

MASSEY UNIVERSITY ANNUAL REPORT 2017

TE KUNENGA KI
PŪREHUROA





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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Ō MUA

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.

Ō ĀPŌPŌ

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

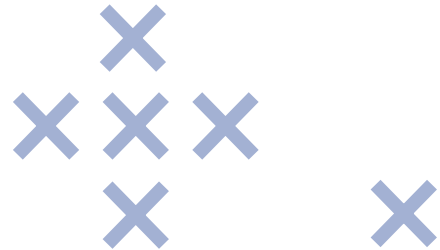
TĒNEI AU, TĒNEI AU
TE HŌKAI NEI O TAKU TAPUWAE
KO TE HŌKAI-NUKU
KO TE HŌKAI-RANGI
KO TE HŌKAI A TŌ TIPUNA
A TĀNE-NUI-A-RANGI
I PIKITIA AI
KI TE RANGI-TŪHĀHĀ
KI TIHI-O-MANONO
I ROKOHINA ATU RĀ
KO IO-MATUA-KORE ANAKE
I RIRO IHO AI
NGĀ KETE O TE WĀNANGA
KO TE KETE TUAURI
KO TE KETE TUATEA
KO TE KETE ARONUI
KA TIRITIRIA, KA POUPOUA
KI A PAPTŪĀNUKU
KA PUTA TE IRA-TANGATA
KI TE WHAI-AO
KI TE AO-MĀRAMA

TIHEI MAURI ORA!

FROM THE CHANCELLOR

Here am I, here am I
here am I swiftly moving by
the power of my karakia for swift movement
Swiftly moving over the earth
Swiftly moving through the heavens
the swift movement of your ancestor
Tāne-nui-a-rangi
who climbed up
to the isolated realms
to the summit of Manono
and there found
Io-the-Parentless alone
He brought back down
the Baskets of Knowledge
the Basket called Tuauri
the Basket called Tuatea
the Basket called Aronui.
Portioned out, planted
in Mother Earth
the life principle of humankind
comes forth into the dawn
into the world of light

I sneeze, there is life!



2017 was a year in which we saw the start of what I am confident will be a transformation of Massey University.

It was my first year as Chancellor and saw Dr Helen Anderson elected Pro Chancellor. I would like immediately to pay tribute to my predecessor Chris Kelly for his impressive service to Massey University and to the Council, which he joined in 2005 and led since 2014.

It was also the year in which we welcomed Massey's sixth Vice-Chancellor, Professor Jan Thomas, following the departure of Steve Maharey at the end of 2016 after a notable eight years in the role.

The Vice-Chancellor set up a process for consulting students, staff and other stakeholders on producing an updated University strategy for 2018-2022, which the University Council endorsed.

Professor Thomas also stated early in the year that Massey University needed to improve its financial performance year on year to enable investment in its strategy.

The University has a very strong balance sheet and is in a sound financial position. The target of a financial return of 1.8 per cent of turnover was exceeded during the year and next year's target is a 3 per cent return.

We welcomed 6182 graduates to our alumni family during the year. The majority – just over 3500 – graduated at the ceremonies in Auckland, Palmerston North and Wellington in April, May and November. Those ceremonies are always joyous occasions and highlights of the academic year. My particular thanks to Dr Anderson for standing in for me to preside over several of the ceremonies.

An honorary doctorate was conferred on social justice advocate Dr Kim Workman. Massey Medals were awarded to former University archivist Lucy Marsden, former Pro Vice-Chancellor Professor Emeritus Barrie Macdonald and sociologist Professor Emeritus Graeme Fraser.

Facility upgrades continued on all campuses and several new buildings were announced. The sale of the Ōteahā Rohe site at Auckland was finalised, enabling a \$120 million investment in our fastest-growing campus, including a 9800-square-metre innovation hub. At Manawatū the Wildbase Hospital was opened in January and it was announced that AgResearch and Massey would jointly construct a \$45 million food research facility. In Wellington the new marae and new music and creative media premises are due to open in the first part of 2018. These facilities add immensely to the quality of our students' experiences.

Thank you to all my fellow Council members for your support during the year.

Michael Ahie
Chancellor



Professor Jan Thomas

FROM THE VICE-CHANCELLOR

TIPU TE TOI, ORA TE TOI, WHANAKE TE TOI! NŌ HEA TE TOI? NŌ HAIWAIKI TŪ, NŌ HAWAIKI ROA! TĪHEI MAURI TŪ! TIHEI MAURI ORA!

KEI NGĀ RINGA MANAAKI O TE KUPU, TĒNĀ KOUTOU. TĒNĀ TĀTOU E HOE TAHI NEI I TŌ TĀTOU WAKA KI UTA. KA MUTU, KO WAI IA TE KAIWHAKAUE? KO TE TIRITI O WAITANGI. MŌKORI ANŌ KA RERE NGĀ MIHI KI TĒNĀ, KI TĒNĀ O KOUTOU E TUITUI NEI I NGĀ IA O TE TAURA HERENGA TANGATA O TE KUNENGA KI PŪREHURŌA.

TĀTOU E NGAKI NEI I TE MĀRA WHAKATIPU O TE MĀTAURANGA, E PUĀWAI MAI AI ŌNA HUA KI TĒNĀ, KI TĒNĀ O TĀTOU. INĀ RĀ HOKI TE KŌRERO, KOTAHI TONU TE HIRINGA I KAKEA AI E TĀNE A TIKITIKI-O-RANGI. KO TE HIRINGA I TE MAHARA!

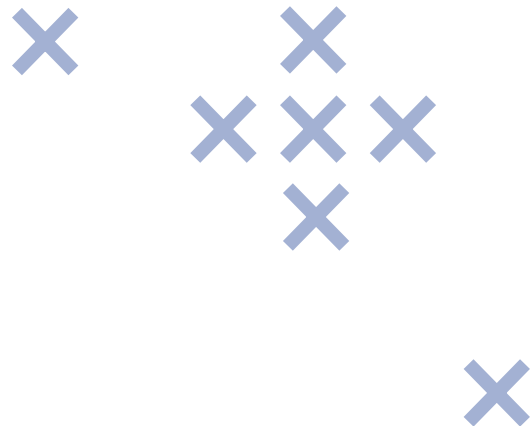
I am very proud to present my first annual report as Massey University's Vice-Chancellor.

Joining as the University's sixth Vice-Chancellor in January, I was welcomed with a pōwhiri two days later at the Manawatū campus and received similar warm welcomes at the Auckland and Wellington campuses in the following days.

I want to pay tribute to my predecessor Steve Maharey and offer my thanks to Chancellor Michael Ahie, also in his first year in the role, and members of the University Council for their support.

One of the challenges I identified early on in meetings with staff across the University was to get us onto a firmer financial footing to enable us not only to refresh our strategy but to invest in it. In October we launched the *Massey University Strategy 2018-2022*. Key components included a commitment to being a Tiriti o Waitangi-led institution, the inspiration of our Māori name, Te Kunenga ki Pūrehuroa (from inception to infinity), and the fact that Massey is defined by not only what it does but how it does it.

Key events during the year included the annual Finance event in Auckland, which has been co-hosted since 2009 by the Massey Business School and the Auckland Chamber of Commerce. It is a luncheon event where the Minister of Finance outlines the Government's economic agenda for the coming year.



Another big annual event was the Defining Excellence Awards in March, where we recognised our top teachers and researchers as well as graduates of the University who have made outstanding contributions through their careers and community work. We also presented Partnership Excellence Awards to businesses and organisations with which Massey works closely, domestically and internationally.

In August in Wellington we hosted a pre-election debate entitled The Opportunity Gap in partnership with media company Stuff. University staff and students promoted citizenship through active participation in the democratic process, and the level of engagement was spectacular. All the major and most of the minor political parties were represented and the debate was live-streamed on the Stuff website, reaching more than 265,000 people.

The New Zealand Food Awards, in October, was another event highlight, where Massey brought together dozens of the nation's finest food and beverage producers to showcase the innovation and quality that make our industry the envy of much of the world. Each year the scale and prestige of the awards grow, and the opportunity to connect with many of our graduates who work in the important agrifood sector is very valuable.

The divestment of the Ōteihā Rohe site at Auckland towards the end of the year will support two major construction projects that are part of the \$120 million campus development plan. We will extend the Sir Neil Waters building and build a new innovation hub that will house staff and postgraduate students, teaching spaces, research laboratories and clinics. Staff and students will progressively relocate as construction is completed.

At the Manawatū campus numerous building developments and refurbishments are continuing in the spaces occupied by staff of the Colleges of Business, Health, and Humanities and Social Sciences. The new administration building and Wildbase Hospital construction was completed. Construction will start in early 2018 on a \$45 million food science facility in partnership with AgResearch.

At Wellington the long-awaited marae rebuild is close to completion, and what will be a spectacular facility of benefit to the wider University community will open in the first part of 2018.

A stellar performance by the Massey University Foundation in 2017 saw the University's registered charity provide its largest annual return, in excess of \$12 million. This was boosted by an extraordinarily generous donation of \$3.4 million from an individual who asked to remain anonymous and a particularly buoyant year for capital markets. It was also a testament to the work being done by the foundation staff, supported by an active board and many alumni and staff who are regular donors.

A handwritten signature in black ink that reads "Jan Thomas".

Professor Jan Thomas
Vice-Chancellor



COLLEGE HIGHLIGHTS

BUSINESS

The Massey Business School focused on future-proofing its qualifications to ensure that students leave with the transferable skills they will need for the long term. Innovative programmes such as the Master of Analytics and Master of Advanced Leadership Practice are beginning to produce their first graduates. The new-look Bachelor of Business and Bachelor of Retail and Business Management will celebrate their first graduates in the 2018 ceremonies.

At the same time, the school has a long tradition of offering high-quality academic programmes. The Massey MBA marked its 45th anniversary, following on from 2016's 50th anniversary of the journalism programme. Both are the longest continuously running programmes of their type in New Zealand.

The Massey Business School continued to develop close connections with industry for the benefit of students, through internship programmes and guest lecturers offering practical insights. The school's CEO-in-Residence, former Warehouse Group chief executive Mark Powell, completed his two-year residency and provided an invaluable link to the real world of business. Another business partnership was the Community Accounting project, where students provide free financial advice to community groups.

The prestigious Shanghai Ranking placed the finance programme in the top 150 finance programmes globally, the highest place for a New Zealand university.

Work has begun on a new home at Palmerston North Airport for the School of Aviation, which will bring all staff and students together for the first time.

CREATIVE ARTS

The awards were forthcoming for the College of Creative Arts too this year. Professor of Industrial Design Tony Parker was awarded a best-of-the-best design purple pin at the Best Awards and led a large contingent of students and staff from the School of Design who were gold, silver and bronze winners at the awards presented by the Designers Institute of New Zealand. Many of these same entries were further honoured at the Red Dot Awards in Singapore, presented by design award agency Red Dot, an internationally recognised quality label for excellent design. And we were thrilled when Red Dot ranked the School of Design the number one design school in the Asia-Pacific.

At the LUX Light Festival in Wellington, 11 of the 37 exhibits were the work of staff and students, many from the College of Creative Arts. Massey University is a founding partner of the festival, which started as a research symposium at Massey's Wellington campus six years ago and is now a signature event for the capital.

