

MASSEY UNIVERSITY ANNUAL REPORT 2018

TE KUNENGA KI
PŪREHUOA





MIHI

Kei ngā pari kārangaranga o te motu. Tēnā tātou kua pōi mai ki te taupuhipuhi i ngā kaupapa o Te Kunenga ki Pūrehuroa. Tēnei te reo pōwhiri, te reo whakamihi atu ki a koutou katoa. Inā hoki rā te kōrero, kotahi tonu te hiringa i kakea ai e Tāne a Tikitiki-o-Rangi. Ko te hiringa i te mahara. Ko te kunengatanga ake tēnei o te wānanga ki pūrehuroa.

Greetings one and all, on behalf of Massey University we welcome and acknowledge you, those who continue to contribute to and support our vision. It is said that there was only one inspiration that transported Tāne to the uppermost realm to retrieve the baskets of knowledge; it was the power of the mind. This was the beginning of the pursuit of learning as an endless journey, a sentiment encapsulated in the name Te Kunenga ki Pūrehuroa.



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OUR PAST

MASSEY UNIVERSITY AND ITS PREDECESSORS WERE ESTABLISHED TO DELIVER POSITIVE, RESEARCH-LED AND INNOVATIVE RESPONSES TO THE NEEDS OF A YOUNG NATION, AND TO DRIVE AND ENABLE ECONOMIC AND CULTURAL ADVANCEMENT. THIS ETHOS IMBUES MASSEY'S PAST, PRESENT AND FUTURE.

Massey University first founded its international reputation as a world-class agricultural college in Palmerston North in 1927. In 1960 Massey led the way in distance higher education. In 1993 it established a campus in Auckland, and in 1999 it incorporated the renowned School of Design, established in Wellington in 1886. It now delivers teaching and research across a range of areas that combine the universal search for knowledge with addressing real-world problems. Our world-leading reputation now extends across many diverse disciplines, all with international excellence and national significance in common.

Ō NĀIANEI

OUR PRESENT

COMPETITION FOR STUDENTS AND STAFF – BOTH DOMESTIC AND INTERNATIONAL – AND FUNDING REMAINS INTENSE. DRAMATIC TECHNOLOGICAL INNOVATIONS CREATE NEW OPPORTUNITIES AND CHALLENGES IN TEACHING AND RESEARCH. STUDENTS DEMAND A SUPERB PERSONALISED LEARNING EXPERIENCE THAT IS STUDENT FOCUSED, IS FLEXIBLE AND DELIVERS TECHNOLOGICALLY APPROPRIATE LEARNING, WHEREVER AND HOWEVER THEY CHOOSE TO STUDY. BLENDED LEARNING CONTINUES TO REDUCE THE BARRIERS OF DISTANCE AS IT TRANSFORMS THE WAY INTERNAL STUDENTS LEARN.

Global megatrends such as climate change, population growth, urbanisation, demands for food and water security and sustainable energy, personalisation and geopolitical uncertainty require universities such as Massey to step forward and actively respond. They must create important new knowledge, educate the next generation of leaders and they must also be the critics and consciences of society.

As we look to the future, we will make sure that our research is exceptional, and that it expands knowledge and improves the lives of communities and individuals across the globe.

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OUR FUTURE

AS AOTEAROA NEW ZEALAND TRANSFORMS, SO TOO DOES MASSEY UNIVERSITY. THIS TRANSFORMATION POSITIONS US TO LEAD GLOBALLY.

Massey is a world-leading university in many academic disciplines and fields of research. Our point of difference is our world-leading research, which is connected to community and industry. By strategically investing in disciplinary research excellence we will create a virtuous cycle that amplifies our international and national research impacts. Operating in the real world and through international collaborations, our researchers are developing expertise and skills to advance human knowledge and understanding. Working together across disciplines and locations, we solve national and global problems through fundamental, applied and interdisciplinary research, while culturally and artistically enriching our world.

As a Tiriti-led university we are committed to demonstrating authentic leadership in contemporary Aotearoa New Zealand as we uphold Te Tiriti o Waitangi, the founding document of our nation, and its principles through our practice. Massey embraces this not just as an obligation but as a real opportunity for the nation and its people. The University will champion new strategies for advancement and integration of te reo Māori and Māori knowledge, it will demonstrate informed practices consistent with tikanga Māori, and will embrace kaupapa Māori across our activities. Massey's teaching and research will contribute to advanced outcomes for whānau, hapū and iwi.

Our educators are preparing a new generation of global leaders. Our students are diverse and are attracted to Massey because they want to achieve their personal goals or make their mark in the world. Our programmes are research-led, informed by the best local and global experience, and have international standing.

Our students will experience world-class learning that recognises their intellectual and cultural strengths, expands their horizons and prepares them to contribute to a rapidly transforming world with skills, critical and creative thinking and leadership. We will integrate curricula, pedagogy and digitally supported learning environments to support our students' learning journeys.

All our students will have the opportunity to work in industry, with communities and community agencies or iwi, or as active citizens, artists, writers or researchers. Our students will be encouraged to develop entrepreneurial skills that ensure individual success. Our best advertisement is the achievement of our graduates, who make positive contributions and create jobs for others.

Massey will be renowned for its passion and its caring attitude. This will be particularly demonstrated in how we care for our staff, our students, our nation and our environment.

We will encourage evidence-based critical debate and ensure that a Massey education includes the skills of critical thinking, curiosity and commitment that are essential for national and global citizenship. Massey graduates will be equipped to lead in an uncertain future.

All Massey campuses will be innovation ecosystems, acting as magnets for smart enterprises. Wherever we are, we will operate in partnerships founded on respect, trust and mutual benefit.

Massey is not only defined by what we do, but by *how* we do it.



Michael Ahie

E NGĀ MANA, E NGĀ REO HUHUA
O TE KUNENGA KI PŪREHURUA,
PUTA NOA I TE MOTU WHĀNUI,
TĒNĀ KOUTOU KATOA. HE KUPU
WHAKAMĀRAMA TĒNEI E WHAI
AKE NEI MŌ NGĀ TAUMATA
WHAKATIKETIKE O TE TAU KUA
PAHURE ATU MŌ TĀ TĀTOU NEI
WĀNANGA.

FROM THE CHANCELLOR

In 2018 Massey University began developing and implementing many of the goals it set itself in the strategy for 2018-2022 that it had updated in the previous year and launched in October.

Underpinning this – and key to its success – is the path to financial stability and strength on which the Vice-Chancellor has put the University, to enable it to invest in those goals.

The financial performance in 2018 was more than satisfactory. Total operating revenue of \$528.2 million delivered a 2.8 per cent surplus, very close to our 3 per cent target. Our balance sheet remains very strong. We now have total assets valued at \$1.511 billion and net assets of \$1.258 billion.

In a competitive tertiary market and in a period of national employment growth, we enrolled 30,296 students, including 5331 international students.

We graduated a total of 6012 students, of whom 3667 crossed the stages at ceremonies in Auckland, Palmerston North and Wellington in April, May and November.

In May in Manawatū, Professors Emeriti Dick and Mary Earle were conferred with honorary Doctor of Science degrees in recognition of their work in food technology and biotechnology respectively. Former Associate Professor Alex Chu was also conferred with an honorary Doctor of Science degree in recognition of his work in the field of agriculture and forging international relations for Massey in Asia, particularly China. Master of Māori Visual Arts alumnus



Sandy Adsett was conferred with an honorary Doctor of Fine Arts in recognition of his work as an artist and art educator. In November one of Massey's most respected leaders, Professor Emeritus Sir Mason Durie, a former Deputy Vice-Chancellor of the University, was conferred with an honorary Doctor of Health.

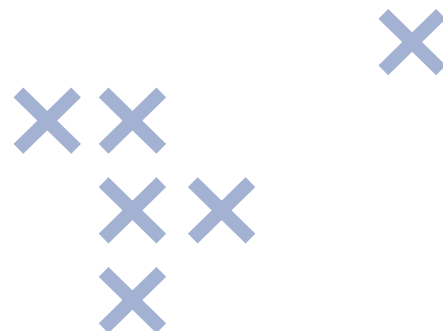
The University Council enthusiastically engaged around the table and at graduation ceremonies and other University events. I feel there is a strong sense of duty in their governance responsibilities, goodwill towards Massey and its students and staff, and a desire to further the interests of the University. We welcomed two new Council members, Toyota New Zealand chief executive Alistair Davis and student-elected member Ngahua Kirton. My thanks go to outgoing student-elected member David McNab and to all members of Council for their service and support.

Kāti ake rā i konei. E mihi ana ki tēnā ki tēnā o koutou, e tautoko ana i ngā tini tūmanako, kaupapa hoki kei tēnei wānanga a tātou, arā, ko Te Kunenga ki Pūrehuroa. Kia ū, kia ita, kia mau tātou ki te ara o te mātauranga.

Nāku noa.

A handwritten signature in black ink, appearing to read 'MAHIE'.

Michael Ahie
Chancellor





Professor Jan Thomas

KEI AKU RAHI, KEI AKU NUI. NEI RĀ TE
MIHI KAU AKE I ROTO I NGĀ ĀHUATANGA
O TE WĀ.

FROM THE VICE-CHANCELLOR

I am pleased to present my second annual report as Massey University Vice-Chancellor.

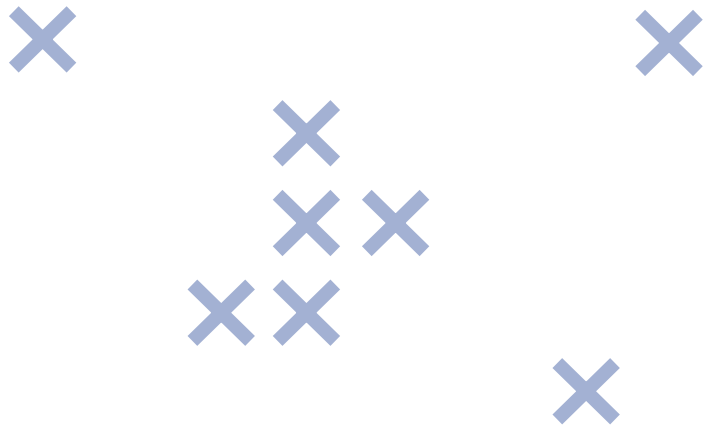
2018 was a year in which the University continued to engage with its communities – students, staff, businesses, iwi, government agencies and strategic partners domestically and around the world – to fulfil its role as a transforming influence on people and a critic and conscience of society.

Major strategic initiatives were identified as digital strategy, curriculum and pedagogy reform, student success and student enterprise, delivering world-class research, and improving our business processes. Underpinning these initiatives is our aspiration to become a Tiriti o Waitangi-led university.

We delivered a sound financial performance and will strive to continue to meet our targets to enable us to invest in our strategy.

Our campuses have developed unique characteristics and continue to not only be strongly embedded in the cities and regions that they service but provide economic and social benefits to those communities in which our people are active participants and stakeholders.

Key events on the Massey University calendar continue to build as successful partnerships. Each February we co-host with the Auckland Business Chamber the Finance event, where the Minister of Finance outlines the Government's economic agenda. In March each year we celebrate the success of our alumni, our researchers, our teachers and our business and community partnerships with the Defining Excellence Awards. This year the event was held in Wellington at Parliament, and kindly hosted by two of our long-term supporters, the Honourable Iain Lees-Galloway, MP for Palmerston North, and Ian McKelvie, MP for Rangitikei. The NZ Food Awards in October are another annual event that strongly connects us



with many of the industries and businesses with which Massey helps to develop New Zealand's international standing and competitiveness.

Not everything was plain sailing. The introduction of our online student enrolment system caused disruption to some students earlier in the year and placed significant pressure on staff, who worked hard to iron out the issues that arise when a complex system is replaced and upgraded.

Several former Massey leaders were among alumni lost to us in the year. In June former Vice-Chancellor (1983-1995) Professor Emeritus Sir Neil Waters died in Auckland, aged 87, and in October outstanding educator Professor Emeritus Ivan Snook died in Palmerston North, aged 85, and former Faculty of Business dean and University Council member Professor Emeritus Sir Ngatata Love died in Wellington, aged 81.

There were other challenges throughout the year, but there were many highlights.

Distinguished alumnus Sir Richard Taylor was made an honorary professor in June, in recognition of his long-standing relationship with Massey's College of Creative Arts and his contribution to New Zealand's creative industries.

Two Massey staff received New Year's Honours. Massey University Press publisher Nicola Legat of Auckland was made an Officer of the New Zealand Order of Merit for services to publishing, and University Mediation Service director Virginia Goldblatt was made a Member of the New Zealand Order of Merit for services to arbitration and mediation. In the Queen's Birthday Honours Professor Nicola Shadbolt was made an Officer of the New Zealand Order of Merit for services to agribusiness.

The Massey Business School welcomed a new Pro-Vice Chancellor, Professor Stephen Kelly, who replaced Professor Ted Zorn, who remains with the University.

The Business School celebrated the first graduates of its refreshed flagship qualification, the Bachelor of Business.

Construction is currently under way on stage two of the new aviation centre at Palmerston North, which will see all aviation staff located under one roof for the first time.

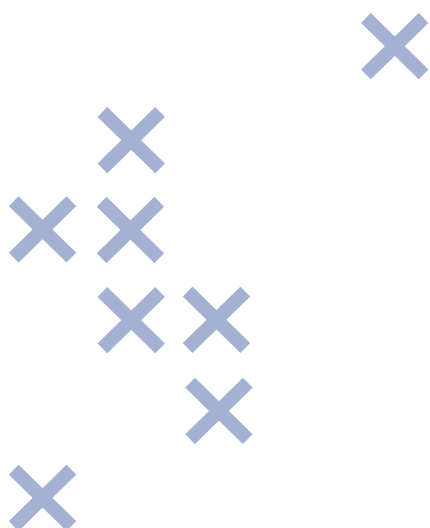
Toi Rauwharangi – the College of Creative Arts was the Wellington Gold Awards supreme award winner – and category winner for Creative Gold – in recognition of its contribution to the culture, economy and business of Wellington. Ranked second in the Asia-Pacific region for design concept excellence by Red Dot International, the college is the only design school in Australasia included in the top 15 Red Dot rankings.

The college introduced the first cohort of its two new master's programmes – the Master of Design (Entertainment) in partnership with Weta Workshop and the Master of Creative Enterprise.

New Music and Postproduction facilities designed by acoustic expert Andy Munro, of Abbey Rd Studios, London, were opened in November.

The Vodafone Artisan Music Awards were hosted for the first time in Wellington at the campus, with Prime Minister Jacinda Ardern in attendance.

Philip Fierlinger (formerly Director Design at Xero) was welcomed as an adjunct professor in the School of Design.



The College of Health's Environmental Health Indicators programme, led by Professor Barry Borman, was granted almost \$2 million in funding from the Ministry of Health, to continue investigating links between New Zealand's environment and the health of Kiwis.

The College of Health and the College of Sciences collaborated to launch PAWS (people • animals • wellbeing • surveillance), with the aim of helping to protect both animals and humans from natural hazards, including those requiring immediate responses such as floods and earthquakes, and longer-term hazards such as droughts and rising sea levels.

Professor Nicolette Sheridan, from the School of Nursing, was granted \$1.33 million from the Health Research Council of New Zealand and the Ministry of Health, to lead a collaborative research project investigating the effectiveness of primary care delivery.

Other staff from the College of Health were also recognised this year with the awarding of more than \$1.5 million in Health Research Council funding. They included Professor Sally Casswell and Dr Octavia Calder-Dawe from the SHORE & Whāriki Research Centre, Dr Rosie Gibson from the Sleep/Wake Research Centre and Dr Kathryn Beck from the School of Sport, Exercise and Nutrition.

The College of Humanities and Social Sciences also had considerable funding success. Six academics were awarded fast-start grants from the Marsden Fund for a diverse range of topics, including te reo Māori revitalisation; a philosophical approach to population research and the gambling-related mechanisms of video gameplay.

The college supported the development of future leaders at two national hui and regional workshops and provided expertise and knowledge, culminating in Festival for the Future in Wellington in July, which drew nearly 2000 young people aged 17-25 years.

In the College of Sciences Associate Professor Karen Stockin was appointed to the role of strandings coordinator within the Strandings Initiative at the International Whaling Commission. Dr Stockin was also awarded the Bob Kerridge Animal Welfare Fellowship for investigating the human dynamic in stranding events.

The Bachelor of Horticultural Science degree, co-designed with the horticultural industry, was launched as New Zealand's only stand-alone horticulture degree.

In March the Palmerston North office of the Synlait Group was officially opened at Massey's Manawatū campus. The dairy processing company employs more than 550 people in Canterbury, Auckland and now Palmerston North.

Construction continues on the \$45 million AgResearch and Massey University Food Science Facility, due to open in 2019 at the Manawatū campus.

The College of Sciences received more than \$4.2 million in funding for seven projects as part of the Marsden Fund grants, and more than \$13 million in funding from the Ministry of Business, Innovation and Employment's Endeavour Fund for milk research, hyperspectral imaging and using flax fibres to improve supercapacitors.

Nō reira, koutou ngā kaimahi katoa, ngā tauria katoa o Te Kunenga ki Pūrehuroa whānui, o Pukeahu, o Ōteihā, o Turitea. Hei konā mai i roto i aku mihi nui.

Professor Jan Thomas
Vice-Chancellor





Massey University Council 2018, from left: Alistair Davis, Dr Helen Anderson, Distinguished Professor Gaven Martin, Professor Jan Thomas, Colin Harvey, Michael Ahie, Ben Vanderkolk, Distinguished Professor Sally Morgan, Jacqui Hofmann, Ian Marshall.

GOVERNANCE AND MANAGEMENT

UNIVERSITY COUNCIL MEMBERS

Chancellor

Michael Ahie BBS (Hons)

Pro Chancellor

Dr Helen Anderson QSO PhD *Cantab*, CRSNZ, CFInstD

Vice-Chancellor

Professor Jan Thomas BSc *Murd*, BVMS *Murd*, MVS *Melb*, PhD *Murd*, MACVS, FAICD, FAIM

Members appointed by the Minister of Education

Michael Ahie BBS (Hons)
Dr Helen Anderson QSO PhD *Cantab*, CRSNZ, CFInstD
Colin Harvey ONZM BAgSc, BCC *Auck*
Ben Vanderkolk LLB *Cant*

Elected permanent member of academic staff

Distinguished Professor Gaven Martin BSc (Hons), MSc, PhD *Michigan*, FRSNZ, FAMS, FNZMS

Elected permanent member of professional staff

Jacqui Hofmann BA *Well*, GDiplnfSc

Member elected by Massey University students

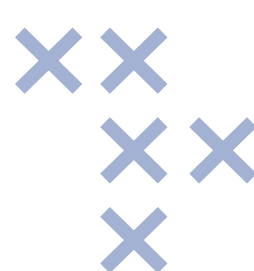
Ms Ngahua Kirton

Members appointed by Council on nomination of Vice-Chancellor

Mr Alistair Davis LLB, BCA
Ian Marshall BCom *Natal*, CAANZ, CA(SA)
Tina Wilson BBS, BA (Māori representative)
Carl Worker MA *Oxf*

Ex officio members

Academic Board chairperson
Distinguished Professor Sally Morgan
BA (Hons) *Sheff Hallam*, MA *Warw*, PhD *Deakin*





Massey University Senior Leadership Team 2018, from left: Distinguished Professor Paul Spoonley, Distinguished Professor Graham Hingangaroa Smith (from February 2019), Cathy Magiannis, Professor Stephen Kelly, Professor Jan Thomas, Stuart Morriss, Professor Claire Robinson, Professor Giselle Byrnes, Alan Davis, Professor Jane Mills

SENIOR LEADERSHIP TEAM MEMBERS

Vice-Chancellor

Professor Jan Thomas
BSc *Murd*, BVMS *Murd*, MVS *Melb*,
PhD *Murd*, MACVs, FAICD, FAIM

Pro Vice-Chancellors (colleges)

BUSINESS

Professor Stephen Kelly
BAdmin, MBus, PhD

CREATIVE ARTS

Professor Claire Robinson
BDes, BA (Hons) *Well*, PhD

HEALTH

Professor Jane Mills
BN *Tas*, MN *Tas*, MEd *C Sturt*, PhD *Monash*,
MBA *Imp Lond*

HUMANITIES AND SOCIAL SCIENCES

Distinguished Professor Paul Spoonley
DipEd *Auck*, BA *Well*, PGDipArts *Otago*,
MA *Otago*, MSc *Brist*, PhD, FRSNZ

SCIENCES

Professor Raymond Geor
BVSc, MVSc *Sask*, PhD *Ohio State*,
Diplomate ACVIM, AVCSMR, ACVN (Hons)

Deputy Vice-Chancellors

FINANCE AND TECHNOLOGY

Cathy Magiannis
BCA *Well*, CA

MĀORI AND PASIFIKA

Dr Charlotte Severne
ONZM BSc *Auck*, MSc *Auck*, PhD *Auck*
(to October 2018)

Robin Hapi
CNZM MBA

(acting from November 2018 to February 2019)

Distinguished Professor Graham Hingangaroa Smith
CNZM, PhD, D Litt (Hon Causa), LL D (Hon Causa),
MA (Hons), DipTchg
(from February 2019)

PEOPLE AND CULTURE

Alan Davis
CertIndRel *Well*, LLB *Cant*, MBA *Well*

PROVOST

Professor Giselle Byrnes
BA *Waik*, MA *Waik*, PhD *Auck*

OPERATIONS

Stuart Morriss
DipBusStuds, BAgrSc, MPP *Well*



HE TIROHANGA WHAKAMURI

THE YEAR IN REVIEW

The "year in review" should be read alongside the "Statement of Service Performance" section for a more comprehensive understanding of the University's performance in 2018.

DELIVERING OUR STRATEGY

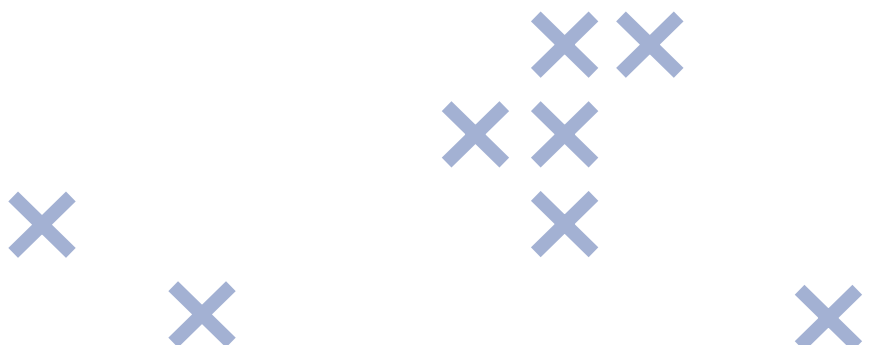
We commenced a programme of work comprising four major initiatives that will continue as priorities for investment for the next three years. These initiatives were identified as part of our overall University strategy. This follows the work of staff, students, the University Council, alumni and stakeholders to develop Massey's strategic plan, which will guide us from 2018 to 2022. Our strategy is to ensure that Massey transforms and adapts in the context of a rapidly changing world and a highly competitive tertiary education sector, while continuing to lead globally in our areas of specialisation. The University's activities have been clearly defined and prioritised around the four key pillars of our strategy: research, learning and teaching, civic leadership and enabling excellence.

The four major initiatives to support our strategy are digital plus (academic development and support, and curriculum and pedagogy reform), student success (progressing into student enterprise), delivering world-class research, and business process improvement (redesign business processes to ensure they are simple, efficient, fit for purpose, aligned and supporting a culture of service excellence). Underpinning these initiatives are our aspiration to become a Tiriti o Waitangi-led university and our commitment to excellence.

All of these initiatives will continue to evolve and progress as we work with students, staff and other stakeholders to co-create solutions to achieve desired outcomes. We have already begun to see progress in achieving our strategic shifts, so that the University is well placed to meet its objectives and deliver outcomes to our stakeholders.

FINANCIAL PERFORMANCE

Massey University achieved a surplus of \$14.3 million in 2018. Significant growth in external research revenue, along with multiple cost-saving initiatives, resulted in the University exceeding the budgeted surplus by \$0.8 million. This is an excellent result given the continued financial constraints facing the tertiary education sector. Massey University Group achieved a consolidated surplus of \$14.9 million, being \$0.9 million lower than budgeted. This difference predominantly resulted from a decline in financial markets at the end of 2018 affecting the results of the Massey University Foundation. Markets rebounded at the beginning of the 2019 financial year. The Group continues to have a very strong balance sheet, with assets of \$1.5 billion against total liabilities of only \$0.2 billion.



