
EMBARGOED UNTIL 4pm WEDNESDAY 26 OCTOBER 2016

Agenda

Date **Wednesday 26 October 2016**

Time 4.00pm

Venue Council Chamber, Matariki

Refer to
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1. APOLOGIES: Tony Hall, Bruce Gemmell
2. CONFLICTS OF INTEREST
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10. PUBLIC EXCLUDED MEETING

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

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

Item on Public Excluded Agenda	General Subject Matter	Reason for passing this resolution in relation to each matter	Grounds under section 48(1) for the passing of this resolution
7.1	Risk Report	To enable the free and frank expression of opinions by or between or to members or officers or employees of the University. To avoid prejudice to measures protecting the health or safety of members of the public.	7(f)(i) 7(d)
8.1	UC Futures	To enable the University to carry out, without prejudice or disadvantage, commercial activities.	7(h)
8.2	Implementation Health Precinct Business Case	To enable the University to carry out, without prejudice or disadvantage, commercial activities.	7(h)
8.3	UCSA Building Business Case	To enable the University to carry out, without prejudice or disadvantage, commercial activities.	7(h)
8.4	High Country Endowment Lands Update	To enable the University to carry out, without prejudice or disadvantage, commercial activities.	7(h)
8.5	Financial Forecast Report	To enable the University to carry out, without prejudice or disadvantage, commercial activities.	7(h)
8.6	GOG Papers	To enable the free and frank expression of opinions by or between or to members or officers or employees of the University.	7(f)(i)
8.7	Campus Transport Master Plan and Parking Fees	To enable the protection of such members, officers, employees, and persons from improper pressure or harassment To enable the University to carry out, without prejudice or disadvantage, commercial activities.	7(f)(ii) 7(h)
9.1	Draft minutes Audit and Risk 17 October	To enable the free and frank expression of opinions by or between or to members or officers or employees of the University.	7(f)(i)
9.2	UC Futures Key Risks	To enable the free and frank expression of opinions by or between or to members or officers or employees of the University. To avoid prejudice to measures protecting the health or safety of members of the public.	7(f)(i) 7(d)
9.3	Risk Register Review	To enable the free and frank expression of opinions by or between or to members or officers or employees of the University. To avoid prejudice to measures protecting the health or safety of members of the public.	7(f)(i) 7(d)
9.4	2017 Insurance Renewal	To enable the University to carry out, without prejudice or disadvantage, commercial activities.	7(h)
10.1	Honorary Degrees	The withholding of information is necessary to protect the privacy of natural persons	2(a)
10.2	Canterbury Museum Trust Board Appointment	The withholding of information is necessary to protect the privacy of natural persons	2(a)
11.1	Strategic Issues	To enable the free and frank expression of opinions by or between or to members or officers or employees of the University. To enable the University to carry out, without prejudice or disadvantage, commercial activities.	7(f)(i) 7(h)

I also move that the Deputy Registrar, UC Directors, Secretary of Academic Board and the University Council Co-ordinator be permitted to remain at this meeting because of their knowledge of the various matters being discussed. This knowledge will be of

assistance in relation to the matters discussed, and is relevant because of their involvement in the development of the reports to Council on these matters.

11. REPORT FROM THE PUBLIC EXCLUDED SESSION
12. GENERAL BUSINESS
13. NEXT MEETING –Wednesday 30 November 2016

Minutes

Date	Wednesday 28 September 2016
Time	4.06pm
Venue	Council Chamber, Level 6 Matariki
Present	Dr John Wood (Chancellor), Ms Sue McCormack (Pro-Chancellor), Dr Rod Carr (Vice-Chancellor), Mr James Addington, Mr Peter Ballantyne, Ms Catherine Drayton, Mr Bruce Gemmell, Mr Malcolm Peterson Scott, Mr Shayne Te Aika, Professor Roger Nokes, Mr Warren Poh.
Apologies	Mr Tony Hall
In Attendance	Mr Jeff Field, Registrar and University Council Secretary Mr Bruce White, Deputy Registrar Dr Hamish Cochrane, DVC (Academic) Professor Ian Wright, DVC (Research and Innovation) Ms Alex Hanlon, Executive Director, Learning Resources Mr Keith Longden, Chief Financial Officer Dr Andrew Bainbridge-Smith, Head of Academic Services Ms Robyn Nuthall, UC Futures Programme Manager Mr Dave Hawkey, UCSA CEO (until the end of agenda item 5.4) Mrs Joanne Noble-Nesbitt, Acting University Council Co-ordinator
CONFLICTS OF INTEREST	Mr Addington declared a conflict of interest with agenda item 5.3 (Election of student representative to Council). The conflict was noted.
MINUTES	The minutes of the meeting held on 31 August 2016 were approved.
MATTERS ARISING	Award to the Senior Risk and Insurance Advisor The Chancellor welcomed to the meeting Mrs Jacqui Lyttle, Senior Risk and Insurance Advisor. He noted that Mrs Lyttle had recently been named the New Zealand Risk Management Professional of the Year, jointly with the Chief Risk Officer of Infratil Ltd. The Council congratulated Mrs Lyttle on the award. Mrs Lyttle thanked those who had nominated her and the Audit & Risk Committee, Management Team and Council for their support. Faculty/College Merger Implementation Plan Dr Cochrane, DVC (Academic) reported that Academic Board continued to make good progress towards the implementation of the

new structure which would be effective on 1 January 2017. Terms of Reference and Standing Orders had been agreed and work was now progressing on the Academic calendar.

The University's solicitors had checked compliance with the 2006 Lawyer and Conveyancers Act ('the Act') and were satisfied that the proposed Terms of Reference and Standing Orders were compliant with the legislation. The Chancellor commented that Council had responsibility for statutory compliance and needed to be assured that the new structure and supporting documentation were legislatively compliant. If, as he understood, the legal opinion obtained from the University's lawyers, was accepted by the School of Law, then that obviated the need for Council to obtain its own independent legal advice.

Dr Cochrane confirmed that in order to comply with the Act the title 'School of Law' would need to be retained.

A question was raised regarding the timeline for review of the Terms of Reference and Standing Orders. Mr Cochrane reported that the PVCs had reviewed the documents and they had been sent to Faculties for review in October. Final drafts would be considered by Academic Board in November.

FROM THE CHANCELLOR

Chancellor's absence

The Chancellor would be absent from 4 to 10 October 2016 as he visited the United States with a UC delegation. The purpose of the trip was to visit institutions in North East USA where a series of alumni events and university meetings would be held. The UC delegation would also take the opportunity to visit university campuses to look at their accommodation offer.

Chancellor's Meetings

The schedule of meetings was noted.

Council Work Plan 2016

An updated copy of the Work Plan was tabled and Mr Field, highlighted the changes that had been made to the document, noting that Space Allocation had been postponed to November and that the October meeting of FPRC and Council would consider the CETF programme of work.

Election of Student Representative to Council

The meeting received a report from the Returning Officer of the UCSA. It was noted that Mr Addington had been successfully re-elected President of the UCSA and Council congratulated him on re-appointment to the Council.

Moved:

THAT: Mr James Addington be re-appointed as the student representative on Council

Carried

Fossil Free UC Divestment Club

The Chancellor had recently received a petition, signed by 2,126 staff and students, from the Fossil Free UC Divestment Club ('the Club') on behalf of Council, in its capacity as a trustee of the UC Trust Funds. The petition called for the University to divest from Trust Fund investments in companies 'whose primary business is the extraction or production of fossil fuels'. Receipt of the petition had been a respectful occasion and the Club had engaged positively with the Chancellor.

Council referred the petition to its advisors for consideration. It was agreed that a substantive discussion should be held at a future meeting. The Club would be updated on progress of this matter.

Moved:

THAT: The Council acknowledged receipt of the petition from the Fossil Free UC Divestment Club and after receiving advice from its advisors, would discuss the matter at a future Council meeting.

Carried

UCSA Building presentation

Mr James Addington, UCSA President, and Mr Dave Hawkey, UCSA CEO, were welcomed to the meeting and provided Council with a report on the new UCSA Building.

Mr Addington and Mr Hawkey said:

- Extensive consultation had been undertaken with students and student groups to design a building which was student focused and met the needs of students. Consultation had been undertaken with many UC clubs, postgraduate students and Te Akatoki, the Maori Students Association, using focus groups, idea boards and surveys.
- The building would provide facilities so that students did not need to leave campus and would be a mix of social and study spaces.
- Specific spaces in the building would include the Foundry and Ngaio Marsh Theatre. The 310 seat Theatre had been designed with retractable seats so it could also become a 1,000 person venue space.
- Outside term time the building had been designed so that it could accommodate conferences.
- The total cost of the building was \$26.7m and the campaign to fund raise \$5m was well underway. Ownership would be 51% UCSA and 49% UC.
- Thank were given to UC and the UC Foundation for their ongoing support.

In questioning, Mr Addington and Mr Hawkey commented that there were sufficient toilet facilities to support a 1,000 person venue.

Mr Addington and Mr Hawkey were thanked for their informative presentation and it was noted that the Council fully supported the fund raising campaign.

**FROM THE VICE-
CHANCELLOR**

Monthly Report

The report was taken as read.

In questioning it was noted that:

- There was a typographical error on page 15 of the report and draft findings from the Productivity Commission were due to be received on 29 September not October. A summary of the report would be made available to Council members. The report would be fully considered by the Management Team.
- The Times Higher Education World University Rankings for 2016/17 had been released and UC had moved upwards into the 351-400 category.
- A draft of the Tertiary Education Amendment Bill ('the Bill') had been released, which allowed for trust fund investments to be pooled. The Bill also allowed electronic meetings to be held and simplified the use of the common seal. A summary of the draft Bill would be made available to Council Members.
- Dr Carr would be overseas between 29 September and 3 October 2016. During the absence Dr Cochrane would be Acting Vice-Chancellor.

Moved

THAT: *The Vice Chancellor's Report be received.*

Carried

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

The Chair of the Finance, Planning and Resources Committee (FPRC), Ms Catherine Drayton, presented the reports from the meeting of FPRC on 18 September 2016.

Compulsory Fees

Ms Drayton highlighted that in principle the maximum fee possible would be taken but there may be occasions when this was not appropriate.

Moved

That:

- ***Council agreed an increase in compulsory fees of 2% (the 2017 AMFM rate) noting that fees were rounded to the nearest dollar so fees under \$25 would not change;***
- ***Council approved the removal of compulsory course fees of less than \$20.***

Carried

FROM THE ACADEMIC BOARD Academic Board Report

Dr Hamish Cochrane advised that matters raised at the Academic Board meeting included:

- Review of Academic Board;
- Library Report; and
- Review of Postgraduate Certificate in Tertiary Teaching.

Academic Board would also consider the report from the Productivity Commission and provide feedback back to Council.

Moved

That: Council note the Academic Board Report.

Carried

PUBLIC EXCLUDED MEETING

Moved

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

Item on Public Excluded Agenda	General Subject Matter	Reason for passing this resolution in relation to each matter	Grounds under section 48(1) for the passing of this resolution
6.1	Innovation Medal	To protect the privacy of natural persons, including that of deceased natural persons	7(a)
6.2	Election of UC Foundation Trustee	To protect the privacy of natural persons, including that of deceased natural persons	7(a)
7.1	Risk Report	To enable the free and frank expression of opinions by or between or to members or officers or employees of the University. To avoid prejudice to measures protecting the health or safety of members of the public.	7(f)(i) 7(d)
8.1	UC Futures	To enable the University to carry out, without prejudice or disadvantage, commercial activities.	7(h)
8.2	Financial Forecast Report	To enable the University to carry out, without prejudice or disadvantage, commercial activities.	7(h)
9.1	Presentation on UC Foundation	To enable the free and frank expression of opinions by or between or to members or officers or employees of the University.	7(f)(i)

and that UC Directors, the Head of Academic Services and the Council Co-ordinator be permitted to remain at this meeting because of their knowledge of the various matters being discussed. This knowledge would be of assistance in relation to the matters discussed, and was relevant because of their involvement in the development of the reports to Council on these matters.

Carried

RETURN TO PUBLIC MEETING

Members returned to public meeting at 6.23pm and confirmed award of the Innovation Medal for 2016. The recipient would be informed of the award and invited to collect it at the Chancellor's Dinner in November 2016.

GENERAL BUSINESS

There were no items of general business.

The meeting closed at 6.25pm.

NEXT MEETING

The next meeting is scheduled for 4.00pm on Wednesday 25 October 2016.

SIGNED AS A CORRECT RECORD: _____

DATE: _____

Memorandum

Vice-Chancellor's Office

Email: chancellor@canterbury.ac.nz



To:	Council Members
From:	Dr John Wood, Chancellor
Date:	20 October 2016
Subject:	CHANCELLOR'S MEETINGS

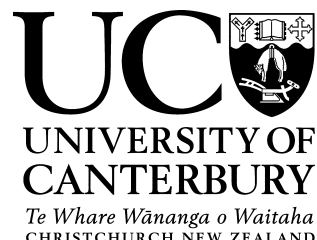
I outline for you the key events I have attended on behalf of UC since the last Council meeting:

- Attended UCSA Blues Awards event
- Introduced DVC (Research) to Chief Executive Ngai Tuhoe
- Visited Washington DC, Boston and Canterbury New Hampshire, USA on Alumni and relationship business
 - Attended alumni function hosted by Ambassador Grocer in Washington DC
 - Visited accommodation developments on several campuses
 - Attended a hangi hosted by Simon Leeming, NZ Honorary Consul to New England
- Chaired inaugural meeting of the Honours and Appointments Committee
- Attended Audit and Risk Committee Meeting
- Attended CETF workshop
- Attended FPRC committee meeting
- Attended IBA teleconference
- Attended a dinner hosted by Erskine Fellow Tim Robinson
- Chaired pre-meeting and met with the Productivity Commissioners as Chair of UNZ Chancellor's Group, along with three other Chancellors

A handwritten signature in black ink that reads 'L.J. Wood'. The signature is written in a cursive, flowing style.

Dr John Wood
Chancellor

Dr Rod Carr
 Vice-Chancellor
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**VICE-CHANCELLOR'S REPORT TO
 UNIVERSITY OF CANTERBURY COUNCIL OCTOBER 2016**

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1. INTRODUCTION

The Productivity Commission has issued its draft findings and recommendations. Universities NZ (UNZ) has prepared a submission in response. The Academic Board has been invited to contribute to either UC's input into the UNZ submission or toward a submission by the University. FPRC had the opportunity to consider the matter of a UC submission when it met on Monday 17 October. Submissions close before the November meeting of FPRC and Council. Rather than focus on the data and the analysis, the intention is to focus on the draft recommendations, some of which, if implemented, could over time materially and adversely impact on the research intensive teaching institutions currently designated as Universities.

It is increasingly apparent that there are four significant transformations under way at UC today. Each is at a different stage of progression but it may be helpful to summarise them as follows: We are in the process of **transforming the learning environment** through changes in the built environment, the application of new technologies and changes in pedagogy. We are **transforming the profile of our graduates** through the attributes we seek to see in the learning outcomes for all undergraduates. We are **transforming the way we undertake administrative tasks**, especially in relation to student admission, enrolment, assessment, progression and graduation through the redevelopment of our regulations, business processes and student management system. And we are **transforming our organisational culture** to address concerns raised in the last staff engagement survey which identified significant opportunities to improve the way we work together through developing collaboration skills and improving communications across groups. Taken together, this set of transformations will enable UC to meet the commitments made in the UC Futures Programme.

The Vice-Chancellor is ex-officio chair of the Academic Board but during my time at the University I have delegated that responsibility to a Deputy Vice-Chancellor. After discussion with the two Deputy Vice-Chancellors, I have invited Dr Cochrane to continue to chair the Academic Board in 2017. I propose to review this recommendation on an annual basis.

2. STRATEGIC MATTERS

2.1 UC Futures

Two of the three major construction projects on the Ilam campus are reaching the steepest part of the 'S' curve in construction activity and spend. This is the period of most activity onsite and the highest rate of expenditure on skilled subcontractors, materials and site management. The 'S' curve refers to the graphed profile of cashflow for the project. The large laboratory and teaching block for the Regional Science and Innovation Centre, the Rutherford Science and Innovation Centre, is developing apace with about 240 people on site during the month of September. Rehua (the New Education Building) is now ramping up with spending reaching the first part of the accelerated phase. In September about 60 people were working on site. Tranche One of CETF, six months late, is scheduled for completion by the end of the academic year.

International applications are flooding in (up 25% year-on-year) and we are working to ensure that every good application gets the right attention and as fast a turnaround as can be achieved. Other New Zealand universities are also ramping up their international recruitment activities with apparent success, providing more local competition for UC. Applications to halls of residence are up 10% year-on-year and applications to enrol for domestic students are ahead of the same time last year, although it is still very early in the enrolment cycle.

2.2 Regional Science and Innovation Centre (RSIC)

The RSIC project continues to be on time and on budget. The College of Science continues to plan for the occupation of the Rutherford Science and Innovation Centre in mid-2017, with timetables and detailed planning under way. The decanting team in Capital Works is similarly occupied in meeting with each affected department and starting the detailed and costed plan not only to re-occupy the building, but also to commission or recommission the sensitive and large equipment the building will house.

As reported last month, an invitation to tender to build Stage Two of the RSIC development has been issued and parts of the tenders are coming in at a series of deadlines in October, to inform a business case for Ministers Joyce and English to consider after the UC Council has approved it. FPRC considered the case at its October meeting and recommended it to Council for approval.

2.3 Canterbury Engineering the Future (CETF)

This project is not making its deadlines and UC continues to work closely with the contractor and all the consultants such as architects and external project managers to get it back on track. At this point the critical area for the College is the new CORE building at the centre of the Engineering Precinct, which includes both formal and informal learning spaces. This area is important for Semester One 2017 teaching. FPRC considered a number of issues relating to updated timelines for delivery and has made various recommendations to Council, some of which will be referred on to the Governance Oversight Group for consideration at its meeting on 1 November.

2.4 The Move of the College of Education, Health and Human Development to Ilam, the construction of the Rehua Building, and the move of Entrepreneurship and Executive Development

The Rehua construction project is on time and on budget since it was reviewed and reset in June of this year. A detailed review of the schedule or programme has been completed and those involved have confirmed to the University that occupation of this rebuilt complex will be achievable in late 2017. This allows the two Colleges and the Library to rely on the dates for planning movement of staff and resources.

2.5 International Growth

The College of Arts had a very successful ‘Global May’ programme for Ohio State University students and is in the process of planning to build further on that successful initiative. The College of Engineering Dean (International) visited India in late August early September and reports a very successful and interesting experience. This included opportunities to provide guest lectures while at three universities and interviews with news media.

Graduate Profile

The draft framework documents from the hubs on Global Awareness and Employability, Innovation and Enterprise have been developed. These will be considered by the Academic Administration Committee before consultation begins on these frameworks.

2.5.1 Graduate Attributes

Academics in each of the hubs are completing or have completed frameworks outlining the proposed approach to the support of and development of curricula for developing the UC attributes in each UC graduate.

Core Attribute: Critically competent in a core academic discipline of their degree

Learning Objective: Students know and can critically evaluate and, where applicable, apply this knowledge to topics/issues within their majoring subject.

Attribute 1: Employable, innovative and enterprising

Learning Objective: Students will develop key skills and attributes sought by employers that can be used in a range of applications.

Attribute 2: Biculturally Competent and Confident

Learning Objective: Students will be aware of, and understand the nature of biculturalism in Aotearoa New Zealand, and its relevance to their area of study and/or their degree.

A hui on the development of the Bicultural Competence and Confidence (BiCC) attribute was held on 21 September with Deans and PVCs. With a few exceptions, mapping of existing curriculum content, activities and experiences is now complete across the undergraduate programmes of study in UC Colleges. The current state is therefore clearer, with the gaps in coverage of the seven kaupapa of UC's BiCC Framework now identified.

Work is now progressing on filling these gaps in each programme of study so that there will be a minimum of two touch points per kaupapa, one introductory, and one growth point, each linked to learning outcomes and assessment points. Kaiārahi continue to work collaboratively with Colleges to strengthen, clarify and add to the current state. Planning across all years of programmes of study continues, within a theme of continuous improvement.

Colleges will identify the work to be completed in 2017 to be ready to deliver on BiCC in year one course curricula in 2018. While there is a focus in each year on tasks necessary to ensure the following year's delivery, overall development across the programme of study will continue in parallel.

The final BiCC hui for this year will be held on 30 November, with dates for 2017 to be provided later this month.

Attribute 3: Engaged with the community

Learning Objective: Students will have observed and understood a culture within a community by reflecting on their own performance and experiences within that community.

Attribute 4: Globally aware

Learning Objective: Students will comprehend the influence of global conditions on their discipline and will be competent in engaging with global and multicultural contexts.

International Partnerships

The first three profiles showcasing UC's international partnerships and student experiences linked to them have gone live at <http://www.canterbury.ac.nz/international/partnerships/>. These will be added to over the next 12 months. Preparations continue on two key summer programmes that will see 10 students go to Peking University, China in November and 14 students go to Thailand's Mahidol University in January.

Study Abroad UCXchange

The team has been undertaking promotion for Semester Two 2017 outbound exchanges via in-class promotion and exchange seminars. Application processing is also well under way for incoming Study Abroad and Exchange students for Semester One 2017, and a new Study Abroad agreement has been finalised with Florida Atlantic University.

3. CHALLENGE

Promote an inspirational and innovative learning and teaching environment, recruiting and retaining students, raising standards and enhancing student success.

3.1 International

3.2 In bound Study Abroad

This month the focus has been on attending recruitment events in the US as part of the US fall recruitment season targeting prospective Study Abroad students for July 2017 and beyond. Fairs and visits have so far been attended at SUNY Brockport, Case Western Reserve University, University of North Carolina at Chapel Hill, Duke University, Pace University, Northeastern University, Wheaton College, Montana State University, University of Puget Sound, Pacific Lutheran University, Oregon State University and Point Loma Nazarene University, as well as visits with some of UC's key provider partners. Visits are also under way at a group of universities in Massachusetts and UC will also attend the IES annual conference in early October.

3.3 International Recruitment

3.3.1 GENERAL

September has been extremely busy, with various recruitment activities taking place overseas. Two recruiters have returned from recruitment drives in India, and one has already embarked on another recruitment trip to Korea, Vietnam and Japan.

The Director of International Growth Strategies took part in Educational Fairs in India and supported a key agent, Edwise. An Associate Professor from the College of Engineering also travelled to India to promote Engineering programmes of study. As well, the internationalisation administrator from the College of Business and Law teamed up with a representative of Navitas to work together in Vietnam.

Another representative of the College of Engineering has left for Malaysia to work with UniKL students that will be joining us next year. The Recruitment Manager attended the European Association for International Education (EIAE) networking conference under the ENZ banner.

The major push in September has been around conversions. Applications are up 16% but the challenge now becomes ensuring that these applications now convert to students enrolling at UC

3.3.2 NEW ZEALAND in country full fee students

A second round of visits was conducted to Christchurch schools. This visit had more of a focus on the programmes, entry requirements and pathway options (UC or UCIC).

About 90% completed the International Toolkit course, and now Admissions needs to advise on the entry requirements pages (UG and PG).

The Pathways Guide will be complete once UCIC has sent the pathway of two of their CCEL EAP students.

3.3.3 EIAE (European Association for International Education)

Agreement to feature UC as University of the Month in October and December, promoting UC Taught Masters, with additional incentive Deans Awards, through the Stuttgart-based agent, GoZeeland

StudyOptions UK is going to take over all of Recruitment's British generated enquiry management, with Hobsons providing leads for them to chase up in "real time" GMT. Some opportunities with both Danish and Finnish polytechnics for pathway students needs refining, but this is certainly an opportunity for some Colleges. Post-Brexit reality leaves uncertainty which is an incentive to look at a new platform provider for high schools, possibly Unifrog, which provides career advice to teenagers.

3.3.4 OTHER

The English language requirements for undergraduate UC admission have been reviewed and have been aligned with the requirements of most NZ universities. No changes have been made to postgraduate levels.

The Prime Minister, The Rt. Hon. John Key, is leading a delegation to India in October which is to feature New Zealand's Education services sector. Professor Gail Gillon has agreed to join the delegation to promote UC's profile alongside representatives from other New Zealand Universities.

3.3.5 PRE ASSESSMENT

Applications handled by the Pre-assessment Team are up about 25% on the same time last year, and this increase is particularly being felt as the soft deadline for applications draw near. At the same time, the increase in the proportion of incomplete applications means that the average work needed per application is climbing. The team has been very thankful for the help provided by the Admissions Team in the last month; and as the Admissions Team now enters its own peak period, the Recruiters will be lending a hand where possible.

3.4 Domestic Recruitment

3.4.1 Marketing

Social media activity continues to be high with UC among the top three universities for engagement during September for Facebook, Instagram and Twitter. The Online WCMS Phase Three project is under way with engagement with the College of Arts initiated. Total clicks to our website and views of our videos are up 77% year-on-year (228,000 interactions).

The UC GO Canterbury campaign taking UC's Auckland specific offer to market has been completed (adshells outside schools, radio, online) which has resulted in 32,400 clicks to our website (up 115% year-on-year) and 160 applications.

A mature market campaign in Christchurch utilising newspaper and online channels has been completed, which resulted in 2,700 clicks through to our website. The Postgraduate evening campaign resulted in almost 200 people attending on 21 September. A follow-up internal campaign to attract current students to Postgraduate information sessions is under way.

Accommodation awareness and regional South Island Facebook campaigns have also been in market. College activity is also being supported, including Executive Development, LLB, BCJ and Journalism. Our annual summer school campaign is also in market utilising outdoor, press and online channels. A campaign publicising the opening of enrolments launched on 4 October utilising press, online and outdoor channels.

The Enrolment Guide has been printed and work is under way on the Calendar. The Summer brochure has been printed and the Ph.D brochure is being completed.

3.4.2 Liaison

The Liaison Team is completing regional course planning and continuing to track and follow-up on students who have missed course planning at their school. In addition, the team has focussed on getting as many accommodation applications into the system before the start of October.

The Auckland and Wellington offices are currently following up with Go Canterbury/Residential Learning Scholarship (RLS) applicants (due 1 October). There are currently 169 (100+ places) eligible applications for GC and 23 (30 places) for RLS. Auckland 'Back to School' visits were completed this month, bringing the total to 10 key/target growth schools for this year.

The team has been working with the ITS Project Team to get the CRM (Customer Relationship Management) completed and go live was planned for 3 October. The team underwent a training session during its planning days and is looking forward to working within the CRM during the conversion phase of the recruitment cycle and on into March 2017 when the CRM Proof of Concept project finishes.

In addition to course planning at schools, the team saw a total of 115 students for one-on-one appointments. Of that number, nine were seen by the Liaison Officer based in the Wellington region. It is positive to see the Wellington office being used by future students in the region. Of the 115 appointments, 58 were students still at school, 37 were adult students, and 16 were recent school leavers including those that had taken a gap year this year.

The Engagement Team met with the principal of the new Haeata Community Campus (new school opening 2017 consisting of pupils from Aranui High School and three local primary schools) to identify opportunities for school engagement programmes to support the school.

Work has begun with College Marketing and Outreach Coordinators to support them to develop high quality content for the upcoming Eke! Year 10 Pathways for Māori event.

Staff are working with the Scholarships Team to seek feedback from schools regarding changes to reference requirements. In addition, staff are working with the Enrolment Team to develop a more student-centric approach on how fees are communicated externally.

The Guide for Parents and Whanau about the University is progressing and will be available in October.

3.4.3 Admissions

During the last month the Admissions Team has successfully hosted a two-day training course for staff throughout New Zealand provided by UK NARIC. The training provides Admissions Officers with the ability to utilise UK NARIC databases allowing for the recognition and comparison of international qualifications and skills. Regular fortnightly Enrolments Working Party stand-ups have commenced, which provide an opportunity for teams across the University to review the current position of applications processing and to discuss the challenges/issues for the coming fortnight.

A total of 641 admission ad eundem statum (AES) applications were recorded as received in September. This does not include some 150 applications still waiting to be entered in SMS. This compares with 381 and 497 AES applications received in September 2014 and 2015 respectively. So far in 2016 admission AES applications received are 54% and 29% higher than at the same stage in 2014 and 2015 respectively. As with previous months, a significant proportion of the applications received this month (24%) do not have sufficient documents or information provided for the applications to be assessed.

AES Admission decisions: Number and type made in September 2016:

	Total	Undergraduate	COP	Graduate	Postgraduate	Ph.D/EdD*
Full offer	124	53	27	0	29	15
Conditional offer	110	54	6	5	40	5
Declined	113	22	1	3	84	3
Total	347	129	34	8	153	23

**Includes 6 non-AES PhD/EdD applications.*

The focus for the Admissions Team during September was the continued processing of international applications for Semester One 2017. October is the peak month for receiving applications from international applicants. Due to the short timeframe for offers to be issued prior to the end of the year, processing needs to be efficient, leaving applicants sufficient time to make the necessary arrangements (obtaining visas, accommodation, travel, finances) and arrive for the start of Semester One lectures. The Admissions Team also anticipates receiving applications in October under agreements with Chinese universities linked to the MAFE programme.

3.4.4 Enrolments

September saw an increase in the volume of students and visitors to Student Services.

A total of 2,486 students/visitors attended the centre in September and of those 1,463 were assisted by the Information Helpdesk staff. Many of the queries at this time are related to assistance around who to talk to within the University and only require redirection by staff. Planning is now complete for the set-up arrangements for the February 2017 International Enrolments Week. The feedback from last year's event has resulted in staff moving back to their original location on the mezzanine floor (Level 3) of the Puaka-James Hight Library, which will reduce congestion and disruption experienced last year.

A total of 68 Ph.D students have been fully enrolled during September 2016 (45 International), a 4.5% increase on previous years.

The Enrolments Team has processed 363 applications for Applications for Programme Entry in the College of Education, Health and Human Development. Of these, 35 have been issued an unconditional offer and a further 152 have been issued a conditional offer. This is an increase of about 30% from 2016.

	Headcount						EFTS					
	Applications to Enrol						Full Year Enrolled					
	ATE Enrolment Week: 1 (08/10/2016)						Actual	Actual	Actual	Actual	Forecast (Sept)	Budget
	2012	2013	2014	2015	2016	2016	2012	2013	2014	2015	2016	2016
Domestic 1st Year	437	620	639	905	2018	2294	2,875	2,886	2,922	2,974		
Returning	594	539	547	449	544	626	9,459	8,495	8,245	8,079		
Total	<u>1031</u>	<u>1159</u>	<u>1186</u>	<u>1354</u>	<u>2562</u>	<u>2920</u>	<u>12,334</u>	<u>11,381</u>	<u>11,167</u>	<u>11,053</u>	<u>11,359</u>	<u>11,234</u>
International 1st Year	714	887	1432	1750	1874	2307	291	304	336	445		
Returning	65	147	60	33	41	43	546	495	439	434		
Total	<u>779</u>	<u>1034</u>	<u>1492</u>	<u>1783</u>	<u>1915</u>	<u>2350</u>	<u>837</u>	<u>799</u>	<u>775</u>	<u>878</u>	<u>1,133</u>	<u>1,034</u>
Total	1810	2193	2678	3137	4477	5270	13,171	12,180	11,943	11,931	12,492	12,268

2015/6 Budget and Forecast is not calculated down to year at UC. Enrolment week data is based on data snapped at the end of each week and compared to the same week in prior years. The Saturday date will differ slightly between years, ie Sat the 11th of November one year and then Sat 9th the next. ATE data is based on student headcount and based on the students citizenship status rather than fee type. Enrolments data is based on EFTS and the students fee type (Domestic or International).

3.4.5 Contact Centre

Within the Contact Centre a total of 5,459 calls were answered with an average Service Level of 93.1%. 1,712 emails were responded to with the Contact Centre directly answering 1,140 of these. During September, a further five seasonal (casual) staff were recruited and trained to support the Contact Centre during the summer period.

During September further progress was made on a number of key projects including the development of a Customer Interaction Strategy of UC, CRM and Contact Centre Software. The discovery phase of the Customer Interaction Strategy development is now complete with a total of 18 opportunities for improvement identified. The CRM Proof of Concept has now gone live for the Liaison Team with staff now using the CRM database to capture and manage prospective student information, replacing the Team's "stay in touch" database. The development of an International Agent Portal for applications will be complete by 21 October. Further work on Phase Two opportunities is now under way.

The restructure of Shared Services Administration is now complete with new staff now in place. Office moves are also now complete.

3.4.6 Scholarships

A full Terms of Reference is being prepared with a key focus on identifying options for the 2018 UC Scholarships offer. The new appointment of a Finance Business Partner will be a key contributor to the review.

Key activities for September included:

- Completion of the selection process for UC's Emerging Leaders Scholarship for first year students, with offers issued and online acceptances being received.
- Processing of the other First Year Scholarships.

3.5 Accommodation

This is the busy time, with applications closing on 1 October. The team has been working hard to match applications with the common confidential reference forms (CCRF) to send onto the student's first preference. The closing date for CCRF was 15 September with more than 800 forms submitted in the last two days. Students have been receiving offers from the halls since 10 October.

The team has been completing photoshoots of accommodation for the 2017 accommodation guide and profiling students for each hall.

Affiliated housing numbers have risen steadily over the month reaching 80% with new inquiries daily. The Executive Development Programme (EDP) has provided most of the new cohort.

Go Canterbury and Residential Living Scholarships (RLS) have been processed in conjunction with student success and the numbers are greater than expected.

The team has been working closely with Capital Works and CLV on the layout and furniture requirements for the new Kirkwood Avenue Hall which is due to open in Feb 2017.

3.6 Student Success

<i>Student Success Engagements – September 2016</i>	
Academic Skills Centre	209 Student using consultations 75 Students using On-call 119 Students on Courses 95 students attending Small Group Pods 138 Students attending Embedded sessions Total 581 unique visits
Accommodation	612 email enquiries 83 phone calls 49 face-to-face meetings 160 attendees at Riccarton High visit 1,894 Applications 10% up on last year
Careers, Internships & Employment	130 Express Appointments 125 Career Consultations 132 Vacancies added to CareerHub 11 Seminars/Presentations, 7 Employer information sessions, 164 students attending
Disability Resource Service	497 registered students (8% increase on previous month)
Student Development Team	108 Drop-ins (94 students) 118 Appointments (69 students) Total 219 unique individual engagements
UC RecCentre	8,812 Members (-3.3% on 2015) 45,820 Group Fitness Attendees (+9% on 2015) 226,268 Turnstile entries YTD (+8.35% on 2015)
UC Sport	1000+ students play social sport each week in Semester Two 500+ active in sport leagues (semi competitive sport) 28 student-athletes received University of Canterbury Blues awards

3.6.1 Student Success Supporting Wellbeing:

Student Success is leading a cross-unit effort to develop a draft wellbeing framework for UC based on a Māori model for understanding health (*Te Whare Tapa Whā*), and the PERMA wellbeing model, and informed by the *Okanagan Charter*, an international charter for health promoting universities and colleges (2015). *UC PERMA-culture: A Healthy Place to Live and Learn* explains how UC can contribute to the different dimensions of individual and community wellness by embedding wellbeing into its spheres of influence including a sustainable campus environment, positive pedagogy and leadership, inclusive policy and practice and bicultural competence and confidence. Various groups will be consulted during October to get feedback on the draft.

3.6.2 Mental Health Awareness Week: 10-14 October

The UC Wellbeing Group developed a programme of events and activities to enable UC to engage in the National [Mental Health Awareness Week](#).

3.7 Student Development Team

In response to the sad news of the sudden death of a UC student, the Student Development team met with R&R residents over lunch to offer support. In the week after, 53 students had engaged, with the concerns raised mostly around academic needs. The team is well-resourced to offer additional support to larger numbers of students if required. The month also saw a student seriously injured at a private residence off campus while undertaking a stunt associated with seeking election to the executive of a club affiliated to UCSA. UC has provided support to the family of the student, the club executive and the UCSA, which is conducting a review of rules of affiliation.

3.8 Pacific Development Team

The team has followed up with at-risk students and students who have disengaged to withdraw by the 30 September deadline. In addition PASS exam workshops have begun to prepare students for upcoming exams.

The UCMe XL programme began at the end of September with 134 students registered and 90 attending three days per week. The team has also been doing outreach to the 40 Secondary school Tongan students who do their Tongan Language assessments at UC.

UCSA hosted a forum for Pasifika students and Postgraduate students with the Vice-Chancellor who updated students on the progress and work UC is doing towards Pasifika students and Postgraduate students.

4. CONCENTRATE

Enhance research and creative work in chosen areas of endeavour; increasing efficiency, especially in the use of time in teaching and related activities per EFT; raising quality in teaching effectiveness and research outputs; and increasing focus and concentration of effort.

4.1 DVC Research and Innovation

4.1.1 Research Funding

UC researchers were awarded five MBIE Smart Ideas, worth \$1m each, in the 2016 MBIE investment round. This was the highest number of Smart Ideas received by any institution.

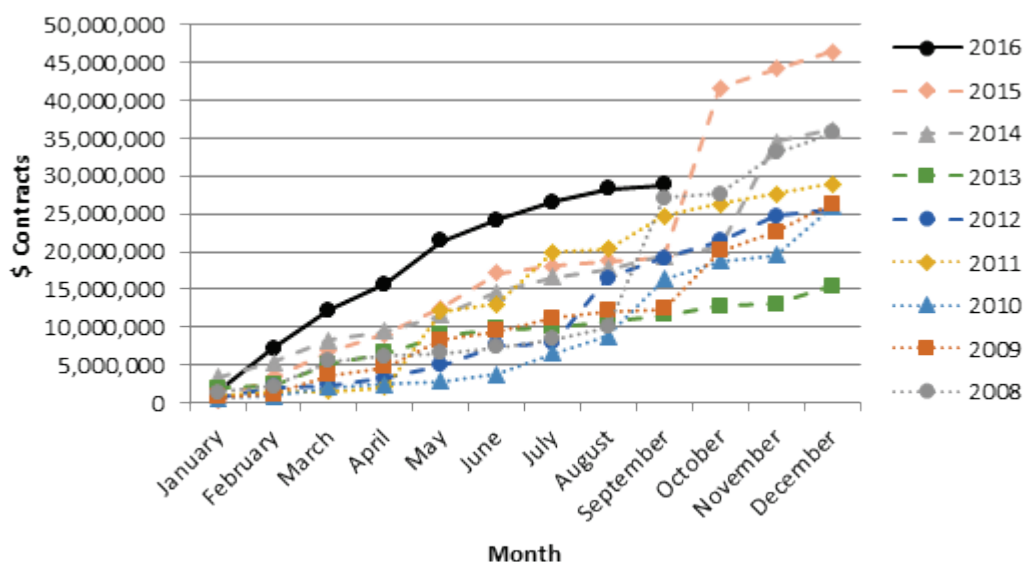
The recipients are:

- Aaron Marshall, Chemical and Process Engineering
- Richard Green, Computer Software and Software Engineering
- Matthew Watson, Chemical and Process Engineering
- Simon Brown, Physics and Astronomy
- Tammy Steeves, Biological Sciences

The Ministry of Business, Innovation and Employment (MBIE) has released the call of proposals for the Endeavour 2017 round. Funding will be available for Smart Ideas (deadlines: registration 2 November 2016, proposals 30 November 2016) and Research Programmes (deadlines: registration 7 February 2017, proposals 9 March 2017).

UC anticipates the 2016 Marsden Awards to be announced in late October with UC having 23 full proposals under consideration.

Research & Innovation is managing 350 research contracts worth a total value of \$118.9m. In 2016 year to date, 162 contracts worth a total value of \$29.0m have been executed, and 31 contracts worth at least \$10.5m are in the process of being executed. UC holds 32 National Science Challenges contracts worth \$12.9m (with four contracts worth \$3.4m pending), and 28 CoRE contracts worth \$26.4m (with two contracts worth \$0.1m pending).



4.1.2 Research Development

UC continues to engage with MBIE on “learning points” from the 2016 Endeavour Fund round. MBIE feedback to both the Research & Innovation team and the DVC (R& I) is that: (1) MBIE value the low number, but high quality proposal submission “strategy” of UC (2) the science quality of UC proposals is very high, and (3) the one area where UC could improve is around the “impact” (e.g., innovation, implementation pathway, research relevance) to demonstrate the relevance of the research. This feedback reflects the 2016 round where UC did well in Smart Ideas but were unsuccessful in large Research Programmes (which by definition have to have significant potential research impact). The Research & Innovation team and DVC (R&I) will provide greater input in the Impact / Relevance section of submitted 2017 Endeavour proposals.

UC attended a TEC – MBIE – Deloitte hosted workshop to assist in the development of the proposed “Entrepreneurial Universities” fund to attract overseas entrepreneurial academics into New Zealand universities. The proposed scheme is worth \$35m over four years but has to have at least 50:50 matched funding from any source. UC has advocated a flexible procurement process whereby participating universities engage in a “conversation” with TEC that iteratively develops a value proposition from which a university has a pre-approval agreement (or not) to approach an identified academic that have a demonstrated track-record of being both an academic and entrepreneur, who can “rain make” new thinking and practice of entrepreneurship within and from New Zealand universities. UC continue to internally develop ideas for a future bid to this fund.

MBIE is developing new initiatives in Strategic Science Investments including a new Genomics/Bioinformatics initiative to invest in a genomics platform (beyond NZ Genomics Limited) to enable excellent high impact genomics research and to keep pace with technological, commercial and research developments. UC is engaging with Otago, Massey and Auckland in the development of a consortium bid.