HEALTH

Supporting and serving communities was a theme repeated by the College of Health, which joined the Rural Health Alliance Aotearoa New Zealand. College Pro Vice-Chancellor Professor Jane Mills was elected to the alliance's council.

In January Massey University's Environmental Health Indicators team released Healthspace, an online visualisation tool for health-related data in New Zealand, supported by the Ministry of Health.



Dr Collette Bromhead, a senior lecturer in molecular microbiology, was appointed chief executive of the New Zealand Organisation for Rare Disorders in July.

The School of Social Work co-hosted the Advancing Pacific Social Work Symposium in Fiji – the first time a Pacific region-wide gathering designed specifically to address Pacific social work had been held.

College staff were awarded more than \$6 million in Health Research Council funding. They included: Professor Jeroen Douwes, director of Wellington’s Centre for Public Health Research, who received almost \$5 million to investigate occupational disease; Professor Sally Casswell, co-director of SHORE & Whāriki Research Centre, who was awarded more than \$1 million to study alcohol policy and its impacts; and Dr Kathryn Beck from the School of Sport, Exercise and Nutrition, who was awarded \$250,000 to find out how diet and lifestyle patterns affect older people.

HUMANITIES AND SOCIAL SCIENCES

The College of Humanities and Social Sciences introduced the third of three new core papers that provide contemporary structure and content for the Bachelor of Arts, more commonly known as a BA. Called Tū Tira Mai, the level-three paper focuses on practical, engaged citizenship and what it means to participate in our democracy.

In May the college launched the Joint Research Centre in Applied Linguistics with China’s top language university, the Beijing Language and Culture University. The centre is poised to become a top-level institute in the Asia-Pacific region for the teaching of the Chinese language – recognised as critical to trade, diplomacy, education, tourism and cultural awareness for the 21st century.

It was also another strong year for research in the college, with four Marsden-funded projects sharing more than \$2 million in grant funding. One project, *Living Wages: Transforming lives, transforming work?*, received \$845,000 and will be led by Professor Stuart Carr of the School of Psychology and Professor Jim Arrowsmith and Professor Jane Parker from the Massey Business School. The research aims to inform public deliberations on living wages in an age of societal and organisational transformation. It will consider the diverse perspectives of employers and employees.

SCIENCES

In the recent Marsden funding round, College of Sciences’ projects were awarded 21 of the 26 grants, receiving more than \$12 million in funding. These projects included an investigation into PSA, the bacterial disease causing devastation to New Zealand kiwifruit, the exploration of the heaviest elements in the periodic table, and much more.

Other highlights from the college this year included the launch of the AL Rae Centre for Genetics and Breeding in July, bringing world-leading New Zealand scientist Professor Dorian Garrick home to lead it. The centre will continue to build expertise in the field of quantitative breeding, genetics and genomics to further benefit New Zealand’s agricultural sector.

Professor Murray Cox of the Institute of Fundamental Sciences was awarded the Te Rangi Hiroa Medal for his anthropological work in reconstructing processes of transformation and change in past societies using genetic data.



Massey University Council 2017, back row from left: Distinguished Professor Sally Morgan, David McNab, Michael Ahie, Professor Jan Thomas, Dr Helen Anderson, Ian Marshall, Distinguished Professor Gaven Martin. Front row: Tina Wilson, Colin Harvey, Ben Vanderkolk, Jacqui Hofmann

GOVERNANCE AND MANAGEMENT

UNIVERSITY COUNCIL MEMBERS

Chancellor

Michael Ahie BBS (Hons)

Pro Chancellor

Dr Helen Anderson QSO PhD *Cantab*, CRSNZ, CFInstD
(from January 24, 2017)

Vice-Chancellor

Professor Jan Thomas BSc *Murd*, BVMS *Murd*, MVS *Melb*,
PhD *Murd*, MACVS, FAICD, FAIM
(from January 23, 2017)

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*, GDiplInfSc

Member elected by Massey University students

David McNab BBS, MInstD

Members appointed by Council on nomination of Vice-Chancellor

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

Ex officio members

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



Massey University Senior Leadership Team 2017, back row from left: Professor Giselle Byrnes, Professor Raymond Geor, Professor Jane Mills, Professor Jan Thomas, Professor Claire Robinson, Professor Ted Zorn, Alan Davis. Front row: Cathy Magiannis, Stuart Morriss, Dr Charlotte Severne, Distinguished Professor Paul Spoonley

SENIOR LEADERSHIP TEAM MEMBERS

Vice-Chancellor

Professor Jan Thomas
BSc *Murd*, BVMS *Murd*, MVS *Melb*,
PhD *Murd*, MACVs, FAICD, FAIM
(from January 23, 2017)

Deputy Vice-Chancellor

Professor Theodore (Ted) Zorn
BA *Charleston*, MA *Kentucky*, PhD *Kentucky*

Pro Vice-Chancellors (colleges)

BUSINESS

Professor Theodore (Ted) Zorn
BA *Charleston*, MA *Kentucky*, PhD *Kentucky*

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)

Assistant Vice-Chancellors

EXTERNAL RELATIONS AND DEVELOPMENT

Penelope Barr-Sellers
DipMet NZ *MetSer*, DipTchg, BEd *Waik*
(until September 2017)

MĀORI AND PASIFIKA

Dr Charlotte Severne
ONZM BSc *Auck*, MSc *Auck*, PhD *Auck*

OPERATIONS, INTERNATIONAL AND UNIVERSITY REGISTRAR

Stuart Morriss
DipBusStuds, BAgSc, MPP *Well*

PEOPLE AND ORGANISATIONAL DEVELOPMENT

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

RESEARCH, ACADEMIC AND ENTERPRISE

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

STRATEGY, FINANCE, IT AND COMMERCIAL OPERATIONS

Cathy Magiannis
BCA *Well*, CA

SUMMARY FACTS AND FIGURES

STUDENTS

STUDENT NUMBERS (HEADCOUNT)	Note	2015	2016	2017
Internal	1	17,658	17,476	17,087
Distance		13,965	14,025	13,796
UNIVERSITY TOTAL		31,623	31,501	30,883
% change over previous year		1.1%	-0.4%	-2.0%
INTERNATIONAL STUDENTS INCLUDED IN TOTALS ABOVE	2	4,419	4,714	5,092
EQUIVALENT FULL-TIME STUDENTS (EFTS)	Note	2015	2016	2017
Internal	3	12,613	12,836	13,145
Distance		6,075	6,108	5,508
TOTAL for all students (regardless of funding sources)		18,688	18,944	18,653
% change over previous year		0.0%	1.4%	-1.5%
Full-Fee International Students included in totals above	4	2,816	2,961	3,106
EFTS funded by Tertiary Education Commission (TEC)	5	15,345	15,546	15,051
% change over previous year		-1.5%	1.3%	-3.2%
STUDENT AGE AND GENDER (HEADCOUNT)		Male	Female	2017 Total
Students Under 25 years		5,559	8,499	14,058
		18%	28%	46%
Students 25 years+		5,865	10,960	16,825
		19%	35%	54%
UNIVERSITY TOTAL		11,424	19,459	30,883
		37%	63%	100%
STUDENT WORKLOAD (HEADCOUNT)				2017 Total
Full-time				11,830
				38%
Part-time				19,053
				62%
UNIVERSITY TOTAL				30,883
STUDENT EFTS BY CAMPUS	Note			2017 Total
Auckland				5,390
Manawatū				4,881
Wellington				2,716
Other locations	6			158
Distance				5,508
UNIVERSITY TOTAL				18,653

Note 1: By student mode.

Note 2: For 2017 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: By paper mode.

Note 4: For 2017 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, PASIFIKA AND INTERNATIONAL

MĀORI STUDENT AGE AND GENDER (HEADCOUNT)	Male	Female	2017 Total
Students Under 25 years	443	842	1,285
	14%	26%	40%
Students 25 years+	535	1,366	1,901
	17%	43%	60%
UNIVERSITY TOTAL	978	2,208	3,186
	31%	69%	100%

PASIFIKA STUDENT AGE AND GENDER (HEADCOUNT)	Male	Female	2017 Total
Students Under 25 years	166	410	576
	11%	28%	39%
Students 25 years+	286	617	903
	19%	42%	61%
UNIVERSITY TOTAL	452	1,027	1,479
	31%	69%	100%

STUDENT HEADCOUNT BY COUNTRY OF ORIGIN (CITIZENSHIP)			2017
New Zealand	22,004	Netherlands	70
China	3,456	Zimbabwe	66
Great Britain/United Kingdom	859	Iran, Islamic Republic of	65
United States	457	Brazil	52
India	398	Russia	47
South Africa	375	Ireland	37
Australia	366	France	33
Malaysia	201	Taiwan	30
Philippines	177	Papua New Guinea	29
Korea (South), Republic of	175	Samoa	29
Fiji	159	Colombia	26
Singapore	127	Bangladesh	24
Vietnam	113	Cambodia	24
Germany	111	Nepal	24
Saudi Arabia	107	Chile	23
Indonesia	101	Brunei Darussalam	22
Sri Lanka	98	Italy	22
Canada	91	Other Europe	151
Pakistan	84	Other Africa	93
Japan	80	Other Latin America	80
Hong Kong	78	Other Middle East	77
Thailand	74	Other Pacific	51
Tonga	72	Other Asia	45
TOTAL			30,883

INTERNATIONAL RANKINGS

QUACQUARELLI SYMONDS (QS) RANKINGS		2017*
Percentile of universities worldwide		Top 1.2%
Overall world ranking		316th equal
Graduate employability ranking		301-500
QS Stars		5 Stars +
QS SUBJECT AREA WORLD RANKINGS		2017*
Veterinary Science		23rd
Agriculture and Forestry		27th
Art and Design		51-100
Development Studies		51-100
Nursing		51-100
Accounting and Finance		101-150
Education		101-150
Geography and Area Studies		151-200
Statistics and Operational Research		151-200
Business and Management Studies		201-250
Economics and Econometrics		201-250
Engineering – Chemical		201-250
Environmental Sciences		201-250
Psychology		201-250
Sociology		201-250
Biological Sciences		251-300
Linguistics		251-300
Mathematics		251-300
Computer Science and Information Systems		351-400
Engineering Electrical and Electronic		351-400
Chemistry		451-500
QS UNIVERSITY FACULTY RANKINGS		2017*
Social Sciences and Management		225th
Life Sciences and Medicine		295th
Arts and Humanities		319th
Engineering and Technology		371st
Natural Sciences		401-500
TIMES HIGHER EDUCATION RANKING		2017*
Overall world ranking		401-500
RED DOT DESIGN RANKING		2017*
Red Dot Award: Design Concept – Universities		1st in Asia Pacific

* Rankings as of December 31 2017, reported and shown here in the year in which they are released.