NGĀ KETE O TE WĀNANGA RESEARCH



AT A GLANCE

FUNDING

\$2.2 MILLION

INTERNAL FUNDING TO SUPPORT HIGH QUALITY RESEARCH

\$13.3 MILLION

MINISTRY OF BUSINESS, INNOVATION AND EMPLOYMENT FUNDING

\$7.5 MILLION

MARSDEN FUNDING

\$2.8 MILLION

HEALTH RESEARCH COUNCIL FUNDING



 **5% INCREASE**
IN EXTERNAL RESEARCH INCOME



TWO NEW DISTINGUISHED PROFESSORS

Marti Anderson and Nigel French

RUTHERFORD DISCOVERY FELLOWSHIPS



to Dr Krushil Watene and Dr Karen Stockin

QS SUBJECT AREA WORLD RANKINGS



FOR AGRICULTURE AND FORESTRY



FOR VETERINARY SCIENCE

SHANGHAI SUBJECT RANKING



IN THE WORLD FOR FOOD TECHNOLOGY

TUITION FEES WAIVER 

FOR OUR DOCTORAL SCHOLARSHIP RECIPIENTS



VICE-CHANCELLOR'S DOCTORAL SCHOLARSHIPS
increased to **\$30,000**
plus tuition fees

INTRODUCTION

As a university, research drives us and defines us; we see research excellence at Massey as leading in our chosen areas of research. We are distinguished by our focus on solving "wicked problems" and contemporary societal challenges, in addition to maintaining our commitment to fundamental knowledge discovery. This approach to our research also informs the connection with our teaching and postgraduate supervision through the teaching-research nexus. Our academic offerings, driven by our research, offer students opportunities to work alongside practitioners and engage in applied learning contexts, and to solve "real world" problems.

In 2018 Massey had 1675 students participating in postgraduate research studies, representing 6.2 per cent of our overall equivalent full-time students (EFTS).

In 2017 we launched the major strategies *He Rautaki Rangahau Research Strategy 2018-2022* and *He Waihanga Ake ite Whare Rangahau – Building a Research Powerhouse 2018-2022*, our strategy for improving our performance in international research rankings. These strategies guided our work to advance our research significantly in 2018.

HIGHLIGHTS

STRATEGIC INVESTMENT INITIATIVES

Our focus this year was on investing strategically to ensure the success of our research. Four projects were established to accelerate our progress in key research areas. These projects involved: investing in new transdisciplinary research ideas and increasing the level of internal research funding with the aim of helping our researchers to succeed in external funding bids; supporting the development of our research workforce through better and targeted professional development at key stages; growing capacity and capability in the Māori and Pacific Peoples research workforce; and increasing the value and number of postgraduate scholarships on offer, especially in key areas of research excellence. Our researchers require certainty and sustainable investment in research. We aim to ensure ongoing attention to driving, resourcing and rewarding excellent research performance.

to five proposals. We also doubled the size of the existing funds, the Strategic Research Excellence Fund (SREF) and the International Visitor Research Fund (IVRF). The SREF awards are for University Fellowship (\$280,000), Early Career (\$185,000) and Māori (\$40,000), and \$110,000 is provided in the IVRF, which is designed to promote high-quality research outputs through international collaboration and co-publication. The Massey University Research Fund of \$1.35 million, which is administered by our five colleges, rounds off the suite of internal research funding. We provide these funds to support research projects and prepare our researchers for contestable external research funding in the government funding rounds: the Marsden Fund, the Health Research Council, the Ministry of Business, Innovation and Employment (MBIE) and the CoRE (Centres of Research Excellence) round 2019/2020.

INTERNAL RESEARCH FUNDING

The annual allocation of internal research grants aims to accelerate our goal of sustained research excellence. Massey offers three funds to support high-quality research that aligns with the University's strategic goals.

We established a new Strategic Investment Fund to encourage and advance transdisciplinary research that contributes to solving contemporary societal challenges, otherwise known as "wicked problems". In 2018 we awarded a total of \$528,000

EXTERNAL RESEARCH FUNDING SUCCESS

Our success in gaining external research funding continues to grow, with \$77.4 million in overall external research income in 2018. Massey researchers received almost \$7.5 million in Marsden funding for 15 projects. Two projects received \$2.8 million from the Health Research Council. Three research projects received a combined \$13 million from MBIE's 2018 Endeavour Fund. The Milk Means More (NZ3M) research programme was awarded over \$11 million.

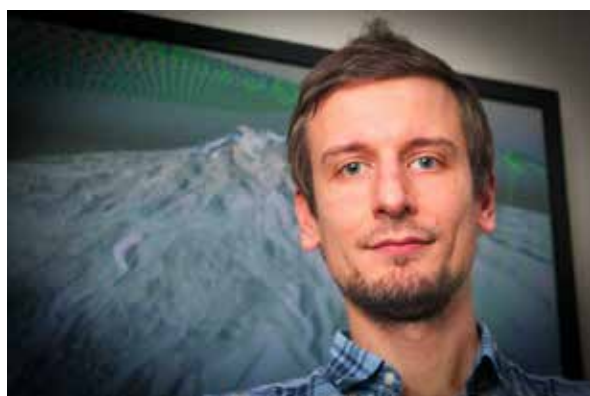
MBIE

Three Massey University researchers secured more than \$13 million in funding (5 per cent of the total funding available) from the MBIE Endeavour Fund:

- NZ3M was awarded over \$11 million. The project is a collaboration between the Riddet Institute, which is hosted by Massey University, the Massey School of Food and Advanced Technology, AgResearch and its Food Nutrition & Health and Dairy Foods science teams and the University of Auckland. The project was co-developed with The a2 Milk Company, the Dairy Goat Cooperative, Fonterra, Landcorp, Maui Milk, Miraka, NIG Nutritionals, Spring Sheep New Zealand and Synlait. NZ3M will provide a mechanistic understanding of differences in the outcomes arising from diversity in ruminant milks.
- Functional carbon nanomaterials from harakeke fibres for sustainable energy applications – Endeavour Fund Smart Ideas – almost \$1 million awarded to Dr Xiaowen Yuan at the School of Engineering and Advanced Technology. The research aims to harness the unique properties of harakeke fibres, otherwise known as New Zealand flax, to improve super capacitors.



More than \$11 million funding for NZ3M to Riddet Institute, of which Professor Warren McNabb is deputy director.



Smart Ideas – Dr Gabor Kereszturi

- Assessing New Zealand's environmental and mineral indicators using air- and space-borne hyperspectral imaging – Endeavour Fund Smart Ideas – almost \$1 million awarded to Dr Gabor Kereszturi of the School of Agriculture and Environment. The project looks to use hyperspectral imagery to explore New Zealand's mineral resources and environment, which are often hard to map effectively and efficiently on a countrywide scale.

MINISTRY OF HEALTH

The College of Health's Environmental Health Indicators programme, led by Professor Barry Borman, was granted almost \$2 million in funding from the Ministry of Health, to continue investigating links between New Zealand's environment and the health of Kiwis. The programme informs and provides statistics on how the environment affects the health of New Zealanders, including traditional indicators such as air and water quality.

HEALTH RESEARCH COUNCIL

Massey University researchers received almost \$2.8 million from the Health Research Council.

Almost \$1.2 million was awarded to Associate Professor Jackie Benschop to undertake a nationwide case-control study of the disease leptospirosis. The three-year study will attempt to address gaps in leptospirosis knowledge and inform control strategies by identifying risk factors, sources and pathways for human infection. The study's findings will aid the development of intervention and control strategies and assessment criteria for ACC.

Almost \$1 million was awarded to Professor Sally Casswell, SHORE & Whāriki Research Centre, for a study quantifying the disease burden of alcohol's harm to others, while another project, led by Dr Siautu Alefaio-Tugia, received \$0.6 million for a Pacific health-collective approach to exploring the Pacific matua (elder) care practices of Pacific families to understand the health and wellbeing implications for carers with the knowledge that the elder population is increasing and numbers are likely to grow rapidly in the next few decades.

MARSDEN FUND

Massey University researchers received almost \$7.5 million from the Marsden Fund for 15 projects. The successful Marsden grants – made up of nine "fast-start" grants for new and emerging researchers and six "standard" grants – represent 8.7 per cent of the total \$85.6 million funding pool awarded this year. The successful projects are in a range of disciplines including health, humanities and fundamental sciences.

Professors Geoff Jameson and Bill Williams of the School of Fundamental Sciences, who are principal investigators in the Riddet Institute and MacDiarmid Institute respectively, were



More than \$1m secured in HRC funding to reduce burden of leptospirosis – Associate Professor Jackie Benschop



SHORE & Whāriki Research Centre was awarded \$836,000 – Associate Professor Chris Wilkins

awarded \$935,000 to lead the project *Pectin methylesterases: Tuning pectin function with complex variations upon a simple theme*.

Dr Jennifer Tate of the School of Fundamental Sciences received \$929,000 for the project *Getting the balance right: How do allopolyploids successfully integrate interspecific nuclear and cytoplasmic genomes?* The project aims to determine if there are genomic "rules" to successful polyploid speciation.

Associate Professor Chris Wilkins of the SHORE & Whāriki Research Centre was awarded \$836,000 to lead the project *Dark side of the Net: Exploring and modelling the impact of online illegal drug markets*. The team will analyse the way illegal drugs are sold online, using encrypted websites on the "darknet".

Dr Heather Hendrickson received \$884,000 for the project *It's complicated: Experimentally tracking the evolution of endosymbiosis in real time*. Based in the Institute of Natural and Mathematical Sciences, Dr Hendrickson will be taking an experimental evolutionary approach to the question of how one free-living cell can give up independence and form an intimate, intracellular partnership with another.

Distinguished Professor Gaven Martin received \$671,000 to lead a project, *Modern analysis and geometry*, which seeks to advance two central areas of mathematics – nonlinear analysis and low dimensional topology and geometry – unified through conformal geometry.

Dr David Simpson from the School of Fundamental Sciences received \$500,000 for the project *Organised chaos: Using geometry to explain robust chaotic dynamics in switched dynamical systems*.

PERFORMANCE-BASED RESEARCH FUND

This year, we completed our institutional preparations for the PBRF 2018 quality evaluation round; this work was led by colleges and the Office of Research & Enterprise, in concert with the PBRF Governance Group. Each academic staff member was required to submit an individual evidence portfolio that contained details of their research outputs, research impact and academic contributions for the previous six years. In 2018, a total of 1088 portfolios were submitted to the Tertiary Education Commission as part of this round. We sincerely thank all academic and professional staff for the hard work they have invested in this important process.

COMMERCIALISATION AND INNOVATION

Massey University continued to receive a steady flow of new intellectual property (IP) disclosures. During 2018, 27 new IP disclosures were received, of which five had progressed through to formal IP protection, mainly in the form of provisional patents lodged.

In terms of commercialisation activity, 2018 was an exceptional year, highlighted by the FERRI PRO licensing deal with Nestlé. FERRI PRO was created by the Riddet Institute at Massey as a new, cost-effective and easy-to-produce method of putting iron into food without affecting quality or taste. It is estimated that 20-30 per cent of people suffer from iron deficiencies, and more prominently in developing countries. Massey sold the patent to Nestlé, which is the world's largest global food brand. In addition, a number of other commercial deals were completed.

Commercialisation activity through Massey Ventures Limited (MVL) was very active, with nine new projects receiving funding through MVL's PreSeed Accelerator Funding programme and one new start-up company launched – Hyperceptions Limited, a joint venture with Ravensdown. The new company will take hyperspectral sensing technology, developed at Massey University, to the primary sector market to support precision applications of fertiliser.

RESEARCH REPUTATION

Improving research reputation is fundamental to the success of Massey as a world-class, research-led university. We have developed *He Waihanga Ake ite Whare Rangahau – Building a Research Powerhouse 2018-2022*, our new University strategy for achieving increased performance in international research rankings.

In the 2018 QS World University rankings by subject area Massey did very well, with 21 subjects and all of the five faculty areas ranked. Massey was in the top 100 for four subjects: agriculture, veterinary sciences, arts and design, and development studies. Agriculture was our most highly ranked subject at 22 (up five positions from 2017), followed by veterinary science at 23 (unchanged from 2017). Faculty area rankings also had good results:

- Social sciences and management increased 50 positions to 175=;

- Life sciences and medicine increased seven positions to 288=;
- Arts and humanities increased four positions to 315=;
- Engineering and technology maintained its position at 371=; and
- Natural sciences maintained its position at 401-450.

In *He Waihanga Ake ite Whare Rangahau* we have set our sights on achieving 20 subjects in the QS top 500 and eight of these in the QS top 300. In the latest results we had 21 subjects in the top 500 and 18 in the top 300.

In the Shanghai subject rankings of world universities, Massey ranked in 18 subjects, 12 more than in 2017. Massey was ranked 39th in the world for food technology and 50th for veterinary science. Massey was ranked number one in New Zealand for veterinary science, agricultural science, business administration and finance, and second place for food science and technology, communication, biotechnology and mathematics. In the Times Higher Education World University Rankings, Massey was placed in the 501-600 band.

We are aware of the importance that rankings have for prospective students and their influencers, academic peers and partnering universities and funders, whether domestic or international. We also recognise the value that benchmarking has for informing and improving performance. Massey is highly focused on improving our performance through the implementation of our research rankings strategy.



INTERNATIONAL RANKINGS

	2018*
	Latest results
QUACQUARELLI SYMONDS (QS) RANKINGS	
Overall world ranking	332nd equal
Graduate employability ranking	301-500
QS STARS	5 stars +
QS SUBJECT AREA WORLD RANKINGS	
Agriculture and Forestry	22nd=
Veterinary Science	23rd
Art and Design	51-100
Development Studies	51-100
Accounting and Finance	101-150
Education	101-150
Architecture/Built Environment	151-200
Business and Management Studies	151-200
Engineering – Chemical	151-200
Environmental Sciences	151-200
Statistics and Operational Research	151-200
Biological Sciences	201-250
Economics and Econometrics	201-250
Mathematics	201-250
Psychology	201-250
Sociology	201-250
Computer Science and Information Systems	251-300
Law	251-300
Engineering Electrical and Electronic	301-350
Chemistry	401-450
Physics and Astronomy	451-500
QS UNIVERSITY FACULTY RANKINGS	
Social Sciences and Management	175th=
Life Sciences and Medicine	288th
Arts and Humanities	315th=
Engineering and Technology	371st=
Natural Sciences	401-450
ACADEMIC RANKING OF WORLD UNIVERSITIES (ARWU) SHANGHAI RANKING	
Overall world ranking	501-600
TIMES HIGHER EDUCATION RANKINGS	
Overall world ranking	501-600
RED DOT DESIGN RANKINGS	
	2nd in Asia Pacific

* Rankings as at December 31, 2018.



TE AKO

LEARNING AND TEACHING



IMPACT

CURIOUS, WORLD-READY GRADUATES WITH ENTREPRENEURIAL ACUMEN AND CAPABILITIES, WHO CREATE JOBS FOR OTHERS AND ARE COMMITTED TO MAKING A BETTER WORLD.

GOAL

WE WILL PROVIDE A DISTINCTIVE, STUDENT-CENTRED LEARNING EXPERIENCE FOR ALL STUDENTS AND GRADUATES WILL BE ENABLED TO ACTIVELY PARTICIPATE IN THE EXISTING AND NEW ECONOMIES AS EDUCATED CITIZENS AROUND THE WORLD.

OBJECTIVES:

- Ensuring our graduate attributes include entrepreneurial capability by maximising work-integrated learning and student access to innovation precincts;
- Delivering programmes that are flexible, contemporary in design, research-led in content, and either strategically important or financially successful;
- Building international education to extend the Massey University global influence in areas of strength;
- Gaining international accreditation for programmes and strong rankings for subject areas wherever possible;
- Providing first-class, digitally enhanced learning experiences informed by the student voice;
- Delivering high-level outcomes for Māori academic excellence, whānau-centred participation and Māori student success at all levels of study;
- Growing the participation and success of Pasifika students at all levels of study;
- Supporting access and success for students for whom English is a second language;
- Leveraging data analytics to support student learning and the student experience;
- Promoting and rewarding excellence in teaching scholarship; and
- Building student scholarships that encourage the academic progression of undergraduate students, particularly to postgraduate level/advanced degrees.

AT A GLANCE

Paerangi

new Learning and Teaching Strategy, 2019-2022 drafted



Student Enterprise @ Massey

strategy and pathway developed

20 YEARS OF TE RAU PUAWAI PROGRAMME

successfully affecting Māori Mental Health Services



First Cohorts:
MASSEY – WETA WORKSHOP
Master of Design (Entertainment)



NEW BACHELOR OF HORTICULTURAL SCIENCE in 2019

5 PLUS STAR QS RATING



First **AVIATION STUDENTS** chosen for Qantas Group Future Pilots programme

STUDIOSITY PILOT PROVIDED AFTER HOURS TUTORING SUPPORT AND ADVICE TO STUDENTS





STUDENT ADVICE AND COMMUNICATION

EXTERNAL REVIEW COMPLETED

NEW KAUPAPA (PLATFORM) **STUDENT SUCCESS FRAMEWORK** IN DEVELOPMENT

LEARNER SUCCESS PLANS FOR **MĀORI AND PACIFIC PEOPLES** DEVELOPED

PŪHORO STEM ACADEMY BECAME OFFICIAL PARTNER OF ĀMUA AO PROGRAMME, JOINING CALLAGHAN INNOVATION AND NEW ZEALAND QUALIFICATIONS AUTHORITY

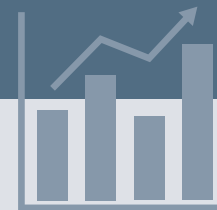


30,296 students

5331 international students from 139 countries



6012 graduates
(65% females
35% males)



First Graduates

BACHELOR OF RETAIL AND BUSINESS MANAGEMENT

SUSTAINED EXCELLENCE IN TERTIARY TEACHING AWARDS

to Dr Kathryn Hay and Professor Andy Martin



NEW

PORTUGUESE LANGUAGE PROGRAMME

in 2019 – New Zealand's only tertiary-level Portuguese language programme

INTRODUCTION

Students are central to everything we do at Massey University. It is important that we provide them with outstanding learning experiences and environments. As a university, we are working hard to improve constantly the quality of the learning experiences and environments we provide for our students.

In 2018 Massey enrolled 30,296 students; of which 5331 were international students from 139 countries, making Massey one of the most diverse places to study in New Zealand. Sixty-one per cent of our students were part-time, 54 per cent were 25 years or older and 46 per cent were distance students. These numbers demonstrate our continuous commitment to lifelong learning and supports the Government in its goal of improved

access to tertiary education and upskilling our learners and workers. In 2018, 6012 students graduated from Massey University.

Our graduates continue to be successful in the transition between study and career. The Graduate Destination Survey found that 89 per cent of our graduates were in employment six months after graduation. For our Māori graduates this rate was even higher, at 93 per cent, and for our Pacific Peoples graduates 86 per cent. The University is focusing on increasing both the participation and the success of Māori and Pacific Peoples students, and our Learner Success Plans will be put in place and implemented from 2019.

HIGHLIGHTS

LEARNING AND TEACHING STRATEGY, AND ACADEMIC PLAN

While the *Massey University Strategy 2018-2022* provides the reference point for our overall strategic direction, our new *Learning and Teaching Strategy 2019-2022, Paerangi*, will set our academic direction. This new strategy, which we intend to confirm by mid-2019, will be the mechanism through which we refresh and prioritise significant investment decisions, particularly with regard to ensuring that our teaching is optimised by excellent pedagogy and that we have the flexibility to ensure that our technological platforms support our pedagogies and are current and fit for purpose. The new strategy will also give effect to what it means to be Te Tiriti-led through our curricula, pedagogies and academic decision-making. Framed by 12 core values, reflecting the 12 heavens ascended by Tāne-nui-a-rangi to procure the baskets of knowledge for humankind, *Paerangi* will shape how we deliver our teaching. *Paerangi's* principles are supported by an interconnected framework of: a learning community; high-quality, research-led teaching; support for student success; and coherent curricula.

While *Paerangi* is principally concerned with our approaches to learning and teaching, the focus of "what we offer and where" is the responsibility of the University's Academic Plan.

In 2018 we began the process of refreshing the University's academic planning process, which centres on the distinctiveness of our academic offer. Colleges continued to work on refining their academic plans, with a view to having an agreed, whole-of-University Academic Plan in 2019. This will ensure that Massey's portfolio of qualifications remains focused, fit for purpose and future focused, and aligns with the needs of our stakeholders.

In November 2018 we appointed Damian Lodge to the role of Dean, Academic. Mr Lodge will play a key role in assisting with the development and implementation of our Learning and Teaching Strategy and our academic planning process.

STRATEGIC INVESTMENT INITIATIVES

To achieve our goals as set out in our strategy, Massey is investing in two strategic initiatives: digital plus, and student success and enterprise. Massey is also investing in significant improvements to support the increased participation and educational performance of our Māori and Pacific Peoples students and to advance the University's learning and teaching goals.

DIGITAL PLUS

In a dynamic and volatile world, it is imperative that every university considers its digital strategy as part of its overall strategy. In Massey's case this is even more crucial. For more than 50 years we have been New Zealand's leading University distance education provider. This is a responsibility we do not take lightly; our distance outreach is in fact a defining element of Massey University's identity.

Increasingly, other universities in New Zealand and internationally, as well as non-university providers, are offering online tertiary education courses. All students, including on-campus students, expect to have a high-quality online learning environment that supports their learning. We know that both on-campus and distance students alike demand and deserve an excellent online learning experience. There is no doubt that MOOCs (Massive Open Online Courses), new technologies and the ubiquity of cloud- and internet-based platforms have raised student expectations of what their universities deliver. This applies to students' interactions with learning materials as well as their engagement with teachers and administrators.

In response to the challenges outlined above, we have prioritised a number of discrete projects while continuing to develop our overall digital strategy and plan. These include: developing a set of high-level principles guiding digitally enabled learning and teaching at Massey; co-designing with academic staff draft minimum expectations of effective technology-enabled learning, including digital literacy competencies for staff and students; establishing a central repository of best practice, and a framework for sharing innovative and effective practice; creating a framework by which communities of practice can be formed; and identifying and agreeing on the prioritisation of resources. Our effort is coordinated across one-year, three-year and five-year plans focused on enhancing our digital learning and teaching. These plans take into account where we can coordinate with current initiatives to enhance outcomes. They also consider the



Massey appoints two new deans – Damian Lodge (left) has been appointed to the role of dean, academic and Dr Gavin Clark has been appointed to the newly created position of dean, enterprise

University's current capabilities in digital learning and teaching and look to provide further resources where "gaps" exist.

Other activities that build into the programme of work include further digitisation of college activities, upgrading the University's technology platforms to enable excellent digital services, advancing work on eQuals and micro-credentialing, piloting Studiosity as a service and source of support for students, and an online competency assessment tool for literacy, numeracy and digital. The University is beginning to explore partnerships with external providers for accelerating the development of new and revised online qualifications. The result will be the wholesale transformation of Massey's digital learning and teaching environment and offering.

MY eQUALS

Massey's implementation of My eQuals went live on October 18, 2018, with students' academic records progressively being made available digitally. The successful implementation of My eQuals is a great convenience to students, employers and others who use academic information, aligns with the University's strategy to deliver services digitally, and helps reduce the volume of paper being consumed. My eQuals enables all New Zealand and Australian university students and graduates to access digital versions of academic documents (graduation certificates, academic transcripts and completion letters) and share them with employers, universities and other parties instantly and anywhere in the world. For Massey, My eQuals also represents the first significant new service that expands on the capability of the new Student Management Solution.

STUDENT SUCCESS

How we transform our student experience matters. We know our students have choice. We are working to ensure that Massey is well positioned to support their life goals and prepare them for a world of future work that is not easily defined.

Our student success initiative aims to ensure that the University supports students as they transition into student life and, at the other end of the student lifecycle, during the transition from university to employment. Part of our responsibility to students, alongside providing high-quality education, is to ensure we provide the support they need to flourish in the academic world. While some students naturally adjust to university life, others do not. At Massey we work with students as individuals to ensure their success at university and in their future careers. Every student is unique and we seek to understand their needs, both intellectual and material, so we can support them to fulfil their aspirations. We support students, starting in their first year, in order to ensure they continue with their studies and realise their goal of graduating.

Two key projects were implemented during the year:

- A "creating success" website, survey and consultation process designed for student-centred discussions with students and staff on a new kaupapa (platform) Student Success Framework. Our vision is for every student and graduate of Massey University to feel part of the Massey whānau and encouraged along their journey of whakapiri, whakamarama and whakamana: engagement, enlightenment and empowerment. We plan to coordinate our efforts by focusing on five interlinked, student-centred outcomes: academic, career, personal, cultural and collegial.
- An external review of student advice and communication considered the processes, policies, practices and structures through which Massey University informs and guides prospective and current students through their qualifications and engagement with the University to optimise their experiences. The review delivered 18 recommendations. From these recommendations, a draft action plan is being developed that provides a road map to implement the recommendations in the next few years.

In addition to these projects, there is a proposal to establish the position of Deputy Vice-Chancellor (Students), a member of the Senior Leadership Team, to oversee the end-to-end student experience at Massey.

The improvement of outcomes for Māori and Pacific Peoples was also a key priority, fitting with the strategic direction of the University in its ambition to become a Te Tiriti-led university. We developed Māori and Pacific Peoples Learner Success Plans, which will be implemented in the next three years. The goal is to increase both the participation and the success of our Māori and Pacific Peoples learners.

A number of other support services and programmes for students operate at Massey, such as orientation and university skills programmes. Thousands of Massey University students new to tertiary education were supported in their transitions through the "Getting Started" site in Stream, our online learning management system, which opens six weeks before the commencement of each semester. Staff worked with students to co-create interactive resources that support students to understand what to expect from university.

Massey this year piloted a student success support programme via a service called Studiosity, an Australian-based service with a large New Zealand teaching workforce. Studiosity provides after-hours tutoring support and advice on assignment drafts. It is fully quality assured and is used by many Australian universities. Given that student demand for this service was very low throughout 2018, the pilot will not be extended into 2019. Students will be redirected to existing student success services, including the University's writing support service in the National Centre for Teaching and Learning.