4.1.3 Research Infrastructure

The R&I team has recently analysed university “overhead rates” for the UC Research Committee to provide some surety that UC was comparable to other universities and generating sufficient return to support research infrastructure both within colleges and centrally. Though difficult to fully compare whether each university is calculating on all salary costs, the range is 135% to 105%, with UC at 112%.

UC has joined, as has other New Zealand universities, the New Zealand ORCID consortium (lead by the Royal Society of New Zealand). ORCID is an international, interdisciplinary, open, not-for-profit organisation that provides a registry of unique researcher identities that are increasingly used by funding agencies and academic journal publishers to match research outputs with specific researcher academics. ORCID will interface with the new UC Elements research outputs system.

Universities NZ has established a reference group to advise REANZ, operators of the Research and Education data network, on matters relating to funding and provision of service should the Government implement its plans to cut its \$4m of annual investment to zero in 2017.

As part of the agreed withdrawal of UC from the NeSI consortium, and as part of the Crown Funding Agreement for NeSI 1, UC will refund accrued depreciation costs due for reinvestment from the first phase of the NeSI project. During NeSI 2, these reinvestment liabilities were deferred due to the Canterbury earthquakes, but with the agreed UC withdrawal advised from July 2016, UC will return \$3,064,801 of accrued depreciation to the NeSI host.

4.1.4 Research Reputation

Two UC earthquake engineers (Professors Cubrinovski and Bradley) and two United States-based academic colleagues from Virginia Tech, including UC engineering graduate Brett Maurer, have been awarded the American Society of Civil Engineers (ASCE) Norman Medal, the society’s highest honour for a technical paper that evaluated a geotechnical index for assessing liquefaction hazard in Christchurch post-earthquakes.

Two UC Emeritus Professors (John Blunt and Murray Munro) will be named in the most Highly Cited Researchers in Thomson Reuters annual ranking for 2016. Both Professors Blunt and Munro research area has been in the field of Pharmacology and Toxicology.

Relative to Auckland and Otago, UC has historically had relatively small volumes of Health Research Council (HRC) funding, though the Rose Research Centre, researchers in Psychology, and increasingly in the College of Education, Health and Human Development are establishing a particular health research niche for UC. This reputation is being recognised with UC and HRC hosting (as part of the 25th anniversary of HRC) a function in late October to recognise the significant contributions of two Canterbury researchers who will give presentations of their work. Increasing UC's "footprint" in health research is a deliberate strategy, and consistent with UC participation in the relevant National Science Challenges of *A Better Start*, *Healthier Lives*, and *Ageing Well*, and the development of UC's participation in the Christchurch Health precinct.

Though a lesser known University ranking system, the National Taiwan University (NTU) ranking released in early October, based purely on the excellence, productivity, and impact of academic journal articles, places Civil Engineering and Environment / Ecology within the top 300 global universities as two of 14 subject-based rankings.

4.1.5 Postgraduate Research

Postgraduate students, and particularly Ph.D students, undertaking a programme of independent research in their chosen field continue to grow in number – as of September 2016 UC has 1,059 Ph.D students. Much of the growth in Ph.D numbers, as part of the UC Futures programme, is international students with particular growth from China, India, and Iran.

To continue this growth, UC will be undertaking international visits singularly as an institution, or as part of wider New Zealand trade delegations. Professor Jon Harding (Dean of Postgraduate Research) and Professor Williamson (Associate Dean of Postgraduate Research) will visit China to attend the China Scholarships Council International Graduate Scholarship fair in October, whilst Professor Gail Gillon (PVC, Education, Health, and Human Development) will be part of a New Zealand Prime Ministerial educational trade delegation to India in late October. Planning for Dr Zawar-Reza (HOD Geography) to visit Iran associated with a New Zealand third-party commercial entity visit is progressing.

The recent UC Thesis-in-Three event (where Ph.D students present their research in three minutes) was a great success, with the UC Thesis-in-Three winner, Kaylon Higginbotham, progressing to be the runner up in the national thesis competition.

4.1.6 Innovation

UC is partnering with HMI Technologies and Christchurch International Airport in trialling New Zealand's first fully autonomous electric vehicle. The HIT Lab, Wireless Research Centre, and Spatial Engineering Research Centre (all of the College of Engineering) will assist in the investigation of how fully autonomous vehicles could operate in New Zealand. The trial involves a French Navya 15-person shuttle, which is fully autonomous, has no steering wheel and is electric powered. A key part of the trial is the progressive stepped demonstration to understand issues of public acceptance around possible "roll-out" of autonomous electric vehicles. The vehicle is expected to arrive in Christchurch before Christmas, with the trial scheduled to begin early in 2017. Christchurch City Council, the Ministry of Transport and New Zealand Transport Agency will also be involved in the trials.

4.2 DVC Academic

Recent activity includes focusing on teaching space utilisation and demand as part of the Campus Occupancy Master Plan process. This is focused on ensuring that we have the right type and number of spaces as our student numbers increase for 2018 and beyond.

As part of the SMS programme, we have been developing the business case which will be submitted to Council by the end of November 2016. Continuing enhancement to the current student application processes are ongoing.

Work is also being undertaken reviewing academic regulations with the goal to simplify and streamline these where appropriate.

DVC(A) staff have also been focused on the recently released Productivity Commission report.

In an effort to release as much time for teaching in 2017 and to minimise clashes with teaching and Academic Board meetings as well as to ensure adequate time between Board meetings and Council papers, it is proposed to schedule Academic Board meetings for 2pm on the second Friday of each month in 2017. A different date will be scheduled in April due to Easter.

Colleges have now completed draft terms of reference for the College fora and these are being consulted on.

After significant delays, all parties have now signed contracts to establish the ICT Graduate School.

4.3 AVC Maori

4.3.1 Tangata Tū, Tangata Ora staff professional development programme:

144 staff participated in Tangata Tū, Tangata Ora in 2016, of which 46 are academic staff and 98 are general staff. A number of requests have been received from faculty for tailored courses in 2017 and are working on timetabling for these courses, as well as the courses provided via Learning and Development.

We held a planning day in early September to redevelop our Operational Plan for 2017-18 and this plan was presented to SMT on 4 October.

4.3.2 Kaiārahi Colleges

The Kaiārahi Colleges continue to work with PVCs, deans, heads and academic colleagues on course development. The Kaiārahi are also guest lecturing in a number of courses and assisting in facilitating off-campus activities for students such as the visit by Forestry postgraduates to Te Kōhaka o Tūhaitara Coastal Park. This has led to FORSOC (Forestry Society club) sponsoring a bio node at Te Kōhaka o Tūhaitara and there is the intention to enhance this off-campus experience for 2017. Geography are collaborating with Te Kōhaka o Tūhaitara Coastal Park and the Kaiārahi Māori Research and intend to install a weather monitoring station and a water quality monitoring system, the data from which will be analysed by students.

4.3.3 Kaiārahi Service Units

The paper on Bicultural Competence and Confidence (BiCC) and Staff Recruitment was presented at SMT in September and HR is now asking SMT members to provide numbers of existing Māori staff and targets for recruitment of Māori staff. A follow-up paper is now being drafted. Collaboration with HR is continuing regarding integrating BiCC in HR operational and process aspects of staff recruitment; for example developing interview questions on bicultural competence and confidence.

Work is continuing within Learning Resources and Capital Works, including finding technologies to assist us to tell the cultural narrative of the new builds. The Kaiārahi Service unit is now working with the Registrar's Office and is assisting with the emergency response plan update.

The Kaiārahi are collaborating on delivering a workshop for teaching staff, on putting bicultural theory into practice. The first workshop will be for Student Transition and Engagement team.

4.3.4 Māori Development Team

The Māori Development Team has held planning sessions to create a new Strategy and Performance Plan. The process for developing a new plan included reviewing the LSI process to continue our strong team cohesion and high standards of achievement. We are working on the detail of our programme for 2017.

We note that students are feeling the pressure of completing final assignments and approaching exams, so we are working to provide strong support in pastoral care, wānanga and other options. We are also working to assist the Student Development Team in providing support to students in Rochester and Rutherford Hall, using the 'Five Ways to wellbeing' resources, applying psychological first aid and Te Whare Tapa Whā.

4.3.5 Māori Recruitment and Outreach

A trial homework programme has been held for Year 13 NCEA Māori high school students from a small number of Christchurch high schools. The main focus of the homework programme is to provide students with subject tutoring to strengthen their ability to achieve UE. The homework programme has been held during the school holidays and participants have attended eight days of tutoring sessions tailored to their school subjects. These students are strongly motivated and very much appreciate having this opportunity. Ripeka Tamanui-Hurunui and Michelle Bergman will present to the UC Foundation on the progress of the Māori Recruitment and Outreach Strategy to date.

4.3.6 Māori Research

UC has received very good feedback from the MBIE panel on how Vision Mātauranga was addressed in recent funding applications for Smart Ideas and Research Programmes. Work is now under way on the next round, developing thinking on how we can better address the priorities in the Vision Mātauranga policy. We are continuing to work with colleges to continue the relationships with Te Ngāi Tūāhuriri and Te Kōhaka o Tūhaitara Coastal Park. This is a great opportunity to continue making and strengthening linkages between researchers and communities. One of the Smart Ideas recently funded is being led By Dr Tammy Steeves, who will be linking into and working closely with Te Rūnanga o Ngāi Tahu (Southern Rūnanga), Te Ngāi Tūāhuriri and Te Kōhaka o Tūhaitara with regard to genetic diversity and enhancement of threatened and endangered taonga species. Te Kōhaka o Tūhaitara includes the lagoon Tūtaepatu, which was part of the Ngāi Tahu settlement with the Crown, in a group of taonga including Aoraki, pounamu and Tūtaepatu, which sits at the centre of Te Kōhaka o Tūhaitara Coastal Park. The coastal park is now co-governed by the Crown, Ngāi Tahu and local government. A summer research scholarship has been created by the School of Forestry and Te Kōhaka o Tūhaitara and this is being advertised now.

Enhancing Mātauranga Māori and Global Indigenous Knowledge is the title of a recently published book. This book was reviewed by Professor Macfarlane at the request of Springer Publications. The review required a detailed discussion of six global Indigenous scholars (contributors to the book), each of whom was intent on advancing the notion that mātauranga Māori and Indigenous research together make up a defining tool for tertiary educators – one that is at the interface of natural sciences, social sciences, and indigenous epistemologies. In September the review was published in Aotearoa's prestigious education outlet, the New Zealand Journal of Educational Studies.

The Māori Advisors Reference Group (five senior academics) to the Office of the Auditor General will culminate their activities at the launch of the fifth and final Report on Māori Education. The Office of the AVC Māori has a representative on this group. Acknowledgement of the Reference Group's contributions will be made at launch in Wellington in October.

5. CONNECT

<i>Engagement Data</i>	
Intercom	Open rate 40.4% (International benchmark = 21.8%)
Insider's Guide (student newsletter)	Open rate 46.85%
Twitter	4,278 followers (cf 3052 in Nov 2015) Ranked first for Engagement/Fan ratio for New Zealand universities
Stakeholder Update	September open rate of 40.2% and click through rate of 9.1% (industry averages are 16.6% and 2.2%)

5.1.1 Project Communications

The Campus Master Plan communications plan has been approved and associated web pages have been constructed. This content is ready to launch once the CMP has been approved by the UC Council.

The John Britten tribute board has been installed in the John Britten building.

Photos and videos of progress on the RSIC site were taken and time-lapse images are currently being stitched into videos.

A paper has been prepared and submitted for approval around telling the UC story alongside the Cultural Narrative that forms an integral part of the Campus Master Plan.

Implementation of the *Be bright on your bike* cycle safety campaign was completed. There was a good response to a competition run on the student blog as part of the campaign, which also generated some useful student feedback.

The new Think first animated video focused on reporting hazards was completed and has started running on digital screens. Posters and blog posts have been prepared for release in early October.

Noisy demolition work on the UCSA site is expected in October and November (excluding the exam period), and communication materials have been prepared. A number of options have been identified to minimise disruption to staff in adjacent buildings.

5.1.2 Media

September media coverage of UC-related topics was mostly positive. More than 20 news stories were released or pitched and more than 50 media queries handled.

The most successful UC story this month was Jack Copeland’s restoration of the first recording of computer-generated music, linked to Alan Turing’s primeval computer, which was covered in the UK, Japan, US and Australia. UC Ph.D candidate Blake Bennett’s research on New Zealand and Japanese secondary-school rugby coaching was picked up nationally.

September media activity generated 714 media items reaching a cumulative audience of 12,117,550 people, with an advertising space rate of \$3,200,070.

5.1.3 External Engagement

The UC Connect public lectures in September were well attended, with tickets for two of the three events fully allocated. The lectures featured toxicology Professor Ian Shaw on whether New Zealand food is safe, UC academic and playwright Dr Christina Stachurski on her new revenge comedy in progress, ‘EQ f***ing C’, and UC alumni, honorary doctorate recipient and Icebreaker CEO Rob Fyfe. The final two UC Connect public lectures of 2016 will be a panel of law experts on rewriting legal judgments from a feminist perspective, and Jenni Adams on hunting the elusive neutrino in Antarctic. Both will be held in October.

5.1.4 Stakeholder Relations

Submissions have closed on the exposure draft of the Education Amendment Bill. There are a number of matters on which Universities NZ has made submissions and some of the proposed amendments give effect to some of the proposals in the draft recommendations of the Productivity Commission, for example increasing the Minister’s discretion to recognise institutions as Universities, to fund providers at common rates for services deemed to be alike, to change funding conditions during the course of the financial year and recover costs of investigations. UC lent its weight to the Universities NZ submission.

The most recent UC Community Meeting was held on 10 October.

5.2 Events

5.2.1 Postgraduate Options Evening

An information evening for those interested in postgraduate study for 2017, providing broad, high-level information about the options available. It was attended by all Colleges, the Postgraduate Office, relevant support services and the PGSA.

5.3 Alumni and UC Foundation

5.3.1 Fundraising

Philanthropic Income: September	\$489,415	September YTD:	\$4,673,487
Distributions: September	\$ 175,136	September YTD:	\$ 2,097,791
No. of Donors to UCF 2001 – to date	7,025	2016 Donors	926
No. of Gifts to UCF 2001 – to date	22,102	2016 Gifts	1,875

UCSA – \$5m target. The total raised for the campaign to date is \$130k. There is an overseas alumni and Business ask currently in market. Online giving has been tested and is working. Preparations for UCSA Memory Mornings for Christchurch alumni to share their stories to feed an online gallery are under way. The Aotearoa Foundation was approached to support UCSA but declined. Auckland and Wellington trips are planned for October.

Reports to College and University Finance Managers of UCF Funds available for 2017 budget inclusion have been provided. The team is working to identify other funds able to be drawn down this year based on their spending – disbursements in 2016 are down on 2015.

Early discussions on a Chair in Engineering and a second in Business and Law are under way. Further progress on the implementation of a Trading Floor supported by philanthropy for College of Business and Law is also under way. Confirmation of \$500k to support 2017 International Recruitment of Study Abroad students from the US has been received, as well as a pledge of \$500k to support scholarships in Engineering from an Otago graduate, with funds expected in October.

US

- The Vice-Chancellor visited San Francisco 28 – 30 September 2016 to attend the **UCFA Board Meeting** (UC's US Charity), host a **stewardship dinner** with 10 major donors which is being funded by the Chair of the UCFA, **host an alumni reception** at The Diplomat Club (25-30 guests) and **individual meetings** with seven senior alumni for engagement and fundraising purposes. A primary focus was fundraising for the UCSA building and other projects at UC.
- The Strategic Fundraising Plan for 2017 has been drafted for review by Board of Trustees of UCFA.
- The Chancellor and Executive Director of Student Services and Communications visited Washington DC and Boston from 10 – 14 October 2016 to host an alumni reception with H.E. The Hon Tim Groser at the New Zealand Ambassador's Residence in Washington DC and visit several Universities on the East Coast to look at their Accommodation offerings and inform UC's own strategy in regard to accommodation, and attend the Annual Hangi organised by Simon Leeming MNZM in New Hampshire, the last in a 16 year tradition attended by about 600 New Zealanders each year, including UC alumni.

5.3.2 Stewardship

- Ada Rutherford advisory board meeting with Engineering and introduction of Damon Rutherford to Elizabeth Hoi in the International Relations Office regarding opportunity for recruitment for University in China they have connections with.
- Meetings about and with Tait to agree strategic account management with PVS Engineering, Business and Law and DVC Research & Innovation.
- Preparations for Meadow Mushrooms Scholars afternoon tea.
- Preparations for October Scholars morning tea.
- Review of Official Scholarships – active, inactive, low funds and actions implemented.

5.3.3 Alumni

- E-news distributed, 13,154 read. Most popular links were UCSA Demolition, Ian Wright new DVC Research & Innovation and historic documents found in a wardrobe.
- Sydney, Australia alumni event – 25 attendees, San Francisco alumni event 25 attendees. Preparation for Washington event on 6 October, currently more than 20 registrations.
- Golden Grads/Alumni Procession planning with Ballantynes, Events and Partnerships/Communications and Engagement.
- Collaboration with Communications and Engagement on Chronicle content, mailing lists and cover letter for Alumni.
- Meeting with Bishop Julius to discuss how the team can assist with the Centenary celebrations and engagement with their alumni.
- Blenheim visit to existing donors and a major donor prospect.

Also

- ‘Working with UC’ brochure printed.
- Completion of data for Chancellor’s Dinner invite list, video promoting UCSA for the dinner, Lane Neave approval of artwork and morning tea with the Chancellor and Lane Neave partners.
- Budgeting and Operational plan for 2017 completed.
- Risk register for Alumni and UC Foundation completed.
- Planning for 2017 International Travel.
- Fundraising, Tangata Tū Tangata Ora, Policy and Procurement training

6. ENABLERS

Efficient, effective and sustainable use of the human, physical and financial resources available to the University

6.1 Staff Matters

6.1.1 Workload models

Assessment is being made of using a module in Syllabus Plus, the timetabling system, to standardise and simplify data capture for workload assessment.

It is also apparent that not only do different colleges recognise different amounts of time as teaching-related activity per contact hour, but in one college a 15-point course has 36 contact hours while another at the same level has 60 contact hours.

A recent internal audit conducted by PWC has established that there is a wide variety (no consistency) in how monitoring and assessment of student progress is administered.

6.1.2 Ilam Homestead

Discussions are under way with the University of Canterbury Club with the intention that their current license be extended to enable the club to undertake full catering and venue management of the Homestead for a two-and-a-half year period from 1 December 2016.

6.2 Infrastructure

The review of the Space Allocation Policy is under way with input from Academic Board being sought before the review is finalised.

MBIE has recently started consultation on earthquake-prone building regulations and methodology. The intention of this work is to consult on the technical aspects of regulation and methodology that set the new approach for identifying and managing earthquake-prone buildings. Given the technical nature of delivering advice on a building regulation, UC has decided to be party to a combined NZ Universities Facilities Managers' submission which is currently under development. Submissions are due by 15 December 2016.

7. Financial Outcomes: (Management Accounts to 30 September 2016)

September 2016	Actual Year to Date \$000	Budget Year to Date \$000	Budget Variance Year to Date \$000 Fav/(Unfav)*	Budget Full Year \$000	Forecast Full Year \$000	Full Year Forecast to Budget Variance \$000 Fav/(Unfav)*
Total Operating Income	251,617	241,928	9,689	323,214	335,368	12,154
Total Operating Expenditure	250,870	255,098	4,228	336,871	345,598	(8,727)
Net Surplus/(Deficit)	747	(13,170)	13,917	(13,657)	(10,230)	3,427
Net Surplus/(Deficit) as a % of Total Operating Income	0.3%	(5.4%)		(4.2%)	(3.1%)	
Capital Expenditure	132,796	220,040	87,244	274,635	175,000	99,635
Cash/ Short Term Investments/ Short Term Government Stock	238,947	27,590	211,357	42,081	265,463	223,382
Working Capital	172,194	(6,367)	178,561	8,296	229,821	221,525

* A variance enclosed in brackets indicates an UNFAVOURABLE financial variance e.g. income is less than budgeted income OR expenditure is greater than budgeted expenditure.

Actual Total Operating Income is favourable to budget as at September 2016. This overall favourable position is due mainly to favourable variances in interest income, sundry income, tuition fees, and research external income. Actual Total Operating Expenditure is favourable to budget. The favourable variance relates to operating expenses (mainly contractors) and depreciation, partially offset by unfavourable variances in total personnel expenses and finance charges.

We had been budgeting for an operating **deficit** as at the end of September 2016 of (\$13.170)m, but have returned an operating **surplus** of \$0.747m. The favourable variance to budget of \$13.917m is an increase of \$0.452m from the favourable variance reported at 31 August 2016.

Capital expenditure is currently \$87.244m below budget. \$119.396m of the expenditure incurred to date is UC Futures related (CETF, RSIC, and NEB) against a year to date budget of \$169.904m. At this stage of the year the remaining capital spend (excluding UC Futures), against budget, is favourable by \$36.736m.

7.1 Cash Flow

The September 2016 cash position of \$238.947m is higher than budget by \$211.357m due largely to higher than expected balances at 31 December 2015 and failure to meet budgeted capital expenditure expectations. We are holding adequate short term cash reserves to meet expected capital costs for the CETF and RSIC projects.

Forecast cash flows including the Government's financial support now show no immediate requirement to borrow in the next three years. However, careful husbandry of balances will be required in 2018 and 2019, with capital and operating expenditure needing to be closely managed.

TEC, which must approve all borrowing under the Education Act 1989, have provided a borrowing consent, of which a key condition is that once UC is required to borrow more than \$65 million an independent advisor will be appointed who will advise on the financial risk to the Crown and assist the UC Council in managing financial risk.

There are no specific additional MOE covenants, but the Funding Agreement with the Government sets out certain financial targets to be reported to the Governance Oversight Group (GOG) appointed under the Funding Agreement. As at the end of September 2016, the University is tracking to meet its targets. The University's achievement for 2015 was within the ranges set.

7.2 Working Capital

Working capital¹ of \$172.194m at 30 September 2016 is \$178.561m more than budget, mostly due to the additional cash balances as a result of the lower capital expenditure (see above).

8. COLLEGE SUMMARIES –

8.1 College of Arts (Te Rāngai Toi Tangata)

In the last month we lost one of the College's most senior Professors, Patrick McAllister, following a short battle with cancer. Patrick was Head of the Department of Sociology and Anthropology and a leading researcher in areas such as cultural performance, and religion ritual and symbolism. He was a great source of support and inspiration to his colleagues and will be much missed within the College.

Congratulations to Associate Professor Mike Grimshaw (Sociology and Anthropology) for winning the Arts Lecturer of the year award in the 2016 UCSA awards.

The many seminars, publications, performances and other events delivered from the College of Arts are advertised in our weekly newsletter *Arts Update*. The most recent issues can be found at the following link: <http://www.arts.canterbury.ac.nz/update/>, with a further link to subscribe. Examples from the 30 September issue include short Pecha Kucha style talks by Media and Communication students, graduates and guests, seminars on Frege's attempt to formalise mathematics, and the combination of horror and humour in New Zealand movies; and in the School of Fine Arts the exhibition "Two to Tango" of works by one of New Zealand's finest (and funniest) painters, Tom Kreisler. Recent publications include *Conflict, Negotiation, and Coexistence: Rethinking Human-Elephant Relations in South Asia* edited by Piers Locke (Sociology and Anthropology), published by the Otago University Press.

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

Staff in the School of Business and Economics met on 19 October to discuss the School's profile and associated strategic priorities for the next three year period. A key focus for the School going forward will be on building industry connectedness to support entrepreneurship, innovation and growth, especially in high tech/STEM related sectors, within the Canterbury region and Aotearoa New Zealand. Two recent examples show how the UC Executive Development Programmes (EDP) is contributing to this to this goal.

On 30 September the MBA Student Management Team hosted '*MBA meets EPIC*'. This event provided students, guests and lecturers with an opportunity to learn about Christchurch's innovation culture and start-up environment. Presentations by CEO's of four EPIC-based businesses reinforced

¹ assets due to become cash or be consumed within 12 months less liabilities due to be paid in cash within 12 months

the dynamic nature of Christchurch innovation sector and encouraged MBA students to engage with some of the start-up companies based in EPIC.

EDP is also developing a strategic partnership with Fisher & Paykel Healthcare to offer specialised training in digital marketing, design thinking and leadership for Fisher & Paykel, which will in turn provide industry-based projects and internships, guest lecturers and mentors for EDP students.

Two new student societies have been established in Law. The UC Women in Law Society had its first AGM on 13 September and already has 116 members university-wide. It aims to empower and champion women in law, advocate for the interests and welfare of women in law, promote wider understanding of feminist perspectives in the School of Law and wider legal community, celebrate the role and achievements of women in law, encourage networks between women in the School of Law and women in the legal community, and promote leadership and career opportunities for women. The Dean of Law, Professor Ursula Cheer, opened the AGM with a speech on how she came to be the first female Dean of Law at Canterbury University.

A newly-affiliated UC Pasifika Law Students' Society has also been established to enhance the representation and performance of Pasifika law students at UC.

The 12th Entré annual awards ceremony was held on 4 October at the brand new Christchurch venue, The Piano. From the nine finalists, the “Ant eater” student start-up was announced as the Grand Winner of the \$85K Challenge. Anteater is an insect supplier (ants and locusts) for high-end restaurants and is the first ever \$85K team comprising students from both UC and Ara (Peter Randrup, Bex De Prosopo and Duncan Shand). Runner-up was James Richardson with Sonder Leather, which makes handcrafted luxury leather wallets and belts. The event was a stellar celebration of yet another successful Entré year.

8.3 College of Engineering (Te Rāngai Pūkaha)

The College has worked closely for a number of months with the International Relations Office to better understand markets in various countries, culminating last month in a visit to India by our Associate Dean (International) with IRO staff. He was able to meet both agents and students and returned with a much greater knowledge of the reasons students might want to come here and their ability to transition into a new country. India is increasingly a key market for Engineering, and the College has tailored certain Masters programmes to respond to this new opportunity.

We have had much success in research funding this year, incorporating brand new opportunities and follow-on research from other projects. The projects are too numerous to mention but we acknowledge these considerable achievements as external research funding becomes increasingly difficult to obtain in constrained financial times. It is very pleasing that our Ph.D numbers are increasing, which will contribute to greater research outputs in the future, and increased income from the PBRF and hopefully other sources.

We are still waiting to occupy some rebuilt space that was promised some months ago by the contractor. We keep closely in touch with the students who are affected to ensure that their experience here is not adversely affected, and some very innovative solutions to temporary premises have been developed in the last two years. All our final year research projects have been able to proceed, and we have increased our level of sponsorship and industry interest considerably in the last twelve months.

We are looking forward to offering a range of new degrees in 2017, and now that enrolment has opened, it is very gratifying to see interest in many of them already.

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

As part of our globally aware graduate attribute strategy, our Kaiarahi Pasifika, Mr Tufulasi Taleni, is leading a malaga (trip) of eight student teachers from our College and three educators (Two UC Education Plus facilitators and a primary school teacher) on a journey to Samoa.

This cultural opportunity is unique and contributes to our student teachers' cultural learning as they prepare for their teaching careers. The group is being generously hosted by Tufulasi's village in Samoa. There will be an opportunity for our students to visit schools and ECE centres on the island as well as the National University of Samoa (NUS).

On Thursday 6 October, The Prime Minister marked the launch of the Health Research and Education Facility (HREF) building development in the city health precinct.

The HREF building will be diagonally opposite the Christchurch Hospital on the corner of Antigua and Tuam Street. It is anticipated that UC will occupy around 500sqm of space in this new building with the business case currently being prepared for the UC Council's consideration.

This facility will provide exciting opportunities to advance teaching and research activities in Health Sciences in collaboration with HREF partners and others in the Health Precinct. Other occupants of the HREF building include researchers, academics and clinicians from CDHB, ARA and another tenant yet to be finalised.

I would like to acknowledge the dedication of our lecturing staff who contribute to our overall high College teaching performance. In particular, I would like to congratulate UCSA award winners from our College: Associate Professor Una Cunningham ("Supervisor of the Year" award), Dr David Winter ("Lecturer of the Year" award) and Nicki Dabner ("Guiding Hand of the Year" award).

8.5 College of Science (Te Rāngai Pūtaiao)

Following Dean of Science Associate Professor Catherine Moran's appointment to the pan-University role of Dean of Academic Strategy, Associate Professor Janet Carter has been appointed to the role of Dean of Science for a period of three years. Janet is a psychologist whose research speciality is adult psychopathology, and in particular depression and eating disorders, and psychotherapy practice. Janet is currently the Head of Departments of Psychology and Communication Disorders, and will take up the role on 17 October.

Catherine leaves big shoes, but Janet is more than capable of filling them, and we look forward to having her in the role. Associate Professor Katharina Naswall of the Department of Psychology, who has served on the Executive Committee of the Department, will replace Janet as Head of the two Departments in an acting capacity until a longer-term appointment is made.

As well as the joint Departmental leadership arrangements currently in place, progress is being made in various ways towards a new structure for the College comprising four schools. The Departments of Geological Sciences and Geography are collaborating on a joint curriculum plan, and the Departments of Chemistry and Physics and Astronomy, which already share a range of technical and admin support services, are involved in a range of discussions and planning about bringing together the two Departments.

As well as business as usual, an intensive programme of transition and change planning continues aimed at a successful transition to RSIC, and full leveraging of all the benefits and opportunities that the opportunity presents. To support the College's work in this area, College HR Manager Charmaine Atherfold has been seconded into a fixed-term College RSIC project manager role, which will be reviewed at the end of 2017.

9. CONCLUSION

Operational plans have been completed for 2017 and have been used to inform the setting of draft budgets for next year. After allowing for some material effects of costs of demolition, decanting, depreciation and the benefits of delayed spending on capital works, a draft budget with a deficit just under \$10m will be reviewed at a Council workshop in October and finalised for review by the Finance and Planning Committee and approval by Council in November. Significant effort has gone into preparing a challenging but realistic assessment of revenue and costs for the coming year. The draft budget is in line with the targets contained in the Crown Funding Agreement signed in late 2014. I would like to thank everyone for the collaboration and effort that has been required to reach this position.

9.1 Appendix 1: Building Update

Overall

Steady progress was made across all building sites during September and we have experienced a good month in terms of health and safety performance.

The team has spent some time this month considering the capital works budget for 2017 and has been working closely with the Capital Asset Management Sub-Committee of SMT to ensure that works proposed align with UC' strategic priorities. Budget work is ongoing as part of the annual budget cycle.

Campus Construction Safety Group

The Campus Construction Safety Group continues to meet focussing on the construction projects and their Health & Safety implications on the University's day-to-day business and reputation.

A key focus of the group over the coming weeks will be planned summer works, between the SBS car park and the rear of E8 and E9 will require close cooperation and coordination between the various project teams and the respective contractors.

Projects in planning stage this month:

- Logie and Locke business case.
- Innovative Learning Environment.

Current Building Status

Key Progress this month:

Major work

Regional Science and Innovation Centre (RSIC)

Installation of the first fix of building services continues on all levels. At roof level, the waterproof membrane installation and the erection of the roof steelwork is nearing completion. The façade installation continues on the eastern building with Fletcher and Thermosash continuing to work closely on the installation programme. Site inspection of the façade installation continues by the consultant. They report the quality of the façade installation remains at a high standard and previous concerns have now abated.

The use of temporary building wrap remains to cover sections of the building to provide a weather tight environment where the façade has not been installed.. This has allowed the internal timber framing and plasterboard to be installed and assists in maintaining programme dates.

Internal wall framing continues on all levels of the east and west buildings and plasterboard installation progresses throughout. Services installation, fire, electrical, HVAC, lab gasses, AV, security and hydraulics continues on all available floors. Services installation is the main driver of the critical path.

Returns for the RFT for Stage Two von Haast replacement were due on 14 October, with a ten day period to assess the returns and advise UC of a likely contract value based on the clarifications and contract tags received from prospective vendors.

Canterbury Engineering the Future (CETF)

The main challenge for the project team continues to be programme management and provision of delivery dates that can be maintained. The UC intervention to embed an independent programme consultant into the delivery team has resulted in a series of conversations and actions that have had an overall positive impact on programme. This work will be ongoing for some months.

ECE: A statement of occupation has been received for ECE and occupation by UC of all areas aside from two labs has been completed. Practical completion is pending resolution of a number of warranty matters. There are a number of post-contract works that have been identified as being required in order to ensure appropriate functionality of the building.

CAPE: Clarification of the specification for a gas detection alarm panel in the PC2 laboratory is ongoing and these works will be completed outside of the main contract works. This means in effect that UC will be able to occupy CAPE before the PC2 lab is fully functional.

CORE: Works in the CORE are progressing well. While the programme remains under pressure the focus this month has been on closing out multiple design issues in order to shift the focus onto works delivery. A prioritisation exercise is currently under way.

Hawkins has been focusing on the Tranche Two programme and advises it has revised the programme and improved completion dates for both CNRE and MECH. CNRE is now forecast to complete April 2017 and MECH in May 2017. While this improvement is welcomed, work on the programme will continue.

Electrical Link Reclad

The detailed design phase is now completed and the RFT was released on 7 October. Completion is still expected in July 2017. The consent application will be submitted in October.

Relocation of the College of Education Health and Human Development – Rehua

Good progress has been made through September with installation of structural steel to both buildings. Phase One is near completion on the South building and Phase Two on the North starting. This has allowed for the installation of the first of the Fluid Viscous Dampers. Work continues on the façade system with secondary steel frames due on site in October, which will allow the timber infill works to commence. Actions from the independent programme facilitator report are being implemented with an improvement seen in both communications between Hawkins and the project team, along with an approved programme giving a practical completion date in August 2017.

Other Buildings/ Projects

UCSA

The demolition of the old UCSA building progressed well over the month. The PCG has approved up to \$26,000 to ensure noisy demolition works are stopped during exam periods.

The Project Team has been busy developing the design with UCSA to ensure the current design does not exceed the budget while ensuring the required functionality of the spaces are still met. Developed design will be forwarded to the October PCG for approval. The project Business Case will be forwarded to Council this month. The project is on track for the building to be operational by February 2019.

Arts Centre

A revised programme is still to be issued, however the completion date of 21 December 2016 remains unchanged.

First fix services installation, continue on all floors and is substantially complete and plasterboard installation and stopping are progressing. Sally Papps Exhibition Design Build and Consultancy has been appointed to provide the design for the Logie Gallery. This is in the early concept design stage and will be developed over the coming weeks.

Residential (Student) Accommodation

The PCG providing oversight of the student accommodation projects for UC has established a number of work streams. These are:

1. Demand and supply of beds

The PWC Update to Student Accommodation Strategy was presented to PCG in August. This report recommended the creation of 1,200 beds by 2023. Capital Works is continuing to work on developing a high level delivery strategy to meet the report's recommendations.

2. Postgraduate apartments at Dovedale

Following the approval of the Business Case for Dovedale Accommodation (Stage One) Sonoda Extension, an ROI has been to market and shortlisting is under way, with the evaluation team expecting to propose three potential partners at the October PCG.

3. Undergraduate Hall of Residence (Homestead Lane)

Deferred to 2020.

4. St Nicholas Hall (Kirkwood Avenue Halls)

UC has been working with the preferred contractor, Naylor Love, to establish the scope of works, and an agreed price for that scope. The price is due to be finalised in early October and presented to the PCG for approval to allow Naylor Love time for early procurement of long-lead time items. UC has now received the Deed of Lease for the property from the landlord's lawyers and this is currently being reviewed and presented for approval and signing.

Head leases and standalone houses

In September the PCG considered the inequity in the rental price of UC-leased and UC-owned accommodation. Agreement was reached regarding appropriate rentals and this will be phased in at rent renewals throughout 2017.

6. Existing UC Temporary Sites

In recognition of the site clearance date requirements and lease expiry dates for Waimairi Village and Waitakiri Village respectively, planning for packing down the villages has started.

7. New Temporary Beds

No change has been implemented to the work stream in the past month

8. EQ Remediation

Holmes Consulting Group (HCG) has been engaged by UC to provide structural strengthening of the UC student accommodation blocks to achieve strengthening of over 67% as per University Council policy. Designs are now being reviewed and costed.

9.2 Upcoming Events Calendar: September-October

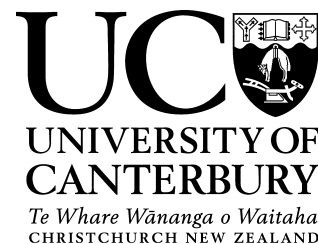
Date	Time	Venue	Event name	Primary purpose
17 OCT - 10 NOV	-	-	UC EXAMS	-
24-Oct	-	-	LABOUR DAY	-
Wednesday 26 October	2.30 - 5pm	F1	EDP Thought Leadership Series: NZ Firms and Global Value Chains	Engage
Wednesday 9 November	9.30am - 2.30pm	Undercroft Common Area	Ekea! Year 10 UC Pathways for Māori	Recruit
11-Nov	-	-	SHOW DAY	-
Monday 14 - Wednesday 16 November	-	Horncastle Arena	<u>SingularityU New Zealand Summit</u>	Engage
Friday 18 November	6pm - 11pm	College Hall, The Arts Centre	Chancellor's Dinner & UC Council Awards	Engage
Wed 23 - Friday 25 November	9am - 6pm	North Arts Lecture block	Annual Conference of the Association of Social Anthropology of Aotearoa	Conference
Friday 25 November	8am - 10am	Level 6, Matariki	Careers Advisors Breakfast	Recruit
Tuesday 29 November	5.30 - 8pm	TBA	EDP Information Evening (MBA - External/Industry)	Recruit
Thursday 8 December	1.30pm - 3.30pm	Sir Howard Morrison Performing Arts Centre, Rotorua	Faculty of Education	Retain
Wednesday 14 December	10am - 12pm	Horncastle Arena	Faculties of Engineering & Forestry and Arts	Retain
Wednesday 14 December	2pm - 4pm	Horncastle Arena	Faculty of Education	Retain
Thursday 15 December	9.30am - 12.30pm	Jack Mann Auditorium	Celebration for Māori Graduands	Retain
Thursday 15 December	4pm - 7pm	Undercroft Common Area	Pasifika April Graduation	Retain
Friday 16 December	10am - 12pm	Horncastle Arena	Faculty of Law, Commerce and Science	Retain

9.3 VC ACTIVITIES

Past Events	
29 September 2016	<ul style="list-style-type: none"> • Travelled to San Francisco on Alumni and Recruitment business
01 October 2016	<ul style="list-style-type: none"> • Attended a UC Foundation in America Board Meeting
03 October 2016	<ul style="list-style-type: none"> • Hosted a Community Dinner alongside Dr John Wood and Professor Gail Gillon
04 October 2016	<ul style="list-style-type: none"> • Attended the Entre Annual Awards
06 October 2016	<ul style="list-style-type: none"> • Hosted a VC welcome for new staff
07 October 2016	<ul style="list-style-type: none"> • Meet with Warren Parker the CEO of SCION
10 October 2016	<ul style="list-style-type: none"> • Attended a Community Meeting • Hosted a dinner for CEOs from around Christchurch
14 October 2016	<ul style="list-style-type: none"> • Participated in the SMT Emergency Management Scenario Training
18 October 2016	<ul style="list-style-type: none"> • Hosted a VC's Forum • Attended an International Board of Advisors Teleconference
19 October 2016	<ul style="list-style-type: none"> • Hosted a VC's Forum
20 /21 October 2016	<ul style="list-style-type: none"> • Attended the New Zealand Vice-Chancellor's Committee Meeting in Wellington
25 October 2016	<ul style="list-style-type: none"> • Participated in an SMT Planning Day

Upcoming Events	
27 October 2016	<ul style="list-style-type: none"> • Attending a VC Working Party on Research and Education via teleconference • Attending a Health Research Council and UC Celebration of Research Excellence
28 October 2016	<ul style="list-style-type: none"> • Hosting the UCSA Executive team for dinner at home
31 October 2016	<ul style="list-style-type: none"> • Attending the Treasury Crown Directors Breakfast
01 November 2016	<ul style="list-style-type: none"> • Hosting the Governance Oversight Group on Campus •
09 November 2016	<ul style="list-style-type: none"> • Attending the CDC Summer Economic Update • Attending the UC Foundation Strategy Meeting
14 November 2016	<ul style="list-style-type: none"> • Hosting a Staff Forum
18 November 2016	<ul style="list-style-type: none"> • Attending the 2016 Chancellor's Dinner and UC Council Awards
23 November 2016	<ul style="list-style-type: none"> • Opening the NZIWL Conference • Attending a VC Working Group on Research and Education by teleconference • Attending the NZIWL Conference Dinner
25 November 2016	<ul style="list-style-type: none"> • Attending the Careers Advisors Breakfast • Attending the Canterbury Recovery Learning and Legacy Sponsors Group programme • Speaking at the Canterbury Deputy and Assistant Principals Conference • Attending the Christchurch City Holdings Annual General Meeting and Cocktail Function
29 November 2016	<ul style="list-style-type: none"> • Attending the QuakeCoRE Board Meeting • Hosting Drinks for the participants of the Career Planning for the Early Career Academic- 2-day workshop
30 November 2016	<ul style="list-style-type: none"> • Attending morning tea for participants of the Career Planning for the Early Career Academic Workshop

Memorandum



To:	Council
From:	SMT
Date:	17 th October 2016
Subject:	Proposed UC Response to Productivity Commission Draft Report of Tertiary Education
Purpose:	For information and approval for external UC submission

This paper provides an overview of the draft Productivity Commission report on the New Zealand tertiary sector and proposes that UC submit a response to the draft report, in addition to UC input to the Universities New Zealand response to the report.