STAFF

STAFF IN COLLEGES AND REPORTING LINES*

FULL-TIME-EQUIVALENT (FTE) STAFF	2015	2016	2017
Total staff – all colleges	1,985	2,051	2,102
Total staff – service lines (centres of excellence, support services and administration)	1,130	1,162	1,209
UNIVERSITY TOTAL	3,115	3,213	3,311

STAFF BY TYPE*

FULL-TIME-EQUIVALENT (FTE) STAFF	2015	2016	2017
Total academic staff*	1,339	1,401	1,431
Total professional staff*	1,775	1,812	1,880
UNIVERSITY TOTAL	3,115	3,213	3,311

STAFF RATIOS*

	2015	2016	2017
University ratio of EFTS to academic staff*	14.0 :1	13.5 :1	13.0 :1
University ratio of professional services staff to academic staff*	1.33 :1	1.29 :1	1.31 :1

* Staff FTE was previously reported in three categories. To align more closely with other New Zealand universities, the category "Contract and Trading" (used for research and capital projects) has been removed. For 2017, the FTE in this category has been redistributed into the Academic and Professional Service categories and data for 2015 and 2016 adjusted accordingly. University totals for 2015 are rounded.

WOMEN IN SENIOR POSITIONS (HEADCOUNT)**

	2015	2016	2017
Senior Leadership Team	4 (33%)	5 (42%)	6 (55%)
Senior managers/directors/managers	90 (41%)	106 (43%)	131 (47%)
Professors/Associate professors	75 (28%)	87 (31%)	84 (31%)
OVERALL	169 (33%)	198 (37%)	221 (39%)

** 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.

	2016	2017
OUTPUTS	\$'000	\$'000
Research	\$200,633	\$214,196
Learning and Teaching	\$267,882	\$280,695
TOTAL COST OF OUTPUTS	\$468,515	\$494,891

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

At this stage, it is impractical to reliably allocate costs to community service and as such no costs have been disclosed.

HE TIROHANGA WHAKAMURI

THE YEAR IN REVIEW

This year the Massey University community – staff, students, University Council, alumni and stakeholders – came together to revise the University’s long-term strategic plan. The result, *Massey University Strategy: 2018-2022*, was published in October and will guide us in the coming years.

The process to update the strategy was initiated in May and led by our Vice-Chancellor Professor Jan Thomas. Hours of effort from members of the community were invested in providing feedback on the drafts, attending meetings and roadshows and providing support to the process.

At its heart, our strategy aims to ensure that Massey will transform and adapt in the context of a rapidly changing world and a highly competitive higher-education sector, ensuring that we continue to lead globally in our areas of expertise.

Our activities have been clearly defined and prioritised around four pillars that form the basis of our new strategy: research, learning and teaching, civic leadership and enabling excellence.

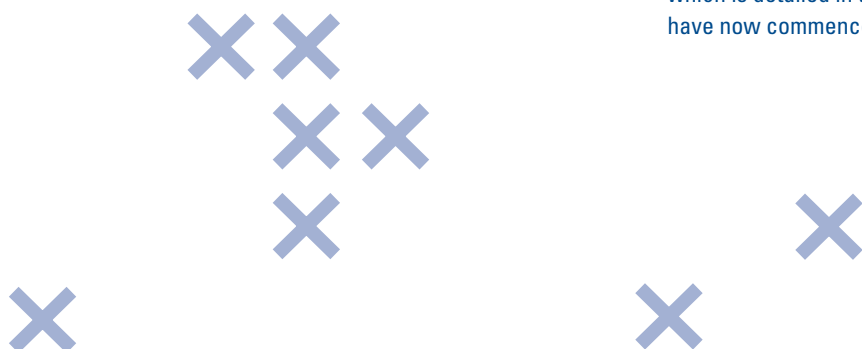
Our strategy states that, as a university, research defines who we are and what we do. Along with supporting and delivering excellent learning and teaching experiences, research sits at the heart of our purpose and mission. Notably, our strategy commits us to investing strategically in both applied and “discovery” research. This dual focus, which comprises our ability to address both “real-world” and pure research problems, along with our responsibility to build a better New Zealand, clearly differentiates us from other New Zealand universities.

We have this year publicly declared too that, in order to provide a distinctive and quality student-centred learning experience, we will ensure that our academic offer and profile are sustainable, fit for purpose and provide students with the knowledge and skills they need to enter the workforce or progress into further research. Our clearly defined graduate attributes mean that Massey graduates will leave university with the skills and capabilities to participate actively as educated and global citizens.

In an uncertain and volatile world, where truth is often seen as malleable and sometimes dispensable, we believe that universities and evidence-based research are needed now more than at any other time in our history. They include the civic leadership responsibility that modern, 21st-century universities have: to continue to speak “truth to power” fearlessly and without reproach. At Massey we aspire to be known for our leadership on matters of interest nationally and internationally, particularly on the social, economic, cultural and environmental issues faced by Aotearoa New Zealand, including those that affect tangata whenua.

Finally, we are committed to ensuring that Massey University is sustainable and endures for future generations. To do this we need to ensure that we aspire to excellence in our core areas of research, teaching, learning and leadership. To do this, we need to ensure staff, financial and business excellence.

Our new plan has imbued Massey with a renewed sense of purpose and a strong strategic focus. While the strategy is still new to us, a great deal of progress has already been made towards realising our goals, which is detailed in the following pages. Together, we have now commenced the journey.



NGĀ KETE O TE WĀNANGA

RESEARCH

IMPACT

WORLD-LEADING PURE AND APPLIED RESEARCH CONDUCTED IN PARTNERSHIP WITH INDUSTRIES AND THE COMMUNITIES WE SERVE.

GOAL

WE WILL BE A WORLD LEADER IN OUR CHOSEN AREAS OF RESEARCH.

OBJECTIVES:

- Strategically investing in focused areas of both applied and “discovery” research;
- Promoting and rewarding excellence in research;
- Investing in the next generation of researchers by creating an environment where the world’s best young researchers can flourish;
- Deepening strategic research collaborations and relationships nationally and internationally, particularly with industry and community for mutual benefit;
- Maximising the commercial benefit of intellectual property and other outcomes derived from research; and
- Actively facilitating indigenous knowledge development and leadership, particularly among Māori as tangata whenua of Aotearoa New Zealand.





AT A GLANCE

QS World University Rankings, rank Massey University:

TOP 1.2% IN THE TOP 1.2% OF UNIVERSITIES WORLDWIDE

SIGNED A DOCTORAL SCHOLARSHIP AGREEMENT WITH CHINA SCHOLARSHIP COUNCIL

Providing support for top Chinese students to complete their PhDs at Massey

316TH UNIVERSITY WORLDWIDE, IMPROVING 24 POSITIONS SINCE LAST YEAR

DOCTORAL CANDIDATES EXCEEDED 1000

with 185 awarded doctoral degrees

TOP 50 IN TOP 50 FOR ITS veterinary science (23rd); agriculture and forestry (27th) offerings

45TH WORLDWIDE IN FOOD SCIENCE AND TECHNOLOGY in Shanghai Jiao Tong Global Ranking of Academic Subjects

RANKED IN TOP 50-100 FOR arts and design, development studies, and nursing

RECORD-BREAKING YEAR FOR EXTERNAL FUNDING:

- \$15.6 million from Marsden Fund
- \$9.85 million from Ministry for Business, Innovation and Employment Endeavour Fund
- \$5.87 million from the Health Research Council



INTRODUCTION

This year saw the launch of three major strategies that will support a stronger focus on strategic investment in research capabilities at Massey University in coming years. As a university, research drives us and defines us; we see research excellence at Massey as leading in our chosen areas of research. Moreover, we have chosen to invest strategically in both applied and “discovery” research. It is this dual focus – our emphasis on both “real-world” and pure research – that makes us truly distinctive.

In September the University’s long-term strategic plan was approved, with research serving as one of four pillars.

In December, *He Rautaki Rangahau Research Strategy 2018-2022*, which supports the University’s strategic plan and links to the colleges’ research plans, was approved. The aim of the strategy is to ensure that researchers at Massey University are supported to achieve their full potential, whether as individual researchers or as part of a team, in an effort to continue our record of research excellence in subject areas vital to New Zealand’s society and economy.

We also launched *He Waihanga Ake ite Whare Rangahau – Building a Research Powerhouse 2018-2022*, our strategy for improving our performance in international research rankings. This strategy acknowledges our signature research areas and seeks new opportunities to foster, extend and capitalise on these strengths to ensure that “Massey research” means excellent research.

The University has the resources to invest in and ensure the success of these strategies. This year a targeted programme of support and investment for Massey researchers to develop and submit high-quality proposals for key contestable funds was rolled out. Additionally, a new Strategic Research Excellence Fund, which promotes research that aligns with the University’s strategic objectives and supports high-quality research, was instigated, with 22 awards made. We also made significant progress towards next year’s Performance-Based Research Fund (PBRF) round, with funding provided to colleges to support staff completing their research portfolios.

These strategies were launched in a year that saw us achieve significant success in securing external research funding. Massey researchers received more than \$15.6 million in funding for 26 projects from the Royal Society of New Zealand’s Marsden Fund, setting a new record for the number of projects funded and the amount of funding secured at Massey. The successful grants – which include 10 “Fast-Start” grants for new and emerging researchers – represent 18 per cent of the total \$84.6 million funding available from the fund this year. In addition, two researchers received nearly \$6 million from the Health Research Council of New Zealand. Five research projects received a combined \$9.85 million from the Ministry of Business, Innovation and Employment’s 2017 Endeavour Fund.

Our own highly regarded publishing house, Massey University Press, enabled us to share our research with a wider audience. Since its establishment in 2015, the press has published 32 books, of which 26 were written or edited by Massey staff and have made a significant contribution towards their PBRF portfolios.

And this year our doctoral enrolments exceeded 1000 students, with 185 candidates awarded their doctoral degrees. Of this cohort, 58 per cent were female and nearly half, 48 per cent, were international students. Ten students were presented with Dean’s Awards for theses of exceptional quality by the University’s inaugural dean of research.



Rutherford Discovery Fellowship recipient Dr David Hayman.

HIGHLIGHTS

STRATEGIES NEEDED TO PREVENT MALNUTRITION IN OLDER PEOPLE

Research released in May and conducted by a College of Health academic showed concerning levels of malnutrition among older people living independently in the community or newly admitted to hospitals or residential care facilities.

Associate Professor Carol Wham led the study, investigating the prevalence of malnutrition risk in older people in three accommodation settings. The study was conducted in 2014 within the Waitemata District Health Board region in Auckland, including North Shore City, Waitakere City and the Rodney District.

Of the 167 participants, 23 per cent were malnourished and 35 per cent were at high risk of malnutrition. Those recently admitted to residential care had a higher prevalence of malnourishment – 47 per cent, compared with 23 per cent in hospital and 2 per cent living in the community.

The pilot study, the first of its kind in New Zealand, is the first in a series to screen for the risk of malnutrition among older people in the community and in early admissions to hospital and residential care. The research is currently being followed up, using larger groups of 250 people in each of the three settings.

RUTHERFORD DISCOVERY FELLOWSHIP FOR MASSEY EPIDEMIOLOGIST

Associate Professor David Hayman was awarded one of the 10 highly sought-after Rutherford Discovery Fellowships in October.

The annual fellowships, administered by the Royal Society on behalf of the Ministry of Business, Innovation and Employment, are worth up to \$160,000 each year for five years, and are designed to support talented early- to mid-career researchers.