More than 360 students, both undergraduate and postgraduate, joined the Strengths@Massey programme in 2018. This voluntary programme delivers an online talent assessment followed by a short series of face-to-face workshops designed to help students discover and engage their strengths for academic success and future employability. In 2018 the programme was run for the first time on all campuses, and included weekend sessions for distance students. The programme organisers tailor the programme to suit various groups of students and their study demands. Feedback from students was very positive.

In 2018 we implemented and expanded the Kahurei pilot, which was trialled the previous year in four courses. Kahurei – a treasured cloak that adorns its wearer – is a unique Massey initiative designed to develop our graduates as 21st-century citizens and reflective practitioners by adopting a holistic approach to learning through supporting students to reflect on the applied "life skills" they develop in the course of their learning. In the pilot, students were encouraged to create "kahurei" or portfolios of academic, work-related and personal experiences, with a particular focus on transferable skills, knowledge and competencies that enhanced their employability opportunities. Kahurei focused on developing five main employability characteristics: self-management/tū māia, information literacy/tū mātau, enterprise/tū hihiri, exercising leadership/tū rangatira and global citizenship/tū te ao. This pilot was developed following extensive consultation with employers, the majority of whom said they wanted to employ graduates who possessed relevant transferable skills as well as competencies and academic knowledge. The future of the pilot was assessed in 2018 and it was decided that it would not proceed in 2019; it may be reconsidered in future years.

MĀORI AND PACIFIC PEOPLES STUDENT SUCCESS

Massey University continued to support our very successful Pūhoro programme and developed an "Improving Māori Student Success" project that will see the evolution of Te Rau Tauawhi Māori Student Centre and, through Te Rau Tauawhi, stronger relationships with Māori student associations. This project will also culminate in the development of a new team of Māori student pathway advisers, who will be based in each of the colleges as well as provide dedicated distance learning support. It is envisaged that this new team will be up and running by June 2019. We also committed to establishing Associate Māori Deans for each college in the project to strengthen Māori academic support for our students and staff.

In 2018 significant effort was placed on improving the success of our Māori and Pacific Peoples students with the development of specific Learner Success Plans for Māori and Pacific Peoples learners. The aim is to implement these plans during 2019 to ensure we continue to work towards achieving parity of participation and success for all our learners.



STUDENT ENTERPRISE

Student enterprise offers us the best way to align our research, teaching and enterprise objectives in a way that provides meaningful outcomes for our students and ensures that Massey graduates are well rounded citizens with broad skill sets, in addition to mastering technical domain knowledge. As a university-hosted business incubator, the ecentre is a hub for enterprise and innovation activities, for both the local business community and Massey University. From its base in Auckland, the ecentre provides facilities, services and programmes at all campuses to encourage the development of entrepreneurial capabilities and to support new ventures that either originate from or are aligned with the University.

In 2018 the ecentre delivered a range of activities to support both Massey University staff and students in their enterprise experiences. These included: entrepreneurship and innovation programme delivery on Massey's three campuses; Massey-sponsored incubation services for students and alumni; and reputation- and relationship-retainer external engagement activities. In 2019 the ecentre proposes to build on the programmes offered in 2018. As part of ecentre's commitment to continuous improvement, they will look to expand the programmes in scale and scope, so that more students will have access to a variety of platforms for enterprise and entrepreneurial experiences.

Schemes such as these build on Massey's already impressive employability performance. In 2018 our Graduate Destination Survey found that 89 per cent of our graduates had entered jobs at the conclusion of their studies, and we were ranked as one of the top 500 universities worldwide for student employability in the QS Graduate Employability Rankings.

We appointed Dr Gavin Clark to the role of Dean, Enterprise. In this role Dr Clark will be responsible for the University's commercialisation and business development to advance our enterprise agenda, including student enterprise.

STUDENTS

STUDENT NUMBERS (HEADCOUNT)	Note	2016	2017	2018
Internal	1	17,476	17,087	16,439
Distance		14,025	13,796	13,857
TOTAL		31,501	30,883	30,296
% change over previous year		-0.4%	-2.0%	-1.9%
INTERNATIONAL STUDENTS INCLUDED IN TOTALS ABOVE	2	4,714	5,092	5,331
EFTS	Note	2016	2017	2018
Internal	3	12,856	12,903	12,594
Distance		6,088	5,750	6,070
TOTAL for all students (regardless of funding sources)		18,944	18,653	18,664
% change over previous year		1.4%	-1.5%	0.1%
INTERNATIONAL FEE-PAYING STUDENTS INCLUDED IN TOTALS ABOVE	4	2,961	3,106	3,290
EFTS funded by Tertiary Education Commission (TEC)	5	15,546	15,051	15,118
% change over previous year		1.3%	-3.2%	0.4%

STUDENT AGE AND GENDER (HEADCOUNT)	Gender	Male	Female	2018 Total
Students Under 25 years	Diverse	5,462	8,494	13,958
		0%	28%	46%
Students 25 years+	Diverse	5,595	10,741	16,338
		0%	35%	54%
UNIVERSITY TOTAL	4	11,057	19,235	30,296
		0%	63%	100%

STUDENT WORKLOAD (HEADCOUNT)	2018 Total
Full-time	11,890
	39%
Part-time	18,406
	61%
UNIVERSITY TOTAL	30,296

STUDENT EFTS BY CAMPUS	Note	2018 Total
Auckland		5,200
Manawatū		4,668
Wellington		2,557
Other locations	6	169
Distance		6,070
UNIVERSITY TOTAL		18,664

Note 1: By student mode, which is based on the mode in which the majority of a student's study occurs.

Note 2: From 2017 onward, this excludes New Zealand citizens and permanent residents, and Australian residents and permanent residents. Previous years' numbers included all international students regardless of New Zealand government funding status.

Note 3: Data for 2016, 2017 and 2018 is now shown by course mode.

Note 4: From 2017 onward, international fee-paying students includes TEC funding classification 02 only as per Single Data Return submissions. Previous years' numbers are as per TEC funding classifications 02, 03, 12 and 20.

Note 5: As per TEC funding classification 01.

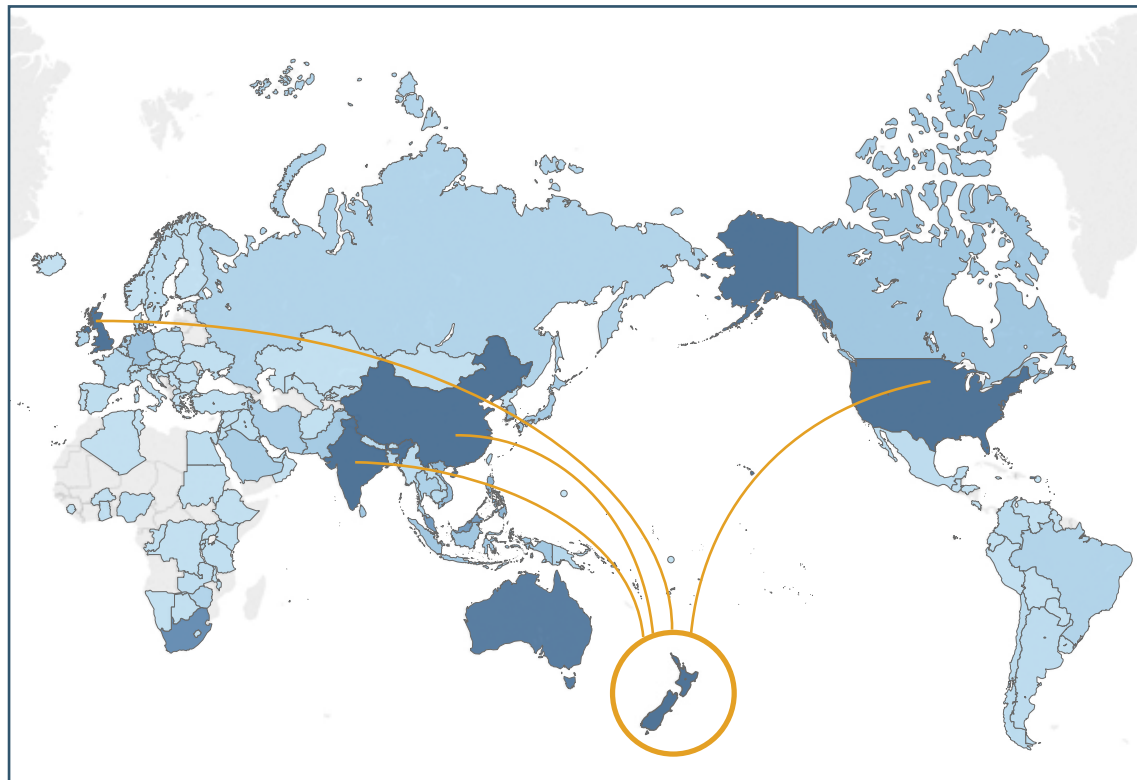
Note 6: Includes EFTS consumed at locations elsewhere in New Zealand and overseas.

STUDENTS – MĀORI, PACIFIC PEOPLES AND INTERNATIONAL

MĀORI STUDENT AGE AND GENDER (HEADCOUNT)	Gender Diverse	Male	Female	2018 Total
Students Under 25 years	-	394	813	1,207
	0%	13%	26%	38%
Students 25 years+	1	531	1,402	1,934
	0%	17%	45%	62%
UNIVERSITY TOTAL	1	925	2,215	3,141
	0%	29%	71%	100%

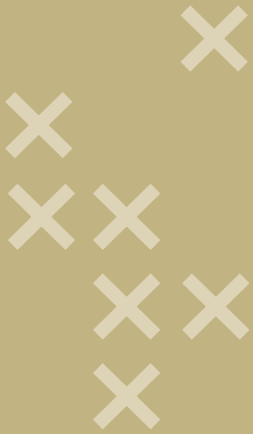
PACIFIC PEOPLES STUDENT AGE AND GENDER (HEADCOUNT)	Male	Female	2018 Total
Students Under 25 years	164	393	557
	11%	27%	39%
Students 25 years+	251	635	886
	17%	44%	61%
UNIVERSITY TOTAL	415	1,028	1,443
	29%	71%	100%

STUDENT HEADCOUNT BY COUNTRY OF ORIGIN (CITIZENSHIP)	2018
New Zealand	21,507
China	3,722
Great Britain/United Kingdom	764
India	411
United States	404
Other (134 countries)	3,488
TOTAL	30,296



Number of students
1 400+

HEI ARATAKI CIVIC LEADERSHIP



AT A GLANCE

NEW PARTNERSHIPS



FFL
Festival for the
Future – Inspiring
Stories Future
Leaders Programme

National Fieldays Society
50th New Zealand
Agricultural Fieldays –
Future of Farming

11,000+
PRE-REGISTER

FOR TORO MAI, FREE
TE REO MĀORI AND
TIKANGA MĀORI COURSES



PARTICIPATION IN THE
Times Higher Education Pilot
of **University Impact Rankings**

13 BOOKS published by
Massey University Press;
44 since Massey University
Press launched in 2015



**Centre for Culture-Centred
Approach to Research and
Evaluation** new at Massey



Wellington Gold Awards
to **COLLEGE OF
CREATIVE ARTS**



Inaugural **social
entrepreneur-in-
residence** APPOINTED

Prominent **SHORE & Whāriki
Research Centre** alcohol and
drug studies



INTRODUCTION

Massey takes seriously our legislated role as a "critic and conscience" of society and we remain committed to promoting evidence-based research alongside our teaching role. We acknowledge our commitment to civic leadership by naming it as one of Massey University's four foundational pillars in our new long-term strategic plan.

The *Massey University Strategy 2018-2022* underlines the importance of developing mutually beneficial partnerships with government, industry and community stakeholders to achieve our goals. As part of our commitment, the University works towards implementing a purposeful, coordinated, pan-

university strategy for, and approach to, external stakeholder engagement, spanning teaching and learning, research and enterprise, economic development, thought leadership and social responsibility. At Massey we engage most frequently with the following stakeholder types: our learners, business and industry, central government agencies and ministers, local government agencies and community groups, Māori, Pacific Peoples, not-for-profit and non-governmental organisations, research funding agencies and research partners, international stakeholders, schools and influencers, social investors and alumni.

HIGHLIGHTS

STRATEGIC INVESTMENT INITIATIVES

Massey has taken the bold step to become Te Tiriti-led. As a Tiriti-led University we are committed to demonstrating authentic leadership in a contemporary Aotearoa New Zealand as we uphold Te Tiriti o Waitangi, the founding document of our nation, and its principles, through our practice. Massey embraces this not just as an obligation but as a real opportunity for the nation and its peoples. The University is championing new strategies for the advancement and integration of te reo Māori and Māori knowledge. It will demonstrate informed practices consistent with tikanga Māori and will embrace kaupapa Māori in our activities. Massey's teaching and research are contributing to advanced outcomes for whānau, hapū and iwi.

We established five projects in 2018 as part of our Te Tiriti-led journey: the development of a Te Tiriti o Waitangi charter; staff Te Tiriti capabilities; relationships with iwi Māori; Māori student parity; and strengthening Māori academic roles.

Approximately 300 staff attended hui on all three campuses in the process of developing our Tiriti Charter, a document describing how we navigate our Te Tiriti journey. In addition, our Senior Leadership Team attended four focused workshops, including sessions with Moana Jackson and Dr Ingrid Huygens. It is clear that there is a strong demand from our staff for more information on and learning of both te reo Māori and tikanga Māori. To meet this demand, we produced a rich set of resources for staff on the Becoming Tiriti-led website. It was also gratifying to see the number

attending Tiriti workshops increase beyond our initial expectations.

We also began a project aiming to improve iwi engagement, focusing initially on our mana whenua iwi, which saw the appointment of Haahi Walker of Ngāti Whātua ki Kaipara at the Auckland campus. We developed a suite of options to help support and recognise staff who want to improve their skills and knowledge in te reo Māori and cultural understanding. These will be rolled out in 2019. Massey also launched Toro Mai, an online Māori language learning programme, which saw 11,000 people pre-register from around the world in our innovative te reo Māori and tikanga programmes. Taken together, these projects provide us with a platform to build from and provide Massey with a real opportunity for ground-breaking performance and leadership in te reo and tikanga both nationally and on the world stage.

In 2018 we farewellled Dr Charlotte Severne and welcomed Distinguished Professor Graham Hingangaroa Smith as the new Deputy Vice-Chancellor Māori. Dr Severne has taken up the role of Māori Trustee and Chief Executive of Te Tumu Paeroa. The University acknowledges Dr Severne's valuable contributions. The University also acknowledges alumnus and former Adjunct Professor Robin Hapi, who acted as interim Deputy Vice-Chancellor Māori and Pacific Peoples between Dr Severne's departure and Distinguished Professor Smith's arrival. Distinguished Professor Smith, of Ngāti Apa, Ngāti Kahungunu, Te Aitanga a Hauiti and Kāti Māmoe, started his role as Deputy Vice-Chancellor Māori in February 2019.



IWI ENGAGEMENT

The University's ambition to be a Te Tiriti o Waitangi-led university requires renewed relationships with and mutual commitments to its manawhenua partners. A key driver of the Tiriti strategic activity was to define what "Tiriti-led" meant to the University and to articulate it. This in turn would form the foundation for a new dialogue and relationships with our manawhenua partners. This work will be ongoing in 2019 as the University continues to discover and define what it means to be a Te Tiriti o Waitangi-led university.

Our manawhenua iwi consist of Te Āti Awa in Wellington, Rangitāne in Manawatū and Ngāti Whātua in Auckland. We have a number of ongoing projects with our manawhenua partners, including the development of a new marae on the Pukeahu campus in Wellington, the co-development of Te Ara Hikoi in Manawatū with Rangitāne, and the development of the first of three Massey and manawhenua cultural narratives in Auckland with Ngāti Whātua.

A wide range of existing memoranda of understanding and research projects underway across the University were collated in 2018, and work will continue in 2019 to organise these into manageable, trackable programmes to ensure that the reputation of Te Kunenga ki Pūrehuroa, Massey University is a strong one in the national iwi landscape.

FREEDOM OF SPEECH

Like many countries around the world, New Zealand faces issues relating to security and freedom of speech. Given the role they have in advancing academic freedom and informing the freedom of speech, universities frequently find themselves at the heart of such debates.

For Massey, this was particularly highlighted in the proposed visit of a former politician with known views towards Māori who had been invited by students to give an address on the Manawatū campus in August. While University management had concerns regarding the wellbeing of staff and students as a result of this speaking engagement, it was initially determined that the event would proceed in the interests of free speech. However, when a security threat was identified shortly before the speaking engagement, the University could not guarantee student and staff safety and the Vice-Chancellor withdrew University support for the event. This decision was the focus of significant media interest and commentary.

A review of the Vice-Chancellor's decisions and the performance of the University, commissioned by the University Council, found that the Vice-Chancellor had been right to take the threat seriously, but suggested that it would have been better to postpone rather than cancel the event while a threat assessment was carried out. The speech was rescheduled and occurred on October 17, 2018 on the Manawatū campus, without incident.



MENTAL HEALTH AND ADDICTION

The Government signalled a wellbeing focus in 2019 alongside its usual Economic and Fiscal Outlook in its Budget Policy Statement. It followed the Government Inquiry into Mental Health and Addiction during 2018. The catalyst for the inquiry was widespread concern about mental health services in the mental health sector and the broader community. Sir Mason Durie, Massey University Professor Emeritus, was an inquiry panel member. The inquiry was clear in its conclusion that New Zealand's mental health and addiction problems cannot be fixed by government alone, nor solely by the health system. At Massey, the College of Health is pivotal in responding to the recommendations of the inquiry and the change we want to see for our people and country.

The College of Health contributed to the development of the mental health workforce through the contributions our students made on placements in district health board mental health services, primary health organisations and non-government providers, and postgraduate courses at master's level for practitioners engaged in this field. Staff from the college provided consultancy and clinical supervision for staff from the broader mental health sector. The School of Nursing also played an important role in preparing mental health nurse leaders through the Te Pou contract, which supports current and potential nurse leaders to gain postgraduate qualifications.

We conducted research into the ways that physical and mental health are inextricably bound together, and that programmes that fulfil physical needs can also provide the context for mental health and spiritual growth. This research demonstrated how communities are powerful drivers of their wellbeing when supported to provide their own solutions. The research also examined how the media influence mental health through reporting on isolation and distress. In our research on mental health we provided a strong critique of the drivers that people struggle to address at individual and

community levels: poverty, inequalities and institutional racism. Our work both supported people to create communities that enhance mental wellbeing and supported much broader societal change that will profoundly influence the resources to which these communities have access.

Almost \$1 million was awarded to Professor Sally Casswell, SHORE & Whāriki Research Centre, for a study quantifying the disease burden of alcohol's harm to others. Also, Dr Taisia Huckle from Massey University's SHORE & Whāriki Research Centre was awarded a Sir Charles Hercus Health Research Fellowship from the Health Research Council. The \$500,000 grant will fund Dr Huckle's latest research project, entitled Alcohol's harm to others: Impacts on children of problem/heavy drinkers, which will be carried out in the next four years.

Workforce development and leadership in Māori mental health are being supported through Massey University's Te Rau Puawai – Māori Mental Health Workforce Development programme. With an average pass rate of 95 per cent, Te Rau Puawai has achieved phenomenal academic success for its students, but more importantly has had far-reaching impacts on Māori mental health. Since its inception in 1998, more than 400 new graduates have been added to the Māori mental health workforce, with many now filling influential roles throughout the sector. Developed in partnership with the Ministry of Health's Health Workforce New Zealand, Te Rau Puawai has contributed to positive Māori mental health in New Zealand. Te Rau Puawai celebrated 20 years of making a difference to the mental health workforce in April 2018.

MASSEY'S CONTRIBUTIONS TO THE SUSTAINABLE DEVELOPMENT GOALS

On January 1, 2016 the United Nations' 17 Sustainable Development Goals (SDGs) came into force. The SDGs are a blueprint to achieve a better and more sustainable future, addressing the global challenges that we all face. In 2018 Massey University's Vice-Chancellor co-sponsored a resolution for all New Zealand universities to support the SDGs. Universities have a special place in New Zealand society, meaning they can contribute to meeting the SDGs in several ways, including through education, research, leadership (including partnerships and advocacy) and looking at their own institutional operations and governance.

The 17 SDGs, and examples of ways that Massey is contributing towards meeting them, are shown on page 42.



UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS



SDG1 – NO POVERTY

- The Center for Culture-Centred Approach to Research and Evaluation relocated to Massey. It supports many community-based projects on indigeneity, labour rights and poverty.
- The book *Te Hā Tangata: The Breath of the People* was launched in April, comprising 10 stories about homeless people in Wellington.



SDG2 – ZERO HUNGER

- Massey University, in partnership with the University of Peradeniya, ran several workshops on identifying and addressing factors limiting local dairy production in Sri Lanka.
- Lighting the way to higher crop yields, Massey University spinout company BioLumic secured a \$6.9 million investment to develop ultraviolet-light-based products to support food growers around the globe.



SDG3 – GOOD HEALTH AND WELLBEING

- New ways of predicting disease hot-spots created by humans changing the environment were developed. These help to identify where and how society can mitigate the risk of infectious disease emergence, such as the Ebola virus disease in Africa.
- The College of Health's Environmental Health Indicators programme was granted almost \$2 million by the Ministry of Health, to continue investigating links between New Zealand's environment and the health of Kiwis.
- Healthspace, an online visualisation tool for health-related data, was released. This shows maps and profiles for more than 20 topics, including alcohol-related harm, cancer rates and hospital use.
- The Riddet Institute at Massey has created a new, cost-effective and easy-to-produce method of putting iron into food without affecting quality or taste, called FERRI PRO. It is estimated the 20-30 per cent of people suffer from iron deficiencies, and more prominently in developing countries. Massey has sold the patent to Nestle which is the world's largest global food brand.
- *Thought for Food: Why What We Eat Matters* was published. This examines the latest evidence on what causes cancer, other chronic diseases and obesity.
- Massey University provided expert advice to Auckland mothers behind Eat Right, Be Bright. This campaign aims to improve the health and educational outcomes of children by improving their dietary intakes at school.
- The NZ3M project was awarded more than \$11 million by the MBIE Endeavour Fund, to look at differences in health and wellbeing arising from diversity in ruminant milks.
- Synlait's new Research and Development Centre opened on Massey's Manawatū campus. The Palmerston North team, in conjunction with Massey and FoodPilot, will primarily concentrate on innovative dairy liquid product development.
- Research on young people in New Zealand was published. This included investigations of factors that influence their wellbeing, factors contributing to asthma, and factors contributing to milk consumption patterns. The identification of these factors will provide guidance for future targeted health interventions.
- Research was published on both the prevalence of hazardous drinking and culturally appropriate food practices to improve the quality of life and wellbeing of older New Zealanders. The Health Research Council also awarded almost \$250,000 for further work on dietary patterns in older adults, and their association with cognitive function and other health outcomes associated with ageing.
- The New Zealand Workplace Barometer was launched. It will research psychosocial risk factors in New Zealand workplaces and develop evidence-based interventions for addressing stress-related illnesses. Such illnesses are predicted to be the leading causes of the disease burden globally by 2020.
- Research on waka ama (outrigger canoeing), one of the fastest-growing sports in Aotearoa New Zealand, culminated in a short film showcasing waka ama and its contribution to the health of paddlers.



SDG4 – QUALITY EDUCATION

- Te Rau Puawai, a partnership between Massey and the Ministry of Health, celebrated more than 20 years of success. Almost 400 graduates have joined the Māori mental health workforce since its inception. Scholarships and learning support help students to complete the programme.
- Massey launched Toro Mai – a platform for developing understanding of tikanga Māori and te reo Māori. More than 11,000 people from around the world have enrolled.
- A major Australasian award was received for research into designing new teaching methods to improve Pacific Peoples and Māori student achievement.
- Several free public lecture series were held, including Our Changing World, Fascination Science, the WH Oliver Humanities Research seminar series, and Our Lives Online.
- Massey University welcomed more than 100 Pakistani PhD candidates to study at its three campuses, in conjunction with the Higher Education Commission in Pakistan, which provided scholarships. Many graduates have already returned home to share their knowledge.



SDG5 – GENDER EQUALITY

- Women@Massey had a fantastic 2018. Lunchboxes, social events, mentoring circles and leadership seminars provided professional and personal development opportunities for staff.
- Massey researchers convened the Working Women's Progression and Experiences in Context Stream for the Gender, Work & Organization 10th Biennial International Interdisciplinary Conference.
- Gender equity continued to be in the spotlight with the publication of a co-written report on *The Role of Middle Managers in Progressing Gender Equity in the Public Service*.
- Massey made significant progress in pay and employment equity. The Pay and Employment Equity report, prepared in 2018 and released on March 8, 2019, found that between 2009 and 2018 senior roles held by women at Massey had increased from 25 per cent to 58 per cent, and the wage gap for women in senior roles had reduced from 20 per cent to 8 per cent. The report also found that there was no gender pay gap at Associate Professor level, and that in 2018 more women academics had been promoted than men. For professional service staff, the wage gap had reduced from 17 per cent to 11 per cent.
- In 2018 six women were promoted to Professors (55 per cent of the promotions) and 12 were promoted to Associate Professors (71 per cent). Our Senior Leadership Team had a 50 per cent gender split in 2018, and our Vice-Chancellor is one of the three women leading universities in New Zealand.
- Dr Farah Palmer, the first female elected to the board of New Zealand Rugby and a Massey School of Management senior lecturer, has received the 2018 Women of Influence Board and Management award. Two other Massey University staff members, and several students and alumni, were also Women of Influence finalists.
- Professor Sarah Leberman won the sports category in the NEXT Woman of the Year awards, for 20 years of advocating for gender equity in sport.