1. Productivity Commission Work on Tertiary Sector

The Productivity Commission has been working on a review of the New Zealand tertiary education to investigate how trends in technology, internationalisation, population, tuition costs and demand for skills may drive changes in “delivery models” of tertiary education, with the premise that the current system may not be “unlocking” potential productivity gains for the long-term benefit of New Zealand. The brief of the review can be at

<http://www.productivity.govt.nz/sites/default/files/tertiary-education-issues-paper.pdf>.

A draft report of the review findings were released on 29th September 2016, and the Commission is seeking responses to the draft report by 21st November 2016. The draft report can be found at http://www.productivity.govt.nz/sites/default/files/FINAL%20Tertiary%20education%20draft%20report_2.pdf which includes 33 specific recommendations. A final report will be presented to Government in February 2017.

Though the review brief covered all the New Zealand tertiary sector, the draft report in reality focusses on New Zealand university sector. The high-level view of the report is that:

- More competition and “de-regulation” of the university sector would allow a more innovative and responsive system for customised learning;
- The current EFTS funding model and the CUAP process in particular are hindering competition;
- The term “university” could be more widely used by other New Zealand entities, including existing PTE’s upon application;
- The notion of research-led teaching and PBRF funding should be essentially dropped from the tertiary sector;
- The review also proposes some specific politically risky proposals, including paying interest on student loans, and introducing a student voucher scheme where “customers” could shop for the “best deal”.

Not surprisingly, initial reaction from interested parties, including the university sector and Minister Joyce to the draft report has been “do more homework” before the final report is presented in 2017.

2. UC and UNZ Response to Draft Report

Though difficult to judge, given the negative response to the draft report, and given that many of the recommendations are likely “political red lines” (e.g., interest payment of student loans, removal of research-led teaching and the PBRF funding), Universities New Zealand is developing a logical and coherent rebuttal to the draft report which highlights the many issues that the university sector have with the report. The UC Vice-Chancellor will have met, other New Zealand university VC’s on Friday 21st October, to finalise a Universities New Zealand position to the draft report.

Both SMT and Academic Board have, respectively, “workshopped” and discussed the commission’s recommendations, and have formed a view that the draft report has specific risks and issues for UC, and hence recommend that UC should attempt to emphasize these points through the Universities New Zealand submission, but also consider making a separate UC submission.

Specific issues and risks in the draft report, where UC is potentially more “exposed” at this time, are the following:

- Increasing full fee-paying international students is a key theme of the UC Futures programme. Currently UC has 1164 international students (8% of the total student headcount, but disproportionately more important in funding generation), and are the fastest growing cohort of new to UC students comprising some 394 new “applications to enrol” for 2017 in comparison to 2016, and are particularly important in the Colleges of Engineering, and Business and Law. The UC brand for international students is based on the credibility of being a globally-ranked university. Any proposed “reform” that allows other New Zealand tertiary entities to be called “universities” will create confusion in the international market, and put at risk the UC recovery.
- Similarly, the distinction between university research-led teaching and other New Zealand private training establishments (PTE’s) offering qualifications is fraught for UC whilst we recover our domestic student numbers. Currently, 20% of qualifications called degrees are now granted by New Zealand PTE’s that are funded at the same rate as research intensive universities. Evidence indicates course fees are one sensitivity factor (and potentially increasingly so) in student decisions around specific institutional enrolment. Given that the Government is still currently under-writing the UC SAC for domestic students, and we have yet to enrol back to pre-earthquake student numbers, UC is more exposed than other universities if further reform doesn’t distinguish, or incentivise differences between research-led teaching and non research-led teaching.
- Current Government strategy see a clear “line of sight” (particularly in science and engineering, but not exclusively so) between research, growing a New Zealand knowledge base, innovation, commercialisation, a greater technology literate workforce, and ultimately growing a larger national economic base. Much of this thinking underpins the combined UC and Crown investment in RSIC and CETF, where some 65-70% of the \$370 M capital investment is directly related to research, and research training of PhDs. Any proposed reform of “research-led” teaching will significantly limit the planned benefits realisation of the RSIC and CETF investments. Unlike other New Zealand university capital investments, UC has Crown funding for both RSIC and CETF, with an explicit agreement and expectation of realizing defined benefits in research, innovation, and PhD training;
- The impact of the 2010-2011 earthquake sequences has forced UC to consider new teaching innovations, beyond business as usual, as a clear business incentive to stay relevant and to recover student numbers. Some of these innovations include developing key graduate attributes (including entrepreneurship) across all taught undergraduate degrees, long-distance teaching programmes in the College of Education, Health, and Human Development which will see 55 students graduate as teachers in Rotorua this

year. This long-distance teaching is being expanded into the College of Business and Law in 2017. Further, UC has a collaboration with the global Navitas company, to develop UCIC which is a bridging course for non-native English speaking students in science, engineering, and business where they can be directly enrolled into second-year courses if they pass the UCIC course. UC plan to expand this programme.

3. Proposed UC Submission to the Draft Report

Given that UC has greater risk to the draft report recommendations, and that institutions making submissions will be invited to discuss these with the Productivity Commission, it is proposed that UC make an institutional submission.

Accordingly **Council approval is sought** to:

- Agree that UC should make an institutional submission, and
- Such a submission be developed by the VC and SMT from the points in Section 2 above, with the draft UC submission being circulated out-with Council meetings for agreement and submission by 21st November to the Productivity Commission.

Report to the Council from a meeting of the
Finance, Planning and Resources Committee
held on Monday 17 October 2016

The Committee recommends:

1. UC Trust Funds Report to 30 September 2016

That: Council note the UC Trust Funds Quarterly Report to 30 September 2016.

2. Financial Report to 30 September 2016

That: Council note the Monthly Financial Report to 30 September 2016.

Ms Catherine Drayton
Chair
Finance, Planning and Resources Committee

20 October 2016

Memorandum



Financial Services

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

To:	Council
From:	Keith Longden
Date:	19 October 2016
Subject:	Eriksens 30 September 2016: University of Canterbury Trust Fund
Purpose:	For Information

Introduction

Eriksens have submitted their quarterly report on the University of Canterbury Trust Fund (UCTF) to 30 September 2016.

A summary of the main matters raised is set out below.

UCTF – 30 September 2016

- Economic theory on low interest rates acting as a spur to inflation by releasing cash for investment have been proved wrong – investors are hoarding cash rather than spending it.
- World economy round-up:
 - economic pressures may push Japan into recession;
 - in the US monetary policy is moving towards interest rate increases ... but not yet;
 - in Europe, Spain and Italy are in some political and financial strife while Deutsche Bank in Germany is in some significant bother with wide-ranging consequences – the IMF opines that Deutsche Bank "appears to be the most important net contributor to systemic risks in the global banking system"; and
 - Australasia – signs of growth in NZ and Australia, but interest rates low and further cuts expected.
- The fund returned a **positive 2.9% return** for the quarter ended 30 September 2016 (minus 0.2% return for quarter ended 30 June 2016), on par with benchmark returns. In the last 12 months the Fund has returned 6.0%, which is 3.4% less than the benchmark return of 9.4% (30 June 2016 – a return in the previous 12 months of 2.8%, which was 3.0% less than the benchmark return of 5.8%). There was low performance across all managers, with returns below benchmark in Trans-Tasman equities and Diversified Income investments.
- A significant contributor to the poorer returns was the relatively strong New Zealand Dollar (for Australian and US investments).
- The UCTF returns show a three year return of 8.5% (benchmark 8.7%), and the 5 year return is 9.4% (benchmark 9.6%).
- The SIPO states that: "Returns after investment related fees but before any taxes that exceed CPI increases by at least 4.5% per annum over rolling 3 year periods will be sought". CPI increase since 30 September 2013 has been 1.3%.

Recommendation

For information.

Keith Longden
Executive Director/Chief Financial Officer

ERIKSEN & ASSOCIATES LTD

Actuaries & Investment Strategists

UNIVERSITY OF CANTERBURY TRUST FUND

QUARTERLY REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2016

ERIKSEN & ASSOCIATES LIMITED

10 OCTOBER 2016

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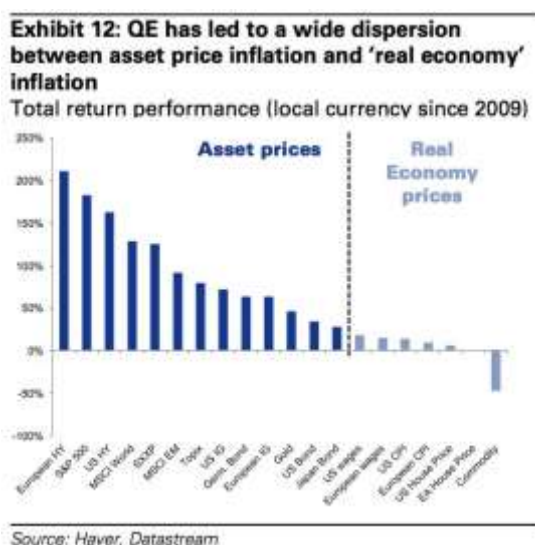
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SPOTLIGHT ON CENTRAL BANKS' STIMULUS

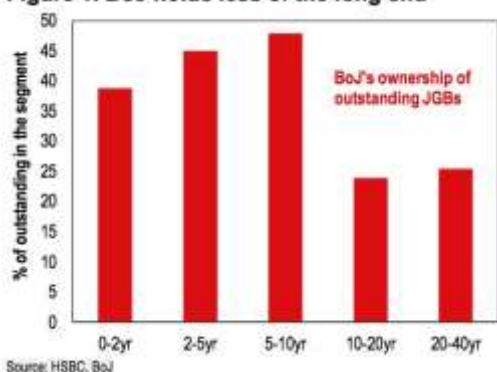
The following graph gives a good illustration of why central banks (rightly or wrongly) continue to keep interest rates so low. Lower rates are 'theoretically' supposed to spur on inflation. The right of the vertical dotted line displays the increase in prices in the real economy i.e. the prices that central banks have been trying to stimulate with quantitative easing and loose monetary policy since around 2009. Evident in the graph is the fact that these policies have not had the desired effect on wages and consumer goods. Ultra-low and negative rates have spooked consumers and businesses into hoarding cash rather than spending it in the real economy. Instead the policies have significantly increased and distorted asset prices in financial markets.



JAPAN

Japan undertook a comprehensive review of central bank policy measures in September as doubts emerged over the effectiveness of their QE programme and negative interest rate policy. As a result of the review the Bank of Japan has adopted a new “yield curve control” policy. Principally, this policy entails less purchases of long maturity bonds (see following graph), meaning yields at the long end of the yield curve will rise, which would be positive for the Japanese economy.

Figure 1. BoJ holds less of the long end



The yield curve is affected by perceptions on inflation, currency movements, default risks and overall economic growth amongst other things. With short-term yields (e.g. 3-months), investors are more or less sure they will get their money back, but over the long-term (e.g. 10 years) there is much less certainty so investors demand a higher yield. However, if long-term yields are low, then peoples'

outlook on inflation and growth is weak. If long-term yields are lower than the 3-month yield the economy may be moving towards a recession.

UNITED STATES

At the FOMC meeting in September the number of dissenting votes increased to three compared to one at their July meeting. President of the Boston Federal Reserve, Eric Rosengren, was one of the dissenting votes supporting the view to hike rates sooner rather than later. In his opinion, the unemployment rate (forecast to dip below 4.5% by 2019) would be below what he thought was sustainable. This would cause overheating of the economy, putting pressure on inflation and further increasing imbalances in financial markets. By delaying rate increases, the duration to economic recovery would be extended, and put at risk the sustainability of recovery due to imbalances that have led to recessions in the past.

The next FOMC meeting is 1-2 November, however this is not accompanied by a press conference by the Chair and as the US Presidential election will almost be under way, the 13-14 December meeting will be the one to look out for the next hike.

At the end of September the Justice Against Sponsors of Terrorism Act was passed by Congress despite a veto from the Obama Administration. The Act gives an exception to a long history of sovereign immunity to *“...seek relief against persons, entities, and foreign countries, wherever acting and wherever they may be found, that have provided material support, directly or indirectly, to foreign organizations or persons that engage in terrorist activities against the United States.”* Although the Act does not specifically mention Saudi Arabia, from recent history between the two nations it is widely accepted that the Act is aimed at the Middle Eastern kingdom due to their alleged support of 9/11 hijackers. The consequences are a soured US-Saudi Arabia diplomatic relationship in what is already an unstable region, and could mean divestiture of considerable amounts of Saudi Arabian sovereign and private wealth held in the US.

EUROPE

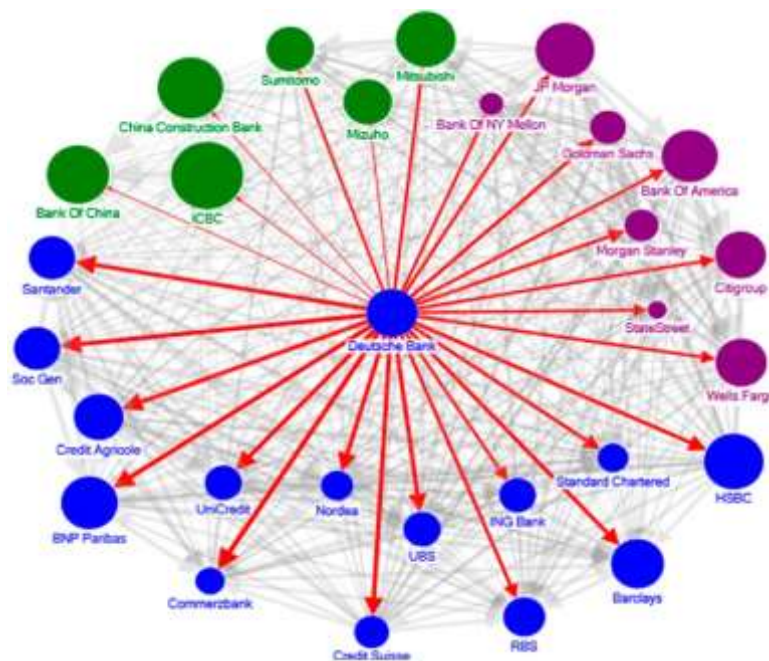
In Italy a referendum is to be held on 4 December 2016 on constitutional reform. The referendum proposes reducing the powers of the Senate, allowing an easier channel for structural reform. Currently both houses in Parliament have equal powers which creates complications in decision-making and an inefficient legislation process. The reform would cut the number of senators by around two thirds, and diminish their participation in law-making procedures.

The implications on financial markets of this referendum stem from the political instability associated with Prime Minister Renzi's call to step down if a 'No' result occurs. There would be uncertainty surrounding economic policies and a future election could see the eurosceptic opposition party, Five Star Movement, rise to power. Italy is already a weak link in the EU; with government debt at around 130% of GDP, slow economic growth, a struggling banking sector and Brussels not forthcoming with financial aid, a 'No' vote may spark wider commotion in the EU.

The Italy-Spain 10-year yield spread climbed to the highest in over two years following these developments. The premium investors demand for the increased uncertainty in Italy compared to Spain is up to 33 bps.

The clearer political situation in Spain also added to this divergence in yields. On 1 October the leader of the Socialist Party, Pedro Sanchez, was effectively ousted in a revolt by members of his own party's executive committee. The change came following weak results at regional elections in northern Spain and accusations from former Socialist Prime Minister Felipe Gonzalez that Sanchez had lied about his political strategy. Sanchez has been the primary block in the road for Mariano Rajoy (People's Party) to gain the majority required to take office as Prime Minister. Sanchez's resignation could mean Spain's nine month political stalemate finally comes to end.

The banking sector in Europe is in disarray with news trickling out that Germany's largest financial institution Deutsche Bank (DB) is in trouble. The bank is under serious pressure. A US\$14 billion fine (though this may be negotiated lower) was issued by the US Justice Department for mis-selling mortgage backed securities, causing DB's share price to drop sharply. Subsequently, ten large hedge funds have withdrawn their exposure to DB which is the main clearinghouse for trades in Europe (see following graph).



Source: imf.org

The International Monetary Fund released a report in June this year stating that DB "appears to be the most important net contributor to systemic risks in the global banking system." The case for a government bail-out is increasing, however the political ramifications of this would be disastrous for the integrity of Angela Merkel and the EU. Failure to rescue banks in Greece, Portugal and Italy has caused significant damage to those economies in the past, so if Merkel was to support a bail-out she would effectively be holding Germany above the law. If the situation worsens for DB a bail-in may eventuate. This is where creditors and equity holders of DB rescue the bank. Equity holders will lose

out first, followed by subordinated debtholders, then senior debtholders. With so much spill over to other important banks this crisis has the potential for global contagion.

If the situation with DB does not prove to be systemic, what we can still garner from this is that the trust and confidence in financial markets has not completely recovered since the GFC. Markets are fragile, investors will jump on any piece of negative information, resulting in large bouts of volatility. We expect volatility to continue, with significant downside risk going forward. Valuations are stretched so much that investors are not being compensated for the amount of risk they are taking on.

In the UK, Prime Minister Theresa May announced that Article 50 will be invoked no later than the end of March next year. This is the first tangible step in Britain's exit from the European Union. While this reduces some uncertainty of the timing of Brexit, the direction the negotiations take remains unclear. Though one idea that was rejected by May was for Scotland to negotiate a separate deal with the EU. May stated "...we will never allow divisive nationalists to undermine the precious union between the four nations of our United Kingdom." The majority of Scots voted in June referendum to remain in the EU. Further confusion in negotiations with the EU will arise due to the fact that the French and German elections will not have taken place by March next year.

CHINA

On 1 October the Chinese yuan was officially included in the IMF's Special Drawing Rights (SDR) basket. The yuan was allocated the third highest weighting with 10.92%. This is behind the US dollar (41.73%) and the euro (30.93%). The yen (8.33%) and the pound (8.09%) make up the rest of the SDR basket. Inclusion will boost demand for China's assets, which will challenge their monetary policy independence due to the extra pressure that will fall on domestic markets from an increase in external fund flows. For the time being China is likely to continue to manage the liberalisation of the yuan with restrictions on these fund flows. However, to fully gain the status of an international reserve currency China must allow the yuan to be freely accessible and free to use.

AUSTRALASIA

The RBNZ kept the OCR unchanged at 2.0% at their September meeting as expected. In their accompanying statement they indicated their "*...current projections and assumptions indicate that further policy easing will be required to ensure that future inflation settles near the middle of the target range.*" The New Zealand economy continues to expand, recent released figures showing GDP growth of 0.9% for the June quarter led by the construction and services sectors. Year-on-year GDP growth was 3.6% to June 2016, compared to 3.0% for the previous one year period to March 2016.

Comparatively the Australian economy grew at 0.5% for the June quarter and 3.3% for the year to June 2016. The largest contributors to the year-on-year growth came from the mining sector and the financial and insurance services sector. The RBA held its first meeting under new Governor Philip Lowe at the start of October, deciding to keep the cash rate at 1.5%. The market is currently pricing in a full 25 bps cut within the next year.

PERFORMANCE OF FUND MANAGERS

OVERALL

This report is based on the draft SIPO dated 1 February 2016.

All performance figures are time-weighted returns shown net of fund manager fees and include currency gains and losses associated with conversion back to NZD.

The target allocation as per the SIPO is split 50%/50% between growth and income assets. The current proportion of growth assets is at 38% while income assets make up the remaining 62% of the portfolio. These allocations are both outside the target ranges due to the full redemption of two growth investments which are currently held as cash, pending reinvestment. The funds were withdrawn due to non-compliance with the Trust Funds' SIPO.

Market Performance

The performance of global equity markets were mixed in September. Emerging markets (MSCI Emerging Markets), the French market (CAC 40) and the UK market (FTSE 100) were the only markets with positive performances over the month with returns of 0.4%, 0.2% and 1.7%. The Nikkei 225 (Japan) was down with a return of -2.6%. The DAX (Germany) was down 0.8% and the S&P 500 (US) fell 0.1%. Over the quarter all markets had positive returns. The DAX was the best of these with a return of 8.6%, comparatively the S&P 500 had the smallest gain with a return of 3.3%.

The NZX50 was down 0.5% over the month but up by 6.7% for the quarter. The Australian equity market (S&P/ASX 200) was up by 0.5% over the month, and up 5.1% over the quarter. Over the year the NZX50 gained 31.6% while the Australian equity market was up by 13.2%.

Global government and investment grade bonds were up over the one, three and twelve month periods. New Zealand investment grade bonds also performed positively over these periods. New Zealand government bonds were down for the month, but up over three and twelve months.

The West Texas oil price was up 7.9% over the month, and Brent Crude was up by 3.3%. Over the previous twelve months West Texas was up 7.0% and Brent Crude was up 1.2%. This is the first year-on-year price increase since June 2014.

Unhedged Australian asset returns expressed in NZD terms will have benefited from a 1.6% depreciation of the NZD/AUD exchange over the last month. Over the quarter the NZD depreciated by 0.7%, but over the last twelve months it was stronger by 4.3% against the AUD.

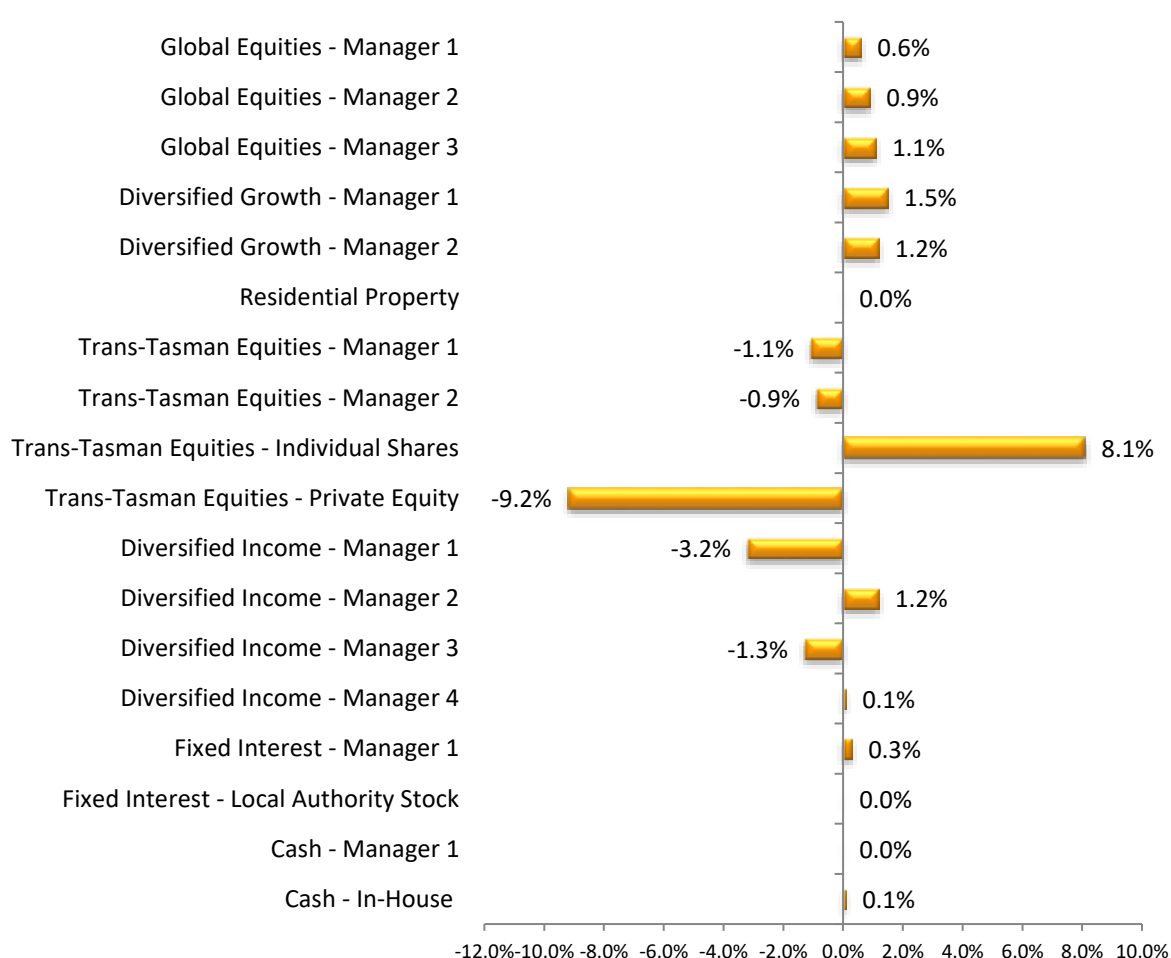
The NZD's performance against all other major currencies over the month was mixed. It weakened by 0.7% against the euro, 1.9% against the yen and 0.1% against the yuan. Against the pound it appreciated by 1.1%, and against the USD it was up 0.2%. Over three month and one year periods the NZD strengthened against all major currencies except the yen over twelve months.

Fund Performance

The Fund returned 2.9% over the quarter ending 30 September 2016, which was on par with the weighted benchmark return.

Over the past 12 months the Fund returned 6.0% which underperformed the benchmark return by 3.4%. The Fund had an annualised return of 8.5% for the three year period which was 0.2% below the benchmark return, and returned 9.4% per annum for the five year period, which was 0.2% below the benchmark return. The Fund return over seven years was 8.1% per annum, on par with the weighted benchmark return.

Value Added (Manager Return – Benchmark Return) Over the Quarter



GLOBAL EQUITIES

Global Equities Manager 1 (Passive | Hedged | Global)

Manager 1 returned 5.9% over the quarter which was 0.6% above the return on the MSCI 100% hedged benchmark. For the 12 month period it returned 12.8%, underperforming the benchmark by

0.3%. Over three years the annualised return was 10.7% which was below the benchmark return by 0.5% and over five years it returned 15.4% per annum, 0.7% below the benchmark. A full withdrawal was made from this manager in September due to the manager holding investments which do not comply with the UCTF SIPO.

Global Equities Manager 2 (Active | Unhedged | Global)

Manager 2 returned 3.6% over the quarter which outperformed the benchmark by 0.9%. Over 12 months it returned -5.7% which underperformed the benchmark by 3.7%. The three year return was 11.1% per annum, outperforming the benchmark by 0.4%.

Global Equities Manager 3 (Active | Unhedged | Global | NZ PIE)

Over the the quarter the fund returned 3.8%, which was 1.1% above the MSCI ACWI benchmark. The return over one year was -0.6% which was 1.4% above the benchmark. The three year return was 12.6% per annum, outperforming the benchmark by 1.9%. The three year return includes the previous investment in the global non-PIE version of the fund.

DIVERSIFIED GROWTH (GLOBAL)

Diversified Growth (Global) Manager 1 (Active | Unhedged | Global)

Over the quarter Manager 1 returned 3.2%, outperforming the benchmark return by 1.5%. Over the one year period it returned 0.7%, which was 6.2% below the benchmark. The three year return was 3.0% per annum, underperforming the benchmark by 4.2%. The NZD/AUD exchange rate was beneficial to the return over the quarter, but hindered the one year return.

Diversified Growth (Global) Manager 2 (Active | Hedged | Global)

Manager 2 returned 2.8% over the quarter, outperforming its benchmark by 1.2%. Over the one year period it returned 5.6%, which was 0.1% above the benchmark. A full withdrawal was made from this manager in September due to the manager investing in underlying assets which fail to comply with UCTF's SIPO.

TRANS-TASMAN EQUITIES

Trans-Tasman Equities Manager 1 (Active | NZ PIE)

Manager 1 returned 5.6% over the quarter which underperformed the NZX50 benchmark by 1.1%. The one year return was 14.5%, underperforming the benchmark by 17.1% and the annualised return over three years was 12.6%, underperforming by 3.2%. The five year annualised return was 15.6% which underperformed the benchmark by 1.5%. The annualised return over seven years was 11.7%, underperforming by 1.1%.

Trans-Tasman Equities Manager 2 (Active | Unhedged | Australian)

Manager 2 returned 4.9% in NZ dollar terms over the quarter which was 0.9% below the ASX200 benchmark return. The weaker NZD/AUD exchange rate was beneficial to returns over the quarter.

The fund returned 0.3% over the last twelve months, underperforming the benchmark by 8.2%. The annualised return over three years was 2.1%, underperforming the benchmark by 1.6%. The return over five years was 5.5% per annum, an underperformance of 1.6%. The three year and five year returns include the previous investment in Manager 2's Australian Equities fund.

Private Equity (Active | NZ)

	Quarter Return			1 Year Return		
	Net	Bench mark	Value Added	Net	Bench mark	Value Added
PE Manager 1	0.0	7.8	-7.8	29.6	36.7	-7.1
PE Manager 2	-15.2	7.8	-23.0	-80.3	36.7	-117.0
PE Manager 3	-0.5	7.8	-8.3	15.8	36.7	-20.9
PE Manager 4	0.0	7.8	-7.8	5.1	36.7	-31.6
Total	-1.4	7.8	-9.2	8.1	36.7	-28.6

	3 Year Return (p.a.)			5 Year Return (p.a.)		
	Net	Bench mark	Value Added	Net	Bench mark	Value Added
PE Manager 1	33.2	20.4	12.8	24.2	21.7	2.5
PE Manager 2	-41.3	20.4	-61.7			
PE Manager 3	2.9	20.4	-17.5			
PE Manager 4						
Total	19.4	20.4	-1.0	20.8	21.7	-0.9

Previously included in private equity assets were trans-Tasman individual shares (mentioned below) which are now listed on the NZX. Thus the total return for private equity doesn't match the four managers' returns.

The total asset value of the private equity investments on page 15 of this report differs from the value Trustees Executors reports. This is due to different methodologies used. Using our methodology, we include the value of any new investments made by the private equity managers in between the managers' valuation dates, but do not include calls for management fees or working capital.

The benchmark for private equity investments is the S&P/NZX50 plus 4% per annum. None of the private equity investments have been revalued as at 30 September 2016 at the time of writing this report, hence 30 June 2016 valuations have been used.

Manager 1's return for the quarter was nil. The twelve month return was 29.6% which was 7.1% below its benchmark. The three year annualised return was 33.2% which outperformed the benchmark by 12.8%. The five year return was 24.2% per annum, an outperformance of 2.5%.

Manager 2 returned -15.2% for the quarter. This was due to a distribution of shares which subsequently fell in price as at 30 September. The one year return was -80.3%, which underperformed the benchmark by 117.0%. The three year return was -41.3% per annum, which underperformed the benchmark by 61.7%. The negative returns were due to a significant write-down of market value to one of the underlying investments (which made up a large portion of the fund).

Manager 3's return for the quarter was -0.5%. This was negative because of partnership expenses paid in July. Over twelve months the return was 15.8%, which was 20.9% below the benchmark. The return over three years was 2.9% per annum, an underperformance of 17.5%.

Manager 4's return for the quarter was nil. Over twelve months the return was 5.1%, which was 31.6% below the benchmark.

Trans-Tasman Equities Individual Shares

The return for the quarter was 14.8% which was which was 8.1% above the benchmark. The 12 month return was 79.0% outperforming the benchmark by 47.4%. Over three years the annualised return was 45.0%, outperforming its benchmark by 29.2%.

DIVERSIFIED INCOME

Diversified Income Manager 1 (Alternative – Life | Unhedged | Global)

Over the quarter Manager 1 returned -2.2% which was 3.2% below the benchmark. Manager 1 returned -20.2% over the year which was 29.1% below the benchmark, and over three years it returned -1.6% annualised which was below the benchmark return by 9.7%. The five year return was -7.6% per annum, an underperformance of 14.7%.

The strengthening New Zealand dollar against the greenback over the quarter (+2.1%) and twelve month period (+13.7%) weakened the returns.

Diversified Income Manager 2 (Alternative – Catastrophe | Hedged to AUD | Global)

Manager 2 returned 2.8% for the quarter which outperformed the benchmark return by 1.2%. Over the last twelve months it returned 2.5%, which was 4.2% below the benchmark.

Diversified Income Manager 3 (Active | Multi-Asset | NZ PIE)

Manager 3 returned 1.9% over the quarter which was 1.3% below the benchmark return. Over the last twelve months it returned 7.7%, which was 5.4% below the benchmark.

Diversified Income Manager 4 (Active | Multi-Asset | NZ PIE)

Manager 4 returned 1.5% over the quarter, which was 0.1% above its benchmark. Over the last twelve months it returned 8.6%, which was 4.1% above the benchmark.

FIXED INTEREST

Fixed Interest Manager 1 (Active | NZ PIE)

Manager 1 returned 1.2% for the quarter which was 0.3% above the benchmark return. A distribution of \$275,179 was received in September. Over the one year period it returned 6.6%, on par with the benchmark and over three years the annualised return was 7.1% which was 0.2% above the benchmark. Over five years it returned 5.8% which was 0.5% above the benchmark. The seven year return was 5.9% per annum, an underperformance of 0.3%.

Fixed Interest Local Authority Stock (Alternative | NZ)

The local authority stock returned 3.4% over the quarter. The bonds returned 6.8% for the one year period and 5.6% per annum for the three year period. The return was 5.8% per annum over five years and 9.1% per annum over seven years.

CASH

Cash Manager 1 (Cash | NZ PIE)

The return was 0.6% over the three month period which was on par with the benchmark return. It returned 2.8% over the past year, 0.1% above the benchmark return and returned 3.3% per annum over three years which was 0.2% above the benchmark. The return was 3.3% per annum over the five year period, beating the benchmark by 0.3%. A distribution of \$21,721 was paid to the Fund in September.

In-House Cash

There is currently \$16.3 million of cash held in-house as a result of full withdrawals from two managed growth funds. \$1.2 million is to be paid to the University this month.

PORTFOLIO AND SECTOR PERFORMANCE RELATIVE TO BENCHMARK

	Quarter Return		1 Year Return		3 Year Return (p.a.)		5 Year Return (p.a.)		7 Year Return (p.a.)						
	Net	Bench mark	Value Added	Net	Bench mark	Value Added	Net	Bench mark	Value Added	Net	Bench mark	Value Added			
Total	2.9	2.9	0.0	6.0	9.4	-3.4	8.5	8.7	-0.2	9.4	9.6	-0.2	8.1	8.1	0.0
Global Equities															
Global Equities Manager 1*	5.9	5.3	0.6	12.8	13.1	-0.3	10.7	11.2	-0.5	15.4	16.1	-0.7			
Global Equities Manager 2*	3.6	2.7	0.9	-5.7	-2.0	-3.7	11.1	10.7	0.4						
Global Equities Manager 3*^	3.8	2.7	1.1	-0.6	-2.0	1.4	12.6	10.7	1.9						
Diversified Growth (Global)															
Diversified Growth (Global) Manager 1*	3.2	1.7	1.5	0.7	6.9	-6.2	3.0	7.2	-4.2						
Diversified Growth (Global) Manager 2	2.8	1.6	1.2	5.6	5.5	0.1									
Trans-Tasman Equities															
Trans-Tasman Equities Manager 1***	5.6	6.7	-1.1	14.5	31.6	-17.1	12.6	15.8	-3.2	15.6	17.1	-1.5	11.7	12.8	-1.1
Trans-Tasman Equities Manager 2* ^^	4.9	5.8	-0.9	0.3	8.5	-8.2	2.1	3.7	-1.6	5.5	7.1	-1.6			
Trans-Tasman Equities Individual Shares	14.8	6.7	8.1	79.0	31.6	47.4	45.0	15.8	29.2						
Trans-Tasman Equities Private Equity**	-1.4	7.8	-9.2	8.1	36.7	-28.6	19.4	20.4	-1.0	20.8	21.7	-0.9			
Property															
Residential Property															
Diversified Income															
Diversified Income Manager 1**	-2.2	1.0	-3.2	-20.2	8.9	-29.1	-1.6	8.1	-9.7	-7.6	7.1	-14.7			
Diversified Income Manager 2*	2.8	1.6	1.2	2.5	6.7	-4.2									
Diversified Income Manager 3	1.9	3.2	-1.3	7.7	13.1	-5.4									
Diversified Income Manager 4	1.5	1.4	0.1	8.6	4.5	4.1									
New Zealand Fixed Interest & Cash															
Fixed Interest Manager 1	1.2	0.9	0.3	6.6	6.6	0.0	7.1	6.9	0.2	5.8	5.3	0.5	5.9	6.2	-0.3
Fixed Interest Local Authority Stock	3.4	3.4	0.0	6.8	6.8	0.0	5.6	5.6	0.0	5.8	5.8	0.0	9.1	9.1	0.0
Cash Manager 1	0.6	0.6	0.0	2.8	2.7	0.1	3.3	3.1	0.2	3.3	3.0	0.3			
Cash In-House	0.7	0.6	0.1	2.7	2.7	0.0	2.7	3.1	-0.4	2.7	3.0	-0.3	3.1	3.0	0.1

* Before taxes and including gains and losses associated with conversion back to NZD.

** Investments are valued quarterly.

*** Manager 1 received \$4m in mid-December 2010. Performance prior to this includes ext mgr

^ Prior to March 2015 this was the non-PIE version (Currency Unhedged Active Investment)

^^ Prior to March 2015 this was the manager's Australian active equity investment

All performance figures are time-weighted returns shown net of fees and gross of tax, and include gains and losses associated with conversion back to NZD. Past performance is not necessarily a guide to future performance and care should be exercised not to make decisions based on past performance only.