Dr Hayman's research has focused on when and why novel, globally important pathogens emerge and cause disease. He has been involved in studying some of the world's most deadly pathogens to humans, including the Ebola virus. His research focuses on how host traits and infection dynamics determine how traits such as birth and death rates affect infection dynamics in populations.

His recent work has included using thermal imaging surveillance cameras to monitor the long-term hibernation behaviours of bats, and finding that the Ebola virus emergence is linked to the clearing of animal habitat through deforestation in West and Central Africa.



From left: the Prime Minister's chief science advisor Sir Peter Gluckman, former Prime Minister Bill English, AL Rae Centre chief scientist Professor Dorian Garrick, Massey Vice-Chancellor Professor Jan Thomas, and chairman of the Norman FB Barry Foundation John Smith

ANIMAL GENETICS BOOSTED BY NEW CENTRE

Massey University's AL Rae Centre for Genetics and Breeding was launched in July, bringing world-leading New Zealand scientist Professor Dorian Garrick home to lead it.

The centre will build world-leading expertise in the field of quantitative breeding, genetics and genomics to benefit New Zealand's agriculture sector. Postgraduate courses will focus on creating the next generation of scientists with quantitative breeding and genetics skills in both plant and animal breeding. The centre is named in memory of one of the founders of modern animal breeding, Massey Professor Alexander Lindsay Rae (1923-2009).

Centre co-director Professor Hugh Blair was key in driving the project to establish the centre.

"The country's top students have been enticed away from discovery science in genetics because of higher salaries in banking and other agribusinesses areas. Low salaries for PhD students in New Zealand have resulted in more attractive opportunities for these talented people elsewhere, either completing their PhD studies overseas or going directly into employment in New Zealand."

"This had led to underachievement in discovery science for a number of years, with similar science centres around New Zealand suffering from a lack of resources and a short-term focus driven by an industry keen on solving the issues at hand. For a number of years there has been a lack of research in quantitative genetics, in favour of molecular genetics. We want to marry these two areas to get a picture of the overall merit of the animal."





Guests at the launch of the Massey-China language centre.

MASSEY-CHINA LANGUAGE CENTRE TO DRIVE MANDARIN MOMENTUM

The development of innovative online Chinese language programmes for learners across the Pacific region is at the heart of a new partnership between Massey University and the Beijing Language and Culture University.

The Joint Research Centre in Applied Linguistics, which launched in May, is the first of its kind for language education run jointly by the Chinese government and a New Zealand university. It aims to be a hub of excellence for research in the field of innovative digital language education in the Australasian/Pacific region, says Massey's School of Humanities' head Associate Professor Kerry Taylor.

"It is the first and only such joint research centre involving Chinese collaboration with an overseas education partner," he says.

"It will facilitate a research collaboration between the two universities focusing on the distance language acquisition of Chinese within digital environments. The centre aims to develop high standards of rich online academic research resources and distance Chinese language teaching materials, which can be accessed and shared by various research and teaching institutions in the Asia-Pacific region," he says.

A LIVING WAGE IN NEW ZEALAND?

In November, a multidisciplinary team from the School of Psychology's End Poverty and Inequality Cluster, Massey Business School's MPOWER (Massey People, Organisation, Work and Employment Research group) and AUT's Department of Management won an \$845,000 Royal Society Marsden Fund grant to explore the workings of the living wage. They will be examining its feasibility from both worker and employer perspectives, and in particular how better pay affects quality of life and wellbeing.

The study, *Living Wages: Transforming lives, transforming work?*, will involve surveys and case studies of employees and employers from a range of workplaces – including a city council, a public-sector Māori organisation, a Pacific social enterprise and a local small or medium-sized enterprise – to better understand the costs and benefits of, and potential barriers to, adopting the living wage in New Zealand.

The team argues that there is an urgent need to examine the case for a living wage for low-paid workers in the national context of growing poverty and poor productivity.

"Working poverty has soared due to low pay, insecure work that provides interrupted or insufficient hours of paid employment, and rising housing, energy and food costs – all of which disproportionately affect women, younger and older people, and Māori and Pacific peoples in particular," the researchers say.

The aim of the study is to better understand the contribution that being paid a living wage might make in lifting low-paid workers from the poverty trap, in terms of material outcomes and subjective wellbeing.



From left: Anna Brown, College of Creative Arts Pro Vice-Chancellor Professor Claire Robinson, New Zealand Trade and Enterprise service manager Susie Marsden, and Dr Simon Mark at the launch of The Value of Design to New Zealand, the first study to measure the economic contribution of design to New Zealand (Photo: Mark Tantrum)

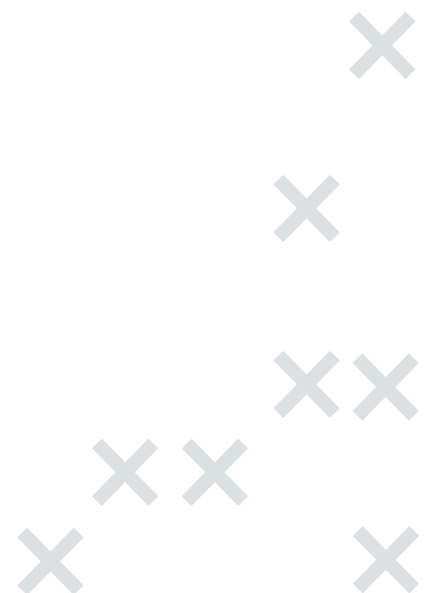
RESEARCH UNCOVERS VALUE OF DESIGN

A group led by Massey University's College of Creative Arts Pro Vice-Chancellor Professor Claire Robinson undertook research this year to establish the value of design to New Zealand for the first time.

The consortium's (DesignCo's) research found that the design industry's contribution to the New Zealand economy was worth more than \$10 billion of the country's gross domestic product (GDP) in 2016.

The study indicated a broadening use of design as an effective process in exporting firms, technology, health, conservation, the public sector and cities. The manufacturing industry contributed the greatest amount to design-related economic activity in 2016, with \$2.7 billion. Product design and interactive design disciplines are the two biggest individual contributors to GDP, with more than \$4.5 billion of economic activity coming from these two disciplines.

DesignCo comprises Massey University's College of Creative Arts; the Designers Institute of New Zealand; the Otago Polytechnic School of Design; New Zealand Trade and Enterprise (Better By Design programme); the AUT School of Art and Design; the Auckland Co-design Lab; Callaghan Innovation; and Victoria University of Wellington's School of Design.



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

TOP

201-300

Ranked one of world's best universities for student employability
Placed in 201-300 band in QS rankings

3 AWARDS

INTERNATIONAL UNDERGRADUATE AWARDS -
THREE MASSEY STUDENTS WON ACCOLADES
only New Zealand university students to do so

STUDENT
SUCCESS
STRATEGY

Developed student success strategy aimed at supporting
students holistically

HUBS OF
EXCELLENCE

launched to support and develop digital and online teaching

1ST

FIRST NEW ZEALAND UNIVERSITY
granted right to accredit staff with Higher Education Academy's
globally recognised qualification, Introduction to Teaching

SCHOOL OF
DESIGN BEST IN
ASIA-PACIFIC

according to global design award agency Red Dot



INTRODUCTION

Our efforts this year in the area of learning and teaching focused on enhancing Massey’s strength: a broad academic offer, shaped by our research and opportunities provided to students to work alongside practitioners and engage in applied learning contexts to solve “real-world” problems.

This focus is captured in the University’s *Student Success Strategy*, which aims to ensure that all students – and especially non-traditional learners – realise their potential, are successful through their learning journeys and receive a supportive and holistic student experience. This is guided by and distinctively based on Sir Mason Durie’s model of student success and support – whakapiri, whakamana and whakamārama. The academic standing system is continuing to provide students with information to support and plan their learning. Data on the three-year period since the introduction of the system shows a downward trend in the number of students subject to long-term exclusion and an increase in the percentage of students excelling at Massey.

As New Zealand’s leader in distance education, we are constantly ensuring that the University’s digital learning and teaching platforms are future oriented and sustainable. This year we produced the draft *Learning and Teaching Digital Strategy*, which will help to guide our decision-making in coming years. Ahead of the finalisation of the strategy, we have started to make improvements to our online learning platform, Stream, and provide academic staff with enhanced professional development so they can better utilise online platforms and integrate systems, learning platforms and support.

We provided staff with another major professional development opportunity this year when Massey University became the first New Zealand university granted the right to accredit staff with a globally recognised qualification in higher-education teaching. Massey academic staff can complete the Introduction to Teaching programme at the University to become associate fellows of the Higher Education Academy, the first step in the process of becoming fellows, or a Postgraduate Certificate in Tertiary Teaching and Learning. Massey is one of only 10 institutions outside the United Kingdom to offer staff development programmes accredited by the academy.

We hosted Learning and Teaching Symposiums on each campus on the theme of assessment and best practice in learning and teaching, with more than 300 staff and students attending. The events were designed to provide an opportunity for participants to contribute to the development of Massey’s *Teaching and Learning Strategy*. Keynote presentations were provided by staff from Massey and international universities.

This year we introduced Kahurei (“an adorned cloak”), a unique Massey initiative to facilitate the development of graduates as 21st-century citizens and reflective practitioners by adopting a holistic approach to learning. Students are encouraged to create a “kahurei” or portfolio of academic, work-related and personal experiences, with a particular focus on transferable skills, knowledge and competencies that enhance their employability opportunities. Kahurei focuses on developing five main employability characteristics: self-management, information literacy, global citizenship, exercising leadership, and enterprise. Participating students receive Kahurei transcripts – which serve as Massey University quality-assured records of transferable skills and competencies – complementing the traditional academic transcripts.

It is hoped that schemes such as this will build on Massey’s already impressive employability performance. This year our Graduate Destination Survey found that 90 per cent of our graduates had entered jobs at the conclusion of their studies and we were ranked as one of the top 300 universities worldwide for student employability in the QS Graduate Employability Rankings.

The prototype pasture meter robot, which was showcased at this year’s National Field Days, serves as a great example of how we’re able to provide students with opportunities to engage in “real-time and real-world” problem-solving. The C-Dax pasture meter robot, which was supported by Massey Ventures Limited, the University’s research commercialisation arm, and developed in conjunction with Massey students, has been designed to help measure pasture precisely and autonomously, saving both labour costs and the over-fertilisation of land.

Through the Massey University Foundation we are steadily increasing the number of scholarships available to students, with a particular focus on providing scholarships that encourage academic progression from undergraduate studies. This year the foundation received a \$3.4 million gift from an anonymous donor, the largest single donation in Massey’s 90-year history. The donation will be invested in perpetuity in the foundation’s endowment fund and the proceeds used to support postgraduate scholarships.

We were thrilled to present bursaries to the inaugural recipients of the Massey Business School Promising Students Assistance Bursaries – a fund initiated by staff from the school. When the school asked its staff to support the University’s direct-from-salary giving programme, it allowed staff to decide how their donations would be spent. They voted overwhelmingly to use the money to support students facing financial hardship. Bursaries were awarded to 10 students, who received a total of \$15,000.