SDG6 – CLEAN WATER AND SANITATION

- Massey organised a workshop for councils, scientists and farmers on effective and targeted water management solutions in sensitive agricultural catchments.
- The Health Research Council awarded Massey almost \$1.2 million to study leptospirosis. This can cause disease and death in animals and transfers to humans via infected urine and contaminated water.
- Drinking water and recreation water were two of the Environmental Health Indicators that Massey continued to monitor.
- Research on removing harmful solids, phosphorus and nitrogen from wastewater was published.



SDG7 – AFFORDABLE AND CLEAN ENERGY

- Massey was awarded almost \$1 million from the MBIE Endeavour Fund Smart Ideas programme for research that aims to harness the unique properties of harakeke fibres (New Zealand flax) to improve super capacitors.



SDG8 – DECENT WORK AND ECONOMIC GROWTH

- Massey University has been an associate member of the Sustainable Business Council for some time, and recently expanded this to full membership.
- Massey Business School ran a *Big Issues in Business* event focused on how the SDGs are changing corporate behaviour, in *The Rise of Good Business*.
- Research findings from two projects, Pathways to Resilience and Youth Transitions, were used to develop guidelines for businesses to help support young people into employment.
- *Te Manu ka Rere: Fostering Māori Enterprise and Financial Capability* was published. This looks at the financial capabilities of Māori entrepreneurs and their impacts on their ability to start and run Māori enterprises.



SDG9 – INDUSTRY, INNOVATION AND INFRASTRUCTURE

- The inaugural New Zealand industrial hemp summit was held. Hemp is a sustainable source of food, fibre and medicine and New Zealand has a fantastic opportunity to create a brand-new primary industry based on it.
- The School of Aviation was the first pilot training facility in New Zealand to install the new-generation Diamond DA-42 simulator. This will give students the opportunity to practise a range of emergencies that cannot be tested safely in aircraft.



SDG10 – REDUCED INEQUALITIES

- Research comparing the occupational risk factors of between indigenous and non-indigenous people was published by Massey's Centre for Public Health Research. It suggested that the contribution of the occupational environment to health inequities between Māori and non-Māori had been underestimated.
- \$300,000 from the Marsden Fund was awarded for a project exploring the role of galleries, libraries, archives and museums in revitalising te reo Māori.
- The Out&About@Massey team had a stall at Auckland's annual Big Gay Out, and held events on each campus to support the Rainbow community.



SDG11 – SUSTAINABLE CITIES AND COMMUNITIES

- Massey University implemented a new eWaste scheme to record how much rubbish is recycled. Twenty-seven per cent of all waste was recycled in 2018.
- Massey University students are helping Ōpunake locals to go plastic free. The coastal settlement could soon become New Zealand's first town free of single-use plastics.
- Coinciding with Plastic Free July, industrial design students worked with Lower Hutt-based plastics recycling company Replas to design and repurpose products for new-look public facilities.
- Dr Mikael Boulic of the Healthy School Team, He Wharekura Oranga, received the James Hardie Innovation Award for developing the SKOol MOonitoring BOx which measures classroom air quality. Understanding how air quality can be improved may lead to decreases in illnesses in the future.
- A book chapter on the inter-linkages between the Planetary Boundaries and the SDGs, underpinning the development of an absolute sustainability approach, was published.
- Massey, through the New Zealand Life Cycle Management Centre, is a founding member of The Planetary Accounting Network (PAN) – a not-for-profit research centre focusing on the limits of a liveable planet. PAN aims to enable people, businesses and governments to make decisions that will revitalise and sustain our environment.



SDG12 – RESPONSIBLE CONSUMPTION AND PRODUCTION

- Massey University's Sustainability Planning Framework was approved. This dovetails with the new University strategy and aligns with Māori understandings of the reciprocal relationship between land and people.
- More than 200 staff and students shared their views on Massey's draft Environmental Sustainability Strategic Plan.
- The new composting initiative in the Manawatū campus student dining hall continued. This campaign aims to have 98 per cent of all waste composted or recycled.
- Massey University is the new partner of the New Zealand National Fieldays Society, fitting with our strong focus on agriculture and health. The theme of the Fieldays this year, the society's 50th anniversary, was the Future of Farming.
- A project is underway to investigate whether the dairy industry can drive a new class of beef product, New Generation Beef, by rearing bobby calves. This has the potential to one day phase out the slaughter of bobby calves.
- The Ministry for Primary Industries' Significant Contribution to Food Safety Award, and the 2018 American Dairy Science Association's Distinguished Service Award – for contributions to the welfare of the dairy industry – were presented to distinguished Massey Professors Nigel French and Harjinder Singh respectively.
- The Massey AgriTech Partnership, a new research centre, was launched. The centre will focus on harnessing data for real-time decision-making to optimise both productivity and every aspect of farm life.
- Massey's Fertilizer and Lime Research Centre held its annual workshop, this year on "Farm Environment Planning – Science, Policy and Practice" and continuing the sustainable farming theme of the past several years.



SDG13 – CLIMATE ACTION

- The inaugural *Climate Communication Summit* was organised, to discuss better ways to engage the New Zealand public with climate change initiatives to achieve a zero-carbon future.
- A *5 in 5* series on climate change was held in October. At each event, five inspirational people spoke about a variety of issues relating to climate change.
- A Climate Action Plan for the University that will help reduce our carbon footprint is under development.
- Massey signed up to the Air New Zealand FlyNeutral programme to offset carbon emissions from air travel, offsetting 4667 tonnes in our first year of participation.
- Massey developed an e-Bike scheme, through which Manawatū staff and students receive a 20 per cent discount on the retail price of e-Bikes, to encourage staff and students to use sustainable forms of transport to get to and from campus.
- A new initiative, PAWS (People • Animals • Wellbeing • Surveillance) aims to protect both animals and humans from natural hazards, including longer-term ones like droughts and rising sea-levels.
- Professor Bruce Glavovic was appointed lead author of *Chapter 18: Climate Resilient Development Pathways*, for the next assessment round of the Intergovernmental Panel on Climate Change.
- Feral, a "nearly carbon neutral" online conference on humans and nature, was hosted by Massey and Wageningen University (Netherlands), bringing together scientists, artists and philosophers without the huge costs and environmental impacts associated with a conventional conference.



SDG14 – LIFE BELOW WATER

- Massey's Coastal-Marine Research Group was awarded a prestigious Rutherford Discovery Fellowship for work on marine mammal stranding.
- Massey staff were appointed to the International Whaling Commission and a taskforce advising the United Nations Environment Assembly Expert Group on marine plastic pollution.



SDG15 – LIFE ON LAND

- The Massey-led Indigenous Flora Seed Bank is working with the Department of Conservation on banking seed of New Zealand Myrtaceae. These are under threat as a result of the incursion of Myrtle rust.
- Research was published on the ecology and biodiversity of many flora and fauna, including kiwi, wētā, tuatara, native snails, arthropods, grasshoppers, whelks and two Manawatū endemic plants. Research was also undertaken on predators and competitors of native wildlife, including weasels, rats and bulbuls.
- The construction of the Central Energy Trust Wildbase Recovery centre was completed. Native wildlife treated at Massey University's Wildbase Hospital will be able to recuperate there in the future.
- Two vegetation restoration guides for the Foxton and Manawatū Plains' Ecological Districts were published, as well as a 30-year review of the dynamics of rare turf flora of dune slack wetlands in Manawatū.
- Research on native bacteriophage cocktails to protect honey bees from American Foulbrood, the single largest disease of honey bees in New Zealand, received more than \$275,000 from the Ministry for Primary Industries' Sustainable Farming Fund.



SDG16 – PEACE, JUSTICE AND STRONG INSTITUTIONS

- Disarmament activist Thomas Nash was appointed as Massey's first Social Entrepreneur-in-Residence, and former Green Party MP Dr Sue Bradford and Māori activist Tāme Iti are the 2018 and 2019 Activists-in-Residence. They hope to generate rich discussion and ideas among students and staff to create change.
- The Massey Business School was proud to maintain its commitment to the Principles for Responsible Management Education to which it signed in 2011. The school also launched its Citizenship Day to engage students in a range of sustainable and responsible activities.
- A memorandum of understanding was signed between Massey's Centre for Defence and Security Studies and Poland's Jagiellonian University's Department of National Security. Future collaboration will have the benefit of Central European insights and perspectives.
- Three days' paid leave per year for staff to undertake volunteering work with approved organisations was introduced to promote, encourage and recognise the importance of contributing to the community.



SDG17 – PARTNERSHIPS FOR THE GOALS

- Researchers and students attended the inaugural New Zealand Sustainable Development Goals summit, held at Victoria University of Wellington: Partnerships for Agenda 2030.
- All the New Zealand universities agreed to make a sector contribution to New Zealand's Voluntary National Review of the SDGs, and will organise a summit on the SDGs in 2019.

TE PAE O ANGITU

ENABLING EXCELLENCE



IMPACT

A REPUTATION FOR CARING, AND A COMMITMENT TO OUR PEOPLE AND OUR PLACES.

GOAL

WE WILL ENABLE RESEARCH EXCELLENCE, LEARNING AND TEACHING EXCELLENCE AND LEADERSHIP THROUGH STAFF, FINANCIAL AND BUSINESS EXCELLENCE.

OBJECTIVES:

STAFF EXCELLENCE

- Maximising staff engagement and wellness;
- Maximising the advantages of a diverse staff through the pursuit of equity;
- Ensuring that we have a staff profile that delivers the best strategic outcomes;
- Building staff competencies to honour Te Tiriti o Waitangi and its principles;
- Building academic and professional staff capabilities, particularly in the digitally mediated environment that we embrace;
- Fostering whole-of-University attitudes and behaviours by all staff; and
- Engaging authentically in performance appraisals of all staff, where performance is actively addressed and excellence rewarded.

FINANCIAL EXCELLENCE

- Increasing our operating surplus to ensure sufficient financial strength to aggressively invest in University-level strategy;
- Linking investment of resources to the achievement of our strategic outcomes;
- Developing and maximising commercial acumen for managers;
- Driving financial accountability for activity across all areas of the University; and
- Diversifying revenue sources.

BUSINESS EXCELLENCE

- Clarifying and, where necessary, simplifying corporate and internal entities;
- Removing duplication and simplifying internal regulatory processes and procedures to ensure that we are "good to do business with" and able to act nimbly;
- Increasing internal transparency and collaboration;
- Fostering and enhancing excellence in service quality;
- Investing in enterprise-wide information technology systems to build efficiency and consistency for the business, including continuing investment in our student learning and student management systems;
- Establishing clear delegations' frameworks that provide authority and accountability;
- Developing our campuses to enable physical spaces that give life to our innovation ecosystems wherever we operate; and
- Prioritising the modification of our existing physical infrastructure to maximise distinctive, contemporary physical learning and working environments.

AT A GLANCE

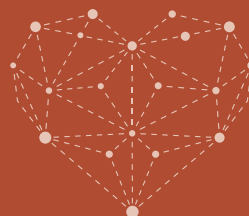
\$528 MILLION IN REVENUE

\$13.4 MILLION IN FEES FREE

\$14.9 MILLION GROUP SURPLUS
(2.8% SURPLUS ON REVENUE)



Ranstad MOST ATTRACTIVE EMPLOYERS Survey Award



TE KURATINI MARAE, Heart of the Campus – Wellington neared completion



Sir Neil Waters Building extension work started on Auckland campus

Manawatū **COLOMBO HALL** granted heritage status





Continued progress towards **EQUITY OF WOMEN** in senior positions, with **50% GENDER BALANCE** in our SENIOR LEADERSHIP TEAM

DIGITAL WORKPLACE PROJECT addressing online communication, collaboration and working remotely



5-STAR QUALMARK rating and **GOLD SUSTAINABLE TOURISM BUSINESS AWARD** for **TE ŌHANGA VILLAGE**, Auckland campus student accommodation – **the only student accommodation village with 5 stars**



New music recording and production studios open for **SCHOOL OF MUSIC** and **CREATIVE MEDIA PRODUCTION**

3269 STAFF

1419 ACADEMIC
1850 PROFESSIONAL

INTRODUCTION

Massey University achieved a surplus of \$14.3 million in 2018. Significant growth in external research revenue along with multiple cost-saving initiatives resulted in the University exceeding the budgeted surplus by \$0.8 million. This is an excellent result given the continued financial constraints facing the tertiary education sector.

Massey University Group achieved a consolidated surplus of \$14.9 million, \$0.9 million lower than budgeted. This difference predominantly resulted from a decline in financial markets at the end of 2018 affecting the results of the Massey University

Foundation. Markets rebounded at the beginning of the 2019 financial year. The Group continues to have a very strong balance sheet, with assets of \$1.5 billion against total liabilities of only \$0.2 billion.

Massey University completed a new Investment Plan during 2018 as part of the Government funding process. The new Investment Plan was agreed and approved by the Tertiary Education Commission. The new Investment Plan sets our funded priorities and our targets and commitments to educational performance indicators from 2019 to 2021.

HIGHLIGHTS

STRATEGIC INVESTMENT INITIATIVES

We aim to embed a culture of excellence in our service provision to deliver high levels of staff satisfaction with the business processes and services we offer. In 2018 we piloted a project with Toi Āria (our internal design-for-public-good research unit). We selected one internally focused service delivery process for improvement as a pilot for this programme of work.

The overall aim of this programme of work is to develop a new framework for understanding user-focused service delivery and the importance of co-creating service improvement solutions with people most affected by those services. While the initial project focused on internal service provision, ultimately the goal is for a transformed organisational culture that ensures that Massey staff and students are provided with an exceptional service experience at all times. The pilot for this initiative was the "Procure to pay process", including accounts payable.

The findings were distilled into a set of journey maps as a visual way of showing the relationships between different users and highlight the difficulties that these users encounter amid the complex interactions of needs, practices and policies. The method for improving the service will serve as a case study from which further approaches to managing service process improvement at Massey could be derived and implemented.

OUR STAFF

Our people are instrumental in working collaboratively and creatively to help us achieve our strategic priorities. We are committed to our staff and we offer them a wealth of opportunities for rewarding careers. Massey University was ranked in the top 20 most attractive employers in New Zealand in the 2018 Randstad Most Attractive Employers Survey Awards. In 2018 we had a total of 3269 full-time-equivalent (FTE) staff, of whom 1419 were academic staff (including academic support staff) and 1850 were professional staff.

CULTURE

At Massey University we embrace diversity, talent and performance, and provide our employees with an extensive range of opportunities to develop intellectually, professionally and personally. Our employees are passionate ambassadors for Massey and we ensure that they are well supported to do this. Massey University is proud to be a Rainbow Tick certified organisation and this achievement confirms our commitment to the Rainbow community.

Massey University is committed to providing a healthy and safe work environment for all staff and students. As part of this commitment, on January 1, 2018 all Massey University's campuses became smoke-free; Massey University supports New Zealand's commitment to being smoke-free by 2025.

Staff from across Massey University celebrated Pink Shirt Day in May 2018. Pink Shirt Day is an opportunity to demonstrate a personal commitment to making a stand against bullying in all its forms, and a stand for creating positive workplaces that support the wellbeing of staff, students and everyone who engages with Massey. Massey has a comprehensive policy and procedure for dealing with complaints, as well as information for staff and managers on how to handle bullying issues. There is also regular training for managers and staff. Members of our Harassment Contact Network provide advice on dealing with issues to staff and students on a confidential basis.

The University reviewed the leave policy and proposed a number of changes. One of these changes was an additional three days' paid leave per year for staff to undertake volunteering work with approved organisations. This was introduced to support staff personal and professional development as well as recognise the tangible benefits that contributing to the community can provide. Massey also provided for staff to apply for and take domestic violence leave. Up to 10 days' discretionary paid leave is available for staff to attend medical appointments, legal proceedings and/or counselling sessions.

In September all permanent and fixed-term staff were invited to contribute to a mini-survey asking for feedback on a key set of items from the full VOICE Staff Survey run in late 2017. The survey focus was on the staff's sense of action taken since the full 2017 survey, with a particular focus on respectful behaviours in the workplace.

MENTAL HEALTH AWARENESS WEEK

Our staff took part in Mental Health Awareness Week. The theme this year was *Let nature in, strengthen your wellbeing – Mā te taiao, kia whakapakari tōu oranga!*. To support raising awareness, managers and staff were provided with resources and toolkits on mental health and wellbeing and encouraged to take part in the Mental Health Awareness Week workplace challenge.

EQUITY

Massey continued to make progress in increasing equity between male and female staff, particularly in senior positions. The Senior Leadership Team had a 50 per cent gender split in 2018. The percentage of women in senior positions in the professional service areas was 46 per cent. For senior academic staff (professors and associate professors) the rate was 34 per cent; this is an increase from 31 per cent last year.

DIGITAL WORKPLACE

We recognise that the workplace is becoming less of a physical space and more of a virtual working experience, where we can get things done the way we would have at our own offices. Our

University as a workplace is evolving to become more digital than ever, addressing our growing need to remain always connected and enabling us to access information instantly, get more things done more quickly and more efficiently, and do things together in spite of physical barriers.

In 2018 the Digital Workplace Project Team worked with departments to help them achieve efficiencies in processes that all staff use and provided recommendations to improve them, moving from paper-based requests and applications by automating processes and creating easy-to-use online forms supported with automated workflows.

More tools were also made available for staff to encourage online communication and collaboration and working remotely.

ENTERPRISE SYSTEMS

STUDENT MANAGEMENT SYSTEM

The Student Management Solution Implementation (SMSI) programme consisted of four separate but interrelated projects that together delivered a Student Management Solution. The largest of these projects was the Student Management System (SMS) project to replace the University's legacy, bespoke SMS. The project included the necessary redesign of all related business processes and was delivered in a tight timeframe. When the SMS went live in August 2017, a number of issues affected staff and students. Changed business processes and the SMS not always behaving as expected affected important processes such as recruitment, admission, enrolment and invoicing. Students raised complaints with the media, particularly about enrolment and finance problems, and it became difficult for staff to provide student services.

As a result of staff efforts during late 2017 and 2018, data issues were resolved, defects rectified and new features added for students, and users are now more proficient and confident. The focus has moved from improving the systems and processes to formally measuring the achievement of benefits that were anticipated in the SMSI programme.

A new integrated support unit was set up to support and continuously improve the new SMS in partnership with user groups throughout the University.

PHYSICAL INFRASTRUCTURE

AUCKLAND

Construction to extend the Sir Neil Waters Building at Massey University's Auckland campus began in June, marking an important milestone in the campus expansion plans. The extension, along with the construction of a 9800-square-metre Innovation Complex, is part of a \$120 million development plan to improve the University environment and meet the growth in student numbers.

Work is taking place to extend the footprint of the Sir Neil Waters Building from its current floor size of 2484m² gross to 4373m² gross. The additional space will provide five additional teaching spaces and workspace to accommodate around 110 staff and postgraduate students. The work is expected to be completed during 2019. Construction of the Innovation Complex is planned to begin in 2019. The projects represent the biggest development since the campus was established.

Massey University's Auckland campus student accommodation received a 5-star rating for the fourth year running and, for the first time, a Gold Sustainable Tourism Business Award. Te Ōhanga Village received the award, having been judged in the categories of economic, environment and culture, social and people, and health and safety. The latest accreditation report made particular reference to the village's improvement in the environment category due to the implementation of several initiatives, including the promotion of sustainable practices to students at the beginning of the academic year. Other initiatives included: an effort to reduce the amount of printed material and reuse shopping bags; the introduction of a clothing recycling programme; the promotion of permanent coffee cups over single-use takeaway cups; and the re-invigoration of the campus's community garden. The village first achieved a Qualmark 5-star rating in 2015, its opening year, and remains the first and only student accommodation village to get such a rating; it is now the only village to hold a Gold Sustainable Tourism Business Award.

MANAWATŪ

At the Manawātū campus, New Zealand's first purpose-built student hall of residence constructed for Colombo Plan students, Colombo Hall, received official heritage status. It was built to house international students studying under the Colombo Plan and opened in 1964.

The new Food Science Facility is well under construction. It will be New Zealand's largest agri-food innovation centre and comprises a 5000m² building across three storeys. The building

is a joint facility concept with AgResearch. It will house a fully functional, 500m² pilot meat processing plant along with three wet and dry processing rooms, and a 500m² dairy processing plant on the ground floor. Upstairs, new laboratories will update the existing facilities at AgResearch Ruakura. Other facilities include an environmental test chamber, a level-two physical containment laboratory, many chillers and freezers, and an extensive gantry rail system so carcasses can be moved safely around the plant, which has been designed to de-fabricate deer, lamb, veal and quartered beef carcasses. The building will draw together scientists from the AgResearch meat and dairy science teams with researchers from Massey University, the government-funded Centre of Research Excellence Riddet Institute and the School of Food and Advanced Technology. There will be more than 100 scientists working in the building, as well as Massey University staff and students.

The construction of facilities for the School of Aviation on a site at Palmerston North Airport progressed in 2018. Flight operations are fully functioning from the Stage 1 facility completed during the year. Stage 2 is due for completion in June 2019 and will accommodate the aviation faculty and administrative staff at the new Palmerston North Aviation Training Facility.

WELLINGTON

In 2018 the College of Creative Arts opened new music recording and production studios as part of the School of Music and Creative Media Production, which has attracted a host of talented musicians to teach its programmes.

In November the Vodafone New Zealand Music Awards' Artisan Awards, which recognise the best technical and production values in the music industry, were hosted in the school's new music and production facilities. The event, held in Wellington for the first time, was also livestreamed. The college's annual end-of-year show, *Exposure*, took place around the same time, so attendees were able to experience the brilliant work our students had produced in the music,



design, media and fine arts programmes. Massey University sponsored and presented awards for best Engineer, best Producer and best album cover. Awards were also presented in the categories of NZ On Air Best Music Video and the new award, Music Teacher of the Year.

Massey University will return to the Dominion Museum Building in 2019 following the closure of the Great War Exhibition after Armistice Day in November 2018. The Great War Exhibition was designed as a temporary exhibition, which would be open for the duration of the First World War centenary. The iconic Grand Hall has been the scene of numerous exhibitions, performances and events for decades and it will be wonderful to have such an outstanding asset back in action for the University and the public. The museum

building occupies an important place in Wellington's history and future. It is the front door for Massey University's Wellington campus and will once again provide an outstanding teaching and learning environment for the University's students and staff.

The Te Kuratini Marae project on the Wellington campus is nearly complete and is expected to be formally open in 2019. As part of the project, the existing wharehui was converted into a wharekai and a whole new wharehui was built. Artwork is being completed by the Kāhui Toi group from the College of Creative Arts. Massey has appointed a new Kaiwhakaruruha/Marae Manager to maintain the operation of the marae complex as well as ensure that the relationships between students and staff are strong and productive.

STAFF

STAFF BY TYPE*

FTE STAFF	2016	2017	2018
Total academic staff*	1,401	1,431	1,419
Total professional staff*	1,812	1,880	1,850
UNIVERSITY TOTAL	3,213	3,311	3,269

STAFF RATIOS*

	2016	2017	2018
University ratio of EFTS to academic staff*	13.5 : 1	13.0 : 1	13.2 : 1
University ratio of professional services staff to academic staff*	1.29 : 1	1.31 : 1	1.30 : 1

* Prior to 2017 staff FTEs were reported in three categories. To align more closely with other New Zealand universities, the category "Contract and Trading" (used for research and capital projects) was removed. In 2017 the FTEs in this category were redistributed into the Academic and Professional categories and data adjusted accordingly.

WOMEN IN SENIOR POSITIONS (HEADCOUNT)**

	2016	2017	2018
Senior Leadership Team	5 (42%)	6 (55%)	5 (50%)
Senior managers/directors/managers	106 (43%)	131 (47%)	134 (46%)
Professors/Associate professors	87 (31%)	84 (31%)	97 (34%)
OVERALL	198 (37%)	221 (39%)	236 (40%)

** Staff headcount as at December 31 for each year.

COST OF OUTPUTS

The University's activities contribute to three broad classes of outputs. These outputs are research, learning and teaching, and services to the community.

OUTPUTS	Actual	Actual
	2017	2018
	\$'000	\$'000
Research	\$ 214,196	\$222,076
Learning and Teaching	\$280,695	\$277,285
TOTAL COST OF OUTPUTS	\$494,891	\$499,361

The above costs exclude cost of student services funded by student levies.

It is impractical to reliably allocate costs to community service and as such no costs have been disclosed.

STATEMENT OF SERVICE PERFORMANCE



NGĀ KETE O TE WĀNANGA

RESEARCH

INPUTS

RESEARCH FUNDING AND PARTNERSHIPS	Notes	2016	2017	2018	Target	Status
External research income (\$m)		67	74	77	60	Achieved
Performance-Based Research Fund (PBRF) external research income (\$m)	1	62	64.5	68.8	55	Achieved
Active international partnerships (#)	2	292	310	321	–	

- 1 The 2018 actual is an interim figure only, pending confirmation of final data from the TEC. The 2017 interim result was 65 and is now updated with the actual result.
- 2 Active international partnerships are those partnerships where Massey University is the first party (the lead contractor) to the programmes/contracts.