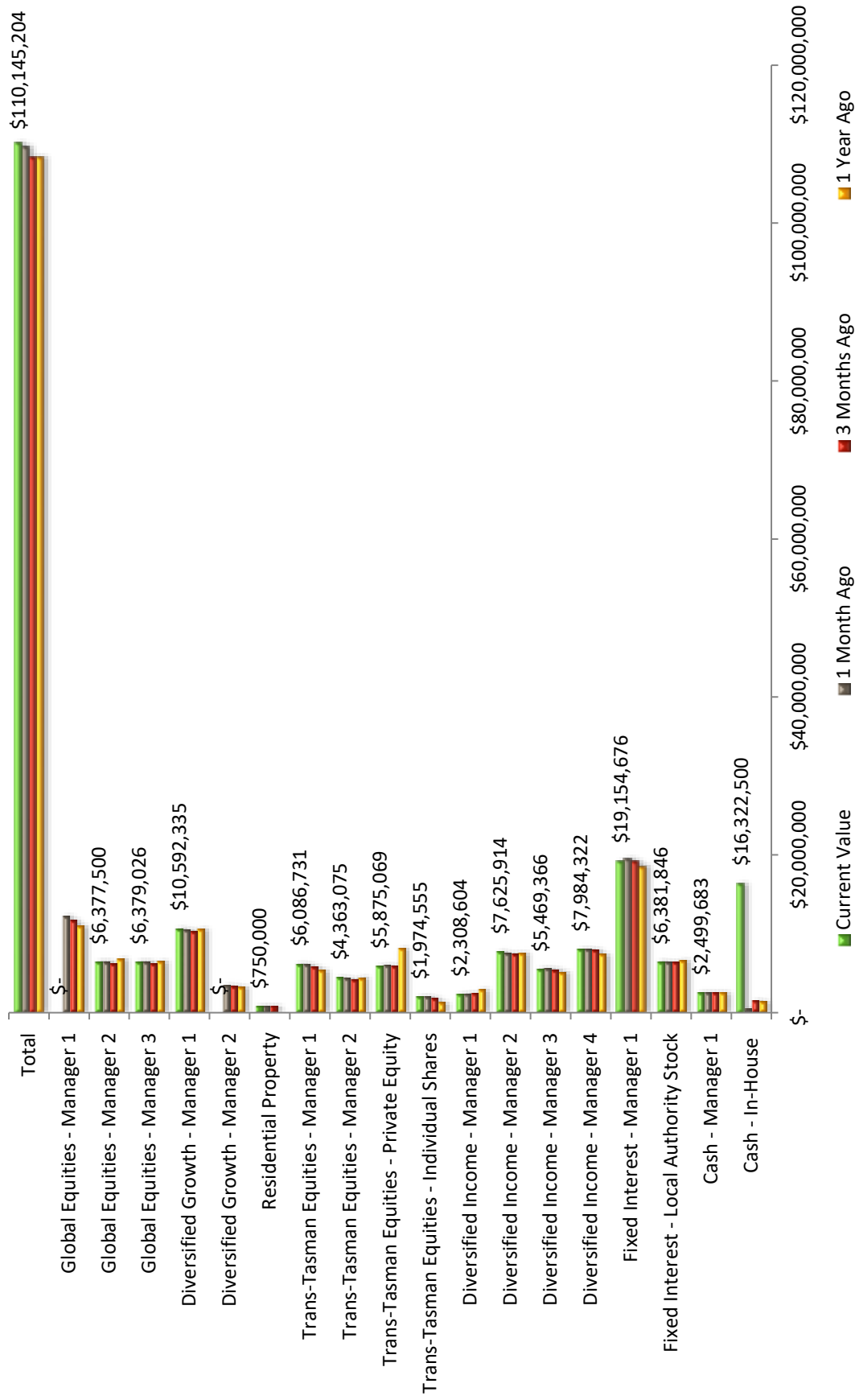
BENCHMARKS USED FOR FUND MANAGER COMPARISONS

Sector	Manager	Benchmark	Performance measured from
Global Equities – Passive	Manager 1	MSCI World Index Net Dividends Re-Invested 100% Hedged in NZ\$	14-Sep-09
Global Equities – Active	Manager 2	MSCI World (NZD) Net Dividends Re-Invested Unhedged	16-Oct-12
Global Equities – Active	Manager 3	MSCI World (NZD) Net Dividends Re-Invested Unhedged	1-Mar-15
Diversified Growth (Global)	Manager 1	Australian CPI (Trimmed Mean) + 5% pa	17-Oct-12
Diversified Growth (Global)	Manager 2	New Zealand CPI + 5% pa	1-May-15
Trans-Tasman Equities – New Zealand	Manager 1	NZX50 Index (excluding imputation credits)	1-Dec-10
Trans-Tasman Equities – New Zealand	Individual Shares	NZX50 Index (excluding imputation credits)	1-Aug-11
Trans-Tasman Equities – Australia	Manager 2	ASX 200 Index (gross)	1-Mar-15
Trans-Tasman Equities - Private Equity	Manager 1	NZX50 Index (excluding imputation credits) + 4% pa	27-Jan-10
Trans-Tasman Equities - Private Equity	Manager 2	NZX50 Index (excluding imputation credits) + 4% pa	27-Jan-10
Trans-Tasman Equities - Private Equity	Manager 3	NZX50 Index (excluding imputation credits) + 4% pa	1-Jul-13
Trans-Tasman Equities - Private Equity	Manager 4	NZX50 Index (excluding imputation credits) + 4% pa	1-Mar-15
Trans-Tasman Equities - Property	In House	NZ OE Unlisted and Direct Property Index	1-May-15
Diversified Income - Longevity Bond	Manager 1	Barclays Global Bond Aggregate Index	1-Jul-11
Diversified Income - Catastrophe Bond	Manager 2	UBS Australia 90 Day Bank Bill plus 4.5%	1-Jun-14
Diversified Income - Multi-Asset	Manager 3	70% NZX Corporate A Grade/30% NZX50	1-Mar-15
Diversified Income - Multi-Asset	Manager 4	New Zealand CPI + 4% pa	1-Apr-15
Fixed Interest	Manager 1	NZX NZ Government Stock	30-Jun-95
Fixed Interest - Local Authority Stock	Local Authority Stock	ANZ 7 Year Swap Index (Yield + 1.5%)	20-Jul-09
Fixed Interest - Local Authority Stock	Local Authority Stock	ANZ 5 Year Swap Index (Yield + 1.5%)	3-Dec-09
Cash	Cash Manager 1	NZX 90 Day Bank Bill Index	1-Jul-10
Cash	In-House	NZX 90 Day Bank Bill Index	31-Jan-98

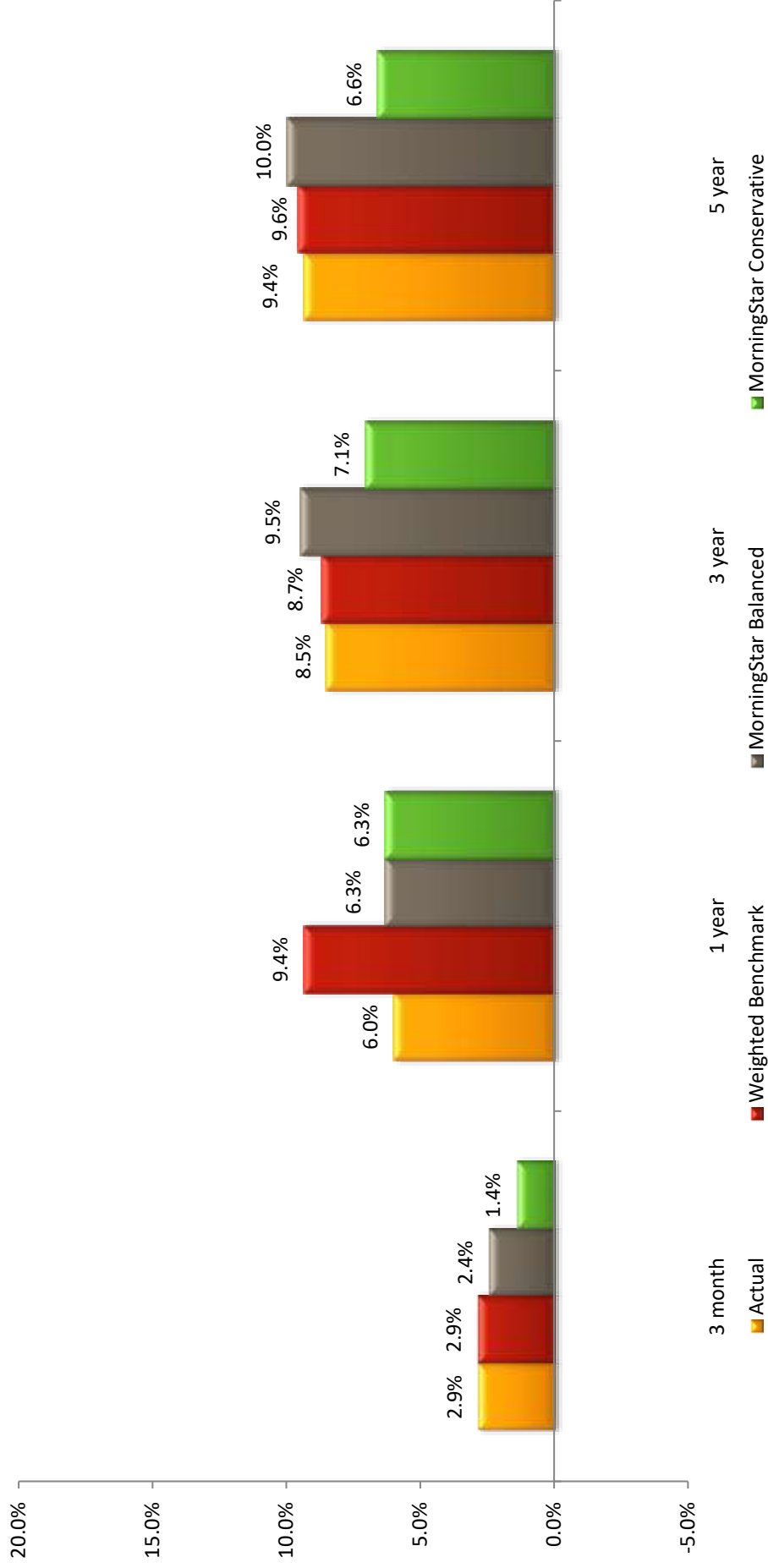
MANAGER ALLOCATIONS AND PERFORMANCE RELATIVE TO BENCHMARK

	Asset Value \$	Actual Allocation %	Target & Range %	Status
Global Equities				
Global Equities Manager 1 (Passive)	0	0.0	7.5 < 10 < 12.5	x
Global Equities Manager 2 (Active)	6,377,500	5.8	3 < 5 < 7	✓
Global Equities Manager 3 (Active)	6,379,026	5.8	3 < 5 < 7	✓
Total	12,756,526	11.6	10 < 20 < 30	✓
Diversified Growth (Global)				
Diversified Growth (Global) Manager 1	10,592,335	9.6	6 < 9 < 12	✓
Diversified Growth (Global) Manager 2	0	0.0	4 < 6 < 8	x
Total	10,592,335	9.6	10 < 15 < 20	x
Trans-Tasman Equities				
Trans-Tasman Equities Manager 1	6,086,731	5.5	2 < 4 < 6	✓
Trans-Tasman Equities Manager 2	4,363,075	4.0	2 < 4 < 6	✓
Trans-Tasman Equities Individual Shares	1,974,555	1.8	0 < 1 < 5	✓
Trans-Tasman Equities Private Equity	5,875,069	5.3	0 < 5 < 10	✓
Total	18,299,430	16.6	10 < 15 < 20	✓
Property				
Residential Property	750,000	0.7	0 < 1 < 5	✓
Growth Total	42,398,291	38.5	42.5 < 50 < 57.5	x
Diversified Income				
Diversified Income Manager 1	2,308,604	2.1	0 < 2 < 4	✓
Diversified Income Manager 2	7,625,914	6.9	4 < 7 < 10	✓
Diversified Income Manager 3	5,469,366	5.0	2 < 5 < 8	✓
Diversified Income Manager 4	7,984,322	7.2	2 < 6 < 12	✓
Total	23,388,207	21.2	11 < 20 < 31	✓
Fixed Interest & Cash				
Fixed Interest Manager 1	19,154,676	17.4	13 < 19 < 25	✓
Fixed Interest Local Authority Stock	6,381,846	5.8	0 < 8 < 10	✓
Cash Manager 1	2,499,683	2.3	2 < 3 < 10	✓
Cash In-House	16,322,500	14.8	0	[?]
Total	44,358,706	40.3	19 < 30 < 39	x
Income Total	67,746,913	61.5	42.5 < 50 < 57.5	x
Total	110,145,204	100.0	[?]	x

FUND SIZE – MONTHLY, QUARTERLY AND YTD

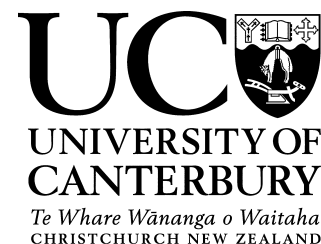


FUND PERFORMANCE RELATIVE TO BENCHMARKS



The Fund has beaten the MorningStar Conservative benchmark over each period except five years. The Fund underperformed the MorningStar Balanced benchmark over each time period except for the quarter. The Fund underperformed the weighted benchmark each period except the quarter where it matched the return.

Memorandum



Financial Services

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

To:	Council
From:	Keith Longden
Date:	18 October 2016
Subject:	Monthly Financial Report – 30 September 2016
Purpose:	For information

Please find attached the financial report for the period ended 30 September 2016.

1 Key items

\$000	Actual Year to Date	Budget Year to Date	Full year budget	Full year forecast
Total operating income	251,617	241,928	323,214	335,368
Total operating expenditure	250,870	255,098	336,871	345,598
Total operating surplus/(deficit)\	747	(13,170)	(13,657)	(10,230)
Working capital	172,194	(6,367)	8,296	229,821
Net assets	1,324,902	1,232,376	1,239,889	1,328,232
Net cash received from operating activities	70,496	48,860	30,363	46,437
Closing cash balance	238,947	27,590	42,081	265,463

Last month we made an adjustment to reduce the reported forecast deficit to an estimated (\$4.000) million to compensate for overstatement of forecasts based on prior years' experience, allowing for known additional spend in the latter part of the year and other potential adjustments such as asset write downs.

Forecasts have now reduced to approximately \$4.000 million, but this month we have included \$6.255 million of expense to recognise the agreement to use the insurance settlement proceeds in respect of the UCSA building for the UCSA rebuild. This agreement is subject to final negotiation, but the financial impact is reflected in the forecasts for Financial Services.

2 Benchmarks

Benchmarks in the monthly report are drawn from the 31 December 2015 financial statements of all New Zealand universities.

3 Operating results – actual year to date

Year to date actual operating surplus is \$0.747 million against a year to date budgeted operating deficit of (\$13.170) million.

(31 August 2016 – surplus \$1.626 million against a year to date budgeted operating deficit of (\$11.839) million).

REVENUE

Overall, revenues are exceeding budget, and are generally positive against budget for the colleges reflecting the additional EFTS (except for Education Plus). Additional investment income has been offset by unfavourable variances in QuakeCoRE funding (timing as project starts up, but with a minor overall financial impact as there has been commensurately limited expenditure) and in Navitas royalty income where budgeted EFTS at UCIC have not reached the volumes expected.

EXPENDITURE

Significant favourable expenditure variances are as follows:

- College of Business and Law \$1.825 million – most significantly \$0.875 million in personnel costs and \$0.474 million in scholarships and prizes;
- College of Science \$1.104 million - most significantly \$0.352 million in personnel costs \$0.308 million in equipment and maintenance, and \$0.257 million in scholarships and prizes.;
- DVC Research & Innovation \$2.917 million (QuakeCoRE expenditure \$2.154 million, and with savings in most areas, including \$0.464 million in personnel costs);
- Director Learning Resources \$1.737 million (\$2.414 million contractors, \$0.389 million consultancy expenses, and \$2.549 million depreciation, offset by write offs in CWRK and ICTS respectively of the Kaikoura field station and SMS capital WIP – costs prior to transfer of project to DVC – Academic); and
- DVC-Academic \$1.345 million (mostly underspend against the SMS project operating expenditure, which was profiled for the first 6 months of the year).

Chief Financial Officer responsibilities show a (\$3.357) million unfavourable variance to budget, of which \$2.661 relates to the six monthly revaluation of employee benefits liabilities, with the balance due to unbudgeted finance charges including (\$0.959) million of unrealised exchange losses, which are not budgeted for.

As with the colleges, the majority of the Service Unit variances are not forecast to be sustained.

However, depreciation savings relate to extending of useful lives of buildings in the 31 December 2015 revaluation, and the reduced level of capitalisation in 2015, with less buildings being completed than anticipated. These savings will be sustained for 2016 and have been reflected in the forecast.

4 Operating results - forecast 31 December 2016

Full year forecast operating deficit is (\$10.230) million against a full year budgeted operating deficit of (\$13.657) million.

(31 July 2016 – forecast deficit of (\$4.000) million against a full year budgeted operating deficit of (\$13.657) million).

Note the prior month (\$4.000) million deficit is after a \$3.180 million adjustment discussed above.

The improvement in EFTS noted above has translated to a forecast improvement in revenue in all colleges except the College of Science, with a total of \$12.154 million additional revenue currently

forecast, including an additional \$4.740 investment income, reflecting larger opening balances and capital expenditure forecasts not being met, making more cash available for investment.

Savings in depreciation account for the majority of the rest of the favourable variance, but other operating expenditure savings to date are not forecast to be sustained.

As noted above, this month's forecast includes a \$6.255 million recognition of the use of the insurance settlement held on behalf of the UCSA for the new UCSA building under proposed heads of agreement, with a corresponding reduction in the Compulsory Student Services Levy reserve in equity.

A more detailed analysis of the comparison of the actual year to date result with the forecast is contained in the 'Forecast Monthly Movements' memorandum.

5 2017 forecast and the Ten Year Model

The 2017 forecast is currently showing an overall (\$9.120) deficit, which aligns with the 2017 budget. This is now also in line with the (\$10.9) million deficit included in the Ten Year Model (TYM).

	2017 TYM	Movement	2017 September forecast
Operating Revenues	\$m	\$m	\$m
Total Government Grants	166.0	(3.1)	162.9
Tuition fees	104.0	0.8	104.8
Research	27.2	3.2	30.4
Financial income	5.7	4.8	10.5
Other	30.6	11.9	42.5
Total Operating Revenue	333.4	17.7	351.1
Operating expenditure			
Total Personnel Related Expenses	180.4	(0.5)	179.9
Total Other Operational Expenses	110.7	12.0	122.7
Interest	3.9	0.5	4.4
Depreciation	49.1	4.1	53.2
Total Operating expenditure	344.2	16.0	360.2
Net deficit	(10.9)	1.8	(9.1)

The differences noted are easily understood from the way the 2017 budget has developed as opposed to the assumptions on which the TYM is based:

- Government grants are assumed to grow regularly in the TYM, whereas the government has kept most SAC rates on hold, but favouring Engineering in 2016 and Forestry in 2017.
- Tuition fees EFTS assumptions are being met, as are fee increases.

- Additional research revenue is to be targeted in 2017 in the budget, where the TYM assumed a modest annual increase.
- Interest income is increasing because the TYM anticipated a much higher level of cash depletion on capital expenditure than has occurred.
- Other income includes an additional \$6.1 million drawn down from Trusts than in the TYM, a specific initiative for 2017, and there is \$3.1 million additional rental income arising from the student accommodation strategy that is not included in the TYM.
- Expenditure variances include the additional rental income for Dovedale and Kirkwood villages, and Waimairi, Waitakiri, and the other student accommodation leases taken on; depreciation is increasing in line with revaluations, which are not included in the TYM.

The 2017 forecast is now aligned with the 2017 draft budget.

7 Capital expenditure

Year to date capital expenditure of \$132.796 million is \$87.244 million (40.0%) under budget. (31 August 2016 capital expenditure of \$118.168 million was \$77.003 million (39.0%) under budget)

Capital expenditure by activity is on **page 21 of the monthly report**. The full year budget is \$274.635 million. An analysis of the main items is as follows:

Year to date	August	Actual	Budget	Variance	Variance
		\$000	\$000	\$000	%
RSIC		66,489	87,737	(21,248)	-24%
CETF		43,250	50,311	(7,061)	-14%
NEB (Stages 1 and 2)		9,658	31,857	(22,199)	-70%
		119,397	169,905	(50,508)	-30%
Projects budgets > \$500,000		3,835	28,431	(24,596)	-87%
Other		9,564	21,704	(12,140)	-56%
Totals		132,796	220,040	(87,244)	-40%

With the capital budget now \$87.244 million behind budget, and with no indication of accelerating expenditure in the larger projects, we have retained a centrally estimated forecast of \$175.000 million for the full year capital expenditure.

8 Cash and cash flows

Short term holdings of cash have been temporarily increased by the unspent funds for capital expenditure and by enrolment receipts. We continue to maintain significant short term investments and cash on call to meet the expected demand in the next 12 months, which affects working capital. Our expectation remains that this cash will dissipate as the capital projects commence fully, despite delays noted above.

The report includes the monthly five year projection of our net operating cash and cash balance position. Key assumptions remain as set out in previous reports, including: continuing SAC support; receipt of the \$15 million from the Crown later this year; the timing of the receipt of the

committed Crown support in early 2019; timing and cost of investment in our capital programme; and student numbers increasing.

One of the main cash flow assumptions is the completion of accurate cash flows by the three main building projects, but which have proven to be reasonably inaccurate to date. We continue to update the forecast cash flows as capital expenditure projections are received and for changes to the Ten Year Model.

9 Net operating cash trends and comparisons – 2010 to 2020

Please refer to the graph of net operating cash flows 2010 to 2020 in the **Appendix** to this memorandum.

The monthly movements in net operating cash flows based on actual and TYM forecasts shows a similar profile for each year, although with a small impact for the insurance settlements in December 2014 and January 2015 to the extent that they related to operating items (generally from the Business Interruption claims).

The profile is a familiar one, where we receive significant funds in the first three months of the year with enrolments, then manage the operating cash flows more or less as break even.

Of note is the extent to which the peaks in the early months are attenuated in 2011 to 2014, reflecting the University's experience with EFTS recruitment, which contrasts with 2010 (base year pre-earthquake) and 2015 to 2020, where we are targeting increased EFTS. The TYM shows the difference expected in cash flows in the crucial early months: 2020 peaks at approximately \$97 million net operating cash flow (February), compared to \$65 million in 2010, and \$35 - \$40 million in the years 2011 to 2014.

10 Covenants

The borrowing consent signed in 2014 provides for the following:

- appointment of an independent advisor "as soon as practicable after UC Council forms the view that it will be required to borrow more than \$65 million under the terms of the funding agreement";
- provision of full Council and Finance, Planning and Resource Committee papers to TEC;
- strict limits on use of assets as security and UC retaining overall responsibility for its debt; and
- formal annual capital asset management planning and capital expenditure reporting.

The Funding Agreement signed with the Crown also provides certain financial targets not dissimilar to those already reported in the monthly financial report, and which we have included in the monthly report.

The **summary on page 7 of the monthly report** shows that while we are within the allowable ranges of all the targets, Domestic and Overall EFTS results are below target, although will be within the $\pm 5\%$ "allowable tolerance".

11 Bond requirements

All Trustee bond requirements have been met.

12 EFTS reporting

The summary EFTS position for 2016 is as follows (detail on page 22 of the monthly report):

(EFTS)	2015	2016	2016	Variance	2016
	Full	Budget	Forecast	Forecast to	Funding
	Year	Full Year	Full Year	Budget	Agreement
					Target
Domestic	11,053	11,234	11,359	125	11,797
Full Fee	878	1,034	1,133	99	985
Total	11,931	12,268	12,492	224	12,782

Overview

UC is currently forecasting 224 EFTS or 1.8% ahead of the 2016 budget and is \$1.957 million ahead of target in respect of total tuition fees. Full Fee tuition fees are forecast to be \$1.912 million or 7.4% better than budget and Domestic Fees \$0.28 million or 0.4% better than budget.

The September forecast decreased by a total of 21 EFTS from August's forecast: 20 domestic EFTS, and 1 international fee EFTS, reversing trends in previous months

Domestic EFTS

The University forecast is for a surplus against the Domestic EFTS budget of 125 EFTS or 1.1%.

This surplus comprises mainly the College of Engineering 159 EFTS or 5.7% favourable, the College of Arts 77 EFTS or 3.5% favourable, partly offset by the College of Science (106) EFTS or (4.7)% unfavourable and the College of Education, Health and Human Development (37) EFTS or (2.2)% unfavourable.

Overall, the positive percentage variance in forecast fees is lower than the variance in EFTS (0.4% compared to 1.1%) suggesting that the surplus of EFTS has occurred across the lower price bands, and/or that shortfalls in EFTS have arisen in the higher than average bands.

The forecast is within 5% of the Crown Funding Agreement target for 2016 for Domestic EFTS.

Full Fee EFTS

The University forecast is to exceed the budget at year end by 99 EFTS or 9.6%.

All Colleges are favourable to budget with the exception of the College of Science (14) EFTS or (7.3)% unfavourable, and include the College of Business and Law 63 EFTS or 17.6% favourable and the College of Education, Health and Human Development 47 EFTS or 89.7% favourable.

Overall, the positive percentage variance in forecast fees is lower than the variance in EFTS (7.4% compared to 9.6%) suggesting that the surplus of EFTS has occurred across the lower price bands, and/or that shortfalls in EFTS have arisen in the higher than average bands.

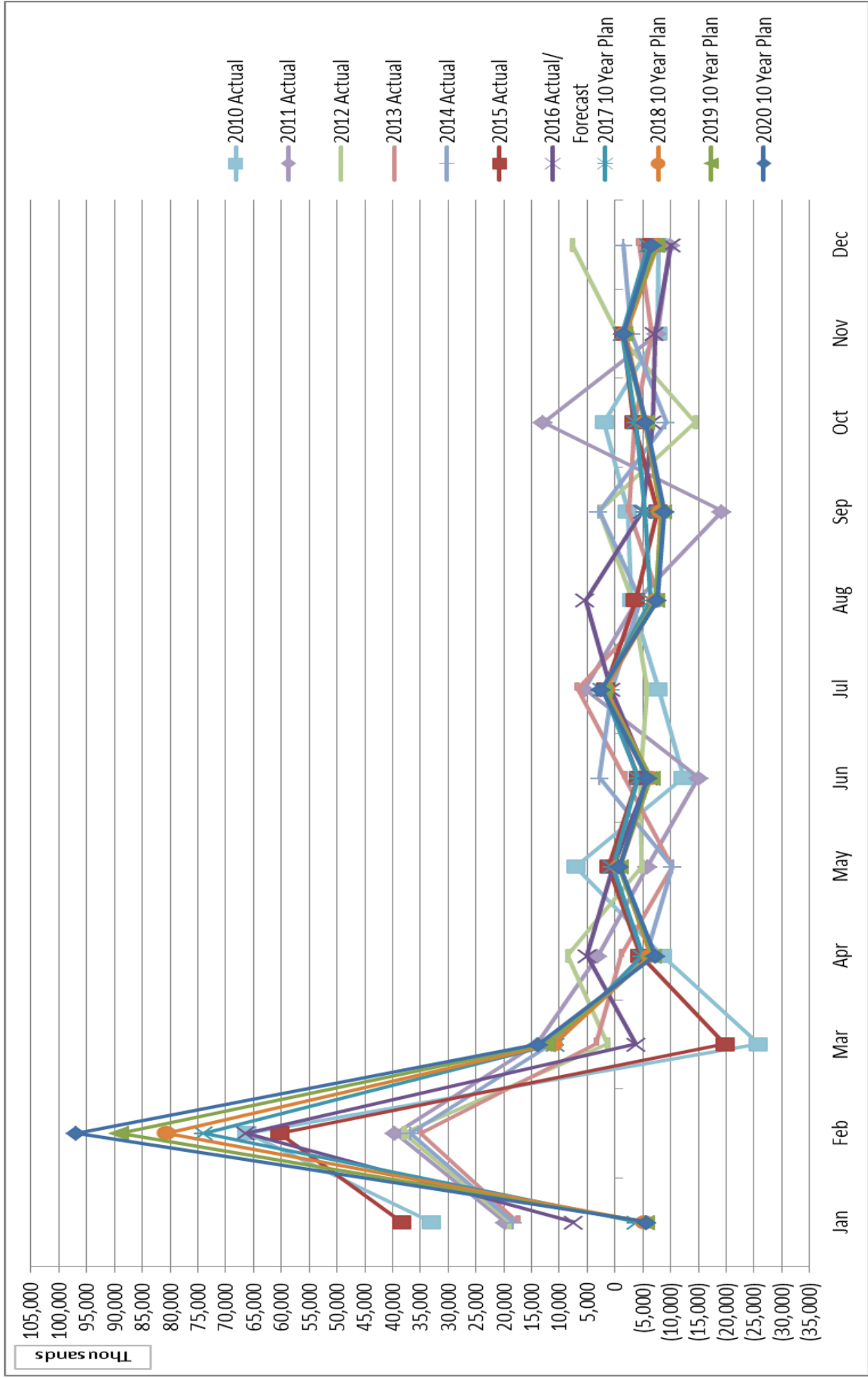
Taking Domestic and Full Fee student EFTS together, the forecast remains at 98% of the Crown Funding Agreement target for 2016 for total EFTS.

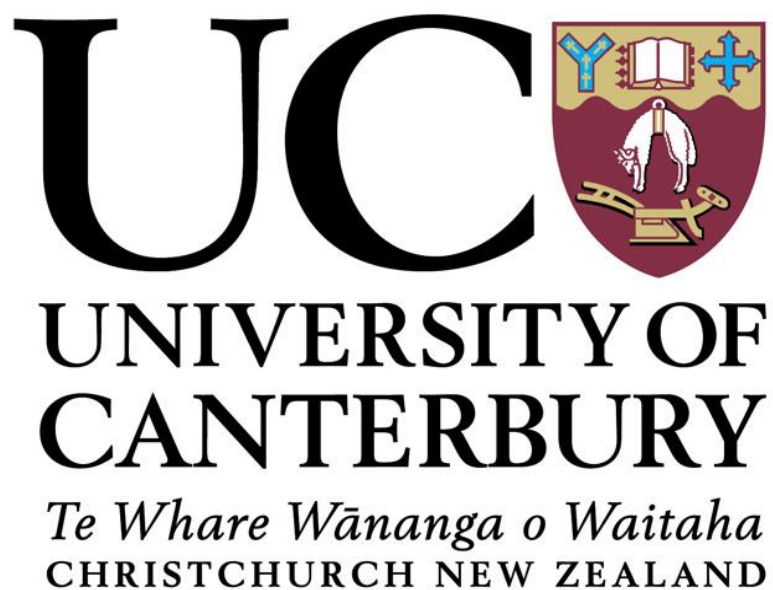
UCIC

The number of students who have converted to UC from UCIC so far this year is 119 (105.5 EFTS), bring the total including returning students to 174 heads (158.2 EFTS). This is not expected to increase any further this year.

Keith Longden
Executive Director/Chief Financial Officer

Appendix – Net operating cash flows 2010 - 2020





Council Monthly Report

September 2016

Report approved by:

Keith Longden
Chief Financial Officer

19 October 2016

September 2016

Council Monthly Report

September 2016

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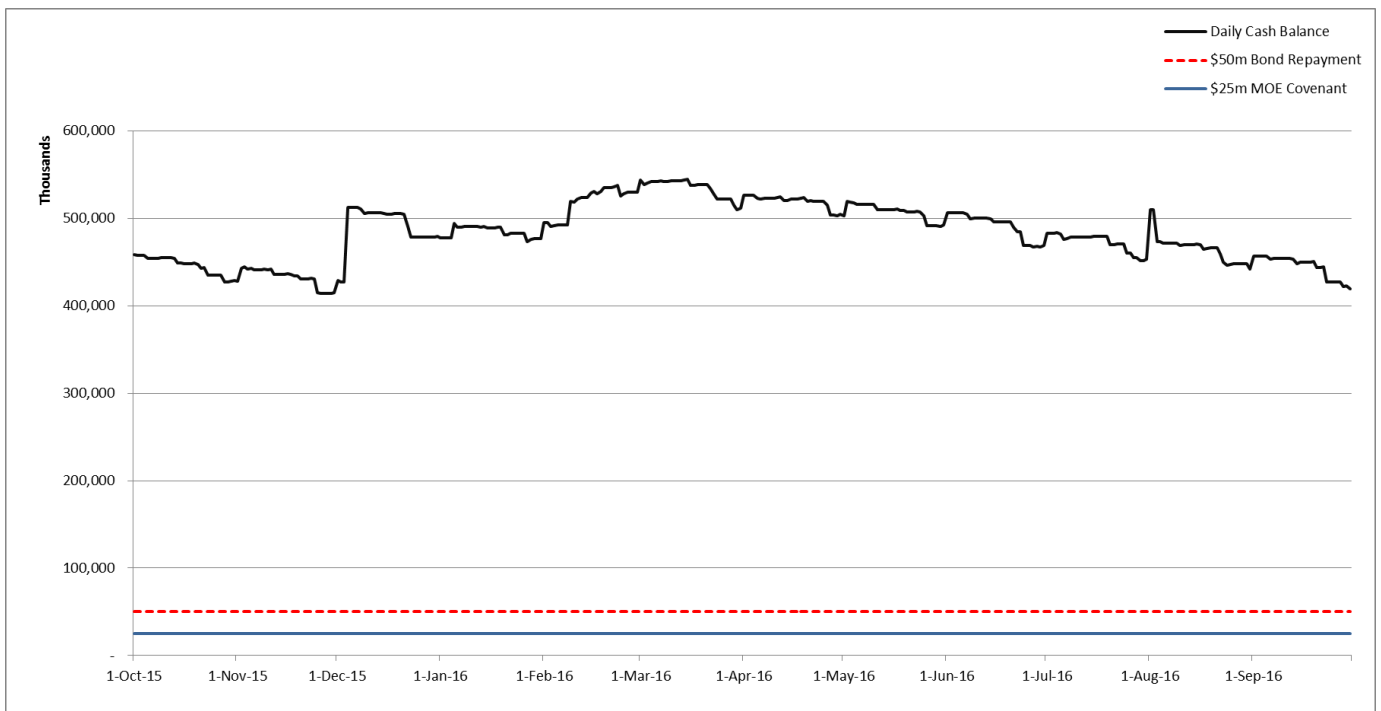
Cash

Cash Position as at September 2016

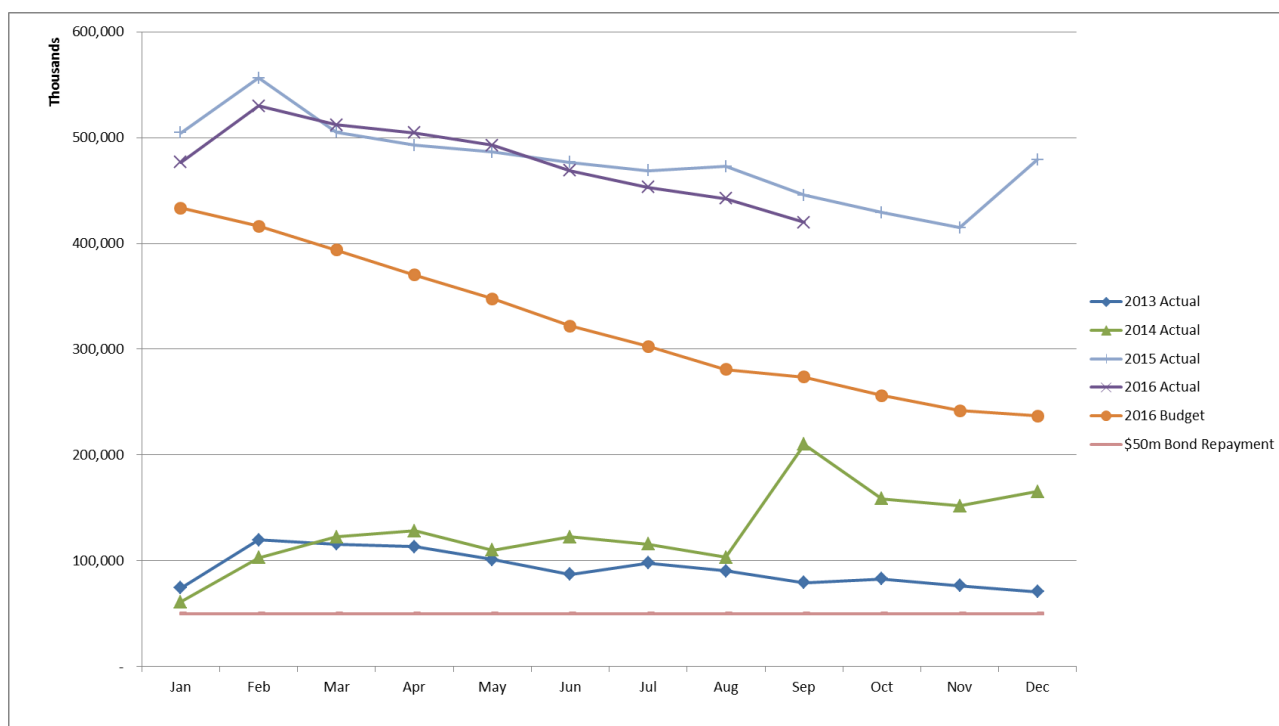
	Actual Year to Date in \$000s	Budget Year to Date in \$000s	Variance Year to Date in \$000s	Forecast Full Year in \$000s
Cash/ Short Term Investments/ Short Term Government Stock	238,947	27,590	211,357	265,463
Long Term Government Stock	136,260	101,649	34,611	52,692
Long Term Investments	44,500	144,500	(100,000)	44,500
Total	419,707	273,739	145,968	362,655

The table is presented in descending level of liquidity: current cash and short term investments that UC can access immediately or will become available on maturity over the next twelve months; Government Stock (maturing December 2017 and March 2019) – these can be sold on the market if necessary, but there would be a time delay in completing any deal, and our current intention is to hold these to maturity. Long term investments are for a period greater than twelve months as at the date of the financial report – both these and the short term investments can be accessed in an emergency, but there is a significant financial penalty to do so.

Daily Cash Balance (rolling 12 months)



Monthly Cash Balance Monitoring



The above summary includes Government Stock and Long Term Investments.

Interest Rates on Deposits September 2016

Bank	Interest Rates	Total Days Invested	Current \$M	Term \$M
ANZ	2.30% - 4.07%	29 - 583	\$ 93.60	\$ -
ASB	6.01% - 6.01%	1,549 - 1,549	\$ -	\$ 17.50
BNZ	2.75% - 3.68%	85 - 556	\$ 63.25	\$ -
Kiwibank	3.20% - 3.65%	113 - 923	\$ 52.50	\$ 27.00
Westpac	2.15% - 2.57%	29 - 52	\$ 5.32	\$ -
Call Accounts	2.50% - 2.55%	-	\$ 22.95	\$ -
Current Account	2.50%	-	\$ 0.17	\$ -
Foreign Currency Account	0.10%	-	\$ 1.16	\$ -
Government Stock (maturity date 15 Dec 2017)	6.00%	1,044	\$ -	\$ 51.73
Government Stock (maturity date 15 Mar 2019)	5.00%	1,044	\$ -	\$ 52.99
Government Stock (maturity date 15 Dec 2017)	6.00%	1,256	\$ -	\$ 31.54
TOTAL			\$ 238.95	\$180.75
Average annual interest rate			3.35%	5.35%

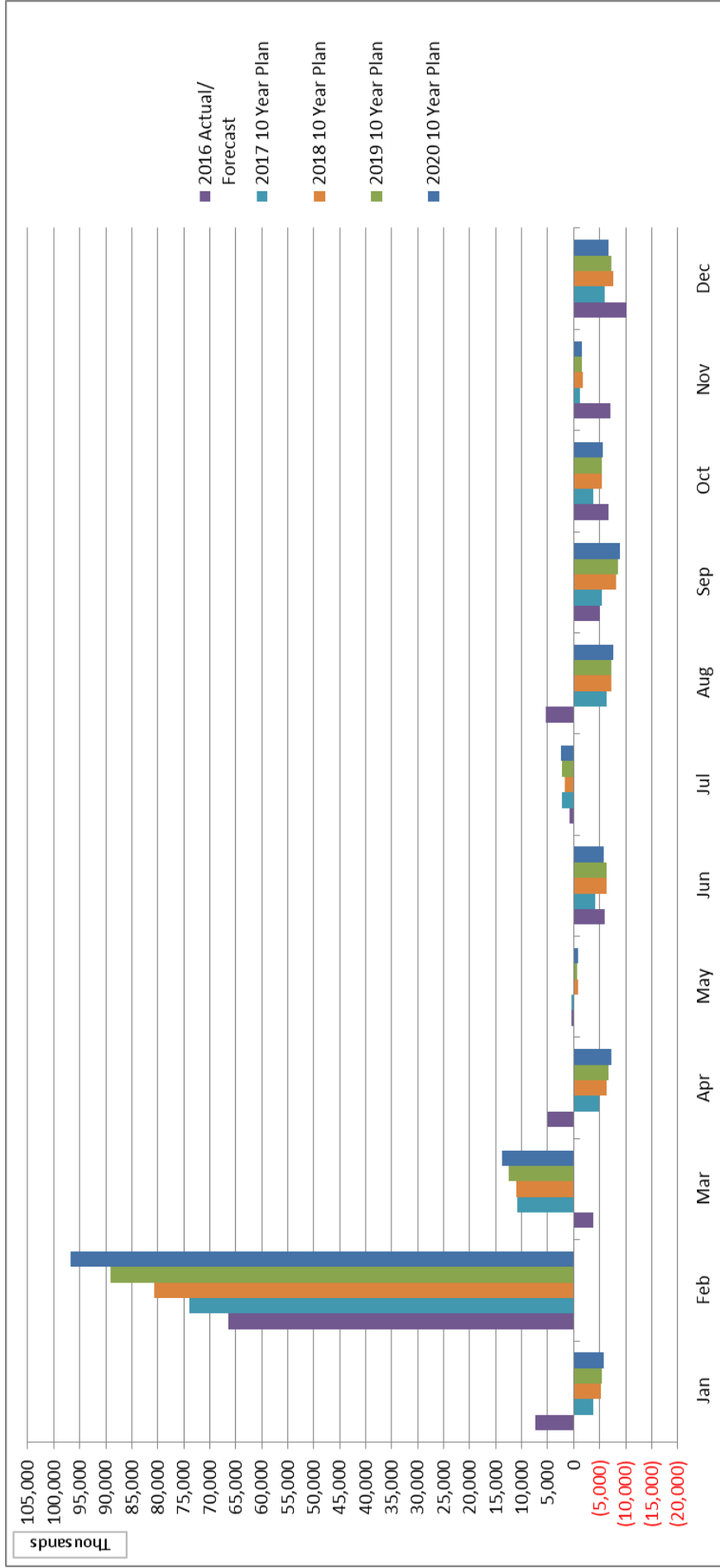
Note that short term deposit rates (30-120 days) are currently at 2.5% on average.

The benchmark information relating to deposit amounts and interest rates is drawn from the 31 December 2015 published financial statements for Universities as follows:

Range of deposit rates	Current 2.10% - 4.77%	Term 3.97% - 5.28%
Average amount on deposit as at 31 December 2015	\$52.66 million	\$4.98 million

Five Year Projection of Net Cash from Operating Activities

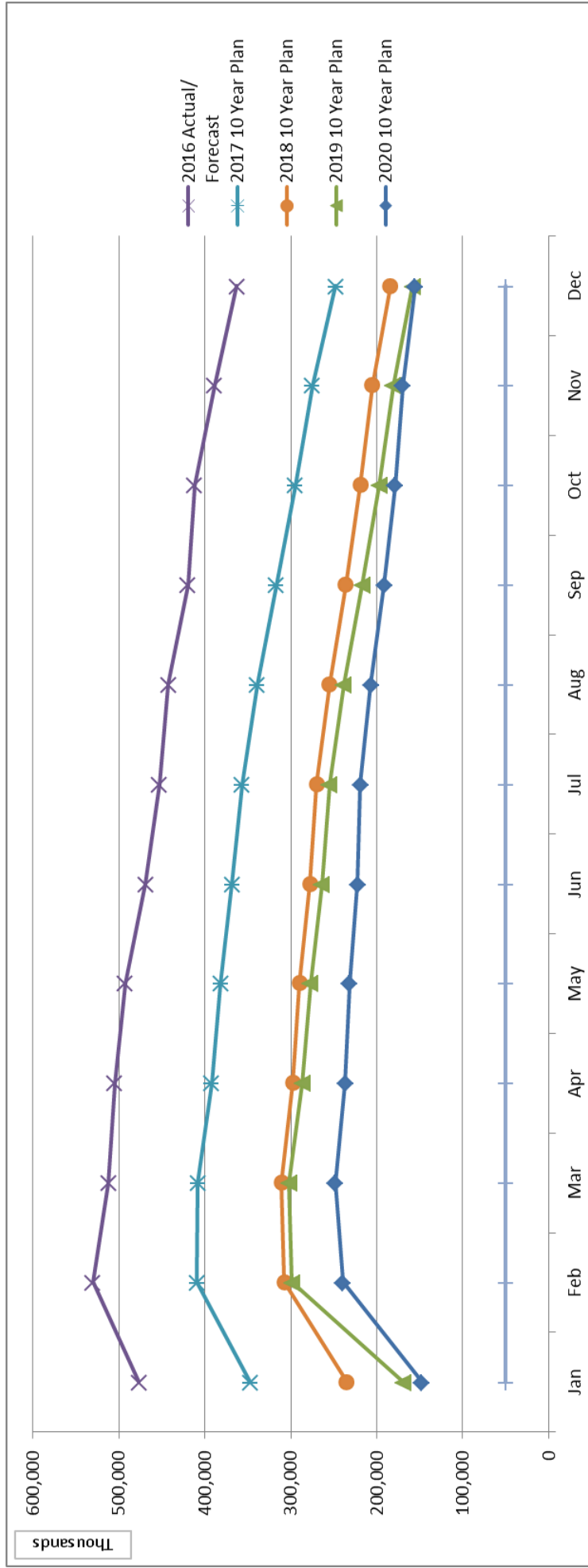
The following graph reflects cash from operating activities less cash to operating activities for the current year Actuals and 2016 Forecast, and 2017-2020 from the 10 Year Plan.