Massey students, staff and Auckland Community Accounting partners gather at the Auckland campus to celebrate the launch of the initiative

HIGHLIGHTS

ASPIRING ACCOUNTANTS GAIN INVALUABLE WORK EXPERIENCE

Staff and students from Massey University's School of Accountancy gathered in October to celebrate the launch of Auckland Community Accounting, an initiative that will see accounting students provide free financial advice to community groups. The initiative, which is modelled on a successful Community Accounting project run in Palmerston North and has been developed in partnership with Auckland North Community and Development, provides students with invaluable work experience.

The Auckland initiative received funding from Foundation North and the Department of Internal Affairs, which made it possible to contract a project manager to oversee the launch of the project. Other supporting organisations are Auckland Council, professional services firm RSM, Charities Services and Chartered Accountants Australia and New Zealand.

Auckland Community Accounting project manager Geoff Andrews says the service will provide free, regular clinics for treasurers and board members of small to medium-sized community groups.

"Non-profit organisations depend on volunteers and sometimes don't have the expertise in financial management they need, so we will be able to help with such things as completing annual returns and performance reports and getting the best out of accounting software," he says.

"Some charity treasurers find themselves in the role almost by default, so even explaining what the treasurer role encompasses, or helping them to understand the financial responsibilities of a governance board or committee, can be extremely helpful."

Dr Warwick Stent from the School of Accountancy is the University's liaison for the project. He says that by the end of the year 24 accountancy students were volunteering their time.

"The students work under the supervision of a chartered accountant to provide advice, training and support services to community groups," Dr Stent says. "It is a great opportunity for them to gain practical experience, develop new professional skills in a real-world environment, and be good community citizens."



Textile design student Jessica Bunnell and the range of fabrics she created with therapeutic benefits for people with Attention Deficit Hyperactivity Disorder, which was displayed as part of the Exposure Exhibition.



Fourth-year student Ricky Lau sits with his simulated client, “farmer Oswald Osbourne”, while facilitators Ryan Carr and Stuart Gordon look on.

EXHIBITION OFFERS FULL EXPOSURE FOR STUDENTS

More than 350 students took part in this year’s Exposure Exhibition, the end-of-year exhibition for final-year students at the College of Creative Arts, in November.

Featuring colourful, practical and creative exhibits from students studying programmes at the School of Art and the School of Design, the exhibition on the Wellington campus has in past years been the launching pad for many careers beyond university.

This year’s exhibits included a hand-held scanner for measuring the quality of kiwifruit, a coffee and water refill, re-use and recycling service and a proposed new typeface that would provide visual clues to English speakers about the correct way to pronounce te reo Māori. All three of these exhibits hailed from the School of Design, which teaches disciplines including industrial, textile, photographic, spatial, visual communication and fashion design. The school is now ranked the top design school in the Asia-Pacific region by global design award agency Red Dot.

Exhibitors this year were joined by the first graduates of the Bachelor of Creative Media Production. Now housed in state-of-the-art, high-tech facilities in Wellington, the programme prepares students to enter jobs in the creative media industry. Graduates, who are part of the School of Music and Creative Media Production, are instructed in a four-pronged programme addressing industry skills such as animation and visual effects, web and interactive, game design and television and film production.

As part of the exhibition, the work of final-year students from the fashion design programme was paraded at the annual fashion show.

ANIMAL WHISPERERS TAUGHT HUMAN RAPPORT

This year saw a new training tool employed to address the need for a greater emphasis on high-quality vet-client communication in undergraduate veterinary training.

The tool allowed fourth-year Bachelor of Veterinary Science undergraduates participating in the third phase of their Veterinary Clinical Communication Skills training to undertake live simulated consultations.

The training uses actors to play simulated clients, and requires the students to role-play scenarios designed to expose them to a variety of veterinary consultation types.

The framework and concepts of communication skills are introduced in the students’ first year of lectures. In their fourth year students are required to explain their clinical findings to simulated clients and plan future treatment and management options. They do this using a “chunk and check” method, which involves students breaking their information into small chunks and checking with the clients that they understand what they have been told. The consultations are again filmed and the simulated clients do their best to test the students’ communication skills by saying unexpected things and challenging them with emotional outbursts. This simulates what often happens in vet-client interactions during real-life consultations.



KidsCoin chief executive officer Brittany Te'ei and MP Alfred Ngaro.

MASSEY SUPPORTS INITIATIVE FOR YOUNG PACIFIC ENTREPRENEURS

September saw the launch of the Hatch Youth Programme (Hatch), which targets Pacific youth aged 16-26 with entrepreneurial aspirations with a combination of flexible tertiary education and real-world experience.

The initiative was developed by the Pacific Business Trust, which partnered with Massey University to work with Pacific youth to reignite their connections to the entrepreneurial spirits of their journeying ancestors.

Chief executive of the Pacific Business Trust, Kim Tuaine, says that flexible learning pathways have been created in partnership with Massey University, enabling young entrepreneurs to be at the helm of their own learning. They also have access to masterclasses taught by industry leaders within their fields of expertise, with the opportunity to get individual assistance from these experts.

Massey Business School Pro Vice-Chancellor Professor Ted Zorn says the University is proud to be supporting the Hatch initiative.

"This programme focuses on fostering innovation and creativity – something we believe is critical to the future success of New Zealand. We have no doubt that Hatch will help to build the capabilities of young Pacific entrepreneurs so they can be successful in business and contribute to the collective wellbeing of their families and wider communities."

MASSEY LAUNCHES MAJOR TO ADDRESS SECTOR NEEDS

The Master of Analytics majoring in health was made available for the first time this year. The major was launched in response to New Zealand's critical shortage of skilled practitioners able to analyse, interpret and disseminate the data needed to inform and improve health services for New Zealanders.

Massey's Master of Analytics (Health), the first New Zealand programme designed to address this skill shortage, gives graduates the tools, skills and techniques to turn health data into robust information to guide policy development and decision-making across the health sector. The programme was designed in collaboration with the major organisations in the health sector, including the Ministry of Health, Statistics New Zealand and district health boards.

Students are able to immediately translate what they have learned into current and future workplaces using Massey's computer lab, which has dedicated access to the Integrated Data Infrastructure, a large research database containing microdata about people and households sourced from a range of government agencies.



The Te Rau Tauawhi team, from left: Awhina Wakefield, Anahera Te Putu-Puhipuhi, Monica Koia, Merirangi Rewi and June Nicklin.

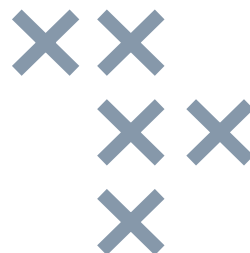
MĀORI STUDENT CENTRE ESTABLISHED AT MASSEY

Māori students at Massey will be well supported in the future with the establishment of Te Rau Tauawhi, the Māori Student Centre.

The centre was officially named at a karakia ceremony on December 4, and at that time the team was already busy supporting 517 students enrolled in summer school. It aims to enhance and inspire educational success and will have staff on the three campuses, who will also support distance students.

Founded on tikanga Māori principles of whānau manaakitanga, whanaungatanga and mātauranga, the centre will provide a range of general and pastoral care services to help prospective and current students and their whānau to engage with the University. Services will include promoting Māori student participation and success, mentoring programmes, helping to connect students to existing Massey services, facilitating relationships with career and employability services, and establishing Māori cohort learning supports.

Te Rau Tauawhi project manager Monica Koia says the centre is a crucial step in Māori achievement and retention at Massey. Built on successful Massey programmes such as Te Rau Puawai and the former Te Rau Whakaara, she says it offers a whānau-centred approach that is culturally safe for Māori students and whānau. "For some time there has been no specific Māori learning and care supports available to manaaki students on their university journeys, and this is the purpose of the centre."



HEI ARATAKI

CIVIC LEADERSHIP

IMPACT

A HERITAGE OF EXCELLENCE, HIGH QUALITY AND INTEGRITY THAT ENSURES AUTHENTIC LEADERSHIP IN CONTEMPORARY AOTEAROA NEW ZEALAND.

ROLE-MODELLING EXCELLENT PRACTICE AS A TIRITI O WAITANGI-LED INSTITUTION.

GOAL

WE WILL BE KNOWN FOR OUR LEADERSHIP ON MATTERS OF INTEREST NATIONALLY AND INTERNATIONALLY, IN PARTICULAR ON THE SOCIAL, ECONOMIC, CULTURAL AND ENVIRONMENTAL ISSUES FACED BY AOTEAROA NEW ZEALAND, INCLUDING THOSE THAT AFFECT TANGATA WHENUA.

OBJECTIVES:

- Contributing to a socially progressive and constantly changing Aotearoa;
- Supporting academic staff to publicly disseminate research findings and act as the “critic and conscience” of society;
- Promoting leadership and career development that includes communication training;
- Promoting informed, evidence-based and inclusive public debate that respects diversity of opinion and is grounded in research and scholarship;
- Advocating publicly for the value of universities in a mature, democratic society;
- Facilitating discussion and consultation with relevant economic and social development agencies, whānau, hapū and iwi, Pasifika communities and local government to maximise our impact;
- Enabling capability development across New Zealand, the Pacific region and the world to prepare citizens for the changing nature of work and society;
- Leading by example through the promotion of Māori leadership and bicultural leadership models;
- Building student ambition to actively participate and lead within our University, their communities and nations; and
- Providing all staff with opportunities to contribute actively to civic leadership in the University and in the wider community.



AT A GLANCE

WOMEN OF
INFLUENCE
PROGRAMME

Sponsored Women of Influence programme for second year running; Professor in Farm and AgriBusiness Management Nicola Shadbolt won Women of Influence Rural Award

30^{YEARS}

CELEBRATED 30 YEARS OF NEW ZEALAND FOOD AWARDS, strengthening New Zealand's reputation as a food producer

20TH

anniversary of Te Pūtahi-a-Toi, School of Māori Art, Knowledge and Education

INAUGURAL CRITIC AND CONSCIENCE OF SOCIETY AWARD won by Dr Mike Joy

SERVICES
TO MĀORI
ART AND
EDUCATION

Professor of Māori Visual Arts Bob Jahnke, *Ngāi Taharora, Te Whānau a Iritekura, Te Whānau a Rakairo o Ngāti Porou*, made Officer of the New Zealand Order of Merit for services to Māori art and education



NUMBER OF
MASSEY ALUMNI
REACHED

143,000

PROUD TO
SPONSOR

Finance 2017; Big Gay Out; Central Districts Field Days and AgriFood Investment Week in Manawatū; Ballance Farm Environment Awards; and Polyfest



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. This year we acknowledged our commitment to civic leadership by naming it as one of Massey University’s four foundational pillars in our new long-term strategic plan. As part of our commitment, the University worked 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.

In this vein, the University continued to advance its *Sustainability Strategic Plan* with the distribution of the draft plan to staff and students for consultation in April. More than 200 staff and students shared their views on the draft through individual submissions, “greening the campus” staff and student meetings, college meetings focusing on teaching, learning and research, and a video-linked meeting about what can be done by the University around carbon management.

One of the goals of the strategy is to produce innovative research that can generate transformative, sustainable solutions, and even before the strategy has been finalised Massey academics have sought to deliver on this. For instance, the Lives and After-Lives of Plastic conference was hosted entirely online by Massey University’s Political Ecology Research Centre during June and July. The conference showcased an innovative, sustainable approach to fostering global conversations and knowledge-sharing. The conference’s online model eliminated travel costs and had free registration, making it accessible to academics and students from institutions with limited or non-existent travel budgets for conferences. It had a minimal carbon footprint too. The conference explored a range of issues surrounding plastics, such as waste, toxicity and health, with contributors from disciplines ranging from marine biology and ecology to anthropology, cultural studies and art.