Massey University's external research income in 2018 was \$3.6 million (5 per cent) higher than in 2017 and exceeded the Investment Plan target by \$17 million (29 per cent). While the environment for securing contestable research funding continues to be highly competitive, Massey University performed strongly in the main annual Government funding rounds for 2018, receiving \$7.5 million from the Marsden Fund, \$13.3 million from the Endeavour Fund (Smart Ideas + Research Programmes) and \$2.8 million from the Health Research Council of New Zealand (Projects + Programmes).

The Performance-Based Research Fund external research income interim result of \$68.8 million is \$4.3 million above that for 2017 and \$13.8 million above the *Investment Plan* target for 2018.

The total number of active international partnerships in 2018 (321) continued to grow over previous years. In 2018 a total of 59 international partner agreements were signed through the International Relations Office, consisting of 29 memoranda of understanding (MOUs) and 30 agreements.

POSTGRADUATE STUDENTS	Note	2016	2017	2018	Target	Status
Postgraduate research participation (% EFTS)	3	7.5	6.2	6.2	7.8	Below

- 3 Postgraduate research enrolments in papers funded under category levels 4 and 5 as defined by the TEC.

Postgraduate research participation was stable in 2018 compared to last year's participation rate. The number of postgraduate research students was also stable compared to last year.



OUTPUTS

POSTGRADUATE STUDENTS	Notes	2016	2017	2018	Target	Status
Research degree completion (#)	4	503	398	434	365	*
Postgraduate successful course completion (%)	5	90.3	92.0	88.0	90.5	*
Postgraduate satisfaction with overall research experience (%)	6	73.5	76.3	77.9	83.5	Below

* The results for 2018 are indicative and will be updated in the Annual Report 2019.

- 4 The total number of research degree completions for 2018 can only be reported once the Single Data Return has been submitted in April 2019. The 2017 indicative figure reported for the prior year was 385; this has now been updated with the actual result.
- 5 Postgraduate successful course completion EFTS as a proportion of the total EFTS delivered. The 2017 indicative figure reported for the prior year was 88; this has now been updated with the actual result.
- 6 Postgraduate student satisfaction "with your entire research experience" is taken from the Postgraduate Research Experience Questionnaire. The 2018 survey included 551 respondents, which is a response rate of 28 per cent.

The indicative result for research degree completions shows that Massey University will exceed the *Investment Plan* target by at least 69 completions and at least 36 research degree completions above the 2017 actual results.

Postgraduate students' satisfaction with their overall research experience increased by 1.6 per cent compared to last year, but was below the *Investment Plan* target.

PUBLICATIONS	Note	2016	2017	2018
Research outputs – total (#)	7 [^]	2,833	2,743	2,064
- Journals	[^]	2,280	2,132	1,825
- Books	[^]	321	423	168
- Creative works	[^]	232	188	71

[^] These measures were first included in the 2017 report. Historical data for 2016 is unaudited and shown for information purposes only.

- 7 Research outputs include papers published in externally reviewed journals, series or books; refereed conference papers and abstracts; books and monographs; and non-text-based research outputs.

Publication outputs for 2018 are still being entered in our research management system, and the final number of research outputs will be finalised in due course.

COMMERCIALISATION	Note	2016	2017	2018	Target	
New disclosures (#)	8	27	20	27	30	Below
Licences/deals executed (#)		2	0	3	3	Achieved
Licensing revenue (\$000)		341	353	226	310	Below

8 An invention disclosure ("a disclosure") is an invention or idea that has commercial potential.

The number of new disclosures in 2018 increased by seven over the 2017 result; however, this was marginally below the target set in the *Investment Plan* for 2018.

The number of licences/commercialisation deals in 2018 increased from the 2017 result and met the target set in the *Investment Plan* for 2018. The unpredictable nature of complex commercial negotiations makes it difficult to forecast the number of deals in any one year.

The amount of licensing revenue in 2018 decreased from the 2017 result and was 27 per cent below the 2018 *Investment Plan* target. This was primarily due to the closure of two royalty agreements during the year.

Massey University remains strongly committed to translating innovative academic research into commercial opportunities through existing commercial enterprises or new ventures. The appointment of a new Dean, Enterprise from January 2019 will ensure that Massey continues to invest in innovation and commercialisation to support its research efforts, for both staff and students.

TE AKO

LEARNING AND TEACHING

INPUTS

STUDENT PARTICIPATION	Notes	2016	2017	2018	Target	Status
Total University EFTS	^	18,944	18,653	18,664	19,708	Below
Total University Student Achievement Component (SAC)-eligible EFTS	^	15,546	15,051	15,118	16,032	Below
International full-fee EFTS	9	2,961	3,106	3,290	3,016	Achieved
All international student participation rate (% EFTS)	10	17.9	20.0	21.2	17.5	Achieved
Postgraduate taught participation (% EFTS)	11	15.3	15.6	15.4	14.9	Achieved
Māori student participation rate (% SAC EFTS)		12.0	11.7	11.7	12.2	Below
Pacific Peoples student participation rate (% SAC EFTS)		4.9	5.1	5.0	4.9	Achieved

^ These measures were first included in the 2017 report. Historical data for 2016 is unaudited and shown for information purposes only.

9 From 2017 includes TEC funding classification 02 only as per Single Data Return submissions. Data for 2016 is as per TEC funding classifications 02, 03, 12 and 20.

10 All international students includes students who pay full international fees and subsidised international students, e.g. foreign wholly research students.

11 Postgraduate taught students include enrolments in papers funded under category level 3 as defined by the TEC.

The University achieved a small increase in EFTS and SAC EFTS for 2018 over its 2017 volume, but these were still below the *Investment Plan* targets for the year. This continues to reflect the softening demand for tertiary education in New Zealand due to changing demographics and a strong domestic economy.

The total number of international full-fee EFTS continued to increase over previous years and was above target. Due to the growth in international students and the flattening of domestic demand, the University's participation rate for all international students as a proportion of total EFTS increased by 1.2 per cent when compared to 2017, and was above target by just under 4 per cent.

The postgraduate taught participation rate was lower than the 2017 result, yet exceeded the target for 2018.

The Māori student participation rate was the same as in 2017, which resulted in the target for 2018 not being met. While the student participation rate for Pacific Peoples students slightly decreased in the 2018 year, the *Investment Plan* target for 2018 was exceeded.



OUTPUTS

STUDENT RETENTION ⁺	Notes	2016	2017	2018 Indicative	Target	Status
All students (% SAC EFTS)	12	75.8	75.5	76.1	73.0	*
Māori (% SAC EFTS)	12 [^]	67.8	67.4	66.8	64.0	*
Pacific Peoples (% SAC EFTS)	12 [^]	61.8	64.8	64.8	64.0	*

⁺ This measure was revised by the TEC in 2017. For comparability this table is prepared under the historical methodology. The new methodology will be reported from 2019.

* The results for 2018 are indicative and will be updated in the Annual Report 2019.

[^] These measures were first included in this section of the report in 2017. Historical data for 2016 is unaudited and shown for information purposes only.

12 Student retention is measured by the proportion of SAC-eligible students in a year who either re-enrol in the next year or complete qualifications. The 2017 indicative figures reported in the prior year were 75.5, 67.4 and 64.9 per cent respectively, and have been updated with the final results.

STUDENT PROGRESSION ⁺	Note	2016	2017	2018 Indicative	Target	Status
All students (% SAC EFTS)	13	87.0	86.3	43.4	74.0	*

⁺ This measure was revised by the TEC in 2017. For comparability this table is prepared under the historical methodology. The new methodology will be reported from 2019.

* The result for 2018 is indicative and only includes data for internal progressions. The final result will be updated in the Annual Report 2019.

13 Student progression is measured by progressions to higher levels of study in the tertiary sector by students (at qualification levels 1-4). The 2017 indicative figure reported in the prior year was 74.1 per cent and it has now been updated with the final result.

The number of level 1-4 progressions in the student progression dataset is small and therefore can be subject to great fluctuations in rate. Qualifications at levels 1-4 are a very small part of the University's overall provision. Qualification completions at levels 1-4, which form the basis of the denominator in the methodology, represented only 3 per cent of total SAC Funded qualification completions currently reported for 2018.

SUCCESSFUL COURSE COMPLETION	Notes	2016	2017	2018 Indicative	Target	Status
All students (% SAC EFTS)	14	82.1	82.7	81.7	82.9	*
Internal students (% SAC EFTS)		87.0	87.4	86.6	87.0	*
Distance students (% SAC EFTS)		74.7	75.2	74.7	75.0	*
Māori (% SAC EFTS)	[^]	71.7	73.9	71.7	72.7	*
Pacific Peoples (% SAC EFTS)	[^]	64.2	62.0	60.8	59.5	*

* The results for 2018 are indicative and will be updated in the Annual Report 2019.

[^] These measures were first included in this section of the report in 2017. Historical data for 2016 is unaudited and shown for information purposes only.

14 Successful course completion is measured by SAC-eligible successful course completion EFTS as a proportion of the total SAC-eligible EFTS delivered. The 2017 indicative figures reported in the prior year were 81.3 per cent (all students), 86.3 per cent (internal students), 73.5 per cent (distance students), 72.2 per cent (Māori students) and 60.7 per cent (Pacific Peoples students); these have now been updated with the actual results.

The final result for 2017 successful course completion for all students was 82.7 per cent, which met the *Investment Plan* target. The final results for each of the other measures all exceeded the *Investment Plan* targets for 2017.

QUALIFICATION COMPLETION ⁺	Notes	2016	2017	2018 Indicative	Target	Status
All students (% SAC EFTS)	15	69.5	63.9	62.6	71.0	*
Māori (% SAC EFTS)	^	55.0	50.7	52.0	62.5	*
Pacific Peoples (% SAC EFTS)	^	41.4	32.4	45.0	37.0	*

⁺ This measure was revised by the TEC in 2017. For comparability this table is prepared under the historical methodology. The new methodology will be reported from 2019.

* The results for 2018 are indicative and will be updated in the Annual Report 2019.

^ These measures were first included in this section of the report in 2017. Historical data for 2016 is unaudited and shown for information purposes only.

15 Qualification completion is measured by qualifications completed by students, weighted by the EFTS value of the qualifications, as a proportion of total SAC-eligible EFTS enrolled in the qualifications. The 2017 indicative figures reported in the prior year were 52.1 per cent (All), 40.2 per cent (Māori) and 29.9 per cent (Pacific Peoples) and have now been updated with the actual results.

The metrics for the Educational Performance Indicators were revised by the TEC in 2017. These tables have been prepared under the historical methodology since the University's targets were set and agreed in the *Investment Plan 2017-2019* prior to these changes. The new methodology will be reported from 2019 onwards.

In the 2017 report, the indicative data for qualification completion was 52.1 per cent (compared to 62.6 per cent this year). The final results for 2017 qualification completions were below the *Investment Plan* targets for 2017 by 6.1 per cent (all students), 11.3 per cent (Māori students) and 4.1 per cent (Pacific Peoples students).

The indicative results for all educational performance indicators are based on 2018 data available in Massey University's Single Data Return for December 2018, but will not be finalised until Massey University's Single Data Return is submitted in April 2019. It is anticipated, however, that the figures will be higher as a result of additional completions reported in 2019. It will be at this stage that actual 2018 performance against all Educational Performance Indicators can be analysed.

In supporting student success, Massey University has continued to provide advice to students to self-manage and self-space their learning with our Academic Standing system, and we have done this continuously since 2014, noting that there have been some delays in embedding the Academic Standing processes into our new Student Management System (SMS). Notwithstanding these delays, the system is proving to be highly efficacious in assisting students to understand their own academic learning progress and how they might adjust their study loads and levels in line with their performance.

STUDENT SATISFACTION	Notes	2016	2017	2018	Target	Status
Satisfaction with educational experience (%)	16+	83.1	80.5	78.9	83.0	Below
Satisfaction with services and facilities (%)	16+	83.0	78.9	76.4	85.5	Below

⁺ Percentage of students rating good/very good..

16 This data has been collected from the Student Experience Survey. In 2018 a total of 6,055 students participated in the survey, a response rate of 24 per cent.

Student satisfaction with educational experience decreased over previous years and was below target in 2018. The online enrolment process was rated the least satisfactory at 60 per cent, a decrease of 13.6 per cent compared to 2017. Students rated higher levels of satisfaction with orientation activities (+2.4 per cent) and the helpfulness of lecturers' comments (+3.1 per cent) compared to last year. Student satisfaction with services and facilities in 2018 also showed a decrease compared to previous years and did not meet the target. Satisfaction ratings that declined most notably when compared to 2017 were catering services (-10 per cent), the student portal (-11 per cent) and the Massey University website (-10 per cent).

This decline in student satisfaction reflects the issues associated with the implementation of the new enterprise-wide SMS, which had flow-on impacts on a number of student-facing services, such as enrolment processes. It is anticipated that the 2019 result will be higher than that in 2018 given that the SMS is now embedded into "business as usual" processes.

GRADUATE DESTINATION SURVEY	Notes	2016	2017	2018	Target	Status
Progression to employment (%)	17	88.0	89.0	89.0	84.0	Achieved
Engaged in further study (%)	17	29.0	29.0	30.0	29.0	Achieved

17 This data has been collected from the Graduate Destination Survey. In 2018 a total of 1,194 students participated in the survey, a response rate of 23 per cent. These results are not mutually exclusive and can total more than 100 per cent.

Graduates' progression to employment in 2018 remained the same as in 2017 and was ahead of target. The percentage of graduates engaged in further study increased slightly over previous years and was ahead of target in 2018.



HEI ARATAKI

CIVIC LEADERSHIP TIRITI O WAITANGI PERFORMANCE

INPUTS

RESEARCH	Notes	2016	2017	2018	Target	Status
Pacific Peoples' postgraduate participation (% SAC EFTS)	18 [^]	0.7	0.7	0.7	1.0	Below
Māori postgraduate participation (% SAC EFTS)	18 [^]	1.7	1.7	1.9	2.8	Below
Māori research partnerships – active MOUs (#)	19 [^]	29	28	21	No Target	
Māori research partnerships – active Vision Mātauranga Capability Fund (VMCF) projects (#)	20 [^]	11	8	5	No Target	

[^] These measures were first included in the 2017 report. Historical data for 2016 is unaudited and shown for information purposes only.

18 Includes both postgraduate-taught and postgraduate-research students.

19 This measure is the number of current MOUs with identified Māori organisations in a given year based on indicated start and end dates. Note that this data set only reflects new MOUs since 2011.

20 This measure is the number of VMCF projects in a given year.

Pacific Peoples' postgraduate participation in 2018 was consistent with that in previous years, but below the target of 1 per cent. Māori postgraduate participation showed a slight increase compared with 2017 but was also still below the target of 2.8 per cent for 2018. Massey is working to offer more support to both Māori and Pacific Peoples students progressing to postgraduate studies as part of its Student Success work and the Māori and Pacific Peoples Learner Success Plans.

Māori research partnerships is based on two components: the number of current MOUs in a given year (which have declined in the past two years due to a number of agreements expiring); and the number of active VMCF research projects (which have also declined since 2016 and 2017, reflecting the completion of funded research contract work).

LEARNING AND TEACHING	Note	2016	2017	2018	Target	Status
Māori student enrolments (SAC EFTS)	[^]	1,859	1,755	1,773	1,956	Below
Māori student participation rate (% SAC EFTS)		12.0	11.7	11.7	12.2	Below

[^] This measure was first included in the 2017 report. Historical data for 2016 is unaudited and shown for information purposes only.

Māori student enrolments in 2018 showed a slight increase over 2017, but were below target. The Māori student participation rate in 2018 remained the same as in 2017 and was also below target.

ENABLING EXCELLENCE	Note	2016	2017	2018
Māori academic staff numbers (full-time equivalents)	21 [^]	61	72	73

[^] This measure was first included in the 2017 report. Historical data for 2016 is unaudited and shown for information purposes only.

21 Full-time-equivalent staff as at December 31 each year.

The number of Māori academic staff remained relatively stable compared with 2017. We expect to see an increase in future years as we continue our journey to become a Te Tiriti-led university.



OUTPUTS

RESEARCH	Notes	2016	2017	2018 Indicative	Target	Status
Māori postgraduate successful course completion (%)	22 [^]	84.7	87.7	79.6	87.5	*
Māori research degree completion (#)	22 [^]	41	22	44	–	*

* The results for 2018 are indicative and will be updated in the Annual Report 2019.

[^] These measures were first included in the 2017 report. Historical data for 2016 is unaudited and shown for information purposes only.

22 Successful course completions and research degree completions are taken from the TEC Educational Performance Indicators, but will not be finalised until all results have been processed and Massey University's Single Data Return is submitted in April 2019. These results are likely to increase as additional 2018 completions will be reported. The 2017 indicative figures reported in the prior year were 82.9 per cent and 22 respectively, and have now been updated with the final results.

The final result for 2017 Māori postgraduate successful course completion exceeded the *Investment Plan* target for 2017 by 0.2 per cent.

Indicative Māori research degree completions for 2018 increased over 2017, notably for the Postgraduate Diploma in Māori Visual Arts, Master of Arts and Master of Fine Arts qualifications.

LEARNING AND TEACHING	Notes	2016	2017	2018	Target	Status
Student retention – Māori (% SAC EFTS)	23 ^{^+}	67.8	67.4	66.8	64.0	*
Student progression – Māori (% SAC EFTS)	23 ^{^+}	100.0	73.3	60.0	–	*
Successful course completion – Māori (% SAC EFTS)	23 [^]	71.7	73.9	71.7	72.7	*
Qualification completion – Māori (% SAC EFTS)	23 ^{^+}	55.0	50.7	52.0	62.5	*

⁺ Student retention, student progression and qualification completion measures were revised by the TEC in 2017. For comparability this table is prepared under the historical methodology. The new methodology will be reported from 2019.

* The results for 2018 are indicative and will be updated in the Annual Report 2019.

[^] These measures were first included in the 2017 report. Historical data for 2016 is unaudited and shown for information purposes only.

23 Indicative results for the 2018 educational performance indicators are taken from the TEC Educational Performance Indicators, but will not be finalised until all results have been processed and Massey University's Single Data Return is submitted in April 2019. These numbers are likely to increase as additional 2018 completions will be reported.

The final results for 2017 Māori student retention and Māori successful course completion exceeded the *Investment Plan* targets for last year by 4.4 and 1.4 per cent respectively. The final Māori qualification completion result for 2017 was 11.3 per cent below the *Investment Plan* target.

STUDENT SATISFACTION	Notes	2016	2017	2018
Student satisfaction – with educational experience – Māori (%)	24 [^]	86.8	82.8	79.6
Student satisfaction – with services and facilities – Māori (%)	24 [^]	85.0	78.8	77.4

⁺ Percentage of students rating good/very good.

[^] These measures were first included in the 2017 report. Historical data for 2016 is unaudited and shown for information purposes only.

24 This data has been collected from the Student Experience Survey. In 2018 a total of 558 Māori students participated in the survey, a response rate of 22 per cent.

Māori student satisfaction with their educational experience and with services and facilities showed a decrease over previous years, which is consistent with the results of satisfaction reported by all students. Improvements in Māori students' satisfaction with their educational experiences are expected in 2019 with the launch of the new Te Rau Tauawhi Māori student centre, and the ongoing work to increase our support for Māori students and staff.

GRADUATE DESTINATION SURVEY	Notes	2016	2017	2018
Progression to employment – Māori (%)	25 [^]	89.0	94.0	93.0
Engaged in further study – Māori (%)	25 [^]	30.0	32.0	32.0

[^] These measures were first included in the 2017 report. Historical data for 2016 is unaudited and shown for information purposes only.

25 This data has been collected from the Graduate Destination Survey. In 2018 a total of 430 Māori students participated in the survey, a response rate of 26 per cent. These results are not mutually exclusive and can total more than 100 per cent.

Both graduate outcome measures for Māori students surveyed were similar to those in previous years. Māori students achieved higher progression to employment and progression to further study rates (93 per cent and 32 per cent respectively) compared with the overall student body (89 per cent and 30 per cent respectively).

EQUITY AND DIVERSITY AT MASSEY UNIVERSITY



MASSEY UNIVERSITY IS COMMITTED TO PROVIDING EQUITY OF EMPLOYMENT FOR ALL STAFF AND EQUITY OF ACCESS TO EDUCATIONAL OPPORTUNITIES FOR CURRENT AND PROSPECTIVE STUDENTS, IRRESPECTIVE OF THEIR SEX, MARITAL STATUS, RELIGIOUS BELIEF, COLOUR, RACE, ETHNIC OR NATIONAL ORIGIN, DISABILITY, AGE, POLITICAL OPINION, EMPLOYMENT STATUS, FAMILY STATUS OR SEXUAL ORIENTATION.

EQUAL EMPLOYMENT OPPORTUNITY STATEMENT

Massey University is committed to upholding our responsibilities as an equal opportunities employer and creating a workplace that attracts, retains and values diversity among our staff. To enable this policy, Massey University:

- Provides equal opportunities for recruitment, appointment, development and promotion for all current and prospective employees, regardless of sex, marital status, religious belief, colour, race, ethnic or national origin, disability, age, political opinion, employment status, family status or sexual orientation;
- Develops and maintains a workplace culture that values and supports diversity;
- Ensures that it provides a safe, supportive and healthy environment for all employees that is conducive to quality teaching, research and community service;
- Identifies and eliminates all aspects of policies and procedures and other institutional barriers that cause or perpetuate inequality in respect of the employment of any person or group of persons;
- Does not tolerate any form of unfair discrimination in the workplace on any grounds, including sex, marital status, religious belief, colour, race, ethnic or national origin, disability, age, political opinion, employment status, family status or sexual orientation;
- Promotes equal employment opportunities as an integral part of University policies and practices;
- Supports the health and wellbeing of women staff members with breastfeeding infants by ensuring the right to time for breastfeeding (or expressing milk) and the provision of private facilities in the workplace for breastfeeding or expressing or storing milk wherever possible; and
- Monitors, reviews and evaluates progress towards achieving equal employment opportunities.

Massey made significant progress with pay and employment equity in 2018. The *Pay and Employment Equity* report, prepared in 2018 and released on March 8, 2019, found that between 2009 and 2018 senior roles held by women at Massey had increased from 25 per cent to 58 per cent, and the wage gap for women in senior roles had reduced from 20 per cent to 8 per cent. The report also found that there was no gender pay gap at Associate Professor level, and that in 2018 more women academics had been promoted than men. For professional service staff, the wage gap had reduced from 17 per cent to 11 per cent.

EQUITY OF ACCESS TO EDUCATIONAL OPPORTUNITY

Equity in tertiary education refers to creating opportunities for equal access and success throughout the student lifecycle for historically underrepresented student populations, such as ethnic minorities and low-income students. The concepts of equity and diversity are intrinsically linked; equitable access and participation is evidenced in a diverse and representative student population.

Equity is a fundamental principle for the teaching, learning and research functions of the University. As such, issues of equity and diversity influence all aspects of Massey's activities and are reflected in the University's high-level strategic documents and operational plans.

To further remove barriers to student participation and success, the University continued to implement a number of systems and strategies designed to support students during their academic journeys and improve equity outcomes. These included:

- *The Student Success Strategy*: The strategy advances initiatives to facilitate student success and retention. It aims to ensure that students have the best possible chance of succeeding in tertiary study by assisting them to integrate successfully into university life and academic study;
- *Bursaries and scholarships*: The University offers and facilitates a wide range of bursaries and scholarships that assist students who may otherwise be excluded or disadvantaged from participating in a course of study; and
- *Student Support Services*: The University offers a variety of student support services, including pastoral care, advocacy, counselling and health services, disability services, career and employment services, childcare services, student success advisers and support services specifically for Māori and Pacific Peoples students. Our commitment to Te Tiriti o Waitangi governs our approach to enabling and supporting the achievement of equity for our Māori staff and students.



DIRECTORY

BANKER

Bank of New Zealand

AUDITOR

Mr Clint Ramoo, Audit New Zealand
on behalf of the Auditor-General

LEGAL ADVISERS

Buddle Findlay
Cooper Rapley
Russell McVeagh
Andrea Craven
Kensington Swan
Davenports Harbour Lawyers
AJ Park, Wellington

INSURERS

Vero Insurance New Zealand Limited
AIG New Zealand
Berkshire Hathaway Speciality Insurance
QBE Insurance (Australia) Limited
Zurich Australia Insurance Limited
Lloyds of London
Allianz UK
Agile Underwriting Services PTY Limited
Allianz Global Assistance New Zealand Limited



STATEMENT OF RESPONSIBILITY

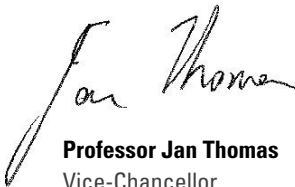
In the financial year ended 31 December 2018, the Council and management of Massey University were responsible for:

- the preparation of Massey University and the Group financial statements, statement of service performance, and the judgements used therein; and
- establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management of Massey University the financial statements and statement of service performance for the financial year fairly reflect the financial position and operations of Massey University and the Group.



Michael Ahie
Chancellor



Professor Jan Thomas
Vice-Chancellor



INDEPENDENT AUDITOR'S REPORT



TO THE READERS OF MASSEY UNIVERSITY AND GROUP'S FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2018

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

OPINION

We have audited:

- the financial statements of the University and group on pages 73 to 108, that comprise the statement of financial position as at 31 December 2018, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the University and group on pages 54 to 63.