2016 Actual/ Forecast: January – September is based on Actuals with the remaining months based on the 2016 Forecast.

Five Year Projection of Cash position

The following graph reflects the balance of cash on hand at the end of each month for the current year Actuals and 2016 Forecast, and 2017-2020 from the 10 Year Plan.



2016 Actual/ Forecast: January – September is based on Actuals with the remaining months based on the 2016 Forecast.

Covenants

Governance Oversight Group – Funding Agreement Targets: September 2016

	Actual Year to Date	Budget Year to Date	Budget Full Year	Forecast Full Year	Target Full Year
Domestic EFTS	11,216	n/a	11,234	11,359	11,797
Overall EFTS	12,334	n/a	12,268	12,492	12,782
Total operating revenue (\$million)	252	242	323	335	305
Net cash outflow from operations (cash inflow/outflow from operations) (%)	133%	122%	110%	116%	113% to 115%
Net operating surplus before abnormals/ total income (%)	0%	-5%	-4%	-3%	-4% to 0%
Ability to service debt (interest coverage ratio)	1.2	(3.7)	(2.7)	(1.3)	< 1.0x
Debt to (debt + equity) ratio (%)	3.7%	4.0%	3.9%	3.7%	0% to 15%

Philanthropic Bond Trust Deed

	Indicator	Full Year Budget	Full Year Forecast	Actual Full Year 2013	Actual Full Year 2014	Actual Full Year 2015	Benchmark
Debt/Debt plus Equity	< 25%	3.9%	3.7%	7.9%	4.2%	3.7%	4.0%
		Ok	Ok	Ok	Ok	Ok	n/a

	Indicator	Full Year Budget	Full Year Forecast	Actual Full Year 2013	Actual Full Year 2014	Actual Full Year 2015	Benchmark
Secured Debt/Debt plus Equity	< 5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		Ok	Ok	Ok	Ok	Ok	n/a

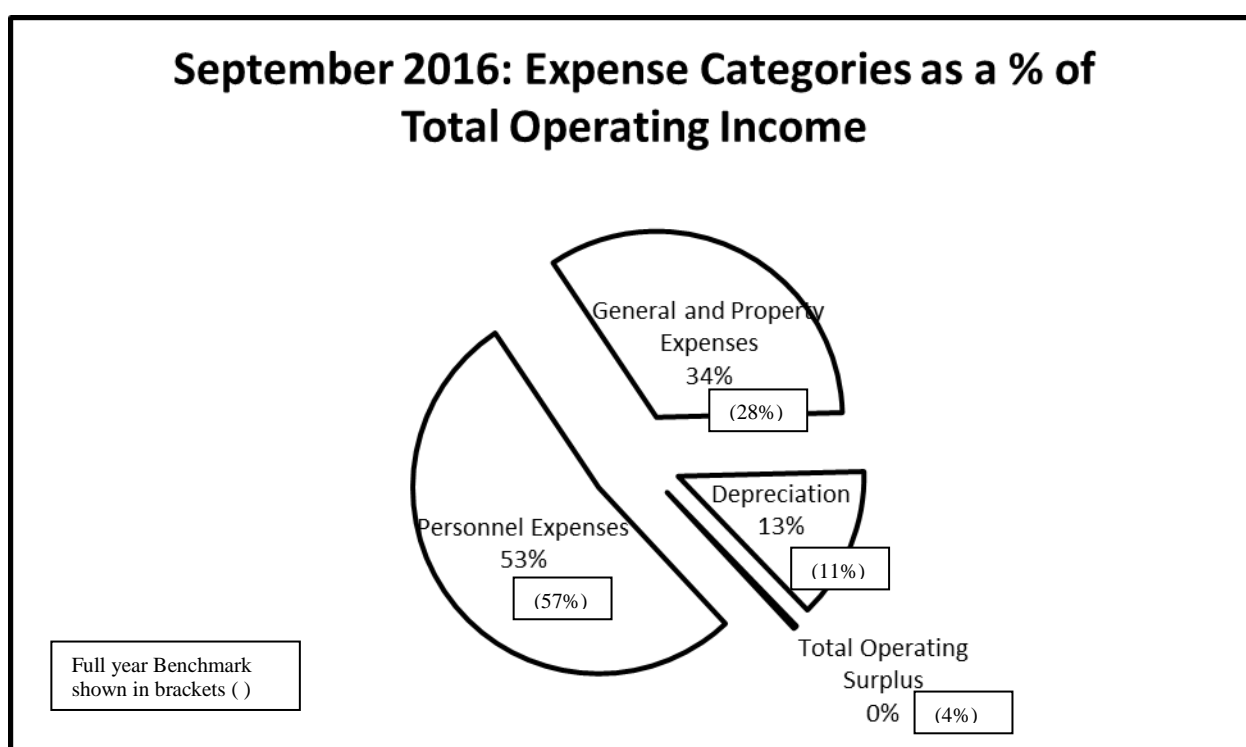
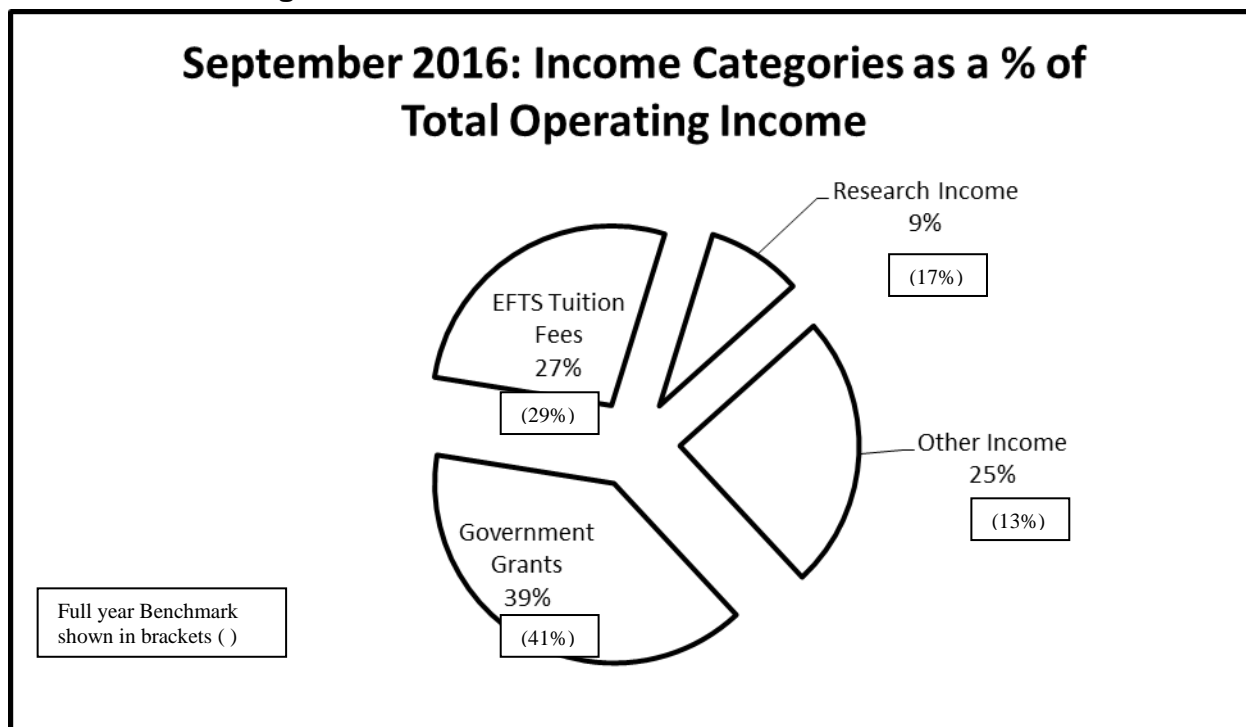
MOE

All MOE covenants have been replaced by a consent that requires appointment of an independent advisor as soon as practicable after UC Council forms the view that it will be required to borrow more than \$65 million under the terms of the funding agreement; provision of FPFC and Council papers; limits on use of assets as security; and provision of capital asset management planning and capital expenditure reporting. There are no financial covenants.

Financial Indicators

These were MOE covenant indicators, but which we continue to report as relevant liquidity measures.

Indicators Relating to Financial Performance:



	Actual Year to Date	Budget Year to Date	Budget Full Year	Forecast Full Year	Benchmark Full Year
EBITDA \$000	23,174	16,262	25,776	22,903	66,438
EBITDA/ Revenue %	9.2%	6.7%	8.0%	6.8%	14.2%

Indicators Relating to Financial Position: September 2016

	Indicator	Actual Year to Date	Budget Year to Date	Budget Full Year	Forecast Full Year	Benchmark
Working Capital \$000	Positive	172,194	(6,367)	8,296	229,821	*
Working Capital Ratio	> 1	3:1	0.9:1	1.1:1	3.9:1	0.8:1
		Ok	Ok	Ok	Ok	n/a

* Benchmark working capital is negative.

Year to date working capital is \$178.561 million more than budget.

	Indicator	Actual Year to Date	Budget Year to Date	Budget Full Year	Forecast Full Year	Benchmark
Total Borrowings/Total Assets	< 25%	3.3%	3.5%	3.4%	3.3%	3.0%
		Ok	Ok	Ok	Ok	n/a

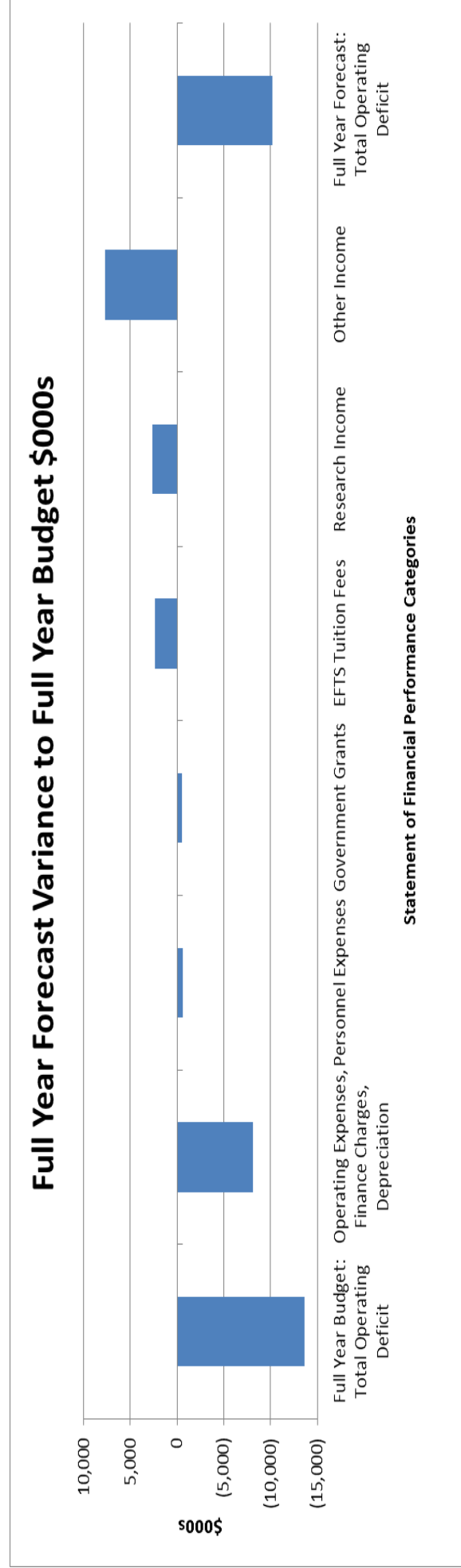
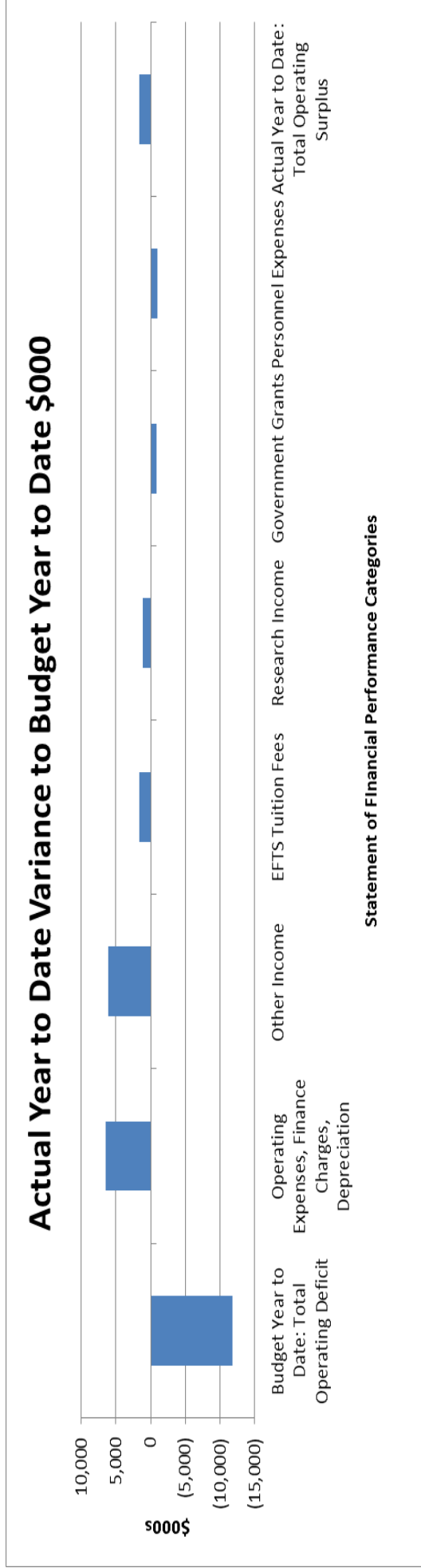
Indicators Relating to Cashflows: September 2016

	Indicator	Actual Year to Date	Budget Year to Date	Budget Full Year	Forecast Full Year	Benchmark
Net Debt/ Net Cash from Operating Activities	< 1.8	0.0	0.5	0.3	0.0	0.0
		Ok	Ok	Ok	Ok	n/a

	Indicator	Actual Year to Date	Budget Year to Date	Budget Full Year	Forecast Full Year	Benchmark
Cash Cover in months	> 1.5	9.9	1.1	1.7	10.6	1.6
		Ok	Ok	Ok	Ok	n/a

Financial Statements

Total Operating Surplus/ (Deficit) Variances to Budget: September 2016



Statement of Financial Performance for period ending September 2016

	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget \$000	Full Year Budget \$000	Previous Year Actual Year to Date \$000	Full Year Forecast 2016 \$000	Full Year Forecast 2017 \$000
OPERATING INCOME							
Government Grants							
SAC Student Achievement Component ¹	93,598	93,598	(0)	124,797	91,901	124,797	126,454
Other Government Grants	5,723	6,726	(1,003)	8,458	6,294	7,974	7,611
Total Government Grants	99,321	100,324	(1,003)	133,255	98,195	132,771	134,065
EFTS Tuition Fees							
Student Tuition Fees Full Paying	20,488	18,915	1,573	25,723	15,913	27,635	35,284
Student Tuition Fees Domestic Fee Paying	47,552	47,304	248	63,936	45,065	64,218	68,935
Student Tuition Fees Other	602	466	136	536	446	677	646
Total EFTS Tuition Fees	68,642	66,685	1,957	90,195	61,424	92,530	104,865
Research Related Income							
Research External Income	21,587	20,026	1,561	26,958	20,955	29,588	30,498
PBRF Income	20,590	20,590	(0)	27,463	19,440	27,463	28,759
Total Research Income including PBRF	42,177	40,616	1,561	54,421	40,395	57,051	59,257
Other Income							
Interest Income	13,734	9,029	4,705	12,060	15,283	16,800	10,500
Sundry Income	27,743	25,274	2,469	33,283	27,245	36,216	42,412
Total Other Income	41,477	34,303	7,174	45,343	42,528	53,016	52,912
TOTAL OPERATING INCOME	251,617	241,928	9,689	323,214	242,542	335,368	351,099
OPERATING EXPENDITURE							
Personnel Expenses							
Academic Continuing	46,255	48,383	2,128	64,354	46,029	62,350	66,188
Academic Temporary	11,376	10,598	(778)	14,031	10,539	14,707	15,635
General Staff Continuing	50,989	52,850	1,861	70,384	49,642	69,183	70,497
General Staff Temporary	11,641	10,590	(1,051)	14,239	11,943	15,900	15,923
Other Personnel Expenses	11,947	8,661	(3,286)	11,692	10,440	13,195	11,665
Total Personnel Expenses	132,208	131,082	(1,126)	174,700	128,593	175,335	179,908
Operating Expenses	82,501	85,555	3,054	110,678	81,925	120,330	122,794
Finance Charges	3,046	2,797	(249)	3,736	2,985	4,408	4,366
Depreciation	33,115	35,664	2,549	47,757	32,819	45,525	53,151
TOTAL OPERATING EXPENDITURE	250,870	255,098	4,228	336,871	246,322	345,598	360,219
NET SURPLUS/(DEFICIT)	747	(13,170)	13,917	(13,657)	(3,780)	(10,230)	(9,120)

¹ Forecast Government Grants include unearned SAC of \$14.966 million (2016) and \$8.798 million (2017)

Statement of Financial Position as at September 2016

	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget		Full Year Budget \$000	Previous Year Actual Year to Date \$000	Forecast 2016 \$000
			\$000	%			
Cash/Short Term Investments	238,947	27,590	211,357	766.1%	42,081	347,958	265,463
Trade Debtors	2,808	5,000	(2,192)	(43.8%)	5,000	4,248	1,000
Other Current Assets	16,386	34,700	(18,314)	(52.8%)	34,700	34,804	42,700
Total Current Assets	258,141	67,290	190,851	283.6%	81,781	387,010	309,163
Trade Creditors	5,039	3,470	(1,569)	(45.2%)	3,470	3,252	3,470
Other Current Liabilities	80,908	70,187	(10,720)	(15.3%)	70,015	88,887	75,872
Total Current Liabilities	85,947	73,657	(12,290)	(16.7%)	73,485	92,139	79,342
Working Capital	172,194	(6,367)	178,561	(2,804.5%)	8,296	294,871	229,821
Term Assets	1,258,968	1,368,857	(109,889)	(8.0%)	1,361,707	988,266	1,204,672
Term Liabilities	106,260	130,114	23,854	18.3%	130,114	129,070	106,261
Net Assets	1,324,902	1,232,376	92,526	7.5%	1,239,889	1,154,067	1,328,232
Represented by:							
Community Equity	1,071,614	1,044,526	27,088	2.6%	1,050,002	989,295	1,065,597
Crown Contribution	0	15,000	(15,000)	(100.0%)	15,000	(8,000)	15,000
Te Pourewa Settlement Reserve	17,500	17,500	0	0.0%	17,500	17,500	17,500
Student Service Levy Capital Reserve	10,946	8,750	2,196	25.1%	10,787	8,672	5,293
Revaluation Reserves	224,842	146,600	78,242	53.4%	146,600	146,600	224,842
Total Equity	1,324,902	1,232,376	92,526	7.5%	1,239,889	1,154,067	1,328,232

NOTES:

The Te Pourewa Settlement Reserve has been created to acknowledge the University's undertakings to its insurers on the receipt of the advance insurance settlement of \$17.5M. The reserve will be released back into general equity once this undertaking has been met.

Statement of Cash Flows for period ending September 2016

	Actual Year to Date \$000	Budget Year to Date \$000	Full Year Budget \$000	Previous Year Actual Year to Date \$000	Forecast 2016 \$000
OPERATING ACTIVITIES					
<i>Cash Provided From:</i>					
Government Grants	119,911	120,393	160,520	117,633	160,234
Tuition Fees	86,200	89,468	90,194	79,672	92,530
Other Revenue	57,912	38,385	51,180	42,848	65,804
Interest Received	19,956	18,091	19,591	7,287	23,215
Insurance reimbursements (Earthquake)	0	0	0	22,689	0
Total Cash Provided from Operating Activities	283,979	266,337	321,485	270,129	341,783
<i>Cash Applied To:</i>					
Personnel Expenses	130,487	131,081	174,700	128,652	175,335
General Expenses	80,789	83,025	110,678	72,529	114,075
Interest Paid	1,963	1,868	3,736	1,985	3,928
Net GST Movement	244	1,503	2,008	5,051	2,008
Total Cash Applied to Operating Activities	213,483	217,477	291,122	208,217	295,346
Net Cash Provided from Operating Activities	70,496	48,860	30,363	61,912	46,437
INVESTING ACTIVITIES					
<i>Cash Provided From:</i>					
Proceeds from disposal of Fixed Assets	28	0	0	16,765	28
Proceeds from disposal of Investments	0	0	15,380	0	82,607
Insurance reimbursements (Earthquake)	0	0	0	246,493	0
Maturity of Deposits	85,000	233,411	305,646	202,000	85,000
Total Cash Provided from Investing Activities	85,028	233,411	321,026	465,258	167,635
<i>Cash Applied To:</i>					
Purchase of Fixed Assets	128,000	220,040	274,635	76,682	175,000
Deposits with terms >12months	0	276,645	276,645	207,000	0
Purchase of Investments	31,755	0	0	53,106	31,755
Total Cash Applied to Investing Activities	159,755	496,685	551,280	336,788	206,755
Net Cash Applied to Investing Activities	(74,727)	(263,274)	(230,254)	128,470	(39,120)
FINANCIAL ACTIVITIES					
<i>Cash Provided from:</i>					
Loans	0	0	0	0	0
Capital Contributions	0	15,000	15,000	0	15,000
Total Cash Provided from Financing Activities	0	15,000	15,000	0	15,000
<i>Cash Applied To:</i>					
Repayment of Loans	0	0	32	0	32
Crown Repayment	0	0	0	8,000	0
Total Cash Applied to Financing Activities	0	0	32	8,000	32
Net Cash Provided from Financing Activities	0	15,000	14,968	(8,000)	14,968
Change in Cash	(4,231)	(199,414)	(184,923)	182,382	22,285
Opening Cash Balance	243,178	227,004	227,004	165,576	243,178
Closing Cash Balance	238,947	27,590	42,081	347,958	265,463

Financial Statements Commentary: September 2016

	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget \$000	Actual Year to Date Variance to Budget %	Full Year Budget \$000	Full Year Forecast 2016 \$000
SAC Student Achievement Component	93,598	93,598	0	0.0%	124,797	124,797

No variance as SAC is guaranteed for now.

	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget \$000	Actual Year to Date Variance to Budget %	Full Year Budget \$000	Full Year Forecast 2016 \$000
Other Government Grants	5,723	6,726	(1,003)	(14.9%)	8,458	7,974

The unfavourable variance mainly relates to Ed Plus contracts (\$0.995) million. The year to date unfavourable variance of (\$1.003) million is forecast to improve by \$0.519 million.

	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget \$000	Actual Year to Date Variance to Budget %	Full Year Budget \$000	Full Year Forecast 2016 \$000
Student Tuition Fees Full Paying	20,488	18,915	1,573	8.3%	25,723	27,635

The University forecast is to exceed the budget at year end by 99 EFTS or 9.6%. All Colleges are favourable to budget with the exception of the College of Science (14) EFTS or (7.3)% unfavourable, and include the College of Business and Law 63 EFTS or 17.6% favourable and the College of Education, Health and Human Development 47 EFTS or 89.7% favourable. Overall, the positive percentage variance in forecast fees is lower than the variance in EFTS (7.4% compared to 9.6%) suggesting that the surplus of EFTS has occurred across the lower price bands, and/or that shortfalls in EFTS have arisen in the higher than average bands.

	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget \$000	Actual Year to Date Variance to Budget %	Full Year Budget \$000	Full Year Forecast 2016 \$000
Student Tuition Fees Domestic Fee Paying	47,552	47,304	248	0.5%	63,936	64,218

The University forecast is for a surplus against the Domestic EFTS budget of 125 EFTS or 1.1%. This surplus comprises mainly the College of Engineering 159 EFTS or 5.7% favourable, the College of Arts 77 EFTS or 3.5% favourable, partly offset by the College of Science (106) EFTS or (4.7)% unfavourable and the College of Education, Health and Human Development (37) EFTS or (2.2)% unfavourable. Overall, the positive percentage variance in forecast fees is lower than the variance in EFTS (0.4% compared to 1.1%) suggesting that the surplus of EFTS has occurred across the lower price bands, and/or that shortfalls in EFTS have arisen in the higher than average bands.

	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget \$000	Actual Year to Date Variance to Budget %	Full Year Budget \$000	Full Year Forecast 2016 \$000
Student Tuition Fees Other	602	466	136	29.0%	536	677

No significant variances.

	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget \$000	Actual Year to Date Variance to Budget %	Full Year Budget \$000	Full Year Forecast 2016 \$000
Research External Income	21,587	20,026	1,561	7.8%	26,958	29,588

Favourable variances to budget year to date in College of Science of \$1.722 million, Research Institutes of \$1.228 million, and College of Engineering of \$0.420 million have been partially offset with an unfavourable variance in DVCR of (\$2.085) million. The full year forecast shows some improvement on budget, mainly in Research Institutes \$0.965 million and Science \$1.366 million.

	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget \$000	Actual Year to Date Variance to Budget %	Full Year Budget \$000	Full Year Forecast 2016 \$000
PBRF Income	20,590	20,590	0	0.0%	27,463	27,463

No variance.

	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget \$000	Actual Year to Date Variance to Budget %	Full Year Budget \$000	Full Year Forecast 2016 \$000
Interest	13,734	9,029	4,705	52.1%	12,060	16,800

Interest income has increased due to higher than budgeted opening cash balances, and with year to date underspend against the capital budget. This year to date increase has been reflected in the forecast.

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	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget \$000	Actual Year to Date Variance to Budget %	Full Year Budget \$000	Full Year Forecast 2016 \$000
Sundry Income	27,743	25,274	2,469	9.8%	33,283	36,216

The favourable variance is concentrated mainly in General External Recovery (College of Education, Health and Human Development \$1.153 million related to the contract with the Bangladeshi Ministry of Education, Learning Resources \$0.478 million and Student Services and Communications \$0.189 million), and Consultancy Income (College of Engineering \$0.535 million, College of Science \$0.305 million, College of Education, Health and Human Development \$0.156 million, and College of Arts \$0.127 million). This year to date increase has been reflected in the full year forecast.

	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget \$000	Actual Year to Date Variance to Budget %	Full Year Budget \$000	Full Year Forecast 2016 \$000
Academic Continuing	46,255	48,383	2,128	4.4%	64,354	62,350

All of the colleges are reporting positive variances to budget in this category, the main ones being College of Arts \$0.677 million, College of Business and Law \$0.548 million, College of Science \$0.338 million, and College of Engineering \$0.262 million. The forecast is reporting a favourable variance of \$2.004 million against budget. This is mainly coming from: College of Business and Law \$0.736 million, College of Arts \$0.467 million, College of Science \$0.413 million, College of Engineering \$0.330 million, and AVC Maori \$0.167 million. College of Business and Law is showing a corresponding reduction in academic continuing staff FTE from a budget of 87.9 to a forecast of 79.9. College of Arts is showing a reduction in academic continuing staff FTE from a budget of 103.3 to a forecast of 98.2. College of Science is showing a reduction in academic continuing staff FTE from a budget of 127.8 to a forecast of 122.8. College of Engineering is showing a reduction in academic continuing staff FTE from a budget of 139.4 to a forecast of 121.2. AVC Maori is showing a reduction in academic continuing staff FTE from a budget of 2.0 to a forecast of 1.2. This category should be viewed together with Academic Temporary costs below.

	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget \$000	Actual Year to Date Variance to Budget %	Full Year Budget \$000	Full Year Forecast 2016 \$000
Academic Temporary	11,376	10,598	(778)	(7.3%)	14,031	14,707

The unfavourable variance is being generated from College of Education, Health and Human Development (\$0.472) million, College of Arts (\$0.415) million, Research Institutes (\$0.151) million, and Education Plus (\$0.128) million. This has been partially offset by favorable variances in College of Business and Law \$0.140 million and College of Engineering of \$0.116 million.

The forecast is reporting an unfavourable variance of (\$0.676) million against budget: College of Arts (\$0.471) million and College of Business and Law (\$0.151) million. College of Arts is showing a corresponding increase in academic fixed term FTE from a budget of 18.4 to a forecast of 24.0. College of Business and Law is showing a corresponding increase of 19.5 in academic fixed term FTE from a nil budget.

	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget \$000	Actual Year to Date Variance to Budget %	Full Year Budget \$000	Full Year Forecast 2016 \$000
General Staff Continuing	50,989	52,850	1,861	3.5%	70,384	69,183

There are favourable variances to budget across most areas, the main variances being in College of Business and Law \$0.314 million, Learning Resources \$0.313 million, College of Education, Health and Human Development \$0.248 million, DVC Research \$0.226 million, Student Services and Communications \$0.209 million, and College of Science \$0.204 million. The forecast is reporting a favorable variance of \$1.201 million against budget. This is mainly coming from; DVC Research \$0.375 million with a small reduction in FTE of 0.4; College of Business and Law \$0.378 million with a small reduction of 3.7 in general continuing staff FTE; College of Science \$0.366 million with a small reduction of 2.6 in general continuing staff FTE; Learning Resources \$0.132 million with a reduction of 16.0 in general continuing staff FTE; Education Plus \$0.128 million with a small reduction of 1.3 in general continuing staff FTE. This has been partially offset with an unfavourable variance of (\$0.375) million in Student Services with an increase of 5.2 in general continuing staff FTE. This category should be viewed together with General Staff Temporary costs below.

	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget \$000	Actual Year to Date Variance to Budget %	Full Year Budget \$000	Full Year Forecast 2016 \$000
General Staff Temporary	11,641	10,590	(1,051)	(9.9%)	14,239	15,900

The main unfavourable variances are Learning Resources (\$0.746) million and Student Services and Communications (\$0.482) million. There are also unfavourable variances in all of the Colleges. These unfavourable variances have been partially offset by a \$0.508 million favorable variance in Education Plus.

The year to date unfavourable variance of (\$1.051) million is forecast to deteriorate by a further (\$0.610) million. The unfavourable variance is mainly coming from; Learning Resources (\$0.978) million, Student Services and Communications (\$0.489) million, and College of Science (\$0.162) million. LRNR is showing a corresponding increase in temporary staff FTE from a budget of 49.5 to a forecast of 60.5. Student Services is showing a corresponding increase in temporary staff FTE from a budget of 36.9 to a forecast of 40.3. College of Science, however, is showing a small reduction in temporary staff FTE from a budget of 11.5 to a forecast of 11.4.

	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget \$000	Actual Year to Date Variance to Budget %	Full Year Budget \$000	Full Year Forecast 2016 \$000
Other Personnel Expenses	11,947	8,661	(3,286)	(37.9%)	11,692	13,195

The main variances for other personnel expenses are in the Retiring Allowances Provision (CFO (\$2.661) million) and the Leave Provision Adjustment (with unfavourable variances for College of Engineering (\$0.248) million, and College of Business and Law (\$0.195) million, College of Science (\$0.182) million, and Student Services and Communications (\$0.154) million). The increase in the actuarial valuation has been reflected in the forecast.

	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget \$000	Actual Year to Date Variance to Budget %	Full Year Budget \$000	Full Year Forecast 2016 \$000
Operating Expenses	82,501	85,555	3,054	3.6%	110,678	120,330

The main positive variances in the Colleges are College of Business and Law \$0.957 million (savings on most expense lines, but particularly in Scholarships Fees \$0.444 million) and in the College of Science \$0.688 million (Scholarships Postgraduate Expenses \$0.252 million and Internal Transfer \$0.318 million). These favourable variances have been partially offset by unfavorable variances to budget in College of Engineering (\$1.655) million (additional spending of \$0.947 million on scholarships and \$0.538 million on contract research).

In the service and support departments, there are positive variances in DVC Research \$2.451 million (savings on most expense lines, but particularly in contract research \$1.756 million); DVC Academic \$1.213 million (\$1.068 million on outsourcing/ contracts); and Vice-Chancellor \$0.745 million (\$0.291 million in consultancy expenses, \$0.229 million in patents/ copyrights, and \$0.118 million in legal expenses). These favorable variances have been partially offset by unfavorable variances to budget in CFO (\$0.921) million (exchange losses of \$0.959 million (offset with gains in other income)), and in Learning Resources (\$0.858) million (losses on asset sales of (\$4.312) million partially offset with reduced expenditure of \$3.695 million on contractors).

The year to date favourable variance of \$3.054 million is forecast to deteriorate by \$12.706 million with the full year forecast reporting an unfavourable variance of (\$9.652) million against budget. This is mainly coming from; (\$6.255) million which reflects the new treatment of the UCSA insurance funds based on the new heads of agreement between UC and UCSA; (\$0.512) million loss on sale of assets; a further increase of (\$1.766) million in consultancy (Learning Resources (\$0.897) million (mainly in Capital Works (Campus Occupancy Master Plan, Rec Centre, and Landscape Master Plan) and ITSV), Student Services (\$0.234) million, VCLR (\$0.241) million); a further increase of (\$1.263) million in outsourcing contracts is mainly due to DVCA; Contract research is expected to increase by (\$0.797) million (\$1.463) million relates to DVCR (QuakeCoRE), partially offset with a reduction in College of Engineering of \$0.638 million. If the forecast expense for QuakeCoRE is reduced, there will be a corresponding reduction in research income; Scholarship costs are expected to increase by a further (\$0.939) million (Student Services and Communications (\$0.418) million, DVC Research (\$0.224) million, College of Arts (\$0.154) million, and College of Science (\$0.151) million).

	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget \$000	Actual Year to Date Variance to Budget %	Full Year Budget \$000	Full Year Forecast 2016 \$000
Finance Charges	3,046	2,797	(249)	(8.9%)	3,736	4,408

The year to date unfavourable variance of (\$0.249) million relates to interest payable and will deteriorate by a further (\$0.423) million which has been reflected in the full year forecast.

	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget \$000	Actual Year to Date Variance to Budget %	Full Year Budget \$000	Full Year Forecast 2016 \$000
Depreciation	33,115	35,664	2,549	7.1%	47,757	45,525

Actual depreciation is below budget, mainly in relation to Buildings \$2.631 million. The forecast has been adjusted to reflect the saving in buildings depreciation.

	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget \$000	Actual Year to Date Variance to Budget %	Full Year Budget \$000	Full Year Forecast 2016 \$000
Cash and Short Term Investments	238,947	27,590	211,357	766.1%	42,081	265,463

This is in excess of budget due largely to higher than expected opening balances and unmet capital and operational budgets in the first eight months of the year. This is reflected in the full year forecast.

	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget \$000	Actual Year to Date Variance to Budget %	Full Year Budget \$000	Full Year Forecast 2016 \$000
Trade Debtors	2,808	5,000	(2,192)	(43.8%)	5,000	1,000

The year to date variance tends to move around in this line item. This is more of an issue of getting the budget phasing accurate, as it is difficult to predict, and is based on previous years' trends which can change considerably.

	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget \$000	Actual Year to Date Variance to Budget %	Full Year Budget \$000	Full Year Forecast 2016 \$000
Other Current Assets	16,386	34,700	(18,314)	(52.8%)	34,700	42,700

There is a (\$12.482) million negative variance to budget related to Sundry Debtors relating to PBE IPSAS adjustments to recognition of short term research revenue in advance no longer required following the audit for 31 December 2015. There is also a (\$2.062) million negative variance to budget related to accrued interest.

	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget \$000	Actual Year to Date Variance to Budget %	Full Year Budget \$000	Full Year Forecast 2016 \$000
Trade Creditors	5,039	3,470	(1,569)	(45.2%)	3,470	3,470

The year to date variance tends to move around in this line item. This is more of an issue of getting the budget phasing accurate, as it is difficult to predict, and is based on previous years' trends which can change considerably.

	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget \$000	Actual Year to Date Variance to Budget %	Full Year Budget \$000	Full Year Forecast 2016 \$000
Other Current Liabilities	80,908	70,187	(10,720)	(15.3%)	70,015	75,872

While some of this variance against budget relates to student fees received in advance, due to the large increase in full fee paying students, the majority is due to the phasing of the balance sheet budget and PBE IPSAS adjustments in relation to recognition of short term research revenue in advance no longer required following the audit for 31 December 2015. The forecast balance as at the 31 December has been increased by \$6.857 million to reflect the transfer of the UCSA insurance funds and accrued interest from student space capital reserve based on the new heads of agreement between UC and UCSA.

	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget \$000	Actual Year to Date Variance to Budget %	Full Year Budget \$000	Full Year Forecast 2016 \$000
Non Current Assets	1,258,968	1,368,857	(109,889)	(8.0%)	1,361,707	1,204,672

Increases in the book value of assets at 31 December 2015 of \$65 million due to revaluations have been offset by reductions in capital spend against budget, (\$85) million of deposits maturing in May, June and July 2016, and the PBE IPSAS increases in long-term research revenue debtors, now no longer needing adjustment following the audit for 31 December 2015.

	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget \$000	Actual Year to Date Variance to Budget %	Full Year Budget \$000	Full Year Forecast 2016 \$000
Non Current Liabilities	106,260	130,114	23,854	18.3%	130,114	106,261

This variance relates to the accounting treatment of long term research contracts (income in advance) under PBE IPSAS, now no longer needed following the audit for 31 December 2015.

	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget \$000	Actual Year to Date Variance to Budget %	Full Year Budget \$000	Full Year Forecast 2016 \$000
Community Equity	1,071,614	1,044,526	27,088	2.6%	1,050,002	1,065,597

No significant variance.

	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget \$000	Actual Year to Date Variance to Budget %	Full Year Budget \$000	Full Year Forecast 2016 \$000
Capital Received	0	15,000	(15,000)	(100.0%)	15,000	15,000

\$15 million may be available to the University later in the year under the funding agreement, following the mid-year review with TEC.

	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget \$000	Actual Year to Date Variance to Budget %	Full Year Budget \$000	Full Year Forecast 2016 \$000
Te Pourewa Settlement Reserve	17,500	17,500	0	0.0%	17,500	17,500

No variance to explain.

	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget \$000	Actual Year to Date Variance to Budget %	Full Year Budget \$000	Full Year Forecast 2016 \$000
Student Space Capital Reserve	10,946	8,750	2,196	25.1%	10,787	5,293

The main variance is the inclusion of interest on the \$6.255 million relating to the allocation of insurance funds received as part of the final insurance settlement that relate to the UCUSA building, and an additional allocation of the Compulsory Student Service Levy at 31 December 2015. The forecast balance as at the 31 December has been reduced by \$6.857 million to reflect the transfer of the insurance funds and accrued interest to other current liabilities based on the new heads of agreement between UC and UCUSA.

	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget \$000	Actual Year to Date Variance to Budget %	Full Year Budget \$000	Full Year Forecast 2016 \$000
Revaluation Reserves	224,842	146,600	78,242	53.4%	146,600	224,842

This variance is a result of the year end revaluation, including recognising a revaluation reserve on buildings for first time since the 2011.

	Actual Year to Date \$000	Budget Year to Date \$000	Actual Year to Date Variance to Budget \$000	Actual Year to Date Variance to Budget %	Full Year Budget \$000	Full Year Forecast 2016 \$000
Capital Expenditure	132,796	220,040	87,244	39.6%	274,635	175,000

Indications remain that the budget for capital expenditure is overly optimistic. Capital expenditure is currently \$87.244 million below budget. \$50.508 million of the variance in expenditure is related to the UC futures projects, against a year to date budget of \$169.904 million. At this stage of the year the remaining capital spend (excluding UC Futures) is favourable by \$36.736 million, against a year to date budget of \$50.136 million. The forecast is currently reflecting underspends against budget to date, which we do not believe will be recovered.

Capital Expenditure by Activity: September 2016

	Actual Year to Date \$000s	Budget Year to Date \$000s	Variance Year to Date \$000s	Budget Full Year \$000s	% Spent	Forecast 2016 \$000
Director of Learning Resources	9,238	40,493	31,255	56,193	16%	12,176
Deputy Vice-Chancellor Academic and International Responsibilities	0	4,350	4,350	6,000	0%	0
College of Engineering	1,470	2,573	1,103	2,573	57%	2,573
College of Science	1,183	1,545	362	1,998	59%	1,998
Total Other Activities	616	1,175	559	1,681	37%	1,037
Sub Total (excluding Earthquake and UC Futures Related Activities)	12,507	50,136	37,629	68,445	18%	17,784
Earthquake Related Activities	893	0	(893)	0	0%	0
UC Futures Related Activities	119,396	169,904	50,508	206,190	58%	157,216
Grand Total	132,796	220,040	87,244	274,635	48%	175,000

The table above shows those activities with the most significant year to date actual variance to budget (favourable or unfavourable). All other activities are included within 'Total Other Activities'.

The Budget includes \$42.063m (Full Year) and \$31.857m (YTD) relating to NEB. This was originally included within 'Director of Learning Resources' but has now been adjusted to be reported under 'UC Futures Related Activities'.