Our researchers continue to push disciplinary boundaries with our work: in food systems, food safety and food security; in climate change, resource development and environmental sustainability; in health and wellbeing; and in citizenship, design, art and commerce. Our ability to bring both Western and Mātauranga Māori methodologies and approaches to these debates means we can offer a unique “New Zealand” voice and perspective on global issues. An example of this is the United Nations Declaration on the Rights of Indigenous Peoples conference, co-hosted by Massey University’s Global Centre for Indigenous Leadership and the New Zealand Human Rights Commission. The two-day conference featured panel discussions on a range of declaration-related topics and issues, interactive workshops and a line-up of subject-matter-expert speakers and facilitators, with the aim of constructing a framework for positive Māori and indigenous peoples’ development.

One of the biggest events for Aotearoa New Zealand in 2017 was the general election, which provided an opportunity for Massey to promote informed, evidence-based and inclusive public debate. We launched an updated version of the online youth engagement tool *On the Fence*, which encouraged young New Zealanders to vote in the election and increase voter turnout. The tool was an initiative of the Design + Democracy Project at Massey’s College of Creative Arts. Independent research indicated that *On the Fence* encouraged 30,000 non-voting 18- to 34-year-olds to vote, representing 7 per cent of the total eligible youth population.

We also hosted a series of pre-election debates, in partnership with Stuff, in Auckland and Wellington, which was live-streamed and reached more than 265,000 people. Ahead of the debates, Associate Professor Grant Duncan from the School of People, Environment and Planning, ran two surveys to gauge views on the challenges facing Aotearoa New Zealand. The “crowd-sourced” questions were used to identify debate topics of national interest, with more than 90,000 people participating. Another partnership with Māori Television saw us host *Te Reo Anamata – the Future of Te Reo* debate, which explored the policy initiatives of Aotearoa New Zealand’s major political parties aimed at ensuring the future of te reo Māori and its continued revitalisation. The debate aired in August, followed by extended coverage and audience interaction on Massey University’s social media platform.

We were thrilled in September when Dr Mike Joy, from the Institute of Agriculture and Environment, was presented with the inaugural Critic and Conscience of Society Award, sponsored by the Gama Foundation. The award acknowledges academic staff who provide independent, expert commentary on issues that affect the Aotearoa New Zealand community and its future generations. Dr Joy is a well known campaigner on the declining state of freshwater in Aotearoa New Zealand and the poor record of regulators in arresting or reversing this decline.

Massey academics are frequent contributors to *The Conversation*, a worldwide media platform highlighting academic research of relevance to critical contemporary issues. This year 17 articles were published by Massey academics, reaching nearly 600,000 readers.





Nick Hammond, chief operating officer of Spring Sheep Milk Co., pictured here with Vice-Chancellor Professor Jan Thomas, says winning the Massey University Supreme Award is recognition of the team's passion for their work.



Bruce, seen rehearsing his story at Massey University in preparation for the public library event, was one of a dozen people living without housing participating in Te Hā Tangata

HIGHLIGHTS

FOOD AWARDS CELEBRATE 30 YEARS

2017 marked the 30th anniversary of the New Zealand Food Awards, powered by Massey University, which celebrate creative innovations from New Zealand's artisanal and large-scale food and beverage manufacturers.

The winners of the year's event were unveiled in October at a gala dinner among 380 guests at Sky City in Auckland, with 22 products from 22 companies taking out the top spots. Spring Sheep Milk Co. took out the coveted and highest honour of the Massey University Supreme Award with its vanilla-flavoured probiotic sheep milk powder, which also won it the New Zealand Trade and Enterprise Export Innovation Award.

Companies that win New Zealand Food Awards are able to use our quality mark to promote their products' excellence and innovation to Kiwi customers and in international markets, which helps to promote, grow and strengthen New Zealand's reputation as the home of major food producers.

HOMELESS STORY TOLD THROUGH HUMAN LIBRARY

During semester one, Massey University students used one of their courses of study to help tell the story of Wellington's homeless.

Working with the Wellington Compassion Soup Kitchen, more than 20 students studying the Creativity in the Community paper teamed up to promote Te Hā Tangata, the Human Library on Homelessness.

Rather than tell the story of the homeless themselves, the students and soup kitchen supporters invited people sleeping rough and in emergency night shelters to be actively involved in communicating their experiences personally. During the semester, people affected by homelessness, also referred to as people living without housing, came to the Wellington campus weekly to talk with the students about their experiences and have their stories documented.

The project culminated in an event at Wellington Central Library in May, when the public was invited to meet and speak with people living with housing deprivation and hear their stories via audio and video.



The dawn opening ceremony for Toi Te Ora

UNIVERSITY STEPS IN TO SUPPORT TONGAN DEMOCRACY

In October Massey stepped in to support Tonga's struggling democratic process.

The University's Pasifika Directorate organised a symposium in Tonga to provide a forum for discussion three weeks out from the country's snap election on November 16.

Massey Pasifika director Associate Professor Malakai Koloamatangi says Tonga was at a landmark juncture on the pathway to finding its own genuine democracy. "The election was a litmus test to see if democracy was taking root in Tonga, and we needed to make sure that the gains of the past were not jeopardised. We didn't want to see people lose faith or patience in the process."

Dr Koloamatangi says that while it was an unusual step for a university to take, Massey's strategy pledges to enable capability development across the Pacific region, preparing citizens for the changing nature of work and society, and he says this symposium was a clear demonstration of the strategy at work. "We cannot stand by and let democracy fail for lack of education and encouragement."

MILESTONES AND NEW BEGINNINGS FOR TE PŪTAHI-A-TOI

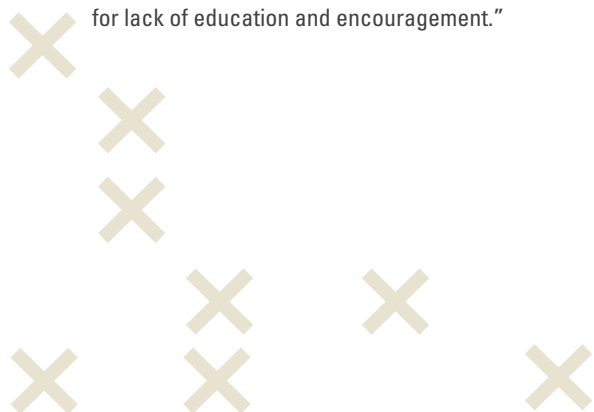
It was a big year for Te Pūtahi-a-Toi (the School of Māori Art, Knowledge and Education) as it celebrated its 20th anniversary in April.

A month after the anniversary the school welcomed a new head, Professor Meihana Durie, of Rangitāne, Ngāti Kauwhata, Ngāti Raukawa, Ngāti Porou, Rongo Whakaata and Ngāi Tahu, and son of Sir Mason Durie.

The appointment was also a homecoming for Professor Durie, who had completed his PhD at Massey in 2011. He had received the Sir Peter Snell Doctoral Scholarship in Public Health and Exercise Science in 2008, and a recent Health Research Council of New Zealand Hohua Tutengaehē Postdoctoral Fellowship.

About 100 people representing Professor Durie's varied iwi travelled to Massey's Manawatū campus for the pōwhiri to support his move from Te Wānanga o Raukawa, where he had helped to establish Ngā Purapura, a development committed to the empowerment of whānau through education in health, exercise and sport.

Later in the year the school had more reason to celebrate with the opening of a new wharekai (dining hall) in July, which will enable the University to provide complete manaakitanga (traditional hospitality) to more than 100 visitors at a time without having to leave the school. The name of the facility, Toi Te Ora, was decided upon during an overnight stay in Te Whare Rūnanga, where those in attendance told stories and reflected on the school's history and their own connections and memories.





Co-Lab facilitator Marie Larking, Wellington campus recreation manager David Driscoll, Co-Lab facilitator and student life coordinator Mags Chalecka-Harris, and master's student Sherry Shi

BIKE SHARE TRIAL LAUNCHED AT WELLINGTON CAMPUS

Commuting between Massey University's Wellington campus and the central city got easier in September, with the launch of the Wellington campus Bike Share scheme.

Two bikes, one of which is an electric pedal assist bike, are available for staff and students to use for free, as part of a trial that will run until June 2018.

The scheme is the brainchild of Massey University master's student Sherry Shi, who was inspired by her experience in China, where cities commonly feature bike-sharing schemes. Sherry took her idea to Campus Co-Lab, an initiative aimed at turning into reality ideas that benefit the Wellington campus community. She says the scheme will help staff and students to connect more efficiently with city-based travel destinations such as Wellington City Council, meetings with industry leaders and internships, and collecting course-related production material such as printing and design work.

The idea has received funding to launch from the Pukeahu ki Tua, Think Differently contestable fund, and ongoing operational costs and administration will be managed by Massey University's Wellington Recreation Centre.

RESEARCH HAS POTENTIAL TO HELP GLOBAL WARMING

In July Massey University researchers received \$1.5 million to explore the potential of a material that could perform tasks such as capturing carbon dioxide directly from the air to help mitigate global warming.

The funding came from the Ministry of Business, Innovation and Employment's Catalyst Strategic Fund and is for three years of research into the materials known as metal-organic frameworks.

Professor Shane Telfer of the Institute of Fundamental Sciences will lead the research and says the new materials could provide solutions to our most pressing problems.

"Metal-organic frameworks are a new class of materials that are transforming the scientific landscape because of their many unique properties that surpass conventional materials, including ultra-high surface areas and pore spaces that can be tuned to perform some amazing things."

"We will use them to explore new catalysts for eliminating nitrous oxide greenhouse gas emissions with materials capable of capturing carbon dioxide directly from the air to mitigate global warming, and sensors that detect important trace biomolecules, plus many more advances."

Discoveries made at Massey University have contributed strongly to the global surge of interest in metal-organic frameworks. These include new ways of making catalysts, frameworks that are built up using a set of different building blocks, and those that display unique and interesting structural and functional properties.

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

2200 STAFF

UNDERTOOK THIRD WHOLE-OF-UNIVERSITY STAFF SURVEY

RAINBOW



GAINED RAINBOW TICK CERTIFICATION for being a university that understands, values and welcomes sexual and gender diversity

APPLICATIONS FOR BUILDING CONSENT

Lodged for \$120 million development at Auckland campus

\$120 MILLION

WIRELESS INFRASTRUCTURE

Signed multi-million-dollar deal to upgrade wireless infrastructure on all three campuses





INTRODUCTION

This year proved to be a year of change, in which we examined how our organisation functions and how best to prepare ourselves for a dynamic and uncertain future. This involved: reviewing our academic and professional staff support; assessing the breadth and profile of our academic offer; giving careful consideration to our campus developments, both online and as “bricks and mortar”; and putting a greater focus on enhancing our business processes. Our aim throughout was to ensure that Massey is sustainable and known for supporting and enabling excellence.