IN OUR OPINION:

- the financial statements of the University and group on pages 73 to 108:
 - present fairly, in all material respects:
 - the financial position as at 31 December 2018; and
 - the financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the statement of service performance of the University and group on pages 54 to 63 presents fairly, in all material respects, the University and group's service performance achievements measured against the proposed outcomes described in the investment plan for the year ended 31 December 2018.

Our audit was completed on 12 April 2019. This is the date at which our opinion is expressed.

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

BASIS FOR OUR OPINION

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



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

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

RESPONSIBILITIES OF THE COUNCIL FOR THE FINANCIAL STATEMENTS AND THE STATEMENT OF SERVICE PERFORMANCE

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

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

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

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

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

RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS AND THE STATEMENT OF SERVICE PERFORMANCE

Our objectives are to obtain reasonable assurance about whether the financial statements and the statement of service performance, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists.

Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error.

Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements and statement of service performance.

For the budget information reported in the financial statements and the statement of service performance, our procedures were limited to checking that the information agreed to the University and group's Council approved budget for the financial statements and the investment plan for the statement of service performance.

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

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

- We identify and assess the risks of material misstatement of the financial statements and the statement of service performance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University and group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University and group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required

to draw attention in our auditor's report to the related disclosures in the financial statements and the statement of service performance or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University and group to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements and the statement of service performance, including the disclosures, and whether the financial statements and the statement of service performance represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements and the statement of service performance of the entities or business activities within the group to express an opinion on the consolidated financial statements and the consolidated statement of service performance. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Our responsibilities arise from the Public Audit Act 2001.

OTHER INFORMATION

The Council is responsible for the other information. The other information comprises the information included on pages 1 to 53, 64 to 69 and 109 to 110, but does not include the financial statements and the statement of service performance, and our auditor's report thereon.

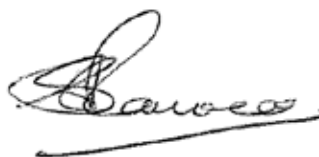
Our opinion on the financial statements and the statement of service performance does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

INDEPENDENCE

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

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



Clint Ramoo
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

FINANCIAL STATEMENTS



STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	CONSOLIDATED			UNIVERSITY		
		Actual	Budget	Actual	Actual	Budget	Actual
		2018	2018	2017	2018	2018	2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING REVENUE							
Government Grants	2	197,013	194,257	193,134	197,013	194,257	193,134
Student Fees	2	192,715	197,381	179,120	192,715	197,381	179,120
Interest	2	5,498	3,541	4,563	5,294	3,371	4,370
Charges for Services	2	129,291	124,730	124,692	127,315	118,579	122,081
Trust Funds	2,19	3,400	5,952	12,758	1,099	346	2,192
Other Gains and Losses	2,3	366	-	30,468	376	-	30,428
Total Operating Revenue		528,283	525,861	544,735	523,812	513,934	531,325
OPERATING EXPENSES							
Staff Related Costs	4	297,202	293,447	296,139	294,892	289,652	293,645
Depreciation and Amortisation	5	58,413	57,050	55,147	57,874	56,525	54,666
Finance Costs		-	-	55	-	-	-
Other Direct Costs	6	156,279	158,027	153,111	155,798	154,007	154,740
Trust Funds	19	1,432	1,561	1,922	927	296	1,745
Total Cost of Operations		513,326	510,085	506,374	509,491	500,480	504,796
Share of Associates' Deficit	23	70	-	10	-	-	-
Surplus before Income Tax		14,887	15,776	38,351	14,321	13,454	26,529
Income Tax Expense		15	-	6	-	-	-
Surplus for the Year		14,872	15,776	38,345	14,321	13,454	26,529
Massey University Group		14,874	15,776	38,343	14,321	13,454	26,529
Non-controlling Interest		(2)	-	2	-	-	-
Total		14,872	15,776	38,345	14,321	13,454	26,529
OTHER COMPREHENSIVE REVENUE AND EXPENSE							
Net (Loss) / Gain on Available for Sale Assets		(844)	-	(116)	(630)	-	144
(Deficit) / Surplus on Revaluation of Fixed Assets	17	(507)	-	156,505	(507)	-	156,505
Other		35	-	7	35	-	-
Total Other Comprehensive Revenue and Expense		(1,316)	-	156,396	(1,102)	-	156,649
Total Comprehensive Revenue and Expense		13,556	15,776	194,741	13,219	13,454	183,178
Massey University Group		13,558	15,776	194,739	13,219	13,454	183,178
Non-controlling Interest		(2)	-	2	-	-	-
Total		13,556	15,776	194,741	13,219	13,454	183,178

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Notes	CONSOLIDATED			UNIVERSITY		
		Actual	Budget	Actual	Actual	Budget	Actual
		2018	2018	2017	2018	2018	2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS							
CURRENT ASSETS							
Cash and Cash Equivalents	8	45,392	41,295	32,608	42,240	36,105	29,209
Student and Other Receivables	9	109,787	23,703	34,776	113,746	28,459	38,579
Inventories		1,942	1,569	1,546	1,942	1,569	1,546
Other Financial Assets	10	110,511	55,039	125,274	107,771	53,070	123,427
Biological Assets - Livestock		3,977	3,620	3,838	3,977	3,620	3,838
Total Current Assets		271,609	125,226	198,042	269,676	122,823	196,599
NON-CURRENT ASSETS							
Other Receivables		400	-	-	400	-	-
Investment in Associates	23	72	-	232	-	-	-
Other Assets	11	-	-	-	19,473	21,866	19,473
Other Financial Assets	10	39,870	39,695	40,197	1,850	2,335	2,479
Biological Assets - Forestry		1,097	969	878	1,097	969	878
Property, Plant and Equipment	12	1,162,725	1,148,542	1,155,016	1,162,678	1,148,455	1,154,946
Intangible Assets	13	36,008	38,778	36,219	34,354	37,169	34,439
Total Non-current Assets		1,240,172	1,227,984	1,232,542	1,219,852	1,210,794	1,212,215
Total Assets		1,511,781	1,353,210	1,430,584	1,489,528	1,333,617	1,408,814
LIABILITIES							
CURRENT LIABILITIES							
Trade and Other Payables	14	47,686	35,785	36,685	52,191	40,434	41,196
Employee Entitlements	15	17,040	19,312	23,865	16,939	19,239	23,763
Receipts in Advance	16	154,290	82,944	84,998	153,125	82,150	83,974
Total Current Liabilities		219,016	138,041	145,548	222,255	141,823	148,933
NON-CURRENT LIABILITIES							
Employee Entitlements	15	30,860	38,192	38,433	30,860	38,192	38,433
Other Payables		2,670	1,826	924	2,670	1,826	924
Receipts in Advance	16	567	844	567	567	844	567
Total Non-current Liabilities		34,097	40,862	39,924	34,097	40,862	39,924
Total Liabilities		253,113	178,903	185,472	256,352	182,685	188,857
Net Assets		1,258,668	1,174,307	1,245,112	1,233,176	1,150,932	1,219,957
Total Equity	18	1,258,668	1,174,307	1,245,112	1,233,176	1,150,932	1,219,957

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	CONSOLIDATED			UNIVERSITY		
		Actual	Budget	Actual	Actual	Budget	Actual
		2018	2018	2017	2018	2018	2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Equity as at 1 January	18	1,245,112	1,158,531	1,050,338	1,219,957	1,137,478	1,036,779
Surplus		14,874	15,776	38,343	14,321	13,454	26,529
Other Comprehensive Revenue and Expense		(1,316)	-	156,396	(1,102)	-	156,649
Total Comprehensive Revenue and Expense Attributable to Massey University Group		13,558	15,776	194,739	13,219	13,454	183,178
Non-controlling Interest		(2)	-	35	-	-	-
Equity as at 31 December	18	1,258,668	1,174,307	1,245,112	1,233,176	1,150,932	1,219,957

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	CONSOLIDATED			UNIVERSITY		
	Actual	Budget	Actual	Actual	Budget	Actual
	2018	2018	2017	2018	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash was provided from:</i>						
Government Grants	195,000	194,257	194,692	195,000	194,257	194,692
Receipts from Student Fees	193,205	185,515	175,573	192,780	185,170	175,573
Other Revenue	129,961	134,888	123,650	125,003	128,677	119,190
Interest Received	6,233	3,541	3,609	6,040	3,371	3,419
Trust Funds	3,753	3,008	9,039	850	277	2,161
	528,152	521,209	506,563	519,673	511,752	495,035
<i>Cash was applied to:</i>						
Payments to Employees and Suppliers	462,268	452,212	446,155	458,743	443,420	441,196
Net GST	(1,207)	-	979	(1,253)	-	1,042
	461,061	452,212	447,134	457,490	443,420	442,238
Net Cash Flow from Operating Activities	67,091	68,997	59,429	62,183	68,332	52,797
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash was provided from:</i>						
Withdrawal from Investments	240,928	46,000	143,368	239,367	46,000	142,297
Sale of Fixed Assets	359	-	63,947	300	-	63,947
Funds from Subsidiaries	-	-	-	2,540	-	-
	241,287	46,000	207,315	242,207	46,000	206,244
<i>Cash was applied to:</i>						
Purchase of Investments	227,926	1,166	202,873	223,795	-	194,479
Loans to Subsidiaries	-	-	-	237	913	1,182
Purchase of Property, Plant, Equipment and Intangibles	67,757	119,774	67,134	67,406	119,571	66,715
	295,683	120,940	270,007	291,438	120,484	262,376
Net Cash Flow from Investing Activities	(54,396)	(74,940)	(62,692)	(49,231)	(74,484)	(56,132)
Net Increase / (Decrease) in Cash and Cash Equivalents	12,695	(5,943)	(3,263)	12,952	(6,152)	(3,335)
Net Foreign Exchange Gain	89	-	57	79	-	22
Cash and Cash Equivalents Brought Forward	32,608	47,238	35,814	29,209	42,257	32,522
Cash and Cash Equivalents at the End of the Year	45,392	41,295	32,608	42,240	36,105	29,209

RECONCILIATION OF THE NET SURPLUS FROM OPERATIONS WITH THE NET CASH FLOW FROM OPERATING ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	CONSOLIDATED		UNIVERSITY	
		Actual	Actual	Actual	Actual
		2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000
Surplus for the Year		14,872	38,345	14,321	26,529
Add / (Less) Non-cash Items					
Depreciation and Amortisation Expense	5	58,413	55,147	57,874	54,666
Fair Value Gains	3	(160)	(36)	(164)	(37)
Unrealised Loss / (Gain) from Managed Funds		1,053	(3,817)	-	-
Share of Loss from Associates		70	10	-	-
Bad Debts Written Off	6	797	363	3,435	307
Movement in Provision for Doubtful Debts	6	(329)	390	(2,816)	2,805
Decrease in Employee Entitlements		(14,398)	(948)	(14,397)	(959)
Fixed Assets and Investments Impairment		-	1,378	-	1,345
Total Non-cash Items		45,446	52,487	43,932	58,127
(Less) / Add Items Classified as Investing or Financing Activities					
Gain on Disposal of Investment		-	(74)	-	-
Other Non-operating Items		-	2,634	-	2,634
Gain on Disposal of Property, Plant and Equipment	3	(206)	(31,736)	(212)	(31,736)
Total Items Classified as Investing or Financing Activities		(206)	(29,176)	(212)	(29,102)
Add / (Less) Movements in Working Capital Items					
Decrease / (Increase) in Prepayments		904	(2,114)	905	(2,123)
Increase in Student and Other Receivables		(43,658)	(3,867)	(43,860)	(5,460)
(Increase) / Decrease in Inventories and Biological Assets		(219)	31	(219)	31
Increase in Accounts Payable		13,855	491	11,360	1,497
Increase in Receipts in Advance		36,097	3,232	35,956	3,298
Net Movement in Working Capital Items		6,979	(2,227)	4,142	(2,757)
Net Cash Inflow from Operating Activities		67,091	59,429	62,183	52,797

NOTES TO THE FINANCIAL STATEMENTS

1 STATEMENT OF ACCOUNTING POLICIES

THE REPORTING ENTITY

Massey University (the University) was established as a university under the Massey University Act 1963 (founding legislation).

The University comprises the following areas of significant activity for teaching, research and community service:

- Massey Business School;
- College of Creative Arts;
- College of Health;
- College of Humanities and Social Sciences; and
- College of Sciences.

The Massey Group (the Group) consists of the University and its subsidiaries, associates and joint venture. Refer to note 25 for further details. The University and its controlled entities were established as tertiary education providers, researchers and intellectual property commercialisation vehicles. Accordingly, the University and its controlled entities have designated themselves as public benefit entities. All applicable public benefit entity exemptions have been adopted.

The financial statements of the Group are for the year ended 31 December 2018. The financial statements were authorised for issue by the Council on 12 April 2019.

STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a going concern basis and in accordance with the Crown Entities Act 2004 and section 220 of the Education Act 1989, which require compliance with generally accepted accounting practice in New Zealand (NZ GAAP). The financial statements of the Group are presented in accordance with Tier 1 Public Benefit Entity (PBE) standards. The financial statements comply with PBE standards, which have been applied consistently.

MEASUREMENT BASE

The financial statements have been prepared on a historical cost basis, except for the following assets carried at fair value:

- Financial instruments designated at fair value through surplus and deficit;
- Financial assets available for sale;
- Financial instruments held for trading;
- Non-current assets held for sale; and
- Land and buildings and leasehold improvements classified as property, plant and equipment.

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements the Group has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates are judgements that are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. With the exception of those items listed below, there are no estimates or assumptions that will have a significant impact on the carrying amounts of assets and liabilities within the next financial year.

Long Service Leave and Retirement Gratuities

In order to assess the University's liability in respect of long-service leave and retirement gratuities, an actuarial report was prepared by Eriksen and Associates Limited in accordance with PBE IPSAS 25. (Refer to note 15 for assumptions).

Management has exercised the following critical judgements in applying the University's policies for the year ended 31 December 2018.

Impairment of Student and Other Receivables

Student and other receivables have been reviewed fully and impairment provided as necessary.

Carrying Value of Land, Buildings and Leasehold Improvements

To ensure that the carrying value of the University's land and buildings closely approximates their fair values, these assets are valued by an independent registered valuer on a regular basis.

Crown-owned Land

Property in the legal name of the Crown that is occupied by the University is recognised as an asset in the Statement of Financial Position. The Group considers it has assumed all of the risks and rewards of ownership of this property despite legal ownership not being transferred as it would be misleading to exclude these assets from the financial statements.

Distinction Between Revenue and Capital Contributions

Most Crown funding received is operational in nature, and is provided under the authority of expense appropriation and is recognised as revenue. Where funding is received from the Crown under the authority of a capital appropriation, the Group accounts for the funding as a capital contribution directly to equity.

ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The Group has not elected to early adopt any new standards or interpretations that are issued but not yet effective as at 31 December 2018.

ACCOUNTING POLICIES

The following accounting policies which materially affect the measurement of financial performance and financial position have been applied:

A) Basis of Consolidation

The consolidated financial statements comprise of the financial statements of the Group as at 31 December 2018.

The Group consolidates as subsidiaries in the consolidated financial statements, using the purchase method, all entities where the Group has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entities. This power exists where the Group controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by the Group or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the University using consistent accounting policies. In preparing the consolidated financial statements, all material intercompany balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends have been eliminated in full. Corresponding assets, liabilities, revenues, expenses and cash flows are added together on a line-by-line basis.

A joint venture is a contractual arrangement whereby two parties undertake an economic activity that is subject to joint control. For a jointly controlled entity the Group recognises in its financial statements assets it controls, the liabilities and expenses it incurs, and the share of income that it earns from the joint venture using the proportionate consolidation method.

Associates are entities over which the Group has significant influence and that are neither controlled entities nor joint ventures. The Group generally deems it has significant influence if it has over 20% but less than 50% of the voting rights in the investee. Investments in material associates are accounted for in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

The investments in subsidiaries and associates are accounted for at cost less any provision for impairment in the separate financial statements of the University.

At the end of each reporting period, the Group assesses whether there are any indicators that the carrying value of the investment in controlled entities and associates may be impaired. Where such indicators exist, an impairment loss is recognised to the extent that the carrying value of the investment exceeds its recoverable amount.

B) Budget Figures

The budget figures are those approved by the University Council at the end of the year prior to the financial year.

The budget figures have been prepared in accordance with PBE standards and are consistent with the accounting policies adopted by the Council for the preparation of the financial statements. The budget figures have not been audited.

C) Allocation of Overheads

Administrative and indirect teaching and research costs are allocated to significant activities on the basis of total equivalent full-time students (EFTS) in each college. Exceptions to this rule are allocated on the following basis:

- Facilities Management - by floor space;
- Recreation Centre - by internal full-time students;
- Student Services - by internal equivalent full-time students; and
- Annual Leave - by general staff numbers for general staff and from academic department leave records for academic staff.

D) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific accounting policies for significant revenue items are explained below:

Student Achievement Component (SAC) Funding

SAC funding is the University's main source of operational funding from the Tertiary Education Commission (TEC). The University considers SAC funding to be non-exchange and recognises SAC funding as revenue when the course withdrawal date has passed, based on the number of eligible students enrolled in the course at that date and the value of the course.

Fees Free Funding

Fees Free Funding is considered a part of the domestic student tuition fees and is reported as such.

Student Tuition Fees

Domestic student tuition fees are subsidised by government funding and are considered non-exchange. Revenue is recognised upon obtaining control over the related asset to the extent it does not represent future obligations. Assets received for the performance of future obligations are recognised under liabilities as deferred revenue.

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

Performance-Based Research Fund (PBRF)

The University considers PBRF funding to be non-exchange in nature. PBRF funding is specifically identified by the TEC as being for a funding period as required by section 159YA of the Education Act 1989. The University recognises its confirmed allocation of PBRF funding at the commencement of the specified funding period, which is the same as the University's financial year. PBRF revenue is measured based on the University's funding entitlement adjusted for any expected adjustments as part of the final wash-up process. Indicative funding for future periods is not recognised until confirmed for that future period.

Research Revenue

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

- Whether the funder has substantive rights to the research output. This is a persuasive indicator of exchange or non-exchange;
- How the research funds were obtained. For example, whether through a commercial tender process for specified work or from applying to a more general research funding pool;
- Nature of the funder; and
- Specificity of the research brief or contract.

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

For a non-exchange research contract, the total funding receivable under the contract is recognised as revenue immediately, unless there are substantive conditions in the contract. If there are substantive conditions, revenue is recognised when the conditions are satisfied. A condition could include the requirement to complete research to the satisfaction of the funder to retain funding or return unspent funds. Revenue for future periods is not recognised where the contract contains substantive termination provisions for failure to comply with the requirements of the contract. Conditions and termination provisions need to be substantive, which is assessed by considering factors such as contract monitoring mechanisms of the funder and the past practice of the funder.

Judgement is required in determining the timing of revenue recognition for contracts that span a balance sheet date and multi-year research contracts.

Other Grants Received

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

Donations, Bequests and Pledges

Donations and bequests are recognised as revenue when the right to receive the fund or asset has been established, unless there is an obligation in substance to return the funds if conditions of the donation or bequest are not met. If there is such an obligation, they are initially recorded as revenue in advance when received and recognised as revenue when the conditions are satisfied. Pledges are not recognised as assets or revenue until the pledged item is received.

Accommodation Services

Revenue from the provision of accommodation services is recognised on a percentage of completion basis. This is determined by reference to the number of accommodation days used as a proportion of the total accommodation days contracted for with the individual.

Interest and Dividends

Interest revenue is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established.

E) Foreign Currencies

Both the functional and presentation currency of the Group is New Zealand dollars (NZ\$). Transactions in foreign currencies are translated into NZ\$ using the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the balance sheet date. Exchange rate differences are included in determining the net surplus / (deficit) for the year.

Assets and liabilities of foreign Group entities for which the functional currency is not NZ\$ are translated into NZ\$ using year-end exchange rates. The translation adjustments are presented in other comprehensive revenue and expense. The statements of revenue and expense and cash flows are translated into NZ\$ using average exchange rates during the year.

F) Cash and Cash Equivalents

Cash and cash equivalents represent funds held to meet short-term commitments and include cash in hand, deposits held at call with the bank, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

G) Student and Other Receivables

Student and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts according to the original settlement terms of the receivables.

H) Non-current Assets Held for Sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets held for sale are not depreciated or amortised while they are classified as held for sale.

I) Property, Plant and Equipment

(i) Initial Measurement

Property, plant and equipment is measured initially at cost. Where an item of property, plant and equipment is acquired in a non-exchange transaction for nil or nominal consideration, the asset is initially measured at its fair value.

(ii) Subsequent Measurement

ASSET CLASS	VALUATION POLICY	LAST VALUATION
Land & buildings and leasehold improvements	Revalued amount less accumulated depreciation (except for land) and impairment subsequent to last valuation	31 December 2017
Other assets	Historical cost less accumulated depreciation and impairment	

Land is valued at fair market value on the basis of highest and best use.

“Highest and best use” is defined as the most optimal use of the asset that is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value.

Buildings (which include land improvements and reticulated services) are valued at fair market value using market based evidence or optimised depreciated replacement cost (ODRC) as appropriate.

The ODRC begins with assessing the replacement cost of the assets at the date of valuation less an allowance for any physical and economic obsolescence to date and for any over-design. The balance of the replacement cost less all forms of obsolescence and over-design represents the fair value of the asset.

Land & buildings and leasehold improvements are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to the fixed asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the fixed asset revaluation reserve for a particular class of asset, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit to the extent previously expensed, and then recognised in other comprehensive revenue and expense.

Additions between valuations are recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that the future economic benefits or services potential associated with the item will flow to the Group and the cost can be reliably measured.

Capital work in progress is valued on the basis of expenditure incurred and certified gross progress claim certificates up to the balance sheet date. The threshold at which individual assets are capitalised as property, plant and equipment is set at \$2,000.

(iii) Depreciation

The depreciation rates and method used in the preparation of these statements are as follows:

ASSET CLASS	DEPRECIATION RATE / USEFUL LIFE	DEPRECIATION METHOD
Buildings (from Land and Buildings)	1% - 25%	Straight line
Leasehold improvements	Lesser of 10 years or lease term	Straight line
Equipment and furniture	5% - 33%	Straight line
Computers and research equipment	10% - 25%	Straight line
Motor vehicles	20% - 25%	Straight line
Aircraft	6%	Straight line
Library collection (current use)	10%	Straight line

Land, permanently retained library collections, art collections and archives are considered to have an indefinite useful life and therefore are not depreciated.

Leasehold improvements are depreciated over the shorter of their estimated useful lives and the term of lease.

Work-in-progress is not depreciated. The total cost of a project is transferred to the relevant asset class upon completion and then depreciated.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

The day-to-day costs of servicing property, plant and equipment are recognised in the surplus or deficit as and when incurred.

(iv) Crown-owned Assets

Crown-owned land and buildings used by the University are included as part of the University's fixed assets. These were first recognised on 31 December 1989. Although legal title has not been transferred, the University has assumed all the normal risks and rewards of ownership, but may have to negotiate with the Crown for any change in ownership.

In order to fairly and accurately record the value of all land and buildings occupied by the University, it is necessary to incorporate the Crown-owned land and buildings in the Statement of Financial Position.

(v) Impairment

The University allocates all its items of property, plant and equipment to one of the three cash generating units (CGU), being three main campuses. The University assesses at each reporting date whether there is an indication that a material asset may be impaired. These indications include but are not limited to the following:

- A material asset's market value has declined significantly;
- Significant changes have taken place in the technological, market, economic or legal environment in which a material asset operates;
- Market interest rates have significantly increased;
- Evidence is available of obsolescence or physical damage of a material asset;
- Significant changes have taken place in the extent or manner in which a material asset is used; or
- Other evidence is available that the economic performance of a material asset is worse than expected.

In case the indications exist that a significant asset might have been impaired, the next step is to calculate the recoverable amount of the CGU to which that asset belongs. A CGU's recoverable amount is the higher of CGU's fair value less costs of disposal and its value in use. Impairment for a particular asset is recognised when the carrying amount of the relevant CGU exceeds its recoverable amount.

(vi) Disposal / Derecognition of Assets

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Statement of Comprehensive Revenue and Expense in the year the item is derecognised. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to general reserves.

J) Intangible Assets

An intangible asset is recognised when it is probable that it will generate future economic benefits to the Group and the cost of the intangible asset can be measured reliably.

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of acquisition. Expenses on internally generated software are classified into a research phase and a development phase. Research costs are expensed as incurred.

An intangible asset arising from development (i.e. development phase of an internal project) is recognised only when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The availability of resources to complete the development;
- The ability to measure reliably the expenditure attributable to the intangible asset during its development; and
- How the asset will generate future economic benefits.

Costs that can be included in the capitalisation of internally developed software include:

- Costs of staff seconded to such projects;
- Costs to design, build, configure, test and document such systems; and
- Support fees payable before such systems are ready for use.