EFTS SUMMARY

Domestic EFTS Summary: SEPTEMBER 2016	2015	2016					2017
	Actual Full Year	Actual YTD	Budget	Forecast	Fcast vs Budget	Fcast as % of Budget	Next Year Forecast
College of Arts	2,158	2,226	2,189	2,266	77	3.5%	2,245
College of Business and Law	2,202	2,232	2,233	2,252	20	0.9%	2,397
College of Education, Health and Human Development less Ed Plus	1,668	1,608	1,655	1,618	-37	-2.2%	1,626
College of Engineering	2,703	2,914	2,789	2,948	159	5.7%	3,239
College of Science	2,208	2,127	2,256	2,150	-106	-4.7%	2,282
Service Units	114	109	112	124	12	10.8%	118
Summary (incl unfunded)	11,053	11,216	11,234	11,359	125	1.1%	11,907
Non and Sub Degree	118	108	117	123	7	5.6%	117
Undergraduate	8,524	8,682	8,722	8,765	43	0.5%	9,195
Postgraduate Taught	1,288	1,364	1,312	1,379	67	5.1%	1,481
Postgraduate Research	1,122	1,061	1,083	1,091	9	0.8%	1,113
Summary (incl unfunded)	11,053	11,216	11,234	11,359	125	1.1%	11,907

Domestic Fee Student:

These students pay Domestic Fee rates and are normally eligible for SAC funding. Domestic students are usually New Zealand citizens, permanent residents, or Australian citizens. International PhD students, who reside in New Zealand, are also eligible for SAC funding and pay fees at Domestic rates. Some Domestic students are not eligible for SAC, for example STAR (High School) students and PhD students who have exceeded the 4 EFTS funding limit.

Full Fee EFTS Summary: SEPTEMBER 2016	2015	2016					2017
	Actual Full Year	Actual YTD	Budget	Forecast	Fcast vs Budget	Fcast as % of Budget	Next Year Forecast
College of Arts	101	110	106	110	4	3.8%	126
College of Business and Law	296	411	360	424	63	17.6%	527
College of Education, Health and Human Development less Ed Plus	49	101	53	100	47	89.7%	113
College of Engineering	272	317	319	318	-1	-0.2%	420
College of Science	159	181	196	182	-14	-7.3%	228
Service Units	0	0	0	0	0	-54.5%	0
Summary	878	1,118	1,034	1,133	99	9.6%	1,415
Non and Sub Degree	0						
Undergraduate	635	824	780	825	45	5.7%	975
Postgraduate Taught	193	241	205	253	48	23.6%	355
Postgraduate Research	50	54	49	55	6	12.3%	85
Summary	878	1,118	1,034	1,133	99	9.6%	1,415

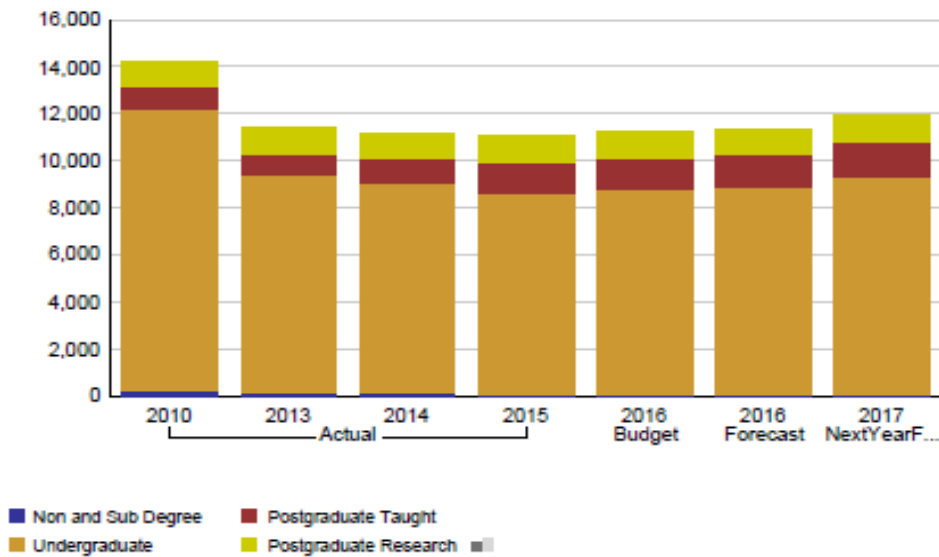
Full Fee Paying Student:

Full Fee students do not qualify to pay domestic fee rates. Most full fee students do not attract SAC funding. Full Fee research students i.e. Master's Thesis do qualify for some SAC funding but at a reduced rate when compared to Domestic students.

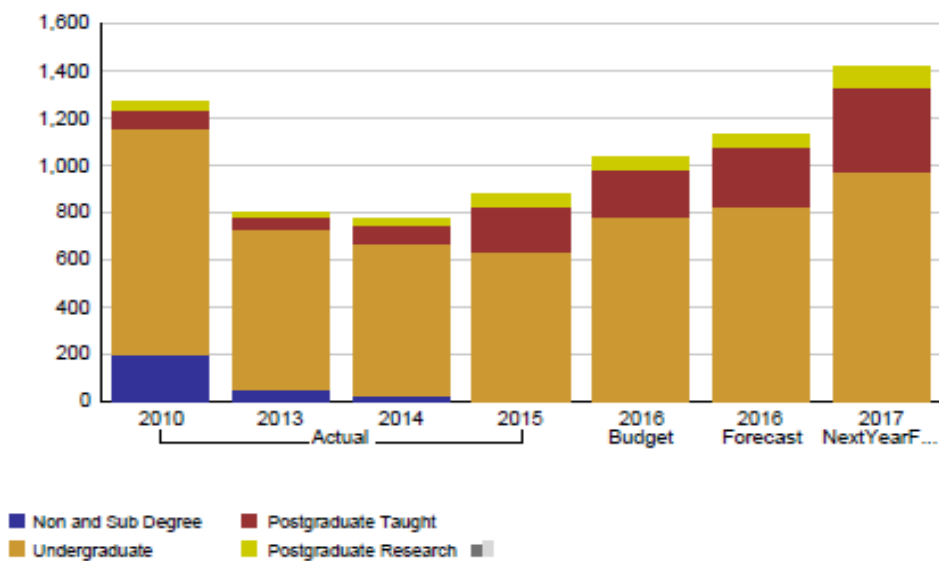
EFTS	2015	2016					2017
	Actual Full Year	Actual YTD	Budget	Forecast	Fcast vs Budget	Fcast as % of Budget	Next Year Forecast
College of Arts	2,259	2,336	2,295	2,376	81	3.5%	2,371
College of Business and Law	2,498	2,643	2,593	2,676	83	3.2%	2,924
College of Education, Health and Human Development less Ed Plus	1,717	1,709	1,708	1,718	10	0.6%	1,739
College of Engineering	2,976	3,230	3,108	3,266	158	5.1%	3,660
College of Science	2,367	2,308	2,452	2,332	-120	-4.9%	2,509
Service Units	114	109	112	124	12	10.6%	118
Summary	11,931	12,334	12,268	12,492	224	1.8%	13,322
Non and Sub Degree	119	108	117	123	7	5.6%	117
Undergraduate	9,158	9,506	9,502	9,590	88	0.9%	10,169
Postgraduate Taught	1,481	1,605	1,517	1,633	115	7.6%	1,836
Postgraduate Research	1,173	1,115	1,132	1,146	15	1.3%	1,199
Summary	11,931	12,334	12,268	12,492	224	1.8%	13,322

EFTS Trends by Level: September 2016

Domestic EFTS



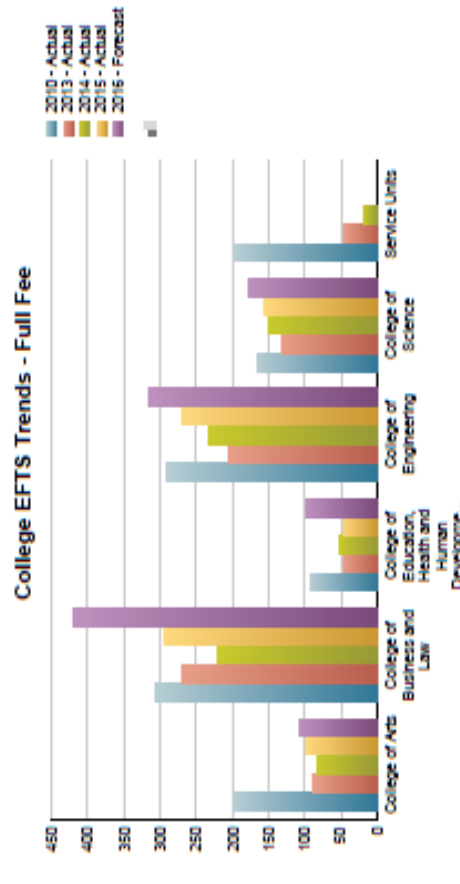
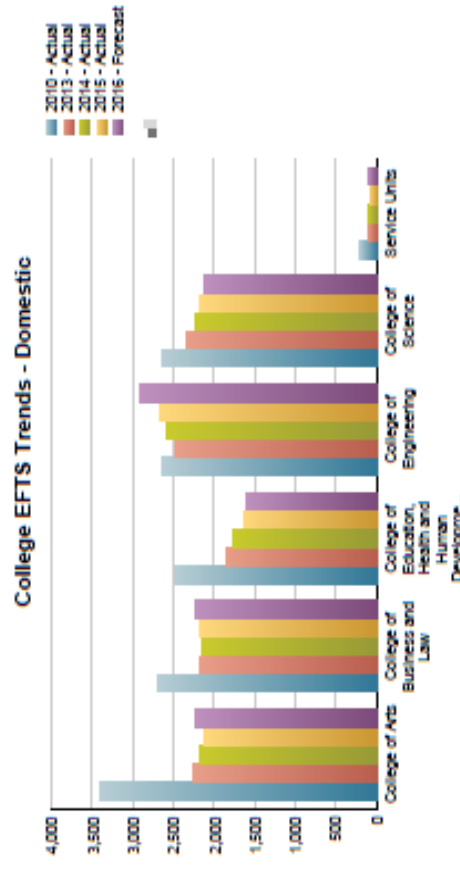
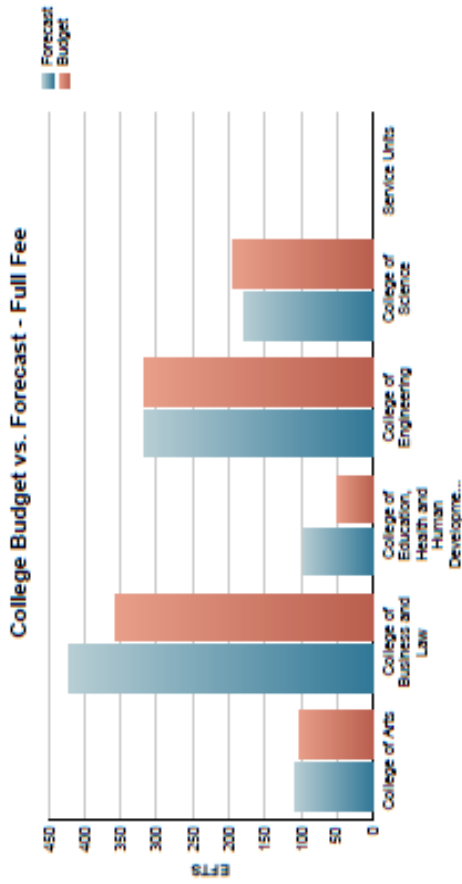
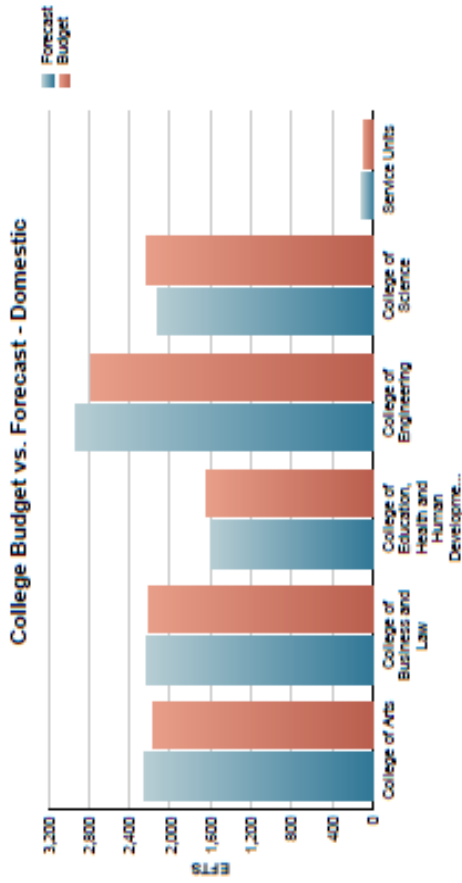
Full Fee EFTS



Notes:

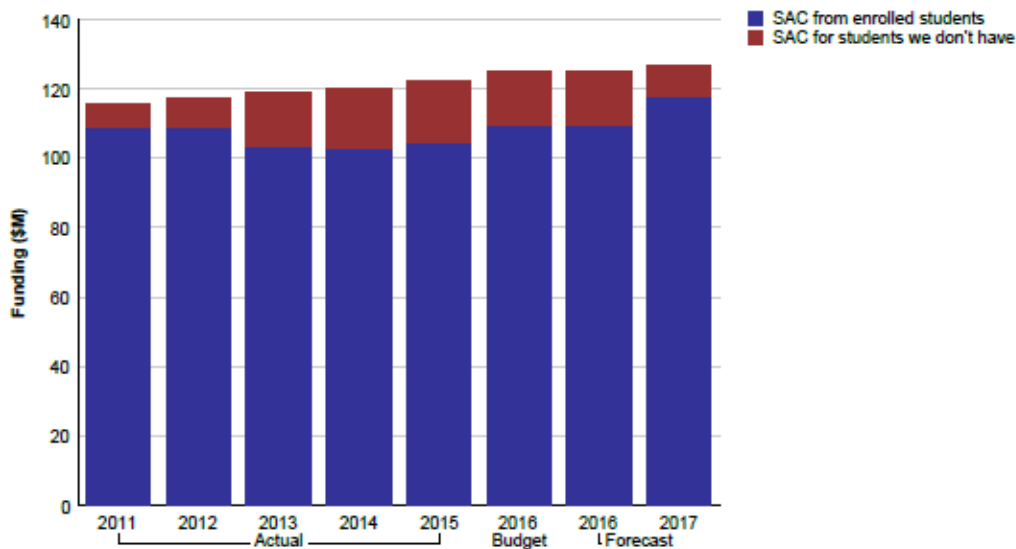
1. Postgrad/Undergrad is based on course level
2. 2010 has been included as a pre-quake yardstick.

College Performance: September 2016



2010 has been included as a pre-qualre yardstick.

SAC Guarantee Value: September 2016



UC has been given a SAC guarantee from 2011 to the end of 2016 (this may be extended until the end of 2018). The SAC guarantee means UC will retain 100% of SAC funding regardless of actual enrolments.

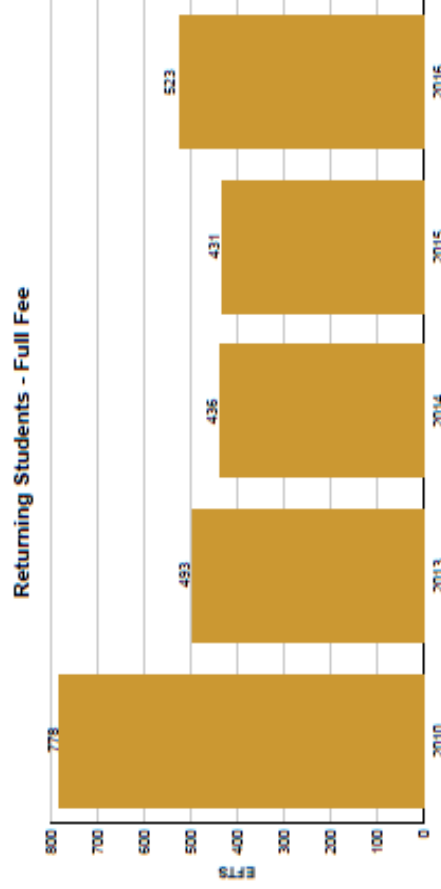
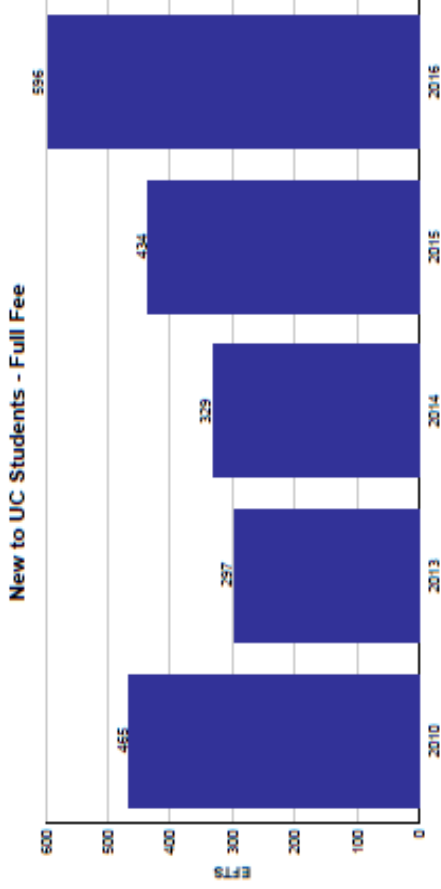
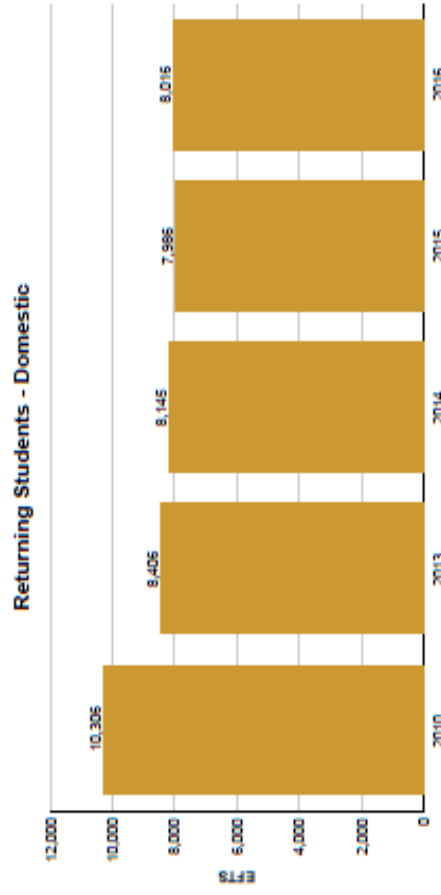
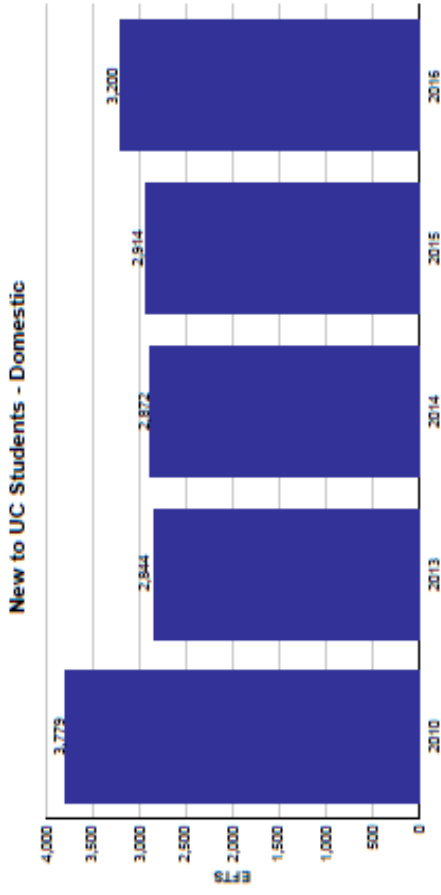
The above assumes that UC meets the TEC's measures of Educational Performance Indicators (EPI's). From 2010, up to 5% of UC's SAC funding is only retained if UC reaches specified targets in: Successful Course completions, Qualification Completions, Student Progression and Retention.

Notes:

- Universities receive SAC funding per their annually reviewed TEC SAC Funding Plan. Without the SAC guarantee TEC would seek to recover funding where enrolments fell below the SAC Plan levels. Universities are given a 1% grace threshold, so if 90% of the SAC Plan is reached 91% will be retained, pre 2013 this threshold was 3%.
- The numbers above are based on enrolments at 31-Dec each year. These differ slightly to the enrolment numbers submitted to TEC via the SDR. The SDR is not completed until late January and includes any back dated enrolment changes that occur during January.
- 2011 SAC has been amended to reflect the actual 2011 TEC SAC funding rates; prior to 2012 UC used it's own internal SAC funding rates which differed to the TEC SAC funding rates.

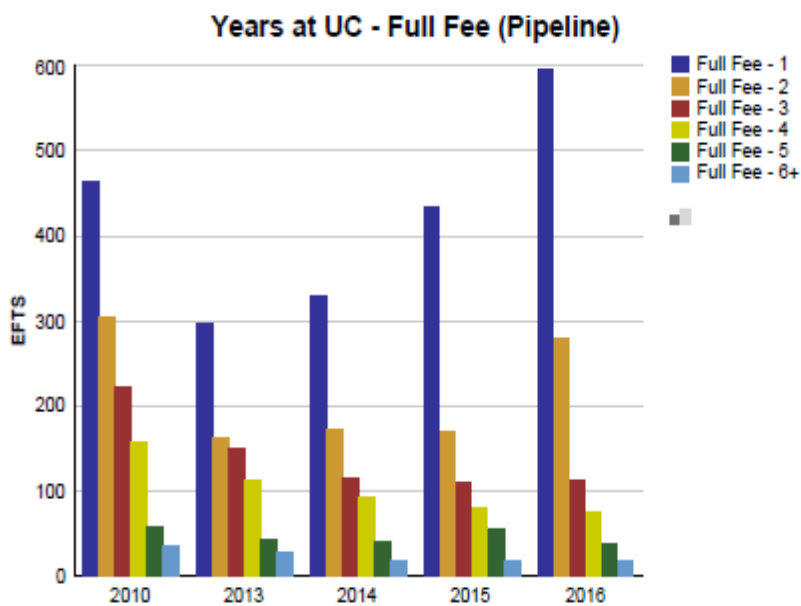
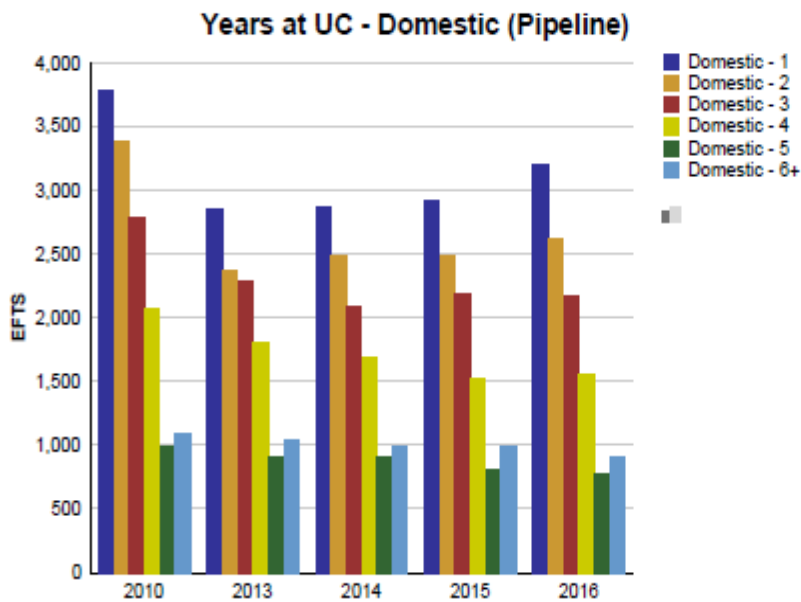
	2011	2012	2013	2014	2015	2016		2017
	Actual	Actual	Actual	Actual	Actual	Budget	Forecast	Forecast
TEC SAC Plan	\$115,502,768	\$117,380,732	\$118,950,916	\$119,865,579	\$122,534,623	\$124,797,170	\$124,797,170	\$126,454,249
SAC from enrolled students	\$108,892,424	\$109,039,212	\$103,459,370	\$103,115,775	\$104,775,041	\$109,482,672	\$109,831,569	\$117,656,674
SAC for students we don't have	\$6,610,344	\$8,341,520	\$15,491,546	\$16,749,804	\$17,759,582	\$15,314,498	\$14,965,601	\$8,797,575
Value of SAC Guarantee (allows for grace threshold of 1% or 3% prior to 2013)	\$3,145,261	\$4,820,098	\$14,302,037	\$15,551,148	\$16,534,236	\$14,066,526	\$13,717,629	\$7,533,033

New to UC and Returning Student Trends: September 2016



Notes:
 1. A 'New to UC' student is a student who has never enrolled with UC before. 'New to UC' will include new postgraduate students in addition to new undergraduates. 'New to UC' should not be confused with 'stage one' or 'freshier' students.
 2. Numbers compare year to date EFTS
 3. 2010 has been included as a pre-quake yardstick.

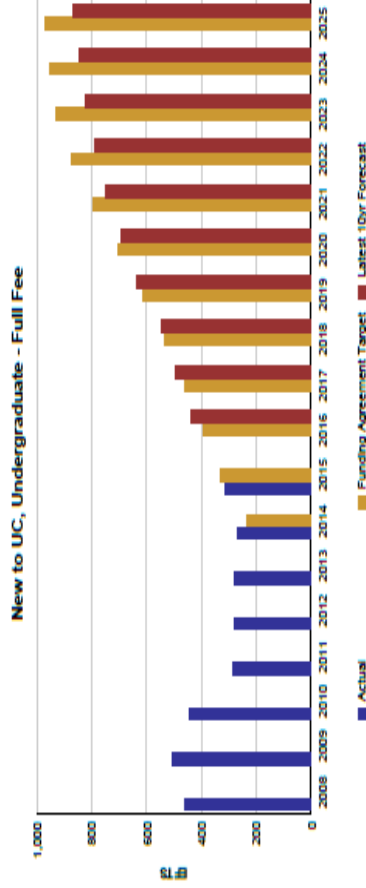
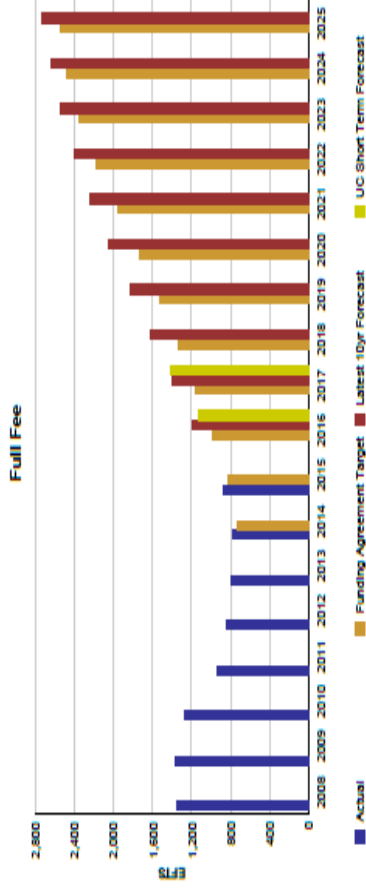
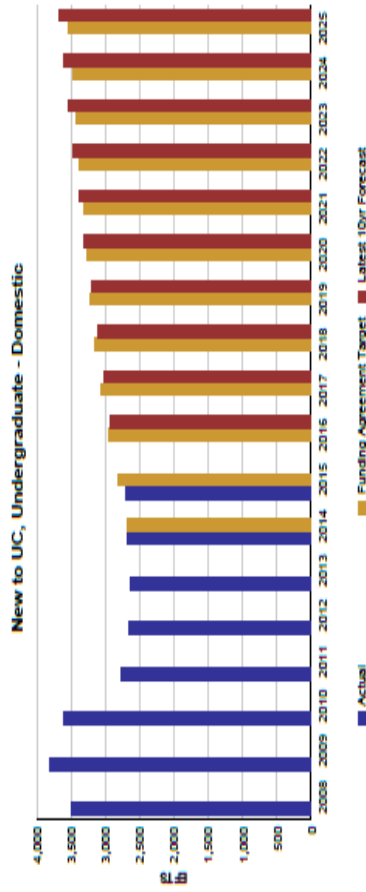
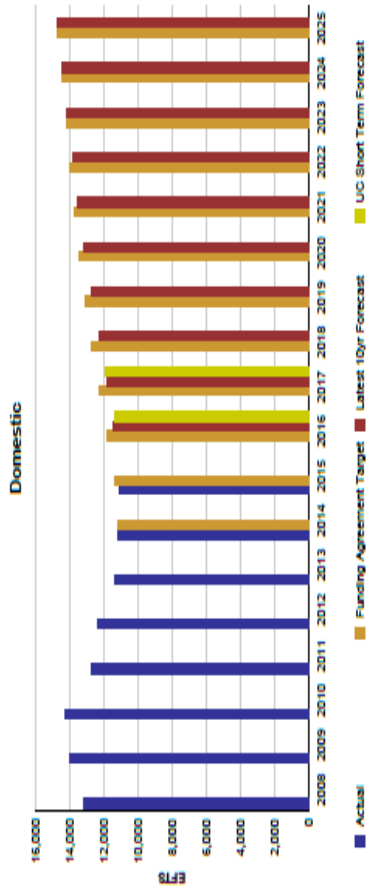
Pipeline: September 2016



Notes:

1. A 'New to UC' student is a student who has never enrolled with UC before. 'New to UC' will include new postgraduate students in addition to new undergraduates. 'New to UC' should not be confused with 'stage one' or 'fresher' students.
2. Numbers compare year to date EFTS
3. 2010 has been included as a pre-quake yardstick.

UC 10 Year Forecast: September 2016



1. Funding Agreement Target: The 10 year forecast included in the appendix of the Future Funding Agreement.
2. UC Short Term Forecasts: UC updates the current and next year forecasts on a monthly basis. The 10 year forecast is updated less frequently.
3. The latest 10 year model is the May 2016 Update.
4. A 'New to UC' student is a student who has never enrolled with UC before. 'New to UC' will include new postgraduate students in addition to new undergraduates. 'New to UC' should not be confused with 'stage one' or 'freshher' students.

EFTS		2016	2018	2017	2018	2019	2020
Domestic	Actual	11,003					
	Funding Agreement Target	11,393	11,797	12,246	12,684	13,075	13,418
	Latest 10yr Forecast		11,426	11,817	12,260	12,720	13,124
	UC Short Term Forecast		11,359	11,507			

EFTS		2016	2018	2017	2018	2019	2020
Full Fee	Actual	878					
	Funding Agreement Target	827	985	1,161	1,331	1,522	1,729
	Latest 10yr Forecast		1,197	1,393	1,614	1,832	2,043
	UC Short Term Forecast		1,133	1,415			

Human Resources Summary

Statistical Summary – Annualised Rolling FTEs

Staffing			
	SEP-15	SEP-16	Change
Full Time Equivalent (Annualised FTE):			
Continuing	1,435	1,432	(3)
Temporary	437	439	2
Total Annualised FTEs	1,872	1,871	(1)
Academic Continuing	511	503	(8)
General Continuing	815	826	11
Technical Continuing	109	103	(6)
Total Continuing Annualised FTEs	1,435	1,432	(3)

Glossary

Annualised FTE A rolling 12 month annualised FTE measure.

Worked hours in the last 12 months *divided by* Full time standard worked hours (37.5 hours x 52 weeks)

Benchmark Average 2015 data relating to the seven NZ Universities (excludes UOC).

Cash Cash and Short Term Investments

Cash Balance For the purposes of UC monthly reporting, 'cash balance' is defined as including bank-based deposits (including all term deposits) that the University has unrestricted use of. These could be represented either as cash balances or term deposits that could, if required, be converted into cash balances at short notice with the capital value being maintained.

Cash Cover (Free Cash Balance) An indicator which was a MOE covenant, but which we continue to report as a relevant liquidity measure. It measures the number of months average operating cash expenditure for the year would be covered by current cash holdings. The covenant was **no less than 1.5 months**.

Cash and Short Term Investments *divided by* (Total Expenses YTD excluding depreciation *divided by* number of months year to date)

Cash from Operating Activities An indicator which was a MOE covenant, but which we continue to report as a relevant liquidity measure. It measures the ability of an organization on a cash basis to cover expenditure flowing to its operating activities with the incomes flowing from the same activities. The covenant was **greater than 111%**.

Operating Cash Inflows *divided by* Operating Cash Outflows

Debt An obligation or liability

Debt/Debt plus Equity A Philanthropic Bond Trust Deed Covenant being **less than 25%**.

(Long Term Debt *plus* Short Term Debt) *divided by* (Long Term Debt *plus* Short Term Debt *plus* Equity)

Depreciation The systematic allocation of the depreciable amount of an asset over its useful life (Source: NZIAS16 Property, Plant and Equipment)

Domestic Fee Student These students pay Domestic Fee rates and are normally eligible for SAC funding. Domestic students are usually New Zealand citizens, permanent residents, or Australian citizens. International PhD students, who reside in New Zealand, are also eligible for SAC funding and pay fees at Domestic rates. Some Domestic students are not eligible for SAC, for example STAR (High School) students and PhD students who have exceeded the 4 EFTS funding limit.

EBITDA Earnings before interest, tax, depreciation and amortisation. EBITDA gives an indication of the current operational profitability of the business and is widely used when assessing the performance of a business.

Financing activities Activities that result in changes in the size and composition of the contributed equity and borrowings of the entity. (Source: NZIAS7 Statement of Cashflows)

Full Fee Paying Student Full Fee students do not qualify to pay domestic fee rates. Most full fee students do not attract SAC funding. Full Fee research students i.e. Master's Thesis do qualify for some SAC funding but at a reduced rate when compared to Domestic students.

Investing activities The acquisition and disposal of long-term assets and other investments not included in cash equivalents. (Source: NZIAS7 Statement of Cashflows)

MOE Ministry of Education

Net Debt Debt less Cash and Short Term Investments

Operating activities The principal revenue-producing activities of the entity and other activities that are not investing or financing activities. (Source: NZIAS7 Statement of Cashflows)

SAC Student Achievement Component

Total Borrowings/Total Assets An indicator which was a MOE covenant, but which we continue to report as a relevant liquidity measure. The covenant was **no greater than 25%**.

Philanthropic Bond Liability *divided by* (Current Assets *plus* Non-Current Assets)

Working Capital An indicator which was a MOE covenant, but which we continue to report as a relevant liquidity measure. Working Capital represents operating liquidity, i.e. the ability of the organization to cover current liabilities with its current assets. The covenant was **greater than 1**.

Current Assets *minus* Current Liabilities

Report to the Council from a meeting of the
Audit and Risk Committee
held on Monday 17 October 2016

The Committee recommends:

1. Audit Arrangements

That:

- i) *Council approve the Chancellor signing the Audit Engagement Letter: and*
- ii) *Council approve the Chancellor signing the audit proposal and audit arrangement letters, following review of the draft letters by management and on the recommendation of the Chair of the Audit and Risk Committee.*

2. Audit of Subsidiaries

That:

Council resolve to dispense with separate audits for Canterprise Ltd and UC International College Ltd.

3. Health and Safety

That:

Council note the Health and Safety Report

4. Committee Membership

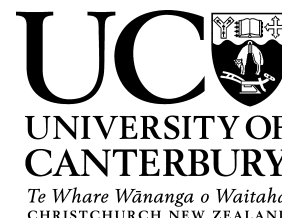
That:

Council co-opt Mr Shayne Te Aika as a member of the Audit and Risk Committee.

Peter Ballantyne
Chair
Audit and Risk Committee

19 October 2016

Memorandum



Financial Services

Office: Room 609, Matariki
Extension: 93245
Email: keith.longden@canterbury.ac.nz

To:	Council
From:	Keith Longden
Date:	18 October 2016
Subject:	Audit 2016
Purpose:	For noting and recommendation for the Chancellor to sign on behalf of Council

The external audit for 31 December 2016 is currently being planned by Audit New Zealand.

Audit documentation

Audit New Zealand are required to submit a suite of three letters by the auditor, the Audit Engagement Letter, the Audit Proposal Letter, and the Audit Arrangements letter.

The Audit Engagement Letter is the formal contract of engagement between the University and Audit New Zealand (on behalf of the Office of the Auditor-General). It sets out the respective responsibilities of both parties, and is not open to editing. This letter is required to be issued on change of Audit Director and when issuing an Audit Proposal Letter. It was reviewed at the Audit and Risk Committee meeting on 17 October 2016, and has been reviewed by management and is consistent with our understanding and with previous letters,

The Engagement Letter is recommended to be signed by the Chancellor on behalf of Council

The other two letters are the Audit Proposal Letter (fees – currently under review) and the Audit Arrangements Letter (logistics and key audit matters – due end October 2016). These are also to be signed by the Chancellor on behalf of Council, and will be presented to Council when finalised.

Logistics

The provisional dates for the audit visits are:

- Weeks commencing 14 and 21 November 2016 – interim audit (systems documentation, detailed testing) and planning finalisation; and
- Weeks commencing 16, 23 and 30 January – final audit (review of Annual Report, testing of balances, analytical review of results, statutory compliance).

We have not been notified of any particular area of focus this year, but the Office of the Auditor-General, and the Tertiary Education Commission, remain interested in our capital asset and contract procurement and management.

New departure

As indicated in the management report for 31 December 2016, because the University is a listed issuer and a “FMC reporting entity” for the purposes of the Financial Markets Conduct Act 2013, there will be changes to the form and content of the audit report for the year ending 31 December 2016.

An extract of the 31 December 2015 audit opinion, had the same rules applied at that time, is attached for information.

Recommendations:

- **Audit logistics for noting.**
- **New audit opinion for noting.**
- **The Audit Engagement Letter recommended to be signed by the Chancellor on behalf of Council.**

Keith Longden
Executive Director / Chief Financial Officer

11 October 2016

335 Lincoln Road, Addington
PO Box 2, Christchurch 8140

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Fax: 03 961 3059

Dr John Wood
Chancellor
University of Canterbury
Private Bag 4800
Christchurch

Dear John

Audit engagement letter

This audit engagement letter is sent to you on behalf of the Auditor-General, who is the auditor of all “public entities”, including the University of Canterbury (UC) under section 14 of the Public Audit Act 2001 (the Act). The Auditor-General has appointed me, Andy Burns, using the staff and resources of Audit New Zealand, under sections 32 and 33 of the Act, to carry out the annual audits of UC’s financial statements and non-financial performance information. We will be carrying out these annual audits on the Auditor-General’s behalf, for the years ending 31 December 2016 to 31 December 2019.

This letter outlines:

- the terms of the audit engagement and the nature, and limitations, of the annual audit; and
- the respective responsibilities of the Council and me as the Appointed Auditor for the financial statements and non-financial performance information.

The objectives of the annual audit are:

- to provide an independent opinion on the Council’s financial statements and non-financial performance information; and
- to report on other matters relevant to the Council’s financial and other management systems that come to our attention, need improvement or are significant (for example, non-compliance with statutory obligations or a lack of probity).

We will carry out the audit in accordance with the Auditing Standards issued by the Auditor-General, which incorporate the International Standards on Auditing (New Zealand). They require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether UC’s financial statements and non-financial performance information are free from material misstatements.

Your responsibilities

Our audit will be carried out on the basis that the Council acknowledges that it has responsibility for:

- preparing the financial statements and non-financial performance information in accordance with legal requirements and financial reporting standards;
- having such internal control as you determine is necessary to enable you to prepare financial statements and non-financial performance information that are free from material misstatement, whether due to fraud or error; and
- providing us with:
 - access to all information of which UC is aware that is relevant to preparing the financial statements and non-financial performance information such as records, documentation, and other matters;
 - additional information that we may request from UC for the purpose of the audit;
 - unrestricted access to Council members and employees that we consider necessary; and
 - written confirmation concerning representations made to us in connection with the audit.

The Council's responsibilities extend to all resources, activities, and entities under its control. We expect that the Council will ensure:

- the resources, activities and entities under its control have been operating effectively and efficiently;
- it has complied with its statutory obligations including laws, regulations, and contractual requirements;
- it has carried out its decisions and actions with due regard to minimising waste;
- it has met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector in that it has carried out its decisions and actions with due regard to probity; and
- its decisions and actions have been taken with due regard to financial prudence.

We expect the Council and/or the individuals within UC with delegated authority to immediately inform us of any suspected fraud, where there is a reasonable basis that suspected fraud has occurred regardless of the amount involved. Suspected fraud also includes instances of bribery and/or corruption.

The Council should have documented policies and procedures to support its general responsibilities. It should also regularly monitor performance against its objectives.

The Council has certain responsibilities relating to the preparation of the financial statements and non-financial performance information and in respect of financial management and accountability matters. These specific responsibilities are set out in Appendix 1. We assume that members of the Council are familiar with those responsibilities and, where necessary, have obtained advice about them.

Our responsibilities

Carrying out the audit

We are responsible for forming an independent opinion on whether the financial statements and non-financial performance information of UC:

- comply with generally accepted accounting practice; and
- presents fairly, in all material aspects its position and performance.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements and non-financial performance information. How we obtain this information depends on our judgement, including our assessment of the risks of material misstatement of the financial statements and non-financial performance information, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements and non-financial performance information.

We do not examine every transaction, nor do we guarantee complete accuracy of the financial statements and non-financial performance information. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with the Auditing Standards.

During the audit, we consider internal control relevant to the Council's preparation of the financial statements and non-financial performance information, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal controls.