A key component of our “year of change” was the launch of the University’s new long-term strategic plan. The plan acknowledges our heritage and strengths, the current operating environment, including challenges and opportunities, and our ambition to be a Tiriti-led university. It will serve as a roadmap in the coming years, ensuring that the University can continue to be a world-leading university connected to community and industry.

Our strategic plan makes it clear that staff excellence is fundamental to our achieving excellence overall. In May we launched Massey’s online staff development platform to complement the existing face-to-face development workshops. At the time of launch there were 16 interactive modules available, which staff were able to access at any time and able to complete at their own pace. Over time the number of modules available will continue to expand.

In August we held the inaugural Women in Leadership Conference, featuring local and international speakers and providing a valuable professional development and networking opportunity for more than 150 staff. The conference was just one of several initiatives aimed at increasing diversity in the senior ranks of the University’s academic staff. Other measures included increased support for women seeking promotion, and actively approaching academics in all areas of the University who may not have considered applying. In November we announced those promoted to professor; five of the 15 new professors promoted were women, an improvement on the previous year when only one of the nine staff promoted to professor was a woman. We are starting to see the sort of diversity we are striving for among academic promotions more broadly. But we are conscious there is still much more work to be done.

During the year we undertook a process to revise significantly our academic promotion criteria. The aim is to implement a process that recognises the increasing diversity of academic roles and career paths within a progressive global university environment. A group comprising the five pro vice-chancellors, Assistant Vice-Chancellor Research, Academic and Enterprise and senior advisor – remuneration and human resources, progressed this review. By the end of the year the process was nearing completion, with an expectation that the revisions will be completed and implemented in 2018.

In August also, we published Massey’s *Pay and Employment Equity Report*, which compared data from 2016 to a regional survey in 2009. The report findings indicated modest progress towards overall pay equity, but a significant improvement in the representation of women in senior roles – both academic and professional services – from 35 per cent in 2010 to 47 per cent in 2017.

This year we began work on the University’s first wellbeing strategy. The draft strategy is still in production, with a steering group comprising college and department representatives driving its development. The strategy will include a culture framework, key performance indicators and a plan to address organisational and individual wellbeing.

We have made significant progress in improving our business and financial processes and have invested in our information technology systems in an effort to build efficiency and consistency across the business. As part of this we continue to invest in our curriculum and student management system, setting the foundation for improved student success. After more than two years of work by a dedicated team, the new student management system went live in August. The system, called SITS: Vision, is designed to be more student focused, efficient and consistent in managing academic processes. The curriculum management system went live shortly thereafter, in September.

This year we increased our operating surplus to ensure that we have sufficient financial strength to invest aggressively in our long-term strategy. Four transformational programmes were developed as part of the Senior Leadership Team’s strategic planning process, with a view to begin implementing them in 2018 and continue work until 2020. These programmes focus on: digital transformation and curriculum pedagogy reform; student success and enterprise; research; and a redesign of business processes, including ensuring we are Tiriti-led.





An aerial photograph of the Auckland campus at the beginning of 2017.

HIGHLIGHTS

EXPANSION PLANS FOR MASSEY UNIVERSITY AUCKLAND CAMPUS

In September, Massey University lodged building consent applications for two major construction projects as part of a \$120 million development of its Auckland campus.

The University will construct a 9800-square-metre “innovation hub” – which includes research laboratories, clinics, teaching spaces and staff and postgraduate student workspace – on the main part of the campus, the East Precinct off the Albany Expressway.

The second consent application is to extend the Sir Neil Waters building, named after the former Vice-Chancellor who established the campus in 1993, to provide additional space.

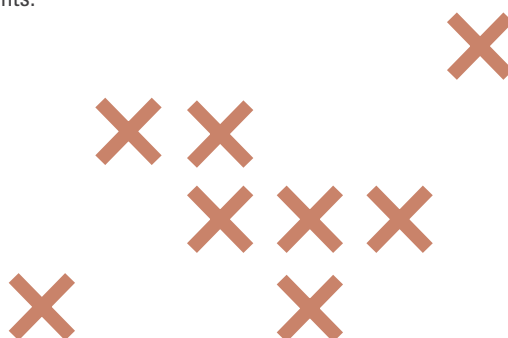
The sale of the campus’s Ōteihā Rohe site, located on Albany Highway, became final in September and the proceeds will help to fund the planned developments.

University Vice-Chancellor Professor Jan Thomas says the development is designed to ensure the campus responds effectively to the predicted growth in student numbers.

“Massey has bold plans for its Auckland campus and sees it as the heart of a smart innovation district in Auckland North, which is an extremely fast-growing region with huge potential,” Professor Thomas says.

“These construction projects represent the biggest development since the campus was established.”

Work on the Sir Neil Waters building extension is scheduled to begin in late 2018 and be completed at the end of 2019; work on the innovation hub will commence in 2019 and take about three years.





Vice-Chancellor Professor Jan Thomas and Shell New Zealand chairman Rob Jager, who officially opened the building, meet a Wildbase Hospital patient



The inaugural Kāinga Rua residential team, from left: residential assistants Robbie Mulligan, Georgie Hood and Hamish Jöhl; residential life officer Freedom Holloway; and residential assistant Katrina Harris

NEW BUILDING HOUSES UNIQUE WILDLIFE HOSPITAL

Massey University's Wildbase Hospital moved into new premises 10 times larger than the previous space at the University's Manawatū campus in January.

Vice-Chancellor Professor Jan Thomas, a veterinary pathologist, says that protecting and better understanding New Zealand's unique native wildlife is an example of the exceptional and distinctive learning experience that Massey offers, and proof that it is an international leader in one of its key areas of specialisation.

"I am very pleased that we are now able to offer world-class facilities to a team of specialists with a world-class reputation."

Wildbase Hospital is New Zealand's only dedicated wildlife treatment facility, providing medical, surgical and rehabilitation care to hundreds of sick and injured native animals each year. It is also a respected research and teaching institution.

For the past 15 years, Wildbase has operated from a 25-square-metre facility consisting of a basic operating theatre and two small recovery/holding rooms. When it was established in 2001 the space was adequate for the 50 birds treated annually, but with patient numbers rising to 327 last year a new facility was desperately needed.

Construction began in June 2015 and was completed late last year. The 250-square-metre hospital space includes an intensive care unit, wards, a surgical suite, quarantine rooms, treatment spaces, and a display ward in front of the building where people can view wildlife through viewing portals.

NEW ACCOMMODATION HALL FOR WELLINGTON CAMPUS

Massey University acquired the lease to a 160-bed accommodation complex in Wellington in August.

The property, which is located on Taranaki Street adjacent to the University's Wellington campus, has been named Kāinga Rua, meaning second home. It will be used to house students studying at the campus from January 2018.

It is expected that the majority of students will be in their first year; however, applications will be accepted from second-year students. There has been increasing demand for accommodation for Wellington students in recent years.

Kāinga Rua comprises 120 single and 20 twin-share rooms with ensuites, communal lounges and kitchens.

At the Auckland campus, student accommodation Te Ohanga Village received a five-star rating for the third year running in October. It remains the first and only student accommodation village to get a Qualmark five-star rating.



Professor Thomas signs the agreement alongside Huawei New Zealand chief executive officer Yanek Fan



Massey University's Rainbow group, Out&AboutMassey, and students, at Auckland's Big Gay Out event in March

HUAWEI TO UPGRADE MASSEY'S WIRELESS INFRASTRUCTURE

Massey University has secured a multi-million-dollar deal with one of the world's leading information and communications providers, Huawei, to upgrade the wireless infrastructure on its three campuses to cope with growing demand from students.

Vice-Chancellor Professor Jan Thomas signed the deal in Shenzhen, China, in September. It followed a tender process and several months of negotiation. Huawei will provide the hardware and design and install the network.

Assistant Vice-Chancellor Strategy, Finance, IT and Commercial Operations Cathy Magiannis, who accompanied Professor Thomas, says Massey is committed to providing a first-class digital experience for students and the deal with Huawei lays the foundations to continue delivering on this commitment.

"Our network can currently accommodate around two devices per user," Mrs Magiannis says. "However, our research into future trends suggests we need to be able to service three – or potentially even four – devices per user."

She says upgrades to the University's wireless network will be completed within two years.

MASSEY RECEIVES 'TICK' FOR DIVERSITY AND INCLUSION

In August Massey University received Rainbow Tick certification, having demonstrated that it understands, values and welcomes sexual and gender diversity.

The Rainbow Tick organisation was formed in 2014 to lobby for the rights of Rainbow – lesbian, gay, bisexual, transgender, takatāpui and intersex (LGBTI+) – community members in the workplace. It works with organisations to evaluate their current situations and to improve regularly.

As part of the accreditation process, Rainbow Tick assessors reviewed the University's documents and policies and spoke to staff and students who identify as Rainbow community members, and staff from the wider population.

Rainbow Tick found that, while there were some areas requiring further work, the University demonstrates practices and principles that align with and support the ethos of the Rainbow Tick.

Certificate presentation ceremonies were held on each of the three campuses, with Massey University mascot Fergus, wearing a rainbow scarf, making an appearance at the Manawatū campus event.

STATEMENT OF SERVICE PERFORMANCE

THE STATEMENT OF SERVICE PERFORMANCE PROVIDES INFORMATION ON THE UNIVERSITY'S PERFORMANCE TOWARDS ACHIEVING ITS KEY PERFORMANCE INDICATORS (KPIs) PUBLISHED IN THE *INVESTMENT PLAN 2017-2019*, AS WELL AS ADDITIONAL KPIs THAT SUPPORT THE UNIVERSITY'S STRATEGIC GOALS. WE RECOMMEND THAT THE STATEMENT OF SERVICE PERFORMANCE BE READ ALONGSIDE THE "YEAR IN REVIEW" SECTION FOR A COMPREHENSIVE PICTURE OF THE UNIVERSITY'S PERFORMANCE THIS YEAR.



NGĀ KETE O TE WĀNANGA

RESEARCH

INPUTS

RESEARCH FUNDING AND PARTNERSHIPS	Note	2015	2016	2017	Target	Status
External research income (\$m)		55	67	74	60	Achieved
Performance-Based Research Fund (PBRF) external research income (\$m)	1	52	62	65	55	Achieved
Active international partnerships (#)	2	263	292	310	–	

- 1 The 2017 actual is an interim figure only, pending confirmation of final data from the Tertiary Education Commission (TEC). The 2016 interim result was 62 and is now confirmed as 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 exceeded the *Investment Plan* target for external research income by \$14 million (23 per cent), which was \$7 million (10 per cent) higher than in 2016.

The environment for gaining contestable research funding continues to be highly competitive. In the main annual Government funding rounds for 2017, Massey University performed strongly and received: \$15.6 million from the Marsden Fund – an increase of 402 per cent over 2016; \$9.9 million from the Endeavour Fund (Smart Ideas and Research Programmes); and \$5.9 million from the Health Research Council of New Zealand (projects and programmes) – an increase of 33 per cent over 2016.

The PBRF external research income interim result of \$64.5 million is \$2.5 million above that in 2016 and \$9.5 million above the *Investment Plan* target for 2017.

The number of active international partnerships in 2017 continued to grow over previous years. In 2017 a total of 56 international partnerships were signed, comprising 27 memoranda of understanding (MOUs) and 29 agreements.

