchange transactions

	Group 2021 \$	Group 2020 \$	NZVCC 2021 \$	NZVCC 2020 \$
Exchange payments from scholarship funds	0	0	0	0
Sundry trade other payables	155,706	115,235	127,169	94,111
	\$155,706	\$115,235	\$127,169	\$94,111

14 Payable – non-exchange transactions

	Group 2021 \$	Group 2020 \$	NZVCC 2021 \$	NZVCC 2020 \$
Non-exchange payments from scholarship funds	53,030	17,225	53,030	17,225
	\$53,030	\$17,225	\$53,030	\$17,225

15 Employee benefit Liability

	Group 2021 \$	Group 2020 \$	NZVCC 2021 \$	NZVCC 2020 \$
Long Term Employee entitlements				
Retirement Leave	0	0	0	0
Long Service Leave	3,401	5,976	3,401	5,976
Total Long Term Employee entitlements	3,401	5,976	3,401	5,976
Short Term Employee entitlements				
Salary Accrual	21,676	130,489	19,394	120,246
Employer Superannuation Contribution on Salary Accrual	864	7,786	773	7,376
Annual Leave	110,290	87,329	108,389	81,435
Employer Superannuation Contribution on Annual Leave	4,521	3,250	4,445	3,015
Long Service Leave	8,900	14,052	8,900	14,052
Retirement Leave	20,896	19,333	20,896	19,333
Employer Superannuation Contribution on Long Service Leave	601	0	601	0
Total Short Term Employee entitlements	167,748	262,239	163,398	245,457
Total Employee Entitlements	\$171,149	\$268,215	\$166,799	\$251,433

16 Scholarship Commitments

	2021 \$	2020 \$
Balance at beginning of the year	4,000,240	3,966,278
Plus: Interest and Dividend Revenue	99,144	145,340
Funding	1,105,161	877,101
	<u>1,204,305</u>	<u>1,022,441</u>
	5,204,545	4,988,719
Less: Scholarships Allocated	<u>952,510</u>	<u>946,117</u>
	4,252,035	4,042,602
Allocation of fair value change	<u>278,420</u>	<u>(42,362)</u>
Balance at end of the year	\$4,530,455	\$4,000,240

For the Group and NZVCC Represented by:	2021 \$	Fair Value Change	Funds Received	Funds Allocated	2020 \$
Non-Interest Bearing Scholarships					
Asia 2000	238		0	0	238
Commonwealth Scholarship	23,212		0	0	23,212
Freyberg	59,001		0	57,500	116,501
Kitchener	0		0	0	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	0		1,505	1,530	25
Auckland Medical Aid Trust Scholarship	5,779		114	3,917	9,582
AUS Crozier Scholarship	2,564		47	0	2,517
Bank of New Zealand Scholarship	66,602		1,217	0	65,385
Bing's Scholarship	3,007		82	2,300	5,225
Bruce Cronin Scholarship	5,401		10,039	10,000	5,362
Buddle Findlay Centennial Scholarship	7,925		145	0	7,780
Children's Health Camps Scholarship	2,825		51	0	2,774
Claude McCarthy Fellowship	331,978		113,237	3,640	222,381
Dick & Mary Earle Scholarship	17,489		42,684	37,251	12,056
Douglas Myers	611		11,991	5,425	(5,955)
Edward & Isobel Kidson Scholarship	1,296,179	91,879	38,927	27,922	1,193,295
E W File Scholarship	20		0	0	20
Edna Waddell Scholarship	16,813		27,862	27,500	16,451
Electoral Commission Scholarship	107		2	0	105
Georgetti Scholarship	315,474		305,838	206,626	216,262
Girdlers	(3,646)		6,408	3,680	(6,374)
Gordon Watson Scholarship	879,730	90,403	34,782	28,151	782,696
Henry Kelsey Scholarship	3,264		30,059	30,000	3,205
J H Aspinall Scholarship	9		1	0	8
Judith Clark Fellowship	403		8	0	395
Kia Ora Foundation	48,656		67,423	61,798	43,031
Kiwi Music Scholarship	15,760		169,519	154,470	711
Kiwirail Group Ltd	11,375		12,142	10,000	9,233
L B Wood Traveling Scholarship	2,298		6,042	6,000	2,256
Mervyn Sterling Memorial Scholarship	6,914		127	1,000	7,787
NZ Association of Economists	139		3	0	136
NZFPA Alice Bush Scholarship	4,295		78	0	4,217
NZLF Ethel Benjamin	26,031		55,107	30,338	1,262
Sullivan Scholarship	31,904		624	3,260	34,540
PEANZ	861		16	0	845
Peter Windle Scholarship	24		1	0	23
Pukehou Pouto Scholarship	590,440	37,865	13,603	12,228	551,200
Resource Management Law Assn	5,779		105	0	5,674
Reynolds Scholarship	10,561		10,020	0	541
Rhodes Scholarship	4,144		8,238	7,639	3,545
Road Safety Research Scholarship	7,474		137	0	7,337
Robertson	619		18,884	8,884	(9,381)
Seafarers Union Scholarship	3,827		5,035	5,000	3,792
Shirtcliffe Fellowship	590,446	58,273	15,176	18,127	535,124
Spark Scholarship	691		45,075	45,000	616
Te Papa Atawhai (DOC)	37,636		150,136	112,500	0
Te Putea (Ministry of Transport)	28,800		537	556	28,819
Te Putea Awhina Akonga Māori A Te Manatu Waka	9,902		340	17,750	27,312
Todd Foundation Awards for Excellence	7,464		211	12,500	19,753
Tower Undergraduate Scholarship	19,654		359	0	19,295
Transit NZ Post Graduate Scholarships	19,790		362	0	19,428
Woolf Fisher	311		6	18	323
	\$4,530,455	\$278,420	\$1,204,305	\$952,510	\$4,000,240

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 \$48,054 (2020, \$76,366) 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 \$51,090 (2020, \$68,974) and \$278,420 (2020, -\$42,362) 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 Enhanced Communication Work Programme, Future Focus Programme, Te Kāhui Amokua Indigenous Internationalisation Project in the 2020/21 year that is ongoing as at 30 June 2021 and that the Committee has an obligation to continue in the 2021/22 year.