Please note that the audit does not relieve the Council of its responsibilities. The Auditor-General expects members of the Council to be familiar with those responsibilities and, where necessary, to have obtained advice about them.

However, we will communicate to you in writing any significant deficiencies in internal control relevant to the audit of the financial statements and non-financial performance information that we have identified during the audit.

The audit team is required to be alert for issues of:

- effectiveness and efficiency – in particular, how the Council and management of UC have carried out their activities;
- non-compliance with laws, regulations, and contractual requirements;
- waste – in particular, whether the Council obtained and applied the resources of UC in an economical manner and whether any resources are being wasted;
- a lack of probity – in particular, whether the Council and the management UC have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector; and
- a lack of financial prudence.

Our independence

It is essential that the audit team and Audit New Zealand remain both economically and attitudinally independent of UC (including management and the Council). This involves being, and appearing to be, free of any interest that might be regarded, whatever its actual effect, as being incompatible with integrity, objectivity, and independence.

To protect our independence, specific limitations are placed on us in accepting engagements with the Council other than the annual audit. We may accept certain types of other engagements, subject to the requirements of the Auditing Standards. Any such other engagements must be the subject of a separate written arrangement between the Council and me or Audit New Zealand.

Reporting

We will issue an audit report that will be attached to the financial statements and non-financial performance information. This report contains an opinion that provides readers with reasonable assurance on whether the financial statements and non-financial performance information have been prepared in accordance with legal requirements, are free from material misstatements, and comply with financial reporting standards. It may also contain comment on matters such as compliance with statutory obligations and other matters that we consider may be of interest to the readers of the audit report.

We will also issue a management letter that will be sent to the Council. This letter communicates any matters that come to our attention during the audit that, in our opinion, are relevant to the Council (for example, internal control weaknesses, probity matters, or compliance with statutory obligations). The management letter is the basis of a letter sent to the Minister and a briefing report sent to the select committee about the results of our audit. We may also provide other management letters to UC from time to time. We will inform the Council of any other management letters we have issued.

Please note that the Auditor-General may publically refer to matters that are identified in the annual audit, in keeping with section 21 of the Public Audit Act 2001.

Next steps

Please acknowledge receipt of this letter and the terms of the audit engagement by signing the enclosed copy of the letter in the space provided and returning it to me. The terms will remain effective until a new Audit Engagement Letter is issued.

Appendix 2 contains some additional “other” responsibilities for the audit.

If the Council has any questions about the audit generally, or have any concerns about the quality of the audit, you should contact me as soon as possible. If after contacting me you still have concerns, you should contact the Director of Auditor Appointments at the Office of the Auditor-General on (04) 917 1500.

If the Council requires any further information, or wish to discuss the terms of the audit engagement further before replying, please do not hesitate to contact me.

Yours sincerely



Andy Burns
Director
On behalf of the Auditor-General

11 October 2016

I acknowledge the terms of this engagement and that I have the required authority on behalf of the Council.

Signed _____ Date _____
Dr John Wood
Chancellor
University of Canterbury

Appendix 1: Respective specific responsibilities of the Council and the Appointed Auditor

Responsibilities of the Council	Responsibilities of the Appointed Auditor
Responsibilities for the financial statements and non-financial performance information	
<p>You are required by legislation to prepare financial statements and, where appropriate, other accountability statements that comply with generally accepted accounting practice in New Zealand and that present fairly, in all material respects the activities of UC during the year, and its financial position at the end of the year.</p> <p>You must also ensure that any accompanying information in the annual report is consistent with that reported in the audited financial statements and non-financial performance information.</p> <p>You are required by legislation to prepare the financial statements and non-financial performance information and provide that information to the appointed auditor before the statutory reporting deadline. It is normal practice for you to set your own timetable to comply with statutory reporting deadlines.</p>	<p>We are responsible for carrying out an annual audit, on behalf of the Auditor-General, and to form an opinion on whether UC's financial statements and non-financial performance information have been prepared in accordance with legal requirements, comply with generally accepted accounting practice in New Zealand, and presents fairly, in all material respects the position and performance of UC.</p> <p>We will also read other accompanying information to the financial statements and non-financial performance information to identify whether there are material inconsistencies with the audited financial statements and non-financial performance information.</p> <p>Materiality is one of the main factors affecting our judgement on the areas to be tested and on the timing, nature, and extent of the tests and procedures performed during the audit. In planning and performing the annual audit, we aim to obtain reasonable assurance that the financial statements and non-financial performance information do not have material misstatements caused by either fraud or error. Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence a reader's overall understanding of the financial statements and non-financial performance information.</p> <p>If we find material misstatements that are not corrected, they will be referred to in the audit opinion. The Auditor-General's preference is for you to correct any material misstatements and avoid the need for them to be referred to in the audit opinion.</p> <p>An audit also involves evaluating:</p> <ul style="list-style-type: none"> • the appropriateness of accounting policies used and whether they have been consistently applied; • the reasonableness of the significant accounting estimates and judgements

Responsibilities of the Council	Responsibilities of the Appointed Auditor
	<p>made by those charged with governance;</p> <ul style="list-style-type: none"> • the appropriateness of the content and measures in any non-financial accountability statements; • the adequacy of all disclosures in the financial statements and non-financial performance information; and • the overall presentation of the financial statements and non-financial performance information. <p>We will ask you for written confirmation of representations made to us about the financial statements and non-financial performance information. In particular, we will seek confirmation that:</p> <ul style="list-style-type: none"> • the adoption of the going concern assumption is appropriate; • all material transactions have been recorded and are reflected in the financial statements and non-financial performance information; • all instances of non-compliance or suspected non-compliance with laws and regulations have been disclosed; and • uncorrected misstatements noted during the audit are immaterial to the financial statements and non-financial performance information. <p>Any representation made does not in any way reduce our responsibility to perform appropriate audit procedures and enquiries.</p>
Responsibilities for the accounting records	
<p>You are responsible for maintaining accounting and other records that:</p> <ul style="list-style-type: none"> • correctly record and explain the transactions of UC; • enable you to monitor the resources, activities, and entities under its control; • enable UC’s financial position to be determined with reasonable accuracy at any time; • enable you to prepare financial statements and non-financial performance information that comply with legislation (and that allow the financial statements and non-financial 	<p>We will perform sufficient tests to obtain reasonable assurance as to whether the underlying records are reliable and adequate as a basis for preparing the financial statements and non-financial performance information.</p> <p>If, in our opinion, the records are not reliable or accurate enough to enable the preparation of the financial statements and non-financial performance information and the necessary evidence cannot be obtained by other means, we will need to consider the effect on the audit opinion.</p>

Responsibilities of the Council	Responsibilities of the Appointed Auditor
<p>performance information to be readily and properly audited); and</p> <ul style="list-style-type: none"> • are in keeping with the requirements of the Commissioner of Inland Revenue. 	
Responsibilities for accounting and internal control systems	
<p>You are responsible for establishing and maintaining accounting and internal control systems (appropriate to the size of UC), supported by written policies and procedures, designed to provide reasonable assurance as to the integrity and reliability of financial and, where applicable, non-financial reporting.</p>	<p>The annual audit is not designed to identify all significant weaknesses in your accounting and internal control systems. We will review the accounting and internal control systems only to the extent required to express an opinion on the financial statements and non-financial performance information.</p> <p>We will report to you separately any weaknesses in the accounting and internal control systems that come to our notice and that we consider may be relevant to you. Any such report will provide constructive recommendations to assist you to address those weaknesses.</p>
Responsibilities for preventing and detecting fraud and error	
<p>The responsibility for the prevention and detection of fraud and error rests with you through the implementation and continued operation of adequate internal control systems (appropriate to the size of UC) supported by written policies and procedures.</p> <p>We expect you to formally address the matter of fraud, and formulate an appropriate policy on how to minimise it and (if it occurs) how it will be dealt with. Fraud also includes bribery and corruption.</p> <p>We expect you to consider reporting all instances of actual, suspected or alleged fraud to the appropriate law enforcement agency, which will decide whether proceedings for a criminal offence should be instituted. We expect you to immediately inform us of any suspected fraud, where you, and/or any individuals within UC with delegated authority have a reasonable basis that suspected fraud has occurred, regardless of the amount involved.</p>	<p>We design our audit to obtain reasonable, but not absolute, assurance of detecting fraud or error that would have a material effect on the financial statements and non-financial performance information. We will review the accounting and internal control systems only to the extent required for us to express an opinion on the financial statements and non-financial performance information, but we will:</p> <ul style="list-style-type: none"> • assess the effectiveness of internal control systems and procedures for preventing and detecting fraud and error; and • report to you significant weaknesses in internal control systems and procedures for monitoring the prevention and detection of fraud and error that come to our notice and that we consider could be relevant to you. <p>We are required to immediately advise the Office of the Auditor-General of all instances of actual, suspected or alleged fraud.</p> <p>As part of the audit, you will be asked for written confirmation that you have disclosed all known instances of actual, suspected or alleged fraud to us.</p>

Responsibilities of the Council	Responsibilities of the Appointed Auditor
	<p>If we become aware of the possible existence of fraud, whether through applying audit procedures, advice from you or management, or by any other means, we will communicate this to you with the expectation that you will consider whether it is appropriate to report the fraud to the appropriate law enforcement agency. In the event that you do not report fraud to the appropriate law enforcement agency, the Auditor-General will consider doing so if it is appropriate for the purposes of protecting the interests of the public.</p>
Responsibilities for compliance with laws and regulations	
<p>You are responsible for ensuring that UC has systems, policies, and procedures (appropriate to the size of UC) to ensure that all applicable legislative, regulatory, and contractual requirements that apply to the activities and functions of UC are complied with. Such systems, policies, and procedures should be documented.</p>	<p>We will assess whether you have systems, policies, and procedures to ensure compliance with those legislative, regulatory, and contractual requirements that are relevant to the audit. We will either perform specific audit tests to assess whether you have complied with statutory requirements that are relevant to the audit or will maintain an awareness for possible non-compliance that may be relevant to the audit.</p> <p>The way in which we will report instances of non-compliance that come to our attention will depend on considerations of materiality or significance. We will report to you and to the Auditor-General all material and significant instances of non-compliance.</p> <p>We will also report to you any significant weaknesses that we observe in internal control systems, policies, and procedures for monitoring compliance with laws, regulations, and contractual requirements that we consider may be relevant.</p>
Responsibilities to establish and maintain appropriate standards of conduct and personal integrity	
<p>You should at all times take all practicable steps to ensure that your members and employees maintain high standards of conduct and personal integrity. You should document your expected standards of conduct and personal integrity in a “Code of Conduct” and, where applicable, support the “Code of Conduct” with policies and procedures.</p> <p>The expected standards of conduct and personal integrity should be determined by reference to accepted “Codes of Conduct” that apply to the public sector.</p>	<p>We will have regard to whether you maintain high standards of conduct and personal integrity. Specifically, we will be alert for significant instances where members and employees of UC may not have acted in accordance with the standards of conduct and personal integrity expected of them.</p> <p>The way in which we will report instances that come to our attention will depend on significance. We will report to you and to the Auditor-General all significant instances of</p>

Responsibilities of the Council	Responsibilities of the Appointed Auditor
	<p>departure from expected standards of conduct and personal integrity.</p> <p>The Auditor-General, on receiving a report from us, may, at their discretion and with consideration of its significance, decide to conduct a performance audit of, or an inquiry into, the matters raised. The performance audit or inquiry will be subject to specific terms of reference, in consultation with you.</p> <p>Alternatively, the Auditor-General may decide to publicly report the matter without carrying out a performance audit or inquiry.</p>
Responsibilities for conflicts of interest and related parties	
<p>You should have policies and procedures to ensure that your members and employees carry out their duties free from bias.</p> <p>You should maintain a full and complete record of related parties and their interests. It is your responsibility to record and disclose related-party transactions in the financial statements and non-financial performance information in accordance with generally accepted accounting practice.</p>	<p>To help determine whether your members and employees have carried out their duties free from bias, we will review information provided by you that identifies related parties and will be alert for other material related-party transactions. We will check that you have complied with any statutory requirements for conflicts of interest and whether these transactions have been properly recorded and disclosed in the financial statements and non-financial performance information.</p>
Responsibilities for publishing the audited financial statements on a website	
<p>You are responsible for the electronic presentation of the financial statements and non-financial performance information on UC's website. This includes ensuring that there are enough security and controls over information on the website to maintain the integrity of the data presented.</p> <p>If you intend to publish or reproduce the financial statements and non-financial performance information, together with the audit report, on a website, you must, before publication, provide us with a draft version of the documents to read and must obtain our approval to include the audit report with the information you intend publishing on the website.</p> <p>If the audit report is reproduced in any medium, you should present the complete financial statements, including notes and accounting policies as well as any other accountability statements.</p> <p>If you intend to post any new material not previously read by us, you must advise us before posting the new material.</p>	<p>We will perform procedures to satisfy ourselves that the information you intend including on your website is consistent with the audited financial statements and non-financial performance information and that the audit report will not be inappropriately associated with any information that has not been audited.</p> <p>Examining the controls over the electronic presentation of audited financial statements and non-financial performance information, and the associated audit report, on your website is beyond the scope of the annual audit.</p> <p>We will review the material on initial posting and on notification from you that new material has been posted on the website. We do not carry out ongoing monitoring of the material on your website.</p>

Appendix 2: Other responsibilities

To meet the reporting deadlines, we are dependent on receiving UC's financial statements and non-financial performance information ready for audit and in enough time to enable the audit to be completed. "Ready for audit" means that the financial statements and non-financial performance information have been prepared in accordance with legal requirements, comply with generally accepted accounting practice and present fairly, in all material respects, the activities and position of UC and are supported by proper accounting records and complete accounting records and complete evidential documentation.

We will ensure that the annual audit is completed by the reporting deadline or, if that is not practicable because of the non-receipt or condition of the financial and non-financial performance information, or for some other reason beyond our control, as soon as possible after that.

The workpapers that we produce in carrying out the audit are the property of the Auditor-General. Workpapers are confidential to the Auditor-General and subject to the disclosure provisions in section 30 of the Public Audit Act 2001.

The Auditor-General and Audit New Zealand take seriously their responsibility to provide a safe working environment for audit staff. Under the Health and Safety at Work Act 2015 we need to make arrangements with you to keep our audit staff safe while they are working at your premises. We expect you to provide a work environment for our audit staff that is without risks to their health and safety. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment, where required. We also expect you to provide them with all information or training necessary to protect them from any risks they may be exposed to at your premises. This includes advising them of emergency evacuation procedures and how to report any health and safety issues.

17 October 2016

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Dr John Wood
Chancellor
University of Canterbury
Private Bag 4800
Christchurch

Copy: Murray Powell
Director Auditor Appointments
Office of the Auditor-General
PO Box 3928
Wellington

Dear John and Murray

Proposal to conduct the audit of University of Canterbury on behalf of the Auditor-General for the 2016, 2017 and 2018 financial years

1 Introduction

The Auditor-General has appointed me to carry out the audit of your organisation for the next three years. As required by the Office of the Auditor-General (OAG), I set out below information relating to the audit for the three financial years ending 31 December 2016, 2017 and 2018. The purpose of this proposal is to provide information on:

- the statutory basis for the audit and how audit fees are set;
- the entities covered by this proposal;
- key members of the audit team;
- the hours we plan to spend on the audit and reasons for any change in hours;
- our proposed fees for the audit for the financial years ending 31 December 2016, 2017 and 2018 and reasons for any change;
- assumptions relating to the proposed audit fees, including what we expect of your organisation;
- what the OAG overhead charge provides;
- certification required by the Auditor-General; and
- our commitment to conduct the audit in accordance with the Auditor-General's Auditing Standards.

2 Statutory basis for the audit and how audit fees are set

The audit of your organisation is carried out under Section 15 of the Public Audit Act 2001, which states that "the Auditor-General must from time to time audit the

financial statements, accounts, and other information that a public entity is required to have audited”.

Fees for audits of public entities are set by the Auditor-General under section 42 of the Public Audit Act 2001. However, your Council and I have the opportunity to reach agreement first and recommend those fees for approval. The Auditor-General, with assistance from the OAG, will set audit fees directly only if we fail to reach agreement.

Our proposed audit fees are set out in this letter and include an estimate of the reasonable cost of disbursements (including travel and accommodation where necessary).

3 Entities covered by this proposal

This proposal covers the audit of the University of Canterbury but does not cover the audits of any of its subsidiaries, or the annual Performance Based Research Fund (PBRF) audit. Currently the subsidiaries are:

- UC International Limited;
- Canterprise Limited; and
- Entré Limited.

As at the date of this letter there is legislation being drafted, that if passed, will result in Tertiary Education Institution’s (TEI’s) subsidiaries generally no longer being required to produce their own financial statements or annual reports and therefore no audit requirement.

On this basis, we have not included proposed hours and fees for the audits of the above entities within this letter. If the legislation is not passed in its proposed format, or there are other reasons for the above entities to continue to require an audit, we will discuss this with you at the time.

4 Key members of the audit team

Appointed Auditor	Andy Burns
Engagement Quality Control Reviewer	Stephen Lucy
Audit Manager	Andrew Timlin

5 Estimated audit hours

We estimate that the following hours will be required to carry out the audits (compared to budgeted and actual data from the previous financial year):

Audit team member	2015 budget	2015 actual	2016	2017	2018
Appointed Auditor	100	100	103	103	103
EQCR Director	15	24	15	15	15
Audit Manager	135	195	142	142	142

Audit team member	2015 budget	2015 actual	2016	2017	2018
Other staff	840	997	850	850	850
Sector specialist support	12	10	10	10	10
Information Systems Audit Staff	50	65	50	50	50
Specialist Assurance Services	15	20	6	6	6
Tax	2	2	2	2	2
Total audit hours	1,169	1,413 *	1,178	1,178	1,178

* Note the 2015 actual hours include approximately 107 hours (10 hours Appointed Auditor, 34 hours Audit Manager and 63 hours other staff) relating to the transition to the new public sector accounting standards.

5.1 Reasons for changes in audit hours

There is a minimal increase in the proposed audit hours from 2015. In 2015 we included hours for two specific areas of work being:

- Specialist review of UC's procurement and project management structures implemented for the RSIC and CETF projects (15 hours).
- IS auditor review of UC's Financial Management Information Systems (FMIS) upgrade (10 hours).

In 2016 we propose to maintain hours to review the management and governance of UC's significant capital works including the RSIC and CETF projects as well as the College of Education, Health and Human Development – New Education Building.

We have also included an estimated 22 additional hours in 2016 for work relating to the first time reporting of Key Audit Matters within the audit report. This work will involve drafting and discussing with management and the Council, the wording of significant audit issues identified in our planning and how these were addressed during the audit. As this is the first year the audit report will include these matters, we expect this will take a reasonable amount of time to finalise the wording of these matters.

The overall effect of the changes above is an increase of nine hours from 2015.

6 Proposed audit fees

Our proposed fees for the next three audits (compared to budgeted and actual data from the previous financial year) are:

Structure of audit fees	2015 budget	2015 actual billed	2016	2017	2018
	\$	\$	\$	\$	\$
Net audit fee (excluding OAG overhead and disbursements)	192,930	192,930	202,927	207,786	213,346
OAG overhead charge	17,500	17,500	18,341	18,718	19,093

Structure of audit fees	2015 budget	2015 actual billed	2016	2017	2018
	\$	\$	\$	\$	\$
Total audit fee (excluding disbursements)	210,430	210,430 *	221,268	226,504	232,439
Estimated disbursements	2,500	2,295	2,500	2,500	2,500
Total billable audit fees and charges	212,930	212,725	223,768	229,004	234,939
GST	31,939	31,909	33,565	34,351	35,241
Total (including GST)	244,869	244,634	257,333	263,355	270,180

* The 2015 actual billed column was the final fee charged to UC. Our actual time costs incurred for the 2015 audit was \$285,240. Within this amount are the costs relating to the transition to the new public sector accounting standards of approximately \$23,000 (8% of our total costs). We also utilised more senior qualified staff on the audit for their experience and client continuity. This resulted in a higher grade mix than was proposed.

The audit fees allow for the audit team to carry out specific tasks identified in the OAG Sector Brief and for the OAG overhead charge. We have also estimated the reasonable cost of disbursements (including travel and accommodation where necessary). Disbursement costs are indicative only and will be charged on an actual and reasonable basis.

6.1 Reasons for changes in audit fees

The proposed increase in the fee from 2015 is \$10,838 (or 5.2%). Within this increase, approximately \$6,000 relates to the 22 additional hours of senior time (i.e. Appointed Auditor, EQCR Director, Audit Manager) for the Key Audit Matters work outlined in section 5.1. The remaining increase of \$4,838 (2.3%) largely relates to our expected staff salary cost increases.

7 Assumptions relating to our audit fee

Our proposed audit fees are based on the following assumptions:

- You will provide to us in a timely manner the complete information required by us to conduct the audit.
- Your staff will provide us with an appropriate level of assistance.
- Your organisation's annual report and financial statements (including Statements of Service Performance) will be subject to appropriate levels of quality review before being submitted to us for audit.
- Your organisation's financial statements will include all relevant disclosures.
- We will review up to two sets of draft annual reports, one printer's proof copy of the annual report, and one copy of the electronic version of the annual report (for publication on your website).

- There are no significant changes to the structure and/or scale of operations of the entities covered by this proposal (other than as already advised to us).
- There are no significant changes to mandatory accounting standards or the financial reporting framework that require additional work.
- There are no significant changes to mandatory auditing standards that require additional work other than items specifically identified in the tables above.
- There are no significant changes to the agreed audit arrangements (set out in an annual letter we will send you) that change the scope of, or disbursements related to, this audit.
- UC continues to revalue its buildings and assess the impairment estimates on an annual basis. If annual revaluations cease during the period of this proposal we will discuss the impact of this on the hours and fees for those relevant years.

If the scope and/or amount of work changes significantly, we will discuss the issues with you and the OAG at the time.

8 What the OAG overhead charge provides

Parliament has indicated that it expects the full cost of annual audits under the Public Audit Act (including an OAG overhead charge) to be funded by public entities.

The OAG overhead charge partially funds a range of work that supports auditors and entities, including:

- development and maintenance of auditing standards;
- technical support for auditors on specific accounting and auditing issues;
- ongoing auditor training on specific public sector issues;
- preparation of sector briefs to ensure a consistent approach to annual audits;
- development and maintenance of strategic audit plans; and
- carrying out quality assurance reviews of all auditors, and their audits and staff on a regular (generally, three-year) cycle.

Appointed Auditors are required to return the OAG overhead charge portion of the audit fee, to the OAG.

9 Certifications required by the Auditor-General

We certify that:

- the undertakings, methodology, and quality control procedures that we have declared to the OAG continue to apply;
- our professional indemnity insurance policy covers this engagement; and
- the audit will be conducted in accordance with the terms and conditions of engagement set out in the audit engagement agreement and schedules.

10 Conclusion

As the Appointed Auditor, I am committed to providing you and the Auditor-General with the highest level of professional service. I intend to work with you, the OAG, and the Auditor-General in a partnership environment to resolve any issues that may arise.

If you require any further information, please do not hesitate to contact me.

Please counter-sign this letter (below) to confirm that you, and the governing body of your organisation, agree with its contents. This letter will then form the basis for a recommendation to the Auditor-General on the audit fee that should be set. The schedules of audit hours and fees will also be incorporated into my audit engagement agreement with the Auditor-General to carry out the audit of your organisation as the agent of the Auditor-General.

Yours sincerely

Andy Burns
Director

I accept the audit fees for the audit of the three financial years as stated above.

Full name: _____ Position: _____

Authorised signature: _____ Date: _____

Entity name: _____

Actions to take when agreement has been reached:

- 1 Make a copy of this signed proposal and keep it for your file.
- 2 Send the original to:
 - Andy Burns
 - PO Box 2
 - Christchurch

Key Audit Matters – University of Canterbury 31 December 2016

Key Audit Matters

Key audit matters are those that, in our professional judgement, were of most significance in our audit of the financial statements, statement of service performance and appropriation statement of the current period. We summarise those matters below and how we addressed them in our audit of the financial statements, statement of service performance and appropriation statement as a whole. Any comments we make on the findings of our audit procedures should be read in that context and we do not provide a separate opinion on these matters.

What are the key audit matters?

Carrying value of building assets

The University's building assets of \$559,037,000, included within total property, plant and equipment of \$801,254,000, (disclosed in note X) are carried in the statement of financial position at their fair value.

This fair value is determined by first assessing a valuation for the buildings as if they were undamaged and then reducing this value for impairment from earthquake damage. These two stages in the determination of the buildings fair value are both considered key audit matters for the reasons discussed below.

Valuation of building assets

Revaluations of buildings have been performed annually since the Canterbury earthquakes in 2010 and 2011 due to the extent of the damage caused and because the previously recognised impairment exhausted the University's building revaluation reserves.

This is a key audit matter due to the large balances and complex valuation methodologies. In particular:

- There is risk that the underlying assumptions, including unit rates, may be inaccurate. This is particularly the case in a potentially volatile post-earthquake construction market in Canterbury;
- There is also a risk that the Valuer is not provided with complete and accurate information, particularly as some assets are in the process of being upgraded or demolished.

How did the audit address this matter?

Our audit procedures included:

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

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

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

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

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

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

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

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

Earthquake impairment of buildings

The University's building assets disclosed in note xx suffered damage as a result of the Canterbury earthquakes in 2010 and 2011. To assess the initial extent of the damage to its buildings, the University engaged independent quantity surveyors to inspect the buildings and estimate the costs to remediate the damage on an individual building basis. These estimated costs to remediate were quantified and an impairment charge was recognised at that time.

The initial impairment charge needs to be continually reassessed throughout the building remediation program. As the remediation program progresses, the estimates are refined as further invasive building assessments provide more up to date information, damaged buildings are repaired or decisions are made to demolish buildings rather than repair. The estimate of total repairs at 31 December 2015 was \$511 million. As impairment can only be accounted for to a nil carrying value on a building by building basis, the total impairment recognised in the financial statements was \$154 million for 2015 (2014: \$189 million).

This is a key audit matter due to the large balances involved, the inherent uncertainties in the estimation of the remediation costs and the key assumptions used in this process, such as the estimated cost of labour and materials in a potentially volatile Christchurch building market.

How did the audit address this matter?

Our audit procedures included:

We reviewed the updated impairment estimates and discussed the approach to assessing the remediation costs with the independent quantity surveyors (the surveyors).

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

We considered the surveyors' methodology against our expectations from our experience and knowledge of prior years and from other public entities with earthquake damaged assets. In particular, we considered and accepted the surveyors' approach to identifying and excluding betterment (including earthquake strengthening beyond a specified level) from the impairment calculations.

As discussed in note x, there are some significant uncertainties in the impairment estimates and we noted that in some cases the actual level of damage will only be determined once physical remediation work is underway. It was however evident from our discussions with the surveyors and management that an in-depth assessment of the level of damage and appropriate remediation approaches had occurred for all significant buildings.

We assessed management's processes to confirm the appropriateness of the surveyors' cost estimates and the consistency of those estimates with other internal information, including the actual costs incurred for those buildings remediated to date. We tested a sample of unit costs to recent contracts to confirm the reasonableness of remediation unit costs.

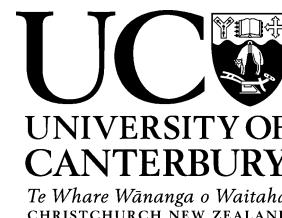
We compared the repair estimates on an individual building basis to the University's fixed asset register to confirm that impairment recognised on each individual building does not exceed its carrying value.

We confirmed that decisions made by the University to demolish buildings had been appropriately accounted for within the estimates and the University's asset information.

We also considered whether the related disclosures in the financial statements were clear and informative and in accordance with the requirements of the applicable financial reporting framework.

We found that the impairment recognised was the University's best estimate and was reasonable. It is based on the best available information of damage and the likely remediation approach, costed using reasonable assumptions about current prices for the required remediation work.

Memorandum



Financial Services

Office: Room 609, Matariki
Extension: 93245
Email: keith.longden@canterbury.ac.nz

To:	Council
From:	Keith Longden
Date:	19 October 2016
Subject:	Audit of subsidiaries
Purpose:	For approval

After the 2013 Crown Entities Act and Public Finance Act amendment Acts, the reporting obligations for TEIs and their subsidiaries were unclear due to some drafting issues with the legislation. The Ministry of Education wrote to TEIs in late 2015 outlining the problem and encouraging TEIs to continue their existing reporting practices for the 2015 year. This letter focussed on parent and group reporting, rather than subsidiaries.

This aspect of the existing legislation is being “fixed” using the current Education Legislation Bill. This Bill passed its second reading on 16 August. Presuming it is passed, the expectation seems to be that the reporting provisions will have effect for the 2016 reporting round.

The key provisions in relation to TEI reporting will:

1. Require TEIs to report both parent and group figures (“normal” Crown Entities only need to report group figures). This is continuing the existing practice.
2. TEI subsidiaries (and multi-parent subsidiaries) generally will no longer be required to produce their own financial statements or annual reports and therefore there is no audit - this would affect Canterprise Limited and UC International College Limited.
3. However, the Minister of Tertiary Education may require TEI subsidiaries to produce financial statements, Statements of Service Performance or annual reports, if the Minister has reasonable grounds to believe that a TEI may be at risk due to its investment in the related entity (including subsidiaries and associates). The Minister is required to consult with the TEI on this.

There will be other situations where a TEI subsidiary is still required to produce financial statements and have them audited:

- (a) Where the TEI subsidiary has a reporting and/or audit obligation in its founding documents. Quite common in trust deeds, but could also be in company constitutions or shareholder agreements.
- (b) When the TEI has another statutory reporting or audit obligation. Many TEI subsidiaries are registered charities, in which case they need to comply with the requirements of the Charities Act. Section 41 requires registered charities to file annual financial statements. Section 42C sets out when these financial statements must be audited or reviewed. This depends on the amount of operating expenditure (\$1m audit, \$500k audit or review) – for the University’s subsidiaries Canterprise

Limited this would also mean no audit is required. Canterbury Limited is registered as a charity, but does not need to be for any particular reason (any subsidiary of a TEI, for example, is not subject to Income Tax, in accordance with the Income Tax Act 2007).

Generally, the auditor may still need to do some audit work at a subsidiary level where this is needed to provide assurance over subsidiary information to support the audit opinion over the group financial statements. This would obviously take into account the financial significance of the subsidiary and the risk of subsidiary issues causing material misstatement of the group financial statements – in the University's case, this is nil.

Recommendation:

For Council to approve that where the external audit of UC subsidiaries is not legally required, then the audit need not be undertaken.

Keith Longden
Executive Director, Chief Financial Officer

Memorandum

Human Resources



To:	Council
From:	Maura Minnock/ Paul O'Flaherty
Date:	October 2016
Subject:	Health and Safety

Purpose

This paper informs the University of Canterbury Council of the recent developments in H&S at the University of Canterbury:

1. UC Health and Safety Plan 2017
2. H&S Awards
3. Contractors Update
4. Wellbeing
5. Legislation Update

Key Performance Indicators (pages 4 to 6)

This is a summary of the 2016 results as of the 1st of October 2016.

1. Update on UC H&S Plan 2016/2017

This is an overview of key Achievements from 2016 to date and planned work for 2017

2016 Achievements

- 1) Interpreted and implemented changes required by Health & Safety at Work Act 2015
 - o Update H&S toolkit of processes and procedures
 - o Delivery of training program to inform staff and managers of the changes
- 2) Developed and implemented student focused initiatives
 - o Student Induction video
 - o Think First Campaign, in conjunction with the Communications Team
- 3) Completed a review of Field Activities to provide a UC wide over view
- 4) Delivery of 2017 Independent Contractor Management Audit Program
- 5) Monitored the successful implementation of Drug and Alcohol Testing on Construction Sites
- 6) Asbestos Management – Support Departments as asbestos signage was installed across campus
- 7) Developed and implemented;
 - o Online ergonomic assessment tool
 - o Low risk contractor management process
 - o UC Standard Operating Procedure (SOP) template
- 8) Embedded H&S requirements into campus wide procurement projects, including;
 - o Furniture
 - o Portable Appliance Testing Providers
 - o Fleet Services

2017 Priorities

- 1) Commission an external review of the University's Health and Safety Culture and Practices
- 2) Continue to develop the Leading Indicators both with UC and Contractor Reporting
- 3) Continue to support the UC Wellbeing Group
- 4) Deliver a schedule of audits on the High Risk Areas across UC with specific focus on;
 - a. Field Activities – Assess implementation of processes
 - b. Machinery Safety
 - c. HSNO Safety
 - d. Bio-security
 - e. Radiation
- 5) Support all departments to complete Self-Assessment Audits and use this process to identify opportunities for improvement
- 6) Review H&S internet/ intranet facilities to ensure ease of use for both staff and students
- 7) Review expectations of training to be completed by staff, based on the risk profile of their work area
- 8) Deliver 2017 Health Monitoring Programme
- 9) Deliver a schedule of independent H&S audits of key contractors on campus, not exclusive to Capital Works
- 10) Continue to engage with other PCBU's on campus to ensure consistent implementation of the Health & Safety at Work Act 2015

2. Health and Safety Awards

The VC recently presented the UC H&S Awards to the following recipients;

1. Rob Spiers (Geological Sciences) – Identification and implementation of improved emergency management procedures
2. Rose Reynolds (Student Success) – Facilitating wellbeing workshops for staff in SSAC and developing a toolkit of resources that can be used across UC
3. Brian Philips (Capital Works) – Initiation and continued support of the UC Contractor Round Table Forum
4. Caroline Burt (Communications & Engagement) – Continual improvement of Health & Safety processes within the Events Team

This demonstrates the diversity of initiatives being undertaken within different parts of the University striving to continually improve the Health, Safety and Wellbeing of our community.

3. Contractor Update

Southbase, is the newest contractor on site, currently demolishing the old UCSA building. They are now attending the Contractor Round Table Forum and are demonstrating very positive attitudes and behaviours towards H&S.

Current round of external audits underway, with CETF and UCSA complete with pleasing results, RSIC and NEB to be done and summary will be discussed at the CCSG and Round Table Forums.

The “Business Leaders H&S Forum” has attempted to provide a national health and safety benchmark for the construction sector which relates to the Total Recordable Injury Frequency Rate (TRINR). The UC H&S team have reviewed these stats to assess if we could use them as a benchmark for construction activities on campus but we advise against this for two reasons;

1. 80% of the companies providing data represent the horizontal construction industry as opposed to vertical
2. Fletchers and Hawkins, although members of the forum, are not represented in the statistics

4. Wellbeing

The UC Wellbeing Group has drafted a strategy which is currently being distributed for consultation with key stakeholders across UC. The UC Wellbeing Framework, UC PERMA-culture: A Healthy Place to Live and Learn explains how UC can contribute to the different dimensions of individual and community wellness by embedding wellbeing into its primary spheres of influence namely: a sustainable campus environment, positive pedagogy and leadership, inclusive policy and practice and bicultural competence and confidence. Each sphere of influence is correlated to a dimension of wellbeing (physical, mental/emotional, social, and spiritual).

5. Legislation Update

Boland v Trainee and Apprentice Placement Service Inc [2016] SAIRC 14(27 May 2016)

In this case a labour hire company was convicted and fined \$12,000 for failing to comply with its duty to consult, co-ordinate and co-operate with other PCBUs in relation to health and safety. The labour hire company had placed a trainee worker with a roofing contractor. Unfortunately, when carrying out work for the roofing contractor, the trainee worker was significantly injured when some guttering that he was working on came into contact with high-voltage power lines.

Even though the Court found the labour hire company to be an ‘exemplary employer’, had no prior convictions and was a not-for-profit organisation, the Court convicted the company of the health and safety offence and fined it \$12,000. Interestingly, the failure to consult, co-operate and co-ordinate was not articulated as a particular of a breach of another primary health and safety duty – rather it was a stand-alone charge faced by the company.

SafeWork v Omega International Coatings Pty Ltd and Shetty [2016] NSWDC 11 (Feb 2016), charges against an officer were dismissed.

This case involved charges against both a company and its director. An employee of the company was decanting highly flammable liquid from one container into another when it ignited, causing a large fire.

The company had hired experienced workers, provided intensive training and written safety manuals, obtained independent hazard analyses, and employed a qualified chemist who developed risk assessment procedures including a decanting work procedure. The court decided that while the company was vicariously liable for the “casual act of negligence” of the employee, it was “difficult to see what more Mr Shetty could have done”.

Lagging Performance Indicators (as of Oct 1st)	2016
Total Occurrences employees (excluding Rec Centre)	138 ↓
Total Occurrences non-employees (excluding Rec Centre)	52 ↓
Total Occurrences (excluding Rec Centre)	190 ↓
Total Occurrences from the Rec Centre	63 ↓
Lost time occurrences	6 ↓
Days lost	91 ↑
UC Average Time lost rate (days)	15.2 ↑
UC LTI Incident Rate	.23% ↓
Illness reported	9 ↓
Incident reported	30 ↓
Injury reported	78 ↓
Near Miss reported	41 →
Discomfort & Pain reported	32 ↑
Notifiable Incident	3 ↓
Total Occurrences	190 ↓
Worksafe NZ Investigations	0 →
Leading Performance Indicators (as of Oct 1st)	2016
Health & Safety Tours completed by Council <ul style="list-style-type: none"> • Departments - 1 • Construction Sites - 2 	3 ↑
Health & Safety Tours completed by SMT <ul style="list-style-type: none"> • Departments - 16 • Construction Sites - 6 	22 ↑
Health & Safety audits completed by specialist <ul style="list-style-type: none"> • Departmental Assessments – on hold for 2016 • Construction Site Audits – 9 • Radiation Safety Audits – 3 • Biological Safety Audits (MPI) - 2 	14 ↓
Ergonomic Assessments Completed <ul style="list-style-type: none"> • Online Tool – 63 • Ergonomic Assessor - 90 	153 ↓
# of Flu Vaccinations <ul style="list-style-type: none"> • Staff – 798 ↑ • Students – 1,343 ↑ 	2,141 ↑
# of Trainings completed (298 participants)	25 ↓
# of Health Monitoring completed	281 ↑
# of Elected Health and Safety Representatives	78 ↓
# of Health and Safety Committee meetings Held	29 →
# of Contractor Round Table Meetings Held	7 ↑

*Note: Arrows indicate comparison to the same period in 2015

Key Performance Indicators: Main Construction Contractors Health and Safety Reporting

As at 1st October 2016, arrows indicate comparison from previous A&R report

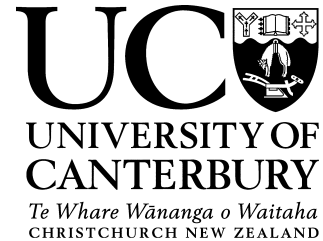
KPI Description	Hawkins – CETF		Hawkins - NEB		Fletchers - RSIC		Southbase - UCSA	
	YTD	3 Month Average	YTD	3 Month Average	YTD	3 Month Average	YTD	3 Month Average
Hours worked	394,409	36,936.67↓	64,300	10,468 ↑	278,471	45,916.6 ↑	2,664	3552
Average number of people on site	195	156.67 ↓	48	53 ↑	1620	243.00 ↑	9	12
Total Number of People Inducted to Site	855	62.33 ↓	296	42 ↑	941	123.67 ↓	21.5	28.7
Incidents								
First aid treatment	20	3.00 ↓	15	1.33 ↑	19	2.00 ↓	5	1.7
Medical treatment injuries	11	0.00 →	3	.33 →	2	0.33 ↑	0	0
Near Misses	24	3.33 ↑	5	1.00 ↑	129	12.33 ↓	0	0
Damage to property	13	1 →	0	.00 →	110	0 ↓	1	.3
Total	68	7.33 ↓	23	2.66 ↑	150	14.66 ↓	6	2
Safety Observations	80	15.66	Not Avail	Not Avail	303	26.67	52	17.3
H&S Incident Rate (IR)								
Number of Occurrences/No. of workers x 100	4.35	4.68 ↑	47.49	4.92 ↑	98.74	6.25 ↓	16.7	5.56
Lost Time								
Number of lost time injuries (LTI)	3	.33 ↓	1	0.00 →	6	.67 →	0	0
Total number of LTI days lost	43	7.67 ↓	5	0.00 →	25	3 ↑	0	0
Lost Time Injury Frequency Rate (LTIFR)								
Number of occurrences/No. of hours worked x 1,000,000	7.61	9.02 ↓	15.55	0.00 ↓	21.55	14.08 ↓	0	0
Toolbox Meetings								
Site Wide Toolbox Talk	36	4.00 →	36	4.00 →	19	2.00 ↓	36	12

*Note arrows indicate comparison to previous A&R report in August

Memorandum

Vice-Chancellor's Office

Email: chancellor@canterbury.ac.nz



To:	Council Members
From:	Jeff Field, Registrar
Date:	20 October 2016
Subject:	CO-OPTION TO AUDIT AND RISK COMMITTEE

The Audit and Risk Committee met on 17 October and considered the matter of membership of the committee in light of Mr Bruce Gemmill's decision to step back from his role on the committee.

The Audit and Risk Committee currently has the following membership:

Ex officio members

Chancellor, Dr John Wood
Pro-Chancellor, Ms Sue McCormack

Elected members of Council

Ms Catherine Drayton (term ending 31 December 2019)
Mr Peter Ballantyne (term ending 31 December 2019)
Mr Bruce Gemmill (term ending 31 December 2016)

Up to two further members co-opted by the Council

The Terms of Reference of the Audit and Risk Committee state:

Membership:

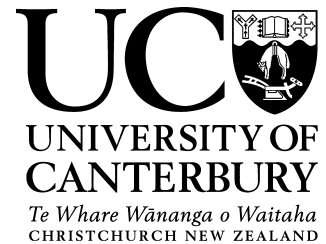
The Audit and Risk Committee will comprise not less than four Council members, none of whom will be staff or students, and up to two external co-opted members appointed by the Council. Following recommendations by the Committee, any vacancies may be filled by the Council at any time during the year should they occur.