Intangible assets are subject to the similar impairment testing and procedures as explained under property, plant and equipment above.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

ASSET CLASS	AMORTISATION RATE	AMORTISATION METHOD
Software	10% - 33%	Straight line

K) Employee Entitlements

Annual leave for academic and general staff has been accrued. In addition, an accrual has been made for retirement gratuities and long-service leave for both academic and general staff. Both retirement gratuities and long-service leave have been accrued on the following basis:

- Leave and gratuities that have vested in the employee (an entitlement has been established) have been measured at nominal value using remuneration rates current at reporting date. This is included as a current liability;
- Leave and gratuities that have not yet vested in the employee (no entitlement has been established) have been measured using the present value measurement basis, which discounts expected future cash outflows. This is treated as a non-current liability;
- Duty leave overseas for academic staff has not been accrued as this leave is a commitment subject to eligibility and is not an entitlement;
- Sick leave has not been accrued as the University has a "Wellness System"; hence, no sick leave is available to carry forward; and
- Obligations for contributions to superannuation schemes are accounted for as defined contribution schemes and are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

L) Goods and Services Tax (GST)

The financial statements are prepared on a GST-exclusive basis, with the exception of accounts receivable and accounts payable.

The GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

M) Taxation

Tertiary Education Institutions and their wholly owned subsidiaries are exempt from the payment of New Zealand income tax under Income Tax Act 2007. Accordingly, no provision has been made for income tax.

Income from Massey Global Singapore Private Limited, a wholly owned subsidiary incorporated in Singapore, is subject to income tax and appropriate provision has been provided for and reported accordingly.

N) Leases

Operating lease rentals, where the lessor retains substantially all the risks and benefits of ownership of the leased items, are included in the determination of the operating surplus or deficit on a straight-line basis over the lease term.

O) Financial Instruments

The Group classifies its financial assets into the following categories: financial assets at fair value through surplus or deficit (including those held for trading), loans and receivables and available for sale. Management determines the classification of financial assets at initial recognition. Financial assets are initially measured at fair value plus transaction costs unless carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit. Impairment losses are recognised immediately in the surplus or deficit.

The fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

(i) Financial Assets Designated at Fair Value through Surplus or Deficit

Financial assets designated at fair value through surplus or deficit are classified in this category if acquired principally for the purpose of trading in the short term. Assets in this category are classified as current assets if they are expected to be realised within 12 months of the balance sheet date. Purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the assets. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets in this category include Massey University Foundation Trust's managed funds.

Derivatives are categorised as held for trading and are measured at fair value.

(ii) Loans and Receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method less any provision for impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit. Loans to third parties and receivables are classified as student and other receivables in the Statement of Financial Position. Cash and cash equivalents and bank deposits with an original maturity of more than three months are classified as loans and receivables.

(iii) Available for Sale Financial Assets

These are financial assets which are not classified in either of the above categories. This category encompasses investments held for strategic purposes. After initial recognition these investments are measured at their fair value with any gains and losses recognised in other comprehensive revenue and expense. Investments in unlisted entities are carried at cost if their fair value cannot be reliably measured. On derecognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

(iv) Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. The nominal amounts of borrowings repayable within one year approximate their amortised cost, as the effect of discounting is insignificant.

(v) Impairment of Financial Assets

Financial assets other than those recognised at fair value are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that have occurred after the initial recognition of the financial assets, the estimated future cash flows of the investment have been adversely impacted.

Objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counter party;
- Default or delinquency in interest or principal payments; or
- It becomes probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment of a portfolio of receivables includes past experience of collecting amounts due, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observed changes in economic conditions that correlate with default on receivables.

The carrying amount of a financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account.

Changes in the carrying amount of the allowance account are recognised in surplus or deficit.

P) Trade and Other Payables

Trade and other payables are carried at amortised cost. Due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid, and arise when the Group becomes obliged to make future payments in respect of the purchases of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

Q) Borrowing Costs

All borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds. The Group does not capitalise borrowing costs directly attributable to the acquisition, construction or production of assets.

R) Derivative Financial Instruments

Derivative financial instruments are used to manage exposure to foreign exchange risk and interest rate risk arising from the University's financial activities. In accordance with its Treasury Policy, the University does not hold derivative financial instruments for trading purposes. The Group does not apply hedge accounting.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value at each balance sheet date with the resulting gain or loss recognised in the surplus or deficit.

The full fair value of a derivative is classified as current if the contract is due for settlement within 12 months of balance sheet date; otherwise, derivatives are classified as non-current.

2 REVENUE

	Notes	CONSOLIDATED		UNIVERSITY	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Government grants					
Students		154,491	152,017	154,491	152,017
Other		42,522	41,117	42,522	41,117
		197,013	193,134	197,013	193,134
Student fees					
Domestic students		108,621	105,594	108,621	105,594
International students		84,094	73,526	84,094	73,526
		192,715	179,120	192,715	179,120
Charges for services					
Research		76,512	72,002	77,370	73,748
Other		52,779	52,690	49,945	48,333
		129,291	124,692	127,315	122,081
Interest		5,498	4,563	5,294	4,370
Trust funds	19	3,400	12,758	1,099	2,192
Other gains and losses	3	366	30,468	376	30,428
Total Revenue		528,283	544,735	523,812	531,325
REVENUE CLASSIFICATION					
Revenue from exchange transactions		166,003	190,398	164,452	181,734
Revenue from non-exchange transactions		362,280	354,337	359,360	349,591
		528,283	544,735	523,812	531,325

Domestic student fees include \$13.4 million of Fees Free revenue (2017: \$Nil).

3 OTHER GAINS AND LOSSES

	CONSOLIDATED		UNIVERSITY	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Fair value and foreign exchange gain	160	36	164	37
Gain on disposal of property, plant, equipment and shares	206	31,810	212	31,736
Other write offs	-	(1,378)	-	(1,345)
Total Other Gains and Losses	366	30,468	376	30,428

4 STAFF-RELATED COSTS

	CONSOLIDATED		UNIVERSITY	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Salaries and wages	285,311	285,451	283,098	283,094
Superannuation	12,104	11,663	12,035	11,598
Movement in employee entitlements	(3,152)	(5,554)	(3,152)	(5,554)
Other	2,939	4,579	2,911	4,507
Total Staff-related Costs	297,202	296,139	294,892	293,645

5 DEPRECIATION AND AMORTISATION

	Notes	CONSOLIDATED		UNIVERSITY	
		2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000
Depreciation	12	52,921	49,071	52,907	49,032
Amortisation	13	5,492	6,076	4,967	5,634
Total Depreciation and Amortisation		58,413	55,147	57,874	54,666

6 OTHER DIRECT COSTS

	CONSOLIDATED		UNIVERSITY	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Annual audit fee	242	254	202	199
Other assurance services provided by principal auditors	12	22	12	22
Bad debts written off	797	363	3,435	307
(Decrease) / Increase in provision for bad debts	(329)	390	(2,816)	2,805
Operating lease rentals	7,381	5,560	7,144	5,187
Other operating expenses*	148,176	146,522	147,821	146,220
Total Other Direct Costs	156,279	153,111	155,798	154,740

*Other operating expenses include consumables, scholarships, repairs & maintenance, travel & accommodation, contracted services and other miscellaneous expenses.

7 SIGNIFICANT BUDGET VARIANCES

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE	CONSOLIDATED VARIANCE TO / FROM BUDGET \$'000			
Total operating revenue	2,422	Favourable		Higher than budgeted research revenue and over-achievement of SAC target, partially compensated by slightly lower student fee revenue
Total cost of operations	3,241	Unfavourable		Higher than budgeted staff related costs associated with increased research activity and higher than budgeted depreciation due to higher building revaluation at the end of 2017
Surplus for the year	904	Unfavourable		See above
STATEMENT OF FINANCIAL POSITION				
Total assets	158,571	Favourable		Higher than budgeted land and building revaluation, higher cash reserves due to delays in capital plan and higher student debts due to earlier invoicing than planned
Total liabilities	74,210	Unfavourable		Higher than budgeted revenue in advance due to invoicing earlier

8 CASH AND CASH EQUIVALENTS

	CONSOLIDATED		UNIVERSITY	
	Actual 2018 \$'000	Actual 2017 \$'000	Actual 2018 \$'000	Actual 2017 \$'000
Cash at bank and in hand	5,673	8,003	2,606	5,078
Short-term deposits with original maturities of 3 months or less	39,719	24,605	39,634	24,131
Total Cash and Cash Equivalents	45,392	32,608	42,240	29,209

Refer to note 10 for weighted average effective rate of interest for cash and cash equivalents.

Consolidated cash at bank and in hand included USD, AUD, GBP and SGD valued in NZD\$1,111k (2017: \$1,687k), NZD\$265k (2017: \$1,757k), NZD\$376k (2017: Nil) and NZD\$1,086k (2017: \$832k) respectively.

At 31 December 2018, the Group had available \$15m (2017: \$15m) of undrawn committed borrowing facility. This facility is secured through a negative pledge agreement between the University and BNZ signed on 5 December 2014.

9 STUDENT AND OTHER RECEIVABLES

	CONSOLIDATED		UNIVERSITY	
	Actual 2018 \$'000	Actual 2017 \$'000	Actual 2018 \$'000	Actual 2017 \$'000
CURRENT PORTION				
Trade debtors	100,645	25,116	100,112	24,031
Other amounts receivables	822	765	699	668
Prepayments	10,149	11,053	10,131	11,036
Related party receivables	-	-	4,534	7,389
	111,616	36,934	115,476	43,124
Less provision for doubtful debts	(1,829)	(2,158)	(1,730)	(4,545)
Total Student and Other Receivables	109,787	34,776	113,746	38,579
Total Student and Other Receivables from Exchange Transactions	50,023	26,747	53,982	30,550
Total Student and Other Receivables from Non-exchange Transactions	59,764	8,029	59,764	8,029

The majority of student debts are due in 2019. Student debts were significantly higher compared to last year due to early invoicing. However, this did not result in a change in the dates by which invoices were due to be paid. Early invoicing also resulted in higher student fees in advance liability reported in Note 16.

Other receivables are generally collected within 30 days. There are no external or internal ratings used to identify the credit quality of financial assets not past due or impaired.

The University's debtors amounting to \$362k (2017: \$3,183k) are determined to be individually impaired because of either significant financial difficulties being experienced by the debtor, or due to the nature of the dispute. \$92k out of the individually impaired debts were due from an associated undertaking.

If the Group determines that no objective evidence of impairment exists for an overdue trade debt, it includes the trade debts in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Trade debts that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The Group does not hold any collateral as security or other credit enhancements over receivables that are past due or impaired.

Trade debtors (excluding students), whose payment has not been individually negotiated or impaired are as follows:

	CONSOLIDATED		UNIVERSITY	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Less than one month	8,320	9,888	7,787	6,765
One month	2,318	2,497	2,318	2,497
Two months	800	1,338	800	1,338
Three months and over	1,058	1,147	1,058	1,147
Total	12,496	14,870	11,963	11,747

Movement in the provision for impairment of receivables is as follows:

	CONSOLIDATED		UNIVERSITY	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
At 1 January	2,158	1,768	4,545	1,740
(Decrease) / Increase during the year	(329)	390	(2,815)	2,805
At 31 December	1,829	2,158	1,730	4,545

10 OTHER FINANCIAL ASSETS

	CONSOLIDATED		UNIVERSITY	
	Actual 2018 \$'000	Actual 2017 \$'000	Actual 2018 \$'000	Actual 2017 \$'000
CURRENT PORTION				
Short-term investments maturing between 4 and 12 months	110,261	125,239	107,521	123,392
Term deposits originally maturing between 1 and 5 years	250	-	250	-
Derivative financial instruments	-	35	-	35
Total Current Portion	110,511	125,274	107,771	123,427
NON-CURRENT PORTION				
Financial instruments at fair value through surplus or deficit	35,367	34,943	-	-
Loans and receivables	249	179	-	-
Listed shares	1,850	2,479	1,850	2,479
Unlisted shares	2,404	2,596	-	-
Total Non-current Portion	39,870	40,197	1,850	2,479

There were no impairment provisions for other financial assets.

Financial instruments at fair value through surplus or deficit: After initial recognition, financial assets in this category are measured at their fair value with gains or losses on re-measurement recognised in surplus or deficit.

Listed shares: Market values as at 31 December are used to ascertain the fair value of this category of investment. Gains and losses on revaluation are recognised in other comprehensive revenue and expense.

Unlisted shares: No market exists for the unlisted shares and these are shown at a) fair value wherever a reliable evidence is available, or b) at cost because either the fair value of the investment cannot be determined using a standardised valuation technique or due to cost not being materially different to fair value. Gains and losses on revaluation are recognised in other comprehensive revenue and expense.

	CONSOLIDATED		UNIVERSITY	
	Actual	Actual	Actual	Actual
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Short-term deposits with original maturities of 3 months or less	39,719	24,605	39,634	24,131
Weighted average interest rate	2.76%	2.82%	2.76%	2.82%
Short-term investments maturing between 4 and 12 months	110,261	125,239	107,521	123,392
Weighted average interest rate	3.35%	3.41%	3.35%	3.41%
Term deposits originally maturing between 1 and 5 years	250	-	250	-
Weighted average interest rate	3.53%	-	3.53%	-
Total	150,230	149,844	147,405	147,523

The fair value of term deposits closely approximates their nominal value.

11 OTHER ASSETS

	CONSOLIDATED		UNIVERSITY	
	Actual	Actual	Actual	Actual
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
NON-CURRENT PORTION				
Investment in Massey University Foundation Trust	-	-	17,043	17,043
Investment in Massey Ventures Limited	-	-	2,430	2,430
Total Other Assets	-	-	19,473	19,473

12 PROPERTY, PLANT AND EQUIPMENT

	Cost/ Revaluation		Accumulated Depreciation and Impairment Charges		Carrying Amount 1 Jan 2018	Additions	Disposals / Transfer at Cost	Depreciation on Disposals	Revaluations	Depreciation Recovered on Revaluation	Depreciation	Cost / Valuation	Accumulated Depreciation and Impairment Charges		Carrying Amount 31 Dec 2018
	1 Jan 2018	\$'000	1 Jan 2018	\$'000									31 Dec 2018	\$'000	
CONSOLIDATED 2018		\$'000		\$'000											\$'000
Land and Buildings	1,018,601		-		1,018,601	34,508	33	1	-	-	30,225	1,053,076	30,224	1,022,852	
Leasehold Improvement	3,917		20		3,897	401	494	12	-	-	333	3,824	341	3,483	
Aircrafts	4,954		1,495		3,459	235	176	176	-	-	234	5,013	1,553	3,460	
Furniture	5,958		3,245		2,713	1,218	38	37	-	-	458	7,138	3,666	3,472	
Equipment	179,899		131,491		48,408	21,478	4,692	4,691	-	-	14,211	196,685	141,011	55,674	
Implements	251		226		25	13	6	6	-	-	8	258	228	30	
Vehicles	4,099		2,807		1,292	327	249	220	-	-	467	4,177	3,054	1,123	
Art	2,295		-		2,295	135	56	-	-	-	-	2,374	-	2,374	
Library	134,102		98,183		35,919	8,862	-	-	-	-	6,985	142,964	105,168	37,796	
Work in Progress	38,407		-		38,407	-	5,946	-	-	-	-	32,461	-	32,461	
Total	1,392,483		237,467		1,155,016	67,177	11,690	5,143	-	-	52,921	1,447,970	285,245	1,162,725	

	Cost/ Revaluation		Accumulated Depreciation and Impairment Charges		Carrying Amount 1 Jan 2017	Additions	Disposals / Transfer at Cost	Depreciation on Disposals	Revaluations	Depreciation Recovered on Revaluation	Depreciation	Cost / Valuation	Accumulated Depreciation and Impairment Charges		Carrying Amount 31 Dec 2017
	1 Jan 2017	\$'000	1 Jan 2017	\$'000									31 Dec 2017	\$'000	
CONSOLIDATED 2017		\$'000		\$'000											\$'000
Land and Buildings	931,003		52,298		878,705	13,550	-	-	74,048	78,978	26,680	1,018,601	-	1,018,601	
Leasehold Improvement	2,099		1,428		671	46	370	370	2,141	1,338	299	3,917	20	3,897	
Aircrafts	4,886		1,235		3,651	68	-	-	-	-	260	4,954	1,495	3,459	
Furniture	5,431		2,840		2,591	543	16	10	-	-	415	5,958	3,245	2,713	
Equipment	176,672		130,523		46,149	16,495	13,268	13,209	-	-	14,177	179,899	131,491	48,408	
Implements	305		244		61	-	54	25	-	-	7	251	226	25	
Vehicles	3,576		2,614		962	948	425	331	-	-	524	4,099	2,807	1,292	
Art	2,215		-		2,215	83	3	-	-	-	-	2,295	-	2,295	
Library	125,731		91,474		34,257	8,371	-	-	-	-	6,709	134,102	98,183	35,919	
Work in Progress	30,040		-		30,040	8,367	-	-	-	-	-	38,407	-	38,407	
Total	1,281,958		282,656		999,302	48,471	14,136	13,945	76,189	80,316	49,071	1,382,483	237,467	1,155,016	

	Cost/ Revaluation 1 Jan 2018 \$'000	Accumulated Depreciation and Impairment Charges 1 Jan 2018 \$'000	Carrying Amount 1 Jan 2018 \$'000	Additions \$'000	Disposals/ Transfer at Cost \$'000	Depreciation on Disposals \$'000	Revaluations \$'000	Depreciation Recovered on Revaluation \$'000	Depreciation \$'000	Cost /Valuation 31 Dec 2018 \$'000	Accumulated Depreciation and Impairment Charges 31 Dec 2018 \$'000	Carrying Amount 31 Dec 2018 \$'000
UNIVERSITY 2018												
Land and Buildings	1,018,601	-	1,018,601	34,508	32	-	-	-	30,225	1,053,076	30,224	1,022,852
Leasehold Improvement	3,871	-	3,871	401	477	5	-	-	328	3,795	323	3,472
Aircrafts	4,954	1,495	3,459	235	175	175	-	-	234	5,013	1,553	3,460
Furniture	5,918	3,218	2,700	1,218	38	38	-	-	458	7,098	3,638	3,460
Equipment	179,819	131,442	48,377	21,478	4,882	4,679	-	-	14,202	196,615	140,965	55,650
Implements	251	226	25	13	6	6	-	-	8	258	228	30
Vehicles	4,098	2,806	1,292	327	249	220	-	-	467	4,176	3,053	1,123
Art	2,295	-	2,295	135	56	-	-	-	-	2,374	-	2,374
Library	134,102	98,183	35,919	8,862	-	-	-	-	6,985	142,964	105,168	37,796
Work in Progress	38,407	-	38,407	-	5,946	-	-	-	-	32,461	-	32,461
Total	1,392,316	237,370	1,154,946	67,177	11,661	5,123	-	-	52,907	1,447,830	285,152	1,162,678
UNIVERSITY 2017												
Land and Buildings	931,003	52,298	878,705	13,550	-	-	74,048	78,978	26,680	1,018,601	-	1,018,601
Leasehold Improvement	2,022	1,387	635	30	322	322	2,141	1,338	273	3,871	-	3,871
Aircrafts	4,886	1,235	3,651	68	-	-	-	-	260	4,954	1,495	3,459
Furniture	5,394	2,813	2,581	526	2	2	-	-	407	5,918	3,218	2,700
Equipment	176,595	130,479	46,116	16,433	13,209	13,209	-	-	14,172	179,819	131,442	48,377
Implements	305	244	61	-	54	25	-	-	7	251	226	25
Vehicles	3,575	2,613	962	948	425	331	-	-	524	4,098	2,806	1,292
Art	2,215	-	2,215	83	3	-	-	-	-	2,295	-	2,295
Library	125,731	91,474	34,257	8,371	-	-	-	-	6,709	134,102	98,183	35,919
Work in Progress	30,040	-	30,040	8,367	-	-	-	-	-	38,407	-	38,407
Total	1,281,766	282,543	999,223	48,376	14,015	13,889	76,189	80,316	49,032	1,392,316	237,370	1,154,946

Transfers from work in progress to the other property, plant and equipment categories were \$67,177k (2017: \$40,009k).

Work in progress at the year end significantly relates to buildings.

The Group does not have any finance leases.

Asset values included in the balance sheet as at 31 December 2018 and 2017 include all land and buildings as occupied and utilised by the University. The exception to this is the land on Riverside Farm (leased from the Sydney Campbell Foundation).

Legal ownership of land and buildings is detailed as follows (at balance sheet values):

	LAND		BUILDINGS	
	Actual 2018 \$'000	Actual 2017 \$'000	Actual 2018 \$'000	Actual 2017 \$'000
Massey University owned	204,650	140,108	660,368	494,802
Crown owned (includes buildings on Crown-owned land)	35,364	99,906	122,470	283,785
Total	240,014	240,014	782,838	778,587

Land, buildings and leasehold improvements were valued at the end of 2017 by Alan Chadderton MPINZ, of Quotable Value Limited.

Seismic Risk Analysis

Seismic assessments and remediation work are prioritised according to occupancy, construction age and structure. Initial Evaluation Procedures (IEP's) are undertaken and followed up with Detailed Seismic Assessments (DSA's) for earthquake prone buildings (< 34% NBS) or potential earthquake risk buildings with high occupancy.

During 2018, the University continued seismic assessment of buildings proposed for refurbishment to mitigate stakeholder risk. Seismic assessments of the University's significant building portfolio will progress in line with new legislative timeframes for priority buildings. Legislative changes mandated by the Building (Earthquake-prone Buildings) Amendment Act 2016 are being progressively implemented by Territorial Authorities. The University does not have occupied earthquake prone buildings and have not received any formal compliance notices from Territorial Authorities.

13 INTANGIBLE ASSETS

	Cost / Valuation 1 Jan 2018 \$'000	Accumulated Amortisation and Impairment 1 Jan 2018 \$'000	Carrying Amount 1 Jan 2018 \$'000	Additions \$'000	Disposals/ Transfer at Cost \$'000	Amortisation on Disposals \$'000	Impairments \$'000	Amortisation \$'000	Cost / Valuation 31 Dec 2018 \$'000	Accumulated Amortisation and Impairment 31 Dec 2018 \$'000	Carrying Amount 31 Dec 2018 \$'000
CONSOLIDATED 2018											
Software	47,419	21,012	26,407	12,126	4	4	-	5,492	59,541	26,500	33,041
Work in Progress	9,812	-	9,812	-	6,845	-	-	-	2,967	-	2,967
Total	57,231	21,012	36,219	12,126	6,849	4	-	5,492	62,508	26,500	36,008
CONSOLIDATED 2017											
Software	21,812	13,591	8,221	25,607	-	-	1,345	6,076	47,419	21,012	26,407
Work in Progress	16,984	-	16,984	-	7,172	-	-	-	9,812	-	9,812
Total	38,796	13,591	25,205	25,607	7,172	-	1,345	6,076	57,231	21,012	36,219
UNIVERSITY 2018											
Software	44,405	19,778	24,627	11,728	2	1	-	4,967	56,131	24,744	31,387
Work in Progress	9,812	-	9,812	-	6,845	-	-	-	2,967	-	2,967
Total	54,217	19,778	34,439	11,728	6,847	1	-	4,967	59,098	24,744	34,354
UNIVERSITY 2017											
Software	19,830	12,799	7,031	24,575	-	-	1,345	5,634	44,405	19,778	24,627
Work in Progress	16,984	-	16,984	-	7,172	-	-	-	9,812	-	9,812
Total	36,814	12,799	24,015	24,575	7,172	-	1,345	5,634	54,217	19,778	34,439

Transfers from work in progress to software were \$11,728k (2017: \$24,575k).

14 TRADE AND OTHER PAYABLES

	CONSOLIDATED		UNIVERSITY	
	Actual 2018 \$'000	Actual 2017 \$'000	Actual 2018 \$'000	Actual 2017 \$'000
Trade payables	5,332	1,849	5,091	1,632
Deposits and bonds	813	1,132	812	1,131
Accrued expenses	18,738	18,900	18,710	18,999
Amounts due to related parties	-	-	4,837	4,837
Other payables	22,803	14,804	22,741	14,597
Total Trade and Other Payables	47,686	36,685	52,191	41,196
Total Trade and Other Payables from Exchange Transactions	47,686	36,685	52,191	41,196

Trade and other payables are non interest bearing and are normally settled on 30 day terms.

15 EMPLOYEE ENTITLEMENTS

	CONSOLIDATED		UNIVERSITY	
	Actual 2018 \$'000	Actual 2017 \$'000	Actual 2018 \$'000	Actual 2017 \$'000
CURRENT PORTION				
Accrued pay	978	13,366	897	13,307
Annual leave	11,320	10,178	11,300	10,135
Long service leave	272	321	272	321
Retirement gratuities	4,470	-	4,470	-
Total Current Portion	17,040	23,865	16,939	23,763
NON-CURRENT PORTION				
Long service leave	535	571	535	571
Retirement gratuities	30,325	37,862	30,325	37,862
Total Non-current Portion	30,860	38,433	30,860	38,433
Total Employee Entitlements	47,900	62,298	47,799	62,196

The long service leave and retirement gratuities were independently assessed by Johnathan Eriksen of Eriksen & Associates as at 31 December 2018.

Based on the historical retirement data, age of retirement was changed from 65 years to 69 years. This change was accounted for as a change in accounting estimate in line with the requirements set out in PBE IPSAS 25 Employee Benefits.

An actuarial valuation involves the projection, on a year by year basis, of the long service and retirement gratuities liabilities, based on accrued services, in respect of current employees.

These liabilities are estimated in respect of their incidence according to assumed rates of death, disablement, resignation and retirement allowing for assumed rates of salary progression. Of these assumptions, the discount, salary progression and resignation rates are most important. The projected cash flow is then discounted back to the valuation date at the valuation discounted rate.

Discount rates range from 1.72% to 4.75% (2017: 1.86% to 4.75%).