The liability held in income in advance is unspent income as at 30 June 2021 and will have matching expenditure in the 2021/22 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.

New Zealand 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 Financial Instruments

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

	Group 2021 \$	Group 2020 \$	NZVCC 2021 \$	NZVCC 2020 \$
Financial Assets				
Loans and receivables				
Cash and cash equivalents	1,250,050	1,056,907	1,123,350	925,946
Bank Term Investments	3,346,159	3,453,341	3,103,155	3,213,440
Receivables - exchange transactions	53,673	115,562	52,296	112,921
Recoverables - non-exchange transactions	50,000	60,401	50,000	60,401
Available for Sale				
JMIS Investment Portfolio	1,870,266	1,255,247	1,870,266	1,255,247
Financial Liabilities				
Financial liabilities measured at amortised cost				
Trade and Other payables	155,706	115,235	127,169	94,111

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 2020				
Financial Assets				
JMIS Investment Portfolio	1,255,247	1,255,247	0	0
30 June 2021				
Financial Assets				
JMIS Investment Portfolio	1,870,266	1,870,266	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 2021 \$	Group 2020 \$	NZVCC 2021 \$	NZVCC 2020 \$
Cash on Hand	589	773	414	578
Bank Balances	1,249,461	1,056,134	1,122,936	925,368
Receivables - exchange transactions	53,673	115,562	52,296	112,921
Recoverables - non-exchange transactions	50,000	60,401	50,000	60,401
Investments	1,870,266	1,255,247	1,870,266	1,255,247
Bank Deposits	3,346,159	3,453,341	3,103,155	3,213,440
BNZ Credit Cards	58,000	52,500	50,000	44,500

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.

20 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 2021 \$	Group 2020 \$	NZVCC 2021 \$	NZVCC 2020 \$
Not later than one year	168,788	168,922	168,788	168,922
Later than one year but not later than five years	356,336	525,124	356,336	525,124
Later than five years	0	0	0	0
Total lease commitments	\$525,124	\$694,046	\$525,124	\$694,046

The total expense for the year relating to the payment of leases was \$168,788 (2020, \$162,036).

21 Auditors' Remuneration

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

	Group 2021 \$	Group 2020 \$	NZVCC 2021 \$	NZVCC 2020 \$
Audit of the Financial Statements	26,000	25,350	16,435	15,960
Office Audit General overhead charge	1,350	1,350	850	850
Total	\$27,350	\$26,700	\$17,285	\$16,810

22 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 \$350,000 (2020, \$410,000) 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 \$42,802 (2020, \$42,009) 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 2021 \$	Group 2020 \$	NZVCC 2021 \$	NZVCC 2020 \$
The University of Auckland	583,865	595,894	508,039	507,213
Auckland University of Technology	333,961	330,316	290,589	281,159
The University of Waikato	217,890	220,621	189,592	187,788
Massey University	334,438	337,497	291,004	287,270
Victoria University of Wellington	329,070	351,581	286,334	299,258
University of Canterbury	294,793	307,628	256,509	261,847
Lincoln University	146,441	149,818	127,423	127,522
University of Otago	454,542	461,645	395,510	392,943
Total	\$2,695,000	\$2,755,000	\$2,345,000	\$2,345,000

The Universities Cost-splitting income provides funding for specific projects. In 2021 calendar year \$97,000 additional funding was received from the Universities for the Universities NZ Enhanced Work Programme for the 2021 calendar year.

	Group 2021 \$	Group 2020 \$	NZVCC 2021 \$	NZVCC 2020 \$
The University of Auckland	21,015	47,973	21,015	47,973
Auckland University of Technology	12,020	26,965	12,020	26,965
The University of Waikato	7,843	19,264	7,843	19,264
Massey University	12,037	27,233	12,037	27,233
Victoria University of Wellington	11,844	26,488	11,844	26,488
University of Canterbury	10,610	24,961	10,610	24,961
Lincoln University	5,271	12,124	5,271	12,124
University of Otago	16,360	36,991	16,360	36,991
Total	\$97,000	\$221,999	\$97,000	\$221,999

The University of Auckland provides assistance with Copyright issues and NZVCC pays for these services upon receipt of an invoice 2021, \$37,000 (2020, \$27,750). The amount of \$9,250, 2021 (\$0, 2020) were owed by NZVCC to The University of Auckland as at 30 June 2021.

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

	Group 2021 \$	FTE's 2021	Group 2020 \$	FTE's 2020	NZVCC 2021 \$	FTE's 2021	NZVCC 2020 \$	FTE's 2020
Key Management Personnel	687,243	4	765,413	4	474,267	3	546,827	3
AQA Board Honoraria	32,706	9 People	32,652	7 People	0	0 People	0	0 People
	719,949		798,065		474,267		546,827	

Commitments and contingencies

Commitments

There are no capital commitments at 30 June 2021. (2020 Nil)

Contingent liabilities

There are no contingent liabilities at 30 June 2021. (2020 Nil)

23 Events after reporting date

There were no significant events after the balance date.

24 COVID-19

The COVID-19 pandemic has not had a significant impact on the 2021 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.