The Minister of Tertiary Education, in granting Mr Gemmill leave from the Council, advised the University to ensure it had the requisite skills on Council and its Committees. For this reason the Audit and Risk Committee resolved to recommend Mr Shayne Te Aika for membership.

Recommendation:

That: Council co-opt Mr Shayne Te Aika as a member of the Audit and Risk Committee.

TE POARI AKORANGA ACADEMIC BOARD



RECOMMENDATIONS TO THE COUNCIL FROM A MEETING OF THE ACADEMIC BOARD HELD ON WEDNESDAY 19 OCTOBER 2016

The Board recommends:

1. That the Council note the attached report of the Academic Board meeting.
2. That the Council approve the Graduating Year Reports (GYRs) endorsed by the Academic Board for forwarding to CUAP.

The Graduating Year Reviews are the final step in the national quality assurance process undertaken by CUAP for the introduction of new qualifications onto the Qualification Framework from the university sector. The reviews occur within three years of the first graduating cohort. The reviews and the review process are presented to CUAP and peer reviewed by individual universities.

Reviews were undertaken of the following programmes:

1. Subject Major in Accounting in the Bachelor of Commerce Degree
2. Subject Major in Taxation and Accounting in the Bachelor of Commerce Degree
3. Subject Major in Human Resource Management in the Bachelor of Commerce
4. Subject Major in Information Systems in the Bachelor of Commerce
5. Subject Major in International Business in the Bachelor of Commerce
6. Subject Major in Marketing: Bachelor of Commerce, Bachelor of Commerce with Honours, Master of Commerce, PhD
7. Subject Major in Strategy and Entrepreneurship in the Bachelor of Commerce
8. PGDip in Water Resource Management, Master of Water Resource Management
9. Subject Major in Evolutionary Biology: Bachelor of Science with Honours, Postgraduate Diploma in Science, Master of Science, PhD
10. Subject Major in Child and Family Psychology in the Postgraduate Diploma in Science

The Academic Board endorsed all the reviews; comments may be found in the attached report of the meeting. Particularly it should be noted that Board endorsed the recommendation to discontinue the subject major in Evolutionary Biology.

The reviews are available on the Council Sharepoint site.

- 3. That the Council note the 5-Yearly review of the Master of Business Administration and the Graduate Diploma in Business programmes.**

Dr Hamish Cochrane
Chair
Te Poari Akoranga – Academic Board

19 October 2016

UNIVERSITY OF CANTERBURY
REPORT OF THE ACADEMIC BOARD MEETING HELD ON
WEDNESDAY 21 SEPTEMBER 2016
TE POARI AKORANGA

The Academic Board reports for information the following matters that have been considered since the September 2016 meeting of the Board:

1. CHAIR'S REPORT

The Chair noted the following topics:

- Investigative work is currently being undertaken into multiple enrolment intakes, particularly mid-year for first enrolment into a programme.
- CUAP is currently reviewing the form and structure of 180 point Masters.
- The University is hosting a seminar by Immigration New Zealand, morning of 18th November.
- The Education (Update) Amendment Bill 2016 that introduces changes to the Education Act, including: enhanced TEC investigative powers of institutions, equal treatment of funding for institutions, and introducing the ability to change the conditions associated with a funding scheme after it has been set.
- To remind members of the need to consider the health and well-being of students and staff at this time of year.

2. THE VICE-CHANCELLOR'S REPORT

The Vice-Chancellor presented his report as read and highlighted the following:

- Proposals presented to the Finance Planning and Resources Committee (FPRC) earlier in the week included recommendations to proceed with major building works: Stage 2 of the RSIC programme, replacement of the UCSA centre, joint space in the Health precinct in town. Also presented was the Transport strategy.
- Work has been occurring on the Campus Occupancy Master Plan (COMP), including modelling of teaching space needs.
- A first view of early application to enrol numbers and current over-subscription for the Halls.

Questions and comments from the floor included:

- In the report the International Relations Office makes recommendations about the setting of the IELTS english literacy entry scores for admission. The Deputy Vice-Chancellor (Academic) pointed out that these are incorrect as stated. He noted that earlier in the week he had exercised his delegated authority to set the undergraduate score for University admission to an overall score of 6.0 with no score less than 5.5. This is in-line with a number of other universities including the University of Auckland. He quoted a CUAP report on progression success rates at other universities that should give confidence that quality is not being compromised. Nevertheless, a formal review of literacy standards will be undertaken in late 2017.
- When will student occupancy of the Engineering core be possible? On the current forecast the university is likely to take possession of the core on approximately 20 December 2016.

- What is the status of the Space Allocation Policy? It has yet to come forward to SMT but it is anticipated that this will come to the November Academic Board.
- In the report what does the VC mean about the transformation of organisational culture? The VC highlighted the “Voice Survey”, which identified problems around collaboration and communications. Fundamentally this indicated a need to reconsider the business cultures of the organisation. After investigative work the University has chosen to adopt the Organisation Cultural Inventory (OCI) by Human Synergistics. A number of groups have been through the process, the largest being Learning Resources.

3. GRADUATING YEAR REVIEWS

The Deputy Vice-Chancellor introduced the annual Graduating Year Reviews (GYR) cycle by prefacing the discussion on their purpose. He highlighted that this is the final step in the national quality assurance process undertaken by CUAP for the introduction of new qualifications onto the Qualification Framework from the university sector. The reviews occur within three years of the first graduating cohort. The reviews and the review process are presented to CUAP and peer reviewed by them.

He then invited each of the relevant Deans to present their GYR review. In all 10 reviews were tabled, 7 from the Faculty of Commerce and 3 from the Faculty of Science.

Questions raised included:

- Why is there a major in “Accounting” and a separate major in “Taxation and Accounting”? The College will review this.
- What is the feeling about differences in projected to actual student enrolments within a number of the reviews? It was noted that actual enrolment numbers are the important measure, but the comparison afforded feedback on market research capability or the potential need for further marketing.
- It was noted that the student numbers in the major in “Strategy and Entrepreneurship” in the BCom had not met expectations. The numbers are acceptable but it was agreed that further marketing and differentiation of the programme is necessary. The Pro-Vice-Chancellor of Business and Law agreed to further review the programme and to provide feedback within 12 months.
- The review of the major in “Evolutionary Biology” in Science qualifications recommended the discontinuation of the programme due to a lack of interest.
- The major in “Child and Family Psychology” in the Postgraduate Diploma in Science while having small numbers serves its purpose as a pathway qualification.

All of the graduating reviews were endorsed by the Board for Council and distribution to CUAP.

4. REVIEW OF THE MASTER OF BUSINESS ADMINISTRATION AND THE GRADUATE DIPLOMA IN BUSINESS ADMINISTRATION

Associate Professor Donald Matheson, chair of the review panel, introduced the report. He highlighted the excellent self-review from the current director of the Executive Development Programme and the helpful terms of reference for the review. The Pro-Vice-Chancellor of Business and Law, Professor Mazey, acknowledged the review and issues related to staffing. Prof. Mazey noted that the staffing issue is in part due to rapid growth in the programme, but this is a clear priority for the College. Prof. Mazey also acknowledged issues concerning the curriculum and that these will be addressed as part of a broader review of the School and its

mission.

5. ON THE DRAFT REPORT OF THE PRODUCTIVITY COMMISSION: NEW MODELS OF TERTIARY EDUCATION

The Deputy Vice-Chancellor (Research) spoke about the recent draft report from the Productivity Commission and whether the University should put in a separate submission to that from Universities New Zealand (UNZ); the closing date for submissions is 21 November 2016. He highlighted a number of possible areas of discussion:

- The funding model
- CUAP and the Quality Assurance Framework
- The protection of the term “University”
- The research teaching nexus
- He noted the current draft Education (Update) Amendment Bill and commentary by Ministers in the media when the report was released.

Discussion from the floor included:

- The exact view of UNZ is unknown, therefore it is incumbent on the University to submit a response that articulates its independent view and unique circumstances.
- The University potentially has more at risk than other universities due to its current circumstances; e.g. Large capital projects especially in research intensive areas, a stronger connection to active research and research informed teaching than some of the others.
- There needs to be care in wording our submission. The Commission’s draft report read appears to be from a strong ideological position, our response should not read as “turf protection” but to be data and research informed.
- It was argued that innovation does happen but that it is not always or appropriately recognised.
- It was suggested that University Entrance, as a standard, should be retained as its removal would introduce both cost to students and the university to administer some alternative. Further, its removal was likely to introduce significant equity issues for students from lower decile schools. It could introduce recruitment problems for all but the highest ranking couple of institutions if they do not share the same entrance system.
- A view on CUAP needs to be stronger than the current management notes.
- It was noted the Commission’s report lacked an international perspective, particularly of the standing of the New Zealand universities and their graduates.
- There were strong views from the floor to protect the term University and the notion of research informed teaching.
- Where appropriate we should link our responses to comments made by the Ministers in the media.
- It was noted that it was important for the University to make a submission to not only protect the brand reputation of the University for attracting new students but also of its Alumni; the term degree is no longer a university only term therefore we must protect the term university.

A motion was put, and carried, to strongly recommend to the Council that the University make a submission to the Productivity Commission on its draft report.

6. TERMS OF REFERENCE AND STANDING ORDERS OF THE COLLEGE MEETINGS

The Pro-Vice-Chancellor of Arts, Prof. Le Cocq, spoke to the draft Terms of Reference and Standing Orders of College Meetings on behalf of the all the Pro-Vice-Chancellors (PVCs). He reminded members of the decision made by the Council to merge the Colleges and Faculties. He recapped the consultation process: the proposal has been to Faculties, he will consolidate the feedback from Faculties and the Board, the PVCs will formulate a final version for discussion at SMT, and this final version will be present to Faculties and the Board for noting in November.

The submissions from the Faculties were noted.

Discussion from the floor followed:

- A motion was put that the quorum of the part A1 of the meeting should be 20 continuing academic members of the College. This grew from a concern that non-academic members or non-members of the College could out vote academic members of the College. It was expressed that a future and less generous PVC could appoint a number of external members to achieve such an outcome.
- It was pointed out that the proposal calls for different quorums for different parts of the meeting (A1 and A2). The new model allows for greater participation of all university staff and to value all staff opinion.
- It was put that general staff are unlikely to overtake a meeting and should academic staff be concern of this then it is incumbent on them to participate.
- There was concern that the motion would send a message to staff of exclusivity.
- There was concern of a potentially perverse outcome of the motion being academic members not attending the meeting to defeat discussion.
- Could the quorum be set as a percentage rather than a number? From a pragmatic perspective a number is easier to work with.
- It was suggested that the issue could be better deal with by ensuring that non-College members (Class j in the composition) not having voting rights.
- The motion was defeated.
- It was clarified that the SMT submission will be incorporated into the final version.

7. LIBRARY REGULATIONS AND POLICY FOR LIBRARY ACCESS AND BORROWING

The Librarian, Ms Scott, spoke to proposed changes to Library Policy and Library Regulation. The principal objectives of the changes being to:

- simplify the process for charging for lost books, which allows the University to reduce costs to students, staff and the Library;
- consolidate three current Library policies into a single policy, thereby removing duplication and inconsistency.

There was discussion about access of various groups to the library including alumni and ex-staff. It was noted that the policy must include the discretion for the Librarian to approve such applications so as provide provision to deal with unusual cases which could bring financial or health and safety risks to the University. However, how the policy is publicised would be far more inclusive. There was also a small discussion of staff not being subject to Library fines.

The Board endorsed the proposals.

8. PROPOSED CANCELLATION OF THE JOURNAL CITATION REPORTS AND RETENTION OF WEB OF SCIENCE

The Librarian spoke to the paper and the original proposal presented to Academic Board last month. Additional information was brought forward following the September Board meeting and the Library has reconsidered its position. Academic Board endorsed this reconsidered view, which is to continue with the cancellation of the Journal of Citation but to retain the Web of Science for a further 3 years allowing for a review and potential transition to other services.

9. PROPOSED CHANGES TO CORE TIMETABLING HOURS

The Deputy Vice-Chancellor (Academic) introduced his report that highlighted issues about teaching space availability within the core 9am – 5pm timeframe as a result of the University moving towards a stable building stock which will not include the current Kirkwood and Dovedale teaching rooms. This is contained in the Campus Occupancy Master Plan (COMP). His introduction included a range of possible solutions which he asked Board to put its mind to. Solutions included: investing in new space (but there would be a delay in its availability), utilising space from other providers, limiting the number of courses offered, reducing the contact hours per course, greater use of blended learning techniques, increasing core teaching hours, or some combination of them all.

In discussion the following points were noted:

- Increasing the core teaching hours should not be a problem if this is acceptable to students.
- Has there been any student feedback? To-date there has been no direct consultation with them on this proposal.
- The UCSA President asked if the problems highlighted in the report are of a “temporary” nature, if so then student acceptance is likely to be easier.
- UCSA raised concerns about safety for late finishes (after sunset) especially in winter, and also the significant proportion of students engaged in employment in order to afford their education.
- This is not just about availability of teaching staff, there must be matching availability of support staff.
- The Vice-Chancellor noted the desirability to delay as long as prudent any capital expenditure in teaching space that could end up being under-utilised. He also noted the high proportion of full-time students in part-time work.
- What other practices are there (both policy and teaching); do other universities in New Zealand have core hours?
- Many members talked about already teaching in times outside of the core. It was acknowledged this was common, notably Engineering with 8am starts.
- From overseas experience it is not uncommon for teaching until 10pm. Some teaching occurs on campus until 10pm here but this is exceptional.
- We need to be mindful of potentially long days for students and staff if some attempt to bunch teaching is not undertaken, e.g. teaching at 8am and then again at 5pm.
- We need to be mindful of other forms of teaching activities and other activities that occur on campus including community engagement, community service and outreach and the impact this could have on both amenities and availability of such external parties.
- There must be caution in reducing contact time, by way-of-example from 48hr to 36hr, for a course both in terms of potential loss of quality of the teaching

programme and also time to redevelop the course, there could be a false economy in such a move.

- Reduction of the number of courses could provide for improved concentration of effort and improved teaching quality. On the other-hand concentration had the potential to reduce real choice to such an extent that students leave for alternative providers.
- The online-model lacked any pedagogical basis and had the potential to increase spacing requirements due to the increase in tutorial needs.
- Are there any employment contractual issues? The Collective Agreement is silent on actual teaching hours, but there is a need to be mindful of family commitments and no to lead into a progress of “crepe”- incremental increasing of the core hours window.

10. GENERAL BUSINESS

There was a discussion about major student events held at the end of terms and the impact these have on actual teaching activities and requests to alter teaching activities because of these. The Vice-Chancellor agreed to take up the issue and to discuss this with UCSA in the first place.

Dr Andrew Bainbridge-Smith
Secretary
Te Poari Akoranga – Academic Board
19 October 2016

FACULTY OF COMMERCE

Programme Review 2016

Master of Business Administration

Graduate Diploma in Business Administration

University of Canterbury

25-26 August 2016

Associate Professor Donald Matheson (Chair), University of Canterbury

Professor Susan Freeman, University of South Australia

Associate Professor Peter Sun, Waikato University

Troy Sutherland, ANZ Bank

Dr Abby Suszko, University of Canterbury

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1. Introduction

1.1 Background

The Master of Business Administration (MBA) is a 240-point post-experience Masters, that generally enrolls students with extensive practical or professional experience. Students take 12 compulsory and 6 elective courses and complete a 60-point practical research project. Full-time students can complete the degree in 15 months, although most students study part-time. The Graduate Diploma in Business Administration (GradDipBA) is a 120-point qualification, that generally enrolls students with extensive practical or professional experience. Students take 12 compulsory courses. Full-time students can complete the diploma in 10 months. The Review Panel did not formally review the 60-point Postgraduate Certificate in Strategic Leadership (PGCertStratLdrship), which draws upon courses from the MBA, although it is mentioned in some of the discussion below where relevant.

The degree was reviewed by a Panel of 5 people, including two external academics, one outside New Zealand, and a senior industry expert, meeting at the University on 25–26 August 2016. The degree was last subject to Academic Programme Review in 2011 and reviewed by the Association of MBAs (AMBA) in 2012.

1.2 Terms of References and Review Process

The Review Panel was required:

1. To assess whether the Master of Business Administration (MBA) meets national and international standards.
2. To identify:
 - a. areas that may benefit from changes and/or improvements,
 - b. areas that are exemplars of good practice.

In addition, the Panel was invited to address the following questions:

1. Does the College and Department provide a supportive learning environment for students?
2. Is the curriculum appropriate for the programme?
3. Should the curriculum and courses be revised so all courses are 15 points rather than the current 10 points?
4. Is the amount of assigned work, group work, reading and assessment appropriate?
5. Are the current project and research methods courses appropriately sized?
6. Currently the project proposal is developed and approved within the research methods course. This ensures students do not enrol in the project without a feasible project. Due to the potential lag in time between the two courses, developed proposals are occasionally no longer available. Is there a better approach to developing and approving project proposals?
7. Is the graduate profile appropriate for the programme?
8. Currently the programme is delivered in a three hour eight week format with occasional modular delivery. Should the programme be offered via alternative teaching modes e.g. modular format; hybrid one line/offline delivery; move to three hours ten week papers?
9. Does the programme prepare students for an international, bicultural, multicultural, multinational labour market?

The Review Panel was invited to include comment, recommendations and commendations in its Report.

A self-evaluation report was prepared by the Director of Executive Development Programmes (EDP), David Shearer. It details the history of the programme and planned future developments, the delivery of the programme against University and Programme goals and perceived strengths and weaknesses. The self-evaluation notes that evaluation of the degree against the University's Graduate Profile is just beginning. Although postgraduate programmes are not yet required to evaluate themselves against the Profile, this review took a forward-looking approach in this regard and provides some guidance on how to begin that process.

1.3 Acknowledgements

The Panel wishes to thank the staff in the School of Business who assisted the review, including both administrative and academic staff, including the MBA teaching staff. They engaged fully with the review and spoke frankly and thoughtfully. We would also like to thank the students and alumni who took time to meet with us. Particular thanks to Annette Wanty for her high quality administrative support and to David Shearer for his thorough self-evaluation report and willingness to provide us with further reflective insights through the interview process.

2. Summary

The Panel concludes that the degree meets national and international standards. It meets the needs of its students and enables a valuable professional development and growth opportunities for the New Zealand business community, as well as for the international business people it enrolls.

The degree faces challenges, especially the need to keep content and delivery fresh, current, contemporary and taking in some of the new curriculum initiatives through the University. One

that is worth noting is UC's bicultural framework, intended to lead to better student development of bi, and subsequently cross, cultural competence and confidence to equip students to more readily address the complexities and rapid changes facing the business environment today.

3. Commendations

3.1 It was clear to the Panel that the alumni gained significant benefit from the MBA programme. Many of them commented that the degree had changed their perspectives and careers. In particular, the degree's focus on responsible leadership (which includes intra-personal and inter-personal development) had enhanced their confidence in their ability to lead.

3.2 The focus on responsible leadership is well developed. It provides the degree programme with a clear focus and helps to integrate the curriculum content. Lecturers were able to articulate this central learning goal and to integrate their courses. They commented that this brought cohesion to the degree and the student experience. Responsible leadership also helped students to gain fresh perspectives on business and management and enhanced their leadership influence in their work.

3.3 Students perceive the quality of lecturing and course content to be high. In our discussions, they praised nearly all their courses, regarding some lecturers as outstanding and much of the content as relevant to their learning needs and stimulating.

3.4 The Director of EDP has brought fresh energy to the engagement of the MBA with industry since his appointment in 2015. He has renewed relationships and instituted further co-curricular student opportunities, including guest speakers and networking events. Students attested to the value of these activities.

3.5 Students and programme management both attested to the value of the multiple pathways into the MBA programme. The PGCertStratLdrship and the GradDipBA draw in students who might not otherwise have considered the MBA. The block teaching structure of the Certificate was praised for its flexibility for students in full-time work.

3.6 Many students found the electives of great value and appreciated the expansion in the number of these from 8 to 12. They were interested in still further expansion in this area.

3.7 Students enjoy the diversity of the student cohort, at least a third of whom have emigrated to Aotearoa New Zealand. They like the opportunity to learn from this diverse peer group and indicated that they would like more opportunity for this to occur. They also appreciate the different styles and diverse backgrounds of their lecturers.

4. Recommendations

4.1 Structure and governance

The Panel believes that the MBA programme should be a flagship programme, which reflects the distinctiveness of the School of Business. As a number of senior staff noted, the College is in the process of revising its strategic vision, mission and objectives. Once it has formalised these, it will be able to provide greater direction and staffing for the MBA's vision, mission, and strategy. The MBA's focus has been on responsible leadership for a number of years. The Panel believes that this should remain a central component, given its value as noted above, but we question whether it remains a sustainable point of distinctiveness for the programme. Other MBA programmes make similar claims to prepare business leaders. The BCom degree now contains leadership-related coursework. We encourage the programme to develop further the plans discussed in the self-evaluation in relation to entrepreneurship, perhaps creating distinctiveness in this area which also aligns with the University's graduate profile. Depending

on the wider College discussions, its thinking might also take on greater global, high-tech and/or micro-business focus.

Recommendation 1: In order to maintain the MBA as a flagship programme, the programme should create points of distinctiveness and align its learning goals to leverage off emerging strategic directions and resourcing in the wider College.

The Panel agreed with the current EDP Director that the role should be outward facing, towards industry and professional networks in the management field. Given the rapid expansion of the EDP programmes, we recommend that this role be complemented by an explicitly academic leader of the MBA. An academic leader might liaise with the MBA lecturing team, oversee and manage curriculum and quality assurance matters and coordinate the final MBA research projects.

Recommendation 2: An academic director for the MBA be appointed.

The MBA's Advisory Panel is currently in abeyance. Its academic review and planning oversight is light, with only infrequent meetings of the full teaching team and some potential for courses and teaching practices to be disconnected from each other. The review team recommends that the College undertake an internal review of the MBA's governance structure and processes, with particular emphasis on (a) direction of the programme, (b) relevance to industry, (c) academic renewal, (d) assessment process, especially those related to the final research project and (e) student development and performance. For this to be effective, we suggest that the terms of reference and composition of the following committees be reviewed:

- Curriculum committee – especially with regards to programme development and assurance of learning (AOL)
- MBA Advisory Panel – a clear role for this committee would bring valuable industry and external stakeholder perspectives

In addition, processes are needed that integrate the outputs/workings of these committees so as to positively impact on student learning and experiences and on the operations of the programme as a coordinated process with regular feedback as part of the closing of the loop.

Recommendation 3: An internal review be conducted of MBA governance structures and processes.

The MBA programme is located outside any one department in the School of Business and runs some risk of being a lower priority than other, research-oriented, postgraduate teaching. We suggest the College seek ways to deepen the engagement of academic staff with the programme, particularly ways that would address its slight structural dislocation. There was some suggestion in comments to the Panel of a loss of prestige of the MBA among staff. We noted a decline in the number of professors teaching onto the programme and an increase overall in contract teachers. While contract staff bring many strengths, it is important that the MBA also remain firmly entrenched in the culture of the School. Accrediting bodies such as AACSB require a higher ratio of permanent to contract teaching staff than is currently the case. We noted that some teaching on the MBA and project supervision is off-load (that is, in addition to full-time employment and paid separately), which may foster a culture in which the programme is not seen as core business. In our view the resourcing of the MBA and practices of apportioning workload within the School are key ways to address these trends.

Recommendation 4:

Recommendation 4a: The workload model be applied within the School in ways that incentivise academic staff to teach onto this elite programme.

Recommendation 4b: Future recruitment processes make explicit the need for academic staff who are committed to high quality MBA and executive teaching.

Recommendation 4c: Teaching on the MBA should be consistently teaching on load.

Recommendation 4d: Courses that are currently taught by contract teachers be restructured so as to be convened by research-active academic staff.

The Graduate Diploma in Business Administration appears to provide a level of education equivalent to a post-graduate diploma. In a graduate diploma, 75 of 120 points need be at NZQF level 7, while in a post-graduate diploma all 120 points need to be at the higher levels 8 and 9. The GradDipBA course schedule draws from the MBA schedule and so should meet those higher criteria. The post-graduate qualification would be more attractive to both the international and domestic market and likely to meet a wider range of student needs.

Recommendation 5: An application to upgrade the Graduate Diploma in Business Administration to a post-graduate diploma should be submitted.

The EDP programmes are scheduled to shift into new premises in 2017, sharing space with the Centre for Entrepreneurship. This move will provide opportunities for collaboration, networking and other synergies. The MBA programme in particular has much to gain from a stronger relationship with the Centre and can use that relationship to foster student

development of the employable, entrepreneurial and enterprising graduate attribute to a very high level.

Recommendation 6:

Recommendation 6a: To find ways to integrate the activities of the Centre for Entrepreneurship with the MBA programme. This integration will enable a clear distinctiveness of the MBA programme, and aligns with the wider University's graduate attribute.

Recommendation 6b: The College must bring greater synergy and support between the Centre for Entrepreneurship and the academic staff responsible for teaching and researching in the area of Entrepreneurship. The Panel notes that there is some degree of friction which must be resolved so that the College and students benefit from the integration.

Recommendation 6c: We recommend that the University adequately supports and resources the Centre.

The MBA is a post-experience Masters that sits within the same administrative structure as pre-experiences Masters and diplomas (including the Master of Business Management, Master of Public Accounting, Master in Business Information Systems). Without making a formal recommendation, the Panel suggests that this structure be revisited, given that the student cohorts are significantly different and so their needs and their orientation to the University and external partners are also different.

4.2 Course content and teaching

The quality of the teaching is generally high and the course content regarded by students as relevant and challenging. The programme appears to have a strong reputation in industry in the region particularly for its emphasis on transferable skills of personal growth and development that are woven throughout its curriculum. The Panel was not convinced that this content will continue to provide a point of distinctiveness in the medium term and welcomes the self-evaluation report's emphasis on repositioning the programme for a rapidly developing context for business and other sectors. As the current curriculum is revised, the emphasis must be on skills needed by managers to manage changing business processes, to work in emerging forms of business and to make use of data-rich environments. Among topics suggested to us by students and staff to include in new or revised courses were: critical thinking and problem solving, emerging technologies, data analysis and digital leadership.

The student body highlighted international business and the international contexts to management as areas of weakness across the programme. Aotearoa New Zealand's position as a small, export-led player in the global market make these aspects particularly important. Given the impending EQUIS and AACSB accreditation rounds, a lack of focus on internationalisation poses a degree of risk to the accreditation.

Recommendation 7:

Recommendation 7a: The MBA curriculum needs to be rigorously reviewed to prepare its graduates with skills likely to be needed in future work environments, including problem-solving, data analysis, working with emerging technologies and digital leadership.

Recommendation 7b: The MBA curriculum team should consider giving greater emphasis to internationalisation.

The 60-point business-based project forms a large capstone element to MBA students' learning. Students find this challenging and have in the past found the research methods training and the mandated project structure difficult to apply. The programme has worked to address student concerns and is focused on further strengthening this important element to the degree. A number of problems with the structure and management of the projects need to be addressed by that work. The Panel was told that a number of students (estimated to be 12–15) having completed the core and research methods papers are in limbo because they have not yet started their research projects. The processes appear to be weak for monitoring and allocating projects to those students, partly because they are not enrolled in the project paper and hence cannot be monitored. There is a risk of students dropping off entirely or of returning too late to be able to meet regulations on the length of programme enrolment.

Recommendation 8:

Recommendation 8a: The Director should work with the Dean of Commerce to explore practical solutions for this problem. One might be to enrol students into the projects course code ahead of the confirmation of their topic and ethics clearance, as is done with research students.

The Panel was not convinced that the current marking process for projects is best practice. Currently, all projects are independently marked by the EDP Director, the projects coordinator and a supervisor. The EDP Director marking is not an effective use of his time, nor is the governance around the marking process consistent with the research programmes in the School. While a mark is decided upon on the same day, following a presentation, which does have the

benefit of giving students a quick decision, the downside is that it conflates the processes of marking and signing off on those marks.

Recommendation 8b: We suggest the marking process here align more with the processes for research Masters dissertations, so that the Director would receive recommendations from the supervisor and an independent marker and apply a process to adjudicate between those recommendations if they differed (within agreed parameters consistent with the practice of research Masters dissertations).

The points value of the research project is larger than is common in comparable MBAs and we did not hear arguments in favour of retaining that value. Some students were strongly in favour of reducing the weighting of the project. The Panel agreed. The Business Research Methods (MBAD679) course contributes to the research dimension of the degree, so that a 60-point project is not needed to meet degree regulatory or accreditation requirements. A reduction in weighting enables additional opportunities for a greater range of electives, something students indicated they would like.

Recommendation 8c: The research project (MBAD680) should be reduced in size, to between 30 and 45 points to reflect comparable projects in other MBAs.

The teaching of the programme and the provision of other opportunities for learning and growth currently take place largely within the School of Business or are outwardly focused on industry connections. The proposed relocation will create new connections with the Centre for Entrepreneurship. That widening of students' learning experiences and resources is welcomed by the Panel and further links with other parts of the University would augment student learning.

Recommendation 9: Relationships with other parts of the University, including UC Careers, Ngāi Tahu Research Centre and the Centre for Entrepreneurship should be strengthened to make better use of expertise within the University.

The MBA programme is unusual within the University in structuring the degree in 10-point blocks. We note that this limits opportunities for sharing courses with other Masters programmes (for example, it restricts the number of electives available) and that it carries a risk that deeper learning, such as the development of critical thinking skills, is less likely in any one course. We note also that increasing the course size to the more common 15 points would reduce the number of papers offered. A balance could possibly be achieved by keeping the core papers as 10 points and changing the electives to 15 points.

Recommendation 10: At least some courses should be increased to 15 points, though we accept there is a case for not doing this across the full schedule.

4.3 Graduate attributes and assurance of learning

In October 2014 UC Council endorsed the UC Graduate Profile, and approved the associated Learning Outcomes. “The UC Graduate Profile aims to produce graduates who are distinctive in the knowledge, skills and attributes which position them to respond in the one nation, two peoples and multicultural society of Aotearoa New Zealand, and also to provide distinctiveness in an international context.” Such a profile is unique among domestic universities, and internationally the biculturally competent and confident attribute is a significant point of difference. While the current phase of development focuses on implementing the attributes at undergraduate level, the Panel noted the programme’s goal to work towards reflecting the UC Graduate Profile within the MBA Graduate Profile in 2017. This will strengthen the offerings

in the College, and align it with implementation in other masters programmes, such as the proposed Master of Financial Management.

The Panel notes that there is awareness of a greater need for biculturalism to be included in the MBA programme. We heard from the Director of Māori Teaching and Learning that the need for bicultural competence and confidence in the Aotearoa New Zealand context is based on the bicultural framework of ‘our’ country, and ‘our’ national commitments under Te Tiriti o Waitangi. UC is committed to fulfilling its obligations and responsibilities embedded in Te Tiriti. This requires the implementation of bicultural competence and confidence to be reflected throughout the curriculum of the MBA.

Recommendation 11: Biculturalism be manifested explicitly across the MBA programme through content, activities and experiences. These changes should result in students gaining bicultural competence and confidence, and a means of assessment needs to be included that demonstrates achievement of these at graduation.

In order to meet these goals, the programme needs assurance that its teaching staff are themselves biculturally competent and confident. The self-evaluation documentation contained only brief references to Māori content and nothing on Māori kaupapa or mātauranga. In order to develop the programme course in these areas, ongoing staff development will be essential.

Recommendation 12: Training of all staff around bicultural and cross-cultural competence. Such courses are offered regularly through Learning and Development, as well as through sessions such as Teaching Week.

Biculturally competent and confident MBA graduates will possess transferable skills that will enable them to engage cross culturally in multicultural and international contexts. Along with bicultural competence and confidence, the Panel heard that the global awareness attribute of the UC Graduate Profile is also a focus going forward. In the Panel sessions with students, internationalisation was a key driver for students embarking on the MBA, and yet it is highlighted as an area of weakness. One key way to address this focus is to state them in the goals of the programme.

Recommendation 13:

Recommendation 13a: The first attribute of the MBA Graduate Profile be amended to include “cultural” to embed bi- and cross-cultural competences.

Recommendation 13b: The MBA Graduate Profile be amended to include a more global lens.

While it is acknowledged that the College prioritises Assurance of Learning, the Panel heard from the College Accreditation Officer that the process is relatively new and needs to be further developed, especially for the MBA given the impending accreditation. We note that EQUIS will especially want to see the Assurance of Learning process for the MBA. Currently there is low staff awareness and engagement in the MBA Assurance of Learning requirements.

It was also noted that the Assurance of Learning was a single point measure and does not evaluate the progress made in the learning outcome.

Recommendation 14: Review of the governance framework, and planning, needs to include the embedding of the Assurance of Learning process. It is also recommended that measures are taken to evaluate progress of learning outcomes, and a clear link as to how these measures impact on programme revision.

4.4 Alumni

The programme currently does not make best use of its circa 700 alumni. The alumni we spoke to were enthusiastic about keeping in touch with each other and the programme and welcomed approaches from the School to draw them further into its activities. The self-evaluation acknowledged that MBA alumni were a key asset and resource for an executive MBA programme and the Director described steps being taken to develop an MBA alumni network. The Panel strongly encourages the programme to prioritise that work and to create a work plan for ways that its alumni can be used, such as to advertise the MBA, recruit, mentor, provide projects, offer guest lectures and take up executives in residence opportunities. We note that the underutilisation of alumni poses a significant risk for accreditation. Administrative staff time may need to be ring-fenced to ensure alumni relations is given dedicated time. We also note that the weak relationship between UC Careers and the programme means the rich opportunities for MBA graduates to enhance University internship programmes are being lost. There is no UC social media presence for alumni. This has resulted in unofficial LinkedIn groups being formed, which are using the University alumni brand but may not be operating in transparent and open ways. There is some risk around the brand equity from these unofficial activities and steps should be taken to bring those groups within the University's control.

Recommendation 15:

Recommendation 15a: An effective structure and resourcing provided to engage with alumni and to draw them further into programme-led activities.

Recommendation 15b: Social media groups using the UC MBA alumni brand are brought in house.

Recommendation 15c: Once alumni relationships strengthens, the programme Director needs to work with UC Careers to leverage those networks to develop internships.

4.5 Student experience

The MBA is taught in flexible ways, including evening and block timetabling, and attracts a large number of part-time enrolments from working managers. It generally meets their needs, although there was some criticism that a sense of an ‘MBA journey’, through personal development opportunities and through a sense of cohort and community within the programme, is weak. The planning for the programme’s new accommodation is an opportunity to address these concerns, but other social activities, that build on existing welcome activities and incorporate bicultural competence and confidence and other forms of whakawhanaungatanga, should also be considered.

Recommendation 16: Activities that bring the student cohort together and support their journeys through the degree programme should be developed.

The Director of EDP has strengthened business and community engagement and the self-evaluation document foreshadowed further developments to make the programme more industry-relevant, agile and engaged. Student feedback indicates satisfaction with the extent to which the MBA translates to industry but also a desire for more industry experience and exposure, including within courses and woven throughout the degree. There was some negative

comment from students about the way their student journey was unfolding concerning these elements.

Recommendation 17: The student experience can be enhanced further by more experiences made available to students outside the core.

The programme attracts a significant proportion of students born outside Aotearoa New Zealand, including five international students. The start of their studies would be enhanced with a specific introduction to the Aotearoa New Zealand business and management environment.

Recommendation 18: We recommend cross-cultural support for new international students, particularly at the commencement of their studies.

4.6 Recruitment

The self-evaluation report noted a slight decline in already low enrolment of students identifying as Māori and expressed uncertainty about why strong support from Māori communities was not translating into enrolments. Addressing the lack of bicultural content may have some impact but the Panel suggests that further relationship building in the community and liaison with the College's kaiārahi, the Māori Development Team and the Ngāi Tahu Research Centre are also needed.

Recommendation 19: The programme should liaise with the Māori Development Team on strategies to increase Māori enrolment.

The Panel heard from a number of sources that the University's enrolment processes are a barrier to enrolment and a source of frustration. Addressing this is outside the remit of the College.

Recommendation 20: The College inform the University of students' difficulties in enrolling in the programme.

5. Appendices

5.1 Review terms of reference

Master of Business Administration (MBA)

Procedures:

'The objective of an academic review is to assure the University of the quality of a qualification, by assessing:

- a) whether the qualification meets expected standards (i) at the University of Canterbury, (ii) nationally, and (iii) internationally, and
- b) To determine ways in which the programme might be improved, and
- c) To advance objectives specific to the qualification.

(UC Academic Reviews Policy and Guidelines 2016)

Terms of Reference

The Review Panel are required:

3. To assess whether the Master of Business Administration meets national and international standards.
4. To identify:
 - a. areas that may benefit from changes and/or improvements,
 - b. areas that are exemplars of good practice.

In addition, the Panel is invited to address the following questions:

10. Does the College and Department provide a supportive learning environment for students?
11. Is the curriculum appropriate for the programme?
12. Should the curriculum and courses be revised so all courses are 15 points rather than the current 10 points?
13. Is the amount of assigned work, group work, reading and assessment appropriate?
14. Is the current project and research methods courses appropriately sized?
15. Currently the project proposal is developed and approved within the research methods course. This ensures students do not get enrolled in the project without a feasible project. Due to the potential lag in time between the two courses, occasionally developed proposals are no longer available. Is there a better approach to developing and approving project proposals?
16. Is the graduate profile appropriate for the programme?
17. Currently the programme is delivered in a three hour eight week format with occasional modular delivery. Should the programme be offered via alternative teaching modes e.g. modular format; hybrid one line/offline delivery; move to three hours ten week papers?
18. Does the programme prepare students for an international, multicultural, multinational labour market?

The Review Report will include comment, recommendations and commendations.

**FACULTY OF COMMERCE
PROGRAMME REVIEW 2016
MBA, GradDipBA**

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5. Regulations 2015: MBA, GradDip
6. Regulations 2016: MBA, GradDipBA
7. Graduate Profiles
8. Course Outlines – 2015
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Programme Structure:

<http://www.mba.canterbury.ac.nz/mba/structure.shtml>

Responses to Requests for Information

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12. Academic Programme Review 2011: MBA, GradDipBA Review Panel Report
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 - 2014 Graduate Destinations Outcomes
15. Programme Statistics: MBA
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17. MBAD605 Course Coordinator

General UC Information

University Plans: <http://www.canterbury.ac.nz/theuni/plans/>

- UC Facts
- Statement of Strategic Intent
- Rautaki Whakawhanake Kaupapa Māori
- UC Pasifika Strategy 2014-2018

UC Innovation and Entrepreneurship Strategy 2013-2015

Promotional Materials

Promotional Materials (with hard copy available at site visit) available:

<http://www.bsec.canterbury.ac.nz/>

Assessed Student Work

Samples of Assessed Student Work available at site visit only

FACULTY OF COMMERCE MBA PROGRAMME REVIEW**REVIEW PANEL SITE VISIT 25-26 AUGUST 2016**

Wednesday 24 August		
6.00pm	<p>Panel members meet with UC staff for introductions and a pre-dinner drink, followed by dinner at 7.00pm</p> <p>Attending:</p> <p>Panel members</p> <p>Prof Sonia Mazey, Pro-Vice-Chancellor</p> <p>Dr Ross James, Dean of Commerce</p> <p>Mr David Shearer, Director, Executive Development Programmes</p>	<p>50 Bistro</p> <p>The George Hotel</p> <p>Park Terrace</p> <p>Christchurch</p>
Thursday 25 August		
8:00–8:20am	Panel briefing	LAW202A
8:30-9:00am	Dr Rod Carr, VC	Mataraki Level 6
9:00-9:30am	Prof Sonia Mazey, Pro-Vice-Chancellor	LAW203
9:30-10:30am	David Shearer, Director EDP	LAW202A

10:30-11:00am	Morning Tea	LAW202A
11:00-11:30am	Rachel Wright, Operations Director, UCE	LAW202A
11:30am- 12:00pm	David Shearer, Director EDP	LAW202A
12:00-1:30pm	Buffet Lunch with current students	LAW520A
1:30-2:00pm	Chris Bridgman (Careers, Internships and Employment Manager)	LAW202A
2:15-3:15pm	Permanent Teaching Staff (attendees names to be provided)	LAW409
3:15-3:30pm	Afternoon Tea	LAW202A
3:30-5:30pm	Dr Ross James, Dean of Commerce	LAW202A

Thursday 25 August		
5:45-6:45pm	Wine & Nibbles with MBA, GradDipBA Alumni	The Shilling Club
Friday 26 August		
8:30-9:00am	Panel Briefing	LAW202A
9:00-9:30am	Mary Boyce (OAVCM)	LAW202A
9:30-10:30am	Dr Paul Knott, MBA Project	LAW202A
10:30-11:00am	Morning Tea Natasha Guy, Accreditation officer	LAW202A
11:00-11:30am	Tony Mortensen, Director International Growth Strategies	LAW202A
11:30am- 12:00pm	Sonia Mazey, PVC	LAW202A
12:00-3:15pm	Panel Session (catered lunch and afternoon tea)	LAW202A
3:15-4:30pm	Panel debrief with Prof Sonia Mazey, David Shearer and Dr Ross James	LAW203