An increase in the discount rate by 1% reduces the long service and retirement gratuities by \$2,660k (2017: \$2,210k), whereas a reduction in the discount rate by 1% increases the long service and retirement gratuities by \$3,098k (2017: \$2,493k).

Salary progression allows for a 1.5% increase per year (2017: 2.5%).

A 1% reduction in the salary increase assumption has the same effect on the long service and retirement gratuities as a 1% increase in the discount rate.

The demographic assumptions were based on the experience of the New Zealand Government Superannuation Fund.

16 RECEIPTS IN ADVANCE

	CONSOLIDATED		UNIVERSITY	
	Actual 2018 \$'000	Actual 2017 \$'000	Actual 2018 \$'000	Actual 2017 \$'000
CURRENT PORTION				
Student fees	93,582	32,521	93,582	32,521
Other receipts	60,708	52,477	59,543	51,453
Total Current Portion	154,290	84,998	153,125	83,974
NON-CURRENT PORTION				
Other receipts	567	567	567	567
Total Non-current Portion	567	567	567	567
Total Receipts in Advance	154,857	85,565	153,692	84,541

Impact of discounting on non-current portion is considered to be immaterial.

17 ASSET REVALUATION RESERVES

	CONSOLIDATED		UNIVERSITY	
	Actual 2018 \$'000	Actual 2017 \$'000	Actual 2018 \$'000	Actual 2017 \$'000
Balance at 1 January	584,197	451,885	584,197	451,885
Revaluation	(507)	156,505	(507)	156,505
Transferred to general reserve	-	(24,193)	-	(24,193)
Balance at 31 December	583,690	584,197	583,690	584,197

Asset revaluation reserves relate to land, buildings and leasehold improvements.

18 EQUITY

	Opening Balance 1 Jan 2018 \$'000	Share Capital \$'000	Movement in Reserves \$'000	Other Comprehensive Revenue and Expense \$'000	Operating Surplus \$'000	Closing Balance 31 Dec 2018 \$'000
CONSOLIDATED 2018	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trust funds	51,969	-	-	-	1,968	53,937
Asset revaluation reserves	584,197	-	-	(507)	-	583,690
Special reserves	22,054	-	-	-	-	22,054
General reserves	586,857	-	-	(809)	12,906	598,954
Total Massey University Group	1,245,077	-	-	(1,316)	14,874	1,258,635
Non-controlling Interest	35	-	-	-	(2)	33
Total	1,245,112	-	-	(1,316)	14,872	1,258,668

	Opening Balance 1 Jan 2017	Share Capital	Movement in Reserves	Other Comprehensive Revenue and Expense	Operating Surplus	Closing Balance 31 Dec 2017
CONSOLIDATED 2017	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trust funds	41,133	-	-	-	10,836	51,969
Asset revaluation reserves	451,885	-	(24,193)	156,505	-	584,197
Special reserves	22,054	-	-	-	-	22,054
General reserves	535,266	-	24,193	(109)	27,507	586,857
Total Massey University Group	1,050,338	-	-	156,396	38,343	1,245,077
Non-controlling Interest	-	33	-	-	2	35
Total	1,050,338	33	-	156,396	38,345	1,245,112

	Opening Balance 1 Jan 2018	Movement in Reserves	Other Comprehensive Revenue and Expense	Operating Surplus	Closing Balance 31 Dec 2018
UNIVERSITY 2018	\$'000	\$'000	\$'000	\$'000	\$'000
Trust funds	13,510	-	-	172	13,682
Asset revaluation reserves	584,197	-	(507)	-	583,690
Special reserves	21,964	-	-	-	21,964
General reserves	600,286	-	(595)	14,149	613,840
Total	1,219,957	-	(1,102)	14,321	1,233,176

	Opening Balance 1 Jan 2017	Movement in Reserves	Other Comprehensive Revenue and Expense	Operating Surplus	Closing Balance 31 Dec 2017
UNIVERSITY 2017	\$'000	\$'000	\$'000	\$'000	\$'000
Trust funds	13,063	-	-	447	13,510
Asset revaluation reserves	451,885	(24,193)	156,505	-	584,197
Special reserves	21,964	-	-	-	21,964
General reserves	549,866	24,193	144	26,082	600,286
Total	1,036,779	-	156,649	26,529	1,219,957

19 TRUST FUNDS

	CONSOLIDATED		UNIVERSITY	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Balance on 1 January	51,969	41,133	13,510	13,063
Income	3,400	12,758	1,099	2,192
Expenses	(1,432)	(1,922)	(927)	(1,745)
Balance on 31 December	53,937	51,969	13,682	13,510

The University has control over these trust funds and obtains benefits associated with ownership of them. They have therefore been treated as equity in the Group Statement of Financial Position. Details of significant trust funds are as follows:

- Helen Akers Bequest - funds bequeathed from the Estate of Helen Akers to provide scholarships for students;
- Massey University Common Fund - pool of funds used for holding and paying out scholarships and prize monies to students and fundraising for certain capital projects;
- Sasakawa Foundation - scholarships provided from the Sasakawa Foundation, Japan, for students;
- Delahunty Trust - trust fund established to provide research grants to foster primary industry accounting research to students living in New Zealand;
- Norwood Trust - prizes for students for achievement in trade courses;
- A G East Memorial Trust - educational scholarships for technical and trade courses; and
- Tony Drakeford Memorial Trust - educational scholarships for commerce courses.

20 FINANCIAL INSTRUMENTS RISK AND SUMMARY OF FINANCIAL ASSETS AND LIABILITIES

The Group has a series of policies to manage risks associated with financial instruments. The Group is risk averse and seeks to minimise exposure from treasury activities. The Group has established Council approved risk management and investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

(a) CREDIT RISK

Credit risk is the risk that a third party will default on its obligations to the Group, causing any loss. The University has no significant concentrations of credit risk as it has a large number of credit customers, mainly students.

The University invests funds only in deposits with registered banks, and its investment policy limits the amount of credit exposure to any one bank. Investment funds are spread over a number of banks and vary between short and long term. Investments with each bank are in line with the University's Treasury Framework.

Maximum exposures to credit risk at balance sheet date are:

	CONSOLIDATED		UNIVERSITY	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Cash at bank and term deposits	154,065	157,847	148,173	152,601
Receivables	99,638	23,723	103,615	22,594
Loans	249	179	-	-
Managed funds	37,205	34,943	1,838	-
Credit facility on credit card	4,000	4,000	4,000	4,000
Total Credit Risk	295,157	220,727	257,626	179,195

The above maximum exposures are net of any recognised provision for losses on these financial instruments.

No collateral is held on the above amounts.

	CONSOLIDATED		UNIVERSITY	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
COUNTERPARTIES WITH CREDIT RATINGS				
Cash at Bank and Term Deposits				
AA- (Very strong)	132,738	126,629	126,846	121,383
A (Strong)	21,327	31,218	21,327	31,218
Total Cash at Bank and Term Deposits	154,065	157,847	148,173	152,601
Derivatives				
AA- (Very Strong)	-	35	-	35
Credit Facility on Credit Card				
AA- (Very Strong)	4,000	4,000	4,000	4,000
COUNTERPARTIES WITHOUT CREDIT RATINGS				
Receivables	99,638	23,723	103,615	22,559
Loans	249	179	-	-
	99,887	23,902	103,615	22,559

Managed Funds

Managed Funds of \$37.2 million (2017: \$34.9 million) have not been included in the table above, because while these portfolios of debt and equity investments managed by fund managers on behalf of the Group do not have credit ratings at a portfolio level, many of the underlying individual debt and equity instruments have credit ratings.

Standard and Poor's Credit Ratings sourced from the Reserve Bank of New Zealand:

<https://www.rbnz.govt.nz/regulation-and-supervision/banks/prudential-requirements/credit-ratings>

The accompanying notes form part of these financial statements.

(b) LIQUIDITY RISK

	Carrying Amount \$'000	Contractual Cash Flows \$'000	6 Months and Less \$'000	7-12 Months \$'000	2 Years \$'000	More than 2 Years \$'000
CONSOLIDATED 2018						
Trade and other payables	50,356	50,356	46,842	-	-	3,514
Accrued pay	12,570	12,570	12,570	-	-	-
Total	62,926	62,926	59,412	-	-	3,514
UNIVERSITY 2018						
Trade and other payables	54,861	54,861	51,347	-	-	3,514
Accrued pay	12,469	12,469	12,469	-	-	-
Total	67,330	67,330	63,816	-	-	3,514
CONSOLIDATED 2017						
Trade and other payables	37,609	37,609	36,685	-	-	924
Accrued pay	23,865	23,865	23,865	-	-	-
Total	61,474	61,474	60,550	-	-	924
UNIVERSITY 2017						
Trade and other payables	37,283	37,283	36,359	-	-	924
Accrued pay	23,763	23,763	23,763	-	-	-
Total	61,046	61,046	60,122	-	-	924

Liquidity risk is the risk that the Group will encounter difficulty raising funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and ensuring the availability of funding through an adequate amount of committed credit facilities. The Group aims to maintain flexibility in funding by keeping committed credit lines available.

The University aims at having a minimum cash holding of \$20 million.

The maturity profiles of the University's interest-bearing investments are disclosed in note 10.

(c) MARKET RISK**Currency Risk**

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The University minimises the risk over expenditure by holding funds in the major foreign currencies in which it does business. The amount on deposit is determined by the amount that is expected to be incurred against that currency in the following 12 months. Holdings of foreign currencies are disclosed in note 8. The University manages currency risk associated with the purchase of assets from overseas that are above specified amounts by entering into forward foreign exchange contracts. This means the University is able to fix the New Zealand dollar amount payable prior to the delivery of the asset from overseas.

Where a one off major capital expense involving foreign currency is identified, then a review of current trends and the amount held in that currency is undertaken. If appropriate, then forward cover may be arranged.

The only significant exposure to currency risk relates to funds held in our United States and Australian bank accounts as disclosed in note 8. If the United States dollar had moved up or down by 1% the effect on surplus and equity would have been \$11k (2017: \$17k). If the Singapore dollar had moved up or down by 1% the effect on surplus and equity would have been \$11k (2017: \$8k).

Interest Rate Risk

The interest rates on Massey University's investments are disclosed in note 10.

Fair Value Interest Rate Risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market rates. The Group is limited by statute in its ability to manage this risk. If interest rates on investments had

fluctuated by plus or minus 0.5%, the effect would have been to increase/decrease the surplus by \$737k (2017: \$738k). The Group did not have any borrowings during the reporting period.

Cash Flow Interest Rate Risk

Cash flow risk is the risk that cash flows from financial instruments will fluctuate because of changes in market rates. Other than some deposits at call, held for liquidity purposes, the Group does not have any exposure to interest rates.

Other Price Risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of market changes in market price. The Group does not hold any significant financial instruments that are subject to this risk.

SUMMARY OF FINANCIAL ASSETS AND LIABILITIES

CONSOLIDATED 2018	Loans and	At Fair Value	Available for Sale	Other	Total
Classification of Financial Assets and Liabilities	Receivables	Through Surplus	Financial Assets	Liabilities at	\$'000
	\$'000	or Deficit	\$'000	Amortised Cost	\$'000
		\$'000		\$'000	
FINANCIAL ASSETS					
Cash and cash equivalents	45,392	-	-	-	45,392
Student and other receivables	100,038	-	-	-	100,038
Loans	249	-	-	-	249
Short-term investments maturing between 4 and 12 months	110,261	-	-	-	110,261
Term deposits maturing between 1 and 5 years	250	-	-	-	250
Unlisted shares	-	-	2,404	-	2,404
Shares	-	-	1,850	-	1,850
Managed funds	-	35,367	-	-	35,367
Total Financial Assets	256,190	35,367	4,254	-	295,811
FINANCIAL LIABILITIES					
Trade and other payables	-	844	-	30,774	31,618
Accrued expenses	-	-	-	31,308	31,308
Total Financial Liabilities	-	844	-	62,082	62,926
CONSOLIDATED 2017					
Classification of Financial Assets and Liabilities	Loans and	At Fair Value	Available for Sale	Other	Total
	Receivables	Through Surplus	Financial Assets	Liabilities at	\$'000
	\$'000	or Deficit	\$'000	Amortised Cost	\$'000
		\$'000		\$'000	
FINANCIAL ASSETS					
Cash and cash equivalents	32,608	-	-	-	32,608
Student and other receivables	23,723	35	-	-	23,758
Loans	179	-	-	-	179
Short-term deposits maturing between 4 and 12 months	125,239	-	-	-	125,239
Unlisted shares	-	-	2,596	-	2,596
Shares	-	-	2,479	-	2,479
Managed funds	-	34,943	-	-	34,943
Total Financial Assets	181,749	34,978	5,075	-	221,802
FINANCIAL LIABILITIES					
Trade and other payables	-	467	-	17,785	18,252
Accrued expenses	-	-	-	43,222	43,222
Total Financial Liabilities	-	467	-	61,007	61,474

UNIVERSITY 2018	Loans and	At Fair Value	Available for Sale	Other	Total
Classification of Financial Assets and Liabilities	Receivables	Through Surplus	Financial Assets	Liabilities at	\$'000
	\$'000	or Deficit	\$'000	Amortised Cost	\$'000
FINANCIAL ASSETS					
Cash and cash equivalents	42,240	-	-	-	42,240
Student and other receivables	104,015	-	-	-	104,015
Short-term investments maturing between 4 and 12 months	107,521	-	-	-	107,521
Term deposits maturing between 1 and 5 years	250	-	-	-	250
Shares	-	-	1,850	-	1,850
Total Financial Assets	254,026	-	1,850	-	255,876
FINANCIAL LIABILITIES					
Trade and other payables	-	844	-	35,307	36,151
Accrued expenses	-	-	-	31,179	31,179
Total Financial Liabilities	-	844	-	66,486	67,330

UNIVERSITY 2017	Loans and	At Fair Value	Available for Sale	Other	Total
Classification of Financial Assets and Liabilities	Receivables	Through Surplus	Financial Assets	Liabilities at	\$'000
	\$'000	or Deficit	\$'000	Amortised Cost	\$'000
FINANCIAL ASSETS					
Cash and cash equivalents	29,209	-	-	-	29,209
Student and other receivables	27,543	35	-	-	27,578
Short-term deposits maturing between 4 and 12 months	123,392	-	-	-	123,392
Shares	-	-	2,479	-	2,479
Total Financial Assets	180,144	35	2,479	-	182,658
FINANCIAL LIABILITIES					
Trade and other payables	-	467	-	22,197	22,664
Accrued expenses	-	-	-	43,219	43,219
Total Financial Liabilities	-	467	-	65,416	65,883

CAPITAL MANAGEMENT

The Group's capital is its equity, which comprises general funds, restricted reserves, property valuation and fair value through comprehensive income reserves. Equity is represented by net assets.

The Group is subject to the financial management and accountability provisions of the Education Act 1989.

The Group manages its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. The Group's equity is largely managed as a by product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing the Group equity is to ensure that it effectively and efficiently achieves the goals and objectives for which it has been established, while remaining a going concern.

21 FAIR VALUE HIERARCHY DISCLOSURES

The carrying values of all assets and liabilities approximate their fair values.

For those instruments recognised at fair value in the Statement of Financial Position, fair values are determined according to the following hierarchy:

- **Level 1** Quoted market price - Financial instruments with quoted prices for identical instruments in active markets.
- **Level 2** Valuation technique using observable inputs - Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in an inactive market and financial instruments valued using models where significant inputs are observable.
- **Level 3** Valuation techniques with significant non observable inputs - Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation classes of financial assets measured at fair value in the Statement of Financial Position:

CONSOLIDATED 2018 Classification of Financial Assets	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
FINANCIAL ASSETS				
Shares	1,850	-	2,404	4,254
Managed funds	-	37,205	-	37,205
Total	1,850	37,205	2,404	41,459

CONSOLIDATED 2017 Classification of Financial Assets	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
FINANCIAL ASSETS				
Shares	2,479	-	2,596	5,075
Managed funds	-	34,943	-	34,943
Derivatives	-	35	-	35
Total	2,479	34,978	2,596	40,053

UNIVERSITY 2018 Classification of Financial Assets	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
FINANCIAL ASSETS				
Shares	1,850	-	-	1,850
Managed Funds	-	1,838	-	1,838
Total	1,850	1,838	-	3,688

UNIVERSITY 2017 Classification of Financial Assets	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
FINANCIAL ASSETS				
Shares	2,479	-	-	2,479
Derivatives	-	35	-	35
Total	2,479	35	-	2,514

22 COUNCIL MEMBERS' FEES AND KEY MANAGEMENT REMUNERATION

	UNIVERSITY	
	Actual	Actual
	2018	2017
	\$'000	\$'000
Council members remuneration	219,000	205,000
Senior executive team including Vice-Chancellor	3,434,838	3,833,810
Total Chief Executive's remuneration	3,653,838	4,038,810

Total number of Council members remunerated in 2018 was 11 (2017: 9).

The senior executive team remunerated in 2018 included the Vice-Chancellor, a Provost, five Pro Vice-Chancellors and four Deputy Vice-Chancellors.

23 ASSOCIATES

	CONSOLIDATED	
	Actual	Actual
	2018	2017
	\$'000	\$'000
TRAMAL LIMITED (FORMERLY NEW ZEALAND VET PATHOLOGY LIMITED)		
Balance sheet date:	31 March	
Principal activity:	Research	
<i>Movement in the carrying amount of investment in associate</i>		
Balance at 1 January	-	4,493
Dividend	-	(230)
Distribution back to shareholders	-	(4,263)
Balance at 31 December	-	-
CONSUMER INSIGHTS LIMITED		
Balance sheet date:	31 March	
Principal activity:	Consumer Research	
<i>Movement in the carrying amount of investment in associate</i>		
Balance at 1 January	47	45
Other changes	10	-
Dividend	-	(3)
Share of comprehensive revenue and expense	(13)	5
Balance at 31 December	44	47
<i>Summarised information:</i>		
Assets	66	79
Liabilities	1	1
Revenue	95	139
(Deficit) / surplus	(32)	13
Group's interest %	40.00%	40.00%

	CONSOLIDATED	
	Actual	Actual
	2018	2017
	\$'000	\$'000
SKILL TRACKER LIMITED		
Balance sheet date:	31 March	
Principal activity:	Content Sharing Services	
<i>Movement in the carrying amount of investment in associate</i>		
Balance at 1 January	185	-
New investments during the year	(100)	200
Share of comprehensive revenue and expense	(57)	(15)
Balance at 31 December	28	185
<i>Summarised information:</i>		
Assets	116	214
Liabilities	117	49
Revenue	60	14
Deficit	(137)	(35)
Group's interest %	41.50%	41.50%

24 JOINT VENTURE

The Group's 50% ownership in Agri One Limited, a joint venture, is accounted for as a jointly controlled entity. Agri One Limited is in the process of winding up its operation and expected to be removed from the New Zealand Companies Register during 2019.

A summary of the Group's interest in the joint venture is as follows:

	CONSOLIDATED	
	Actual	Actual
	2018	2017
	\$'000	\$'000
GROUP		
Current assets	-	244
Current liabilities	-	322
Revenue	92	620
Expenses	15	733

25 RELATED PARTY INFORMATION

Massey University has inter-company balances receivable from the following subsidiaries at the end of the year. The amounts are unsecured and interest free.

	UNIVERSITY	
	Actual	Actual
	2018	2017
	\$'000	\$'000
SUBSIDIARIES		
Massey Ventures Limited	4,145	3,641
ALPP Limited	-	2,405
Massey Global Limited	-	820
ecentre Limited	39	46
MUSAC Limited	11	39
Massey University Foundation Trust	1	336
Massey Global Singapore Private Limited	389	523
ASSOCIATES		
Polybatics Limited	92	92
Skill Tracker Limited	5	-
	4,682	7,902

Apart from Massey staff members performing certain work for the subsidiaries for no charge, all sales, purchases and income and expenses from rendering of services between related parties are carried out on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2018, the University has recorded an impairment of receivables \$92k relating to amounts owed by related parties (2017: \$2,497k). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The Massey University Group structure and details of subsidiaries, associates and joint venture forming the Reporting Entity as referred to in Note 1 are as follows:

MASSEY UNIVERSITY GROUP	OWNERSHIP	
	2018	2017
Group Entities	%	%
SUBSIDIARIES		
Massey University Foundation Trust	100	100
ALPP Limited	100	100
Massey Global Limited (MGL)	100	100
Massey Global Singapore Private Limited (MGSPL)	100	100
ecentre Limited	100	100
MUSAC Limited	100	100
Hyper Analytics Research and Development Limited (formerly Hyperceptions Limited)	67	67
JOINT VENTURE		
Agri One Limited	50	50
ASSOCIATES		
Consumer Insights Limited	40	40
Polybatics Limited	29	29
Skill Tracker Limited	42	42

The University held 60% shareholding in Synthodics Limited, a non-trading subsidiary, which was removed from New Zealand Companies Register during 2018.

The University owns Agri One Limited jointly with Lincoln University.

Ultimate ownership in all other group entities is held by the University.

26 STATEMENT OF COMMITMENTS

Detailed below are those capital projects for which approved commitments have been made.

	CONSOLIDATED		UNIVERSITY	
	Actual	Actual	Actual	Actual
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
CAPITAL COMMITMENTS				
Buildings	36,061	35,701	36,061	35,701
IT	3,339	3,949	3,339	3,949
Equipment	7,022	1,741	7,022	1,741
Total Capital Commitments	46,422	41,391	46,422	41,391

In addition, the University had operating commitments in respect of service contracts, leases of land, buildings and equipment as follows:

	CONSOLIDATED		UNIVERSITY	
	Actual	Actual	Actual	Actual
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
OPERATING LEASES				
Due not later than one year	2,355	3,511	2,264	3,271
Due later than one year and not later than five years	13,736	15,539	13,524	15,394
Later than five years	7,377	9,126	7,240	9,126
Total Non-cancellable Operating Leases	23,468	28,176	23,028	27,791

	CONSOLIDATED		UNIVERSITY	
	Actual	Actual	Actual	Actual
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
OTHER COMMITMENTS				
Due not later than one year	2,847	4,185	2,847	4,185
Due later than one year and not later than five years	3,407	2,342	2,357	2,342
Total Other Commitments	6,254	6,527	5,204	6,527

27 STATEMENT OF CONTINGENT ASSETS AND LIABILITIES

Management is not aware of any significant contingent assets or liabilities related to the Group as at the year end. (2017: Nil)

28 POST BALANCE SHEET DATE EVENTS

Management is not aware of any significant post balance sheet date events requiring adjustment to or disclosure in these financial statements.

COMPULSORY STUDENT SERVICES FEES

	Advocacy, Legal and Financial Support \$'000	Careers and Employment Advice \$'000	Health and Counselling \$'000	Pastoral Care \$'000	Clubs, Societies, Sports and Recreation \$'000	Media \$'000	Building Levies \$'000	Total \$'000
Compulsory student services fees collected	891	531	3,081	2,304	1,664	259	1,121	9,851
Expenses	899	536	3,108	2,324	1,679	262	1,121	9,929
Deficit	(8)	(5)	(27)	(20)	(15)	(4)	-	(78)

CATEGORIES OF COMPULSORY STUDENT SERVICES FEE

ADVOCACY, LEGAL AND FINANCIAL SUPPORT:

Advocating on behalf of students, (individual and groups) to provide support including legal and financial advice and welfare including hardships grants.

CAREERS AND EMPLOYMENT ADVICE:

Supporting students to develop skills and experience for their transition to post-study employment or the next stage of their career path.

Support provided includes career consultations, internship opportunities, developing job interview techniques and preparing curriculum vitae.

HEALTH AND COUNSELLING:

Providing students with access to counselling and health services including health education and other medical services to support students to stay well.

PASTORAL CARE:

Providing students with access to services such as spiritual support, leadership and transitional programmes, pastoral care for students living in accommodation on and off campus and for students living at a distance from campus, student events and activities.

CLUBS, SOCIETIES, SPORTS AND RECREATION:

Providing resources to support and encourage student participation through Sports and Recreation Centre activities, facilities and events including student clubs, societies and cultural groups.

MEDIA:

Supporting the production and dissemination of information by students to students, which covers student radio, printed media and web/on-line communications.

BUILDING LEVIES:

The Recreation Centre Levies (Auckland and Manawatū) are a student contribution to the costs of the Recreation Centres on these campuses. These levies are not charged to distance students.

The building levies are charged as contributions towards the capital cost of specific student services buildings for projects that have been agreed with our students. The money collected by the University through these levies is for specific student services buildings and does not go towards the general costs of building development or building maintenance.

Notes:

The compulsory student services fee for an internal student undertaking a full-time programme of study in 2018 was set at \$567.40 (GST inclusive).

Building levies are charged as follows:

- Manawatū \$104.30 per EFTS

Any surplus is carried forward to the following year to be used solely for the provision of student services per Ministerial Direction.

The administration of Compulsory Student Services Fees is integrated within the University's normal operations.

All income and expenditure associated with the provision of student services are separately accounted for in the University's accounting system.



MASSEY UNIVERSITY

Auckland campus

Private Bag 102904

North Shore

Auckland 0745

New Zealand

T +64 9 414 0800

Manawatū campus

Private Bag 11222

Palmerston North 4442

New Zealand

T +64 6 356 9099

Wellington campus

PO Box 756

Wellington 6140

New Zealand

T +64 4 801 5799

www.massey.ac.nz
0800 MASSEY