POSTGRADUATE STUDENTS	Note	2015	2016	2017	Target	Status
Postgraduate research participation (% EFTS)	3	8.0	7.5	6.2	7.7	Below

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

Postgraduate research participation has declined and was below target in 2017.



OUTPUTS

POSTGRADUATE STUDENTS	Note	2015	2016	2017	Target	Status
Research degree completion (#)	4	409	503	385	360	*
Postgraduate successful course completion (%)	5	91	90	88	90.5	*
Postgraduate satisfaction with overall research experience (%)	6	76	73	76	82.0	Below

* The results for 2017 are indicative and will be updated in the Annual Report 2018.

4 The total number of research degree completions in 2017 can only be reported once the Single Data Return has been submitted in April 2018. The 2016 indicative figure reported for the prior year was 470; this has now been updated with the actual result. The final figure reported for 2015 was 410; this has also been updated.

5 Postgraduate successful course completion EFTS as a proportion of the total EFTS delivered. Note this result is indicative and will be updated after the April 2018 Single Data Return submission. In the 2016 report this measure was labelled "Postgraduate research"; however, the data shown was for all postgraduate successful course completions. The 2016 indicative figure reported for the prior year was 86; this has not been updated with the actual result.

6 Postgraduate student satisfaction "with your entire research experience" is taken from the Postgraduate Research Experience Questionnaire. The 2017 survey included 472 respondents, which is a response rate of 30 per cent.

It is anticipated that the number of completions will be smaller than in previous years because there is a small reduction in the participation of postgraduate research students, and this will in turn affect the number of completions.

Postgraduate student satisfaction with the overall research experience has increased by 3 per cent since 2016 but was below target.

PUBLICATIONS	Note	2015	2016	2017
Research outputs – total (#)	7 [^]	2,784	2,833	2,743
- Journals	[^]	2,238	2,280	2,132
- Books	[^]	291	321	423
- Creative works	[^]	255	232	188

[^] These measures were not included in previous reports. Historical data for 2015 and 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.

Research outputs in 2017 were lower than in the previous year. It is anticipated that performance against this measure will improve over time through the implementation of the *Massey University Research Strategy: He Rautaki Rangahau* and the *International Rankings Strategy: Building a Research Powerhouse: He Waihanga Ake I Te Whare Rangahau*.

COMMERCIALISATION	Note	2015	2016	2017	Target	Status
New disclosures (#)	8	23	27	20	30	Below
Licences/deals executed (#)	9	3	2	0	3	Below
Licensing revenue (\$000)		308	341	353	300	Achieved

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

9 The number for 2016 in the 2016 report was incorrectly reported as three.

The number of new disclosures and number of licences/commercialisation deals in 2017 both decreased from the 2016 results and were below the targets set in the *Investment Plan* for 2017.

The amount of licensing revenue in 2017 exceeded the 2016 result and was 18 per cent over the 2017 *Investment Plan* target.

Massey University is committed to translating innovative academic research into commercial opportunities, through existing commercial enterprises or new ventures. Massey University's focus has evolved towards the quality of disclosures as opposed to quantity. The unpredictable nature of complex commercial negotiations makes it difficult to predict the number of deals in any one year.

TE AKO

LEARNING AND TEACHING

INPUTS

STUDENT PARTICIPATION	Note	2015	2016	2017	Target	Status
Total University EFTS		18,688	18,944	18,653	19,348	Below
Total University Student Achievement Component (SAC)-eligible EFTS	[^]	15,345	15,546	15,051	15,840	Below
International full-fee EFTS	10 [^]	2,816	2,961	3,106	2,838	Achieved
All international student participation rate (% EFTS)	11	17.0	17.9	20.0	17.3	Achieved
Postgraduate taught participation (% EFTS)	12	15.0	15.3	15.6	15.0	Achieved
Māori student participation rate (% SAC EFTS)		11.4	12.0	11.7	12.1	Below
Pasifika student participation rate (% SAC EFTS)		4.7	4.9	5.1	4.8	Achieved

[^] These measures were not included in this section of previous reports and results for 2017 are shown against internal targets. Historical data for 2015 and 2016 is unaudited and shown for information purposes only.

10 From 2017 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.

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

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

The total University EFTS for 2017 showed a decrease over previous years and was below the *Investment Plan* target; this reflected the softening demand for tertiary education in New Zealand due to changing demographics. The total international full-fee EFTS continued to increase over previous years and was above target.

As the number of international students continues to grow year on year, while domestic demand remained relatively stable, the University had an increase in the student participation rate for all international students as a proportion of total EFTS.

Postgraduate taught participation surpassed the 2016 result and exceeded the *Investment Plan* target for 2017.

The student participation rate for Pasifika students steadily increased over previous years and was above the *Investment Plan* target in 2017. The Māori student participation rate, however, slightly softened in 2017, which resulted in the target for 2017 not being met.

OUTPUTS

STUDENT RETENTION	Note	2015	2016	2017 Indicative	Target	Status
All students (% SAC EFTS)	13	76.0	75.8	75.5	72.0	*
Māori (% SAC EFTS)	^	68.0	67.8	67.4	63.0	*
Pasifika (% SAC EFTS)	^	64.0	61.8	64.9	63.0	*

* The results for 2017 are indicative and will be updated in the Annual Report 2018.

^ These measures were not included in previous reports and results for 2017 are shown against internal targets. Historical data for 2015 and 2016 is unaudited and shown for information purposes only.

13 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 2016 indicative figure reported in the prior year was 75.8 per cent and it has remained at that for the actual result.

STUDENT PROGRESSION	Note	2015	2016	2017 Indicative	Target	Status
All students (% SAC EFTS)	14	76.0	87.0	74.1	72.0	*

* The result for 2017 is indicative and will be updated in the Annual Report 2018.

14 Student progression is measured by progressions to higher levels of study in the tertiary sector by students (at qualification levels 1-4). The 2016 indicative figure reported in the prior year was 87 per cent and it has remained at that for the actual result.

The number of level 1-4 progressions in the Student Progression dataset is small and therefore can be subject to great fluctuation 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 forms the basis of the denominator in the methodology, represented only 3 per cent of total qualification completions currently reported for 2017.

SUCCESSFUL COURSE COMPLETION	Note	2015	2016	2017 Indicative	Target	Status
All students (% SAC EFTS)	15	82.0	82.1	81.3	82.7	*
Internal students (% SAC EFTS)		87.0	87.0	86.3	86.3	*
Distance students (% SAC EFTS)		74.0	74.7	73.5	74.0	*
Māori (% SAC EFTS)	^	71.0	71.7	72.2	72.5	*
Pasifika (% SAC EFTS)	^	58.0	64.2	60.7	59.0	*

* The results for 2017 are indicative and will be updated in the Annual Report 2018.

^ These measures were not included in previous reports and results for 2017 are shown against internal targets. Historical data for 2015 and 2016 is unaudited and shown for information purposes only.

15 Successful course completion is measured by SAC-eligible successful course completion EFTS as a proportion of the total SAC-eligible EFTS delivered. The 2016 indicative figures reported in the prior year were 80 per cent (all students), 79 per cent (internal students) and 72 per cent (distance students); these have now been updated with the actual results.

QUALIFICATION COMPLETION	Note	2015	2016	2017 Indicative	Target	Status
All students (% SAC EFTS)	16	79.0	69.5	52.1	70.0	*
Māori (% SAC EFTS)	^	64.0	55.0	40.2	62.0	*
Pasifika (% SAC EFTS)	^	46.0	41.4	29.9	36.5	*

* The results for 2017 are indicative and will be updated in the Annual Report 2018.

^ These measures were not included in previous reports and results for 2017 are shown against internal targets. Historical data for 2015 and 2016 is unaudited and shown for information purposes only.

16 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 2016 indicative figure reported in the prior year was 51 per cent; it has now been updated with the actual result.

In the 2016 report the indicative data for qualification completion was 51 per cent (compared to 52.1 per cent this year). Note also that in 2016 Māori and Pasifika qualification completions were not reported and are now included for the first time. If included last year the indicative rates would have been 43 per cent and 30 per cent respectively, which is close to the rates in this year's report.

Indicative results for all educational performance indicators (EPIs) are based on 2017 data that is available in Massey University's Single Data Return in December 2017, but will not be finalised until Massey University's Single Data Return is submitted in April 2018. It is anticipated that the figures will be higher as a result of additional completions reported in 2018. It is at this stage that actual 2017 performance against all EPIs can be analysed.

In supporting student success, Massey has continued to provide advice to students to self-manage and self-pace their learning with our Academic Standing system, and we have done this continuously since 2014. The system is proving 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	Note	2015	2016	2017	Target	Status
Satisfaction with educational experience (%)	17+	82.0	83.0	80.5	82.5	Below
Satisfaction with services and facilities (%)	+	82.0	83.0	78.9	85.0	Below

+ percentage of students rating good/very good.

17 This data has been collected from the Student Experience Survey. In 2017 a total of 7,950 students participated in the survey, a response rate of 29 per cent.

Student satisfaction with educational experience decreased over previous years and was below the *Investment Plan* target in 2017. Student satisfaction with services and facilities in 2017 also showed a decrease compared to previous years and did not meet the target. It is worth noting that this coincided with the introduction of our new Student Management System, which had an impact on a number of student-facing services, most notably enrolment processes. We cannot say with certainty, but it is highly likely to have had an impact on student satisfaction levels.

GRADUATE DESTINATION SURVEY	Note	2015	2016	2017	Target	Status
Progression to employment (%)	18	89.0	88.0	89.0	83.0	Achieved
Engaged in further study (%)		28.0	29.0	29.0	28.0	Achieved

18 This data has been collected from the Graduate Destination Survey. In 2017 a total of 1,588 students participated in the survey, a response rate of 28 per cent. These results are not mutually exclusive and can total more than 100 per cent.

Graduates' progression to employment in 2017 showed a slight increase over 2016 and was ahead of the *Investment Plan* target. The percentage of graduates engaged in further study remained consistent with previous years and was ahead of the *Investment Plan* target in 2017.

HEI ARATAKI

CIVIC LEADERSHIP TIRITI O WAITANGI PERFORMANCE

INPUTS

STUDENT PARTICIPATION	Note	2015	2016	2017	Target
Pasifika postgraduate participation (% SAC EFTS)	[^]	0.6	0.7	0.7	TBC
Māori postgraduate participation (% SAC EFTS)	[^]	1.7	1.7	1.7	TBC
Māori research partnerships – active MOUs (#)	19 [^]	27	29	28	TBC
Māori research partnerships – active Vision Mātauranga Capability Fund (VMCF) projects (#)	20 [^]	6	11	8	TBC

[^] These measures were not included in previous reports. Historical data for 2015 and 2016 is unaudited and shown for information purposes only.

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

Māori and Pasifika postgraduate participation in 2017 were consistent with previous years.

Māori research partnerships is a new measure based on two components: the number of current MOUs in a given year, which has remained steady in the past three years; and the number of active VMCF research projects, which declined on the 2016 result.

LEARNING AND TEACHING	Note	2015	2016	2017	Target	Status
Māori student enrolments (SAC EFTS)	[^]	1,755	1,859	1,755	1,917	Below
Māori student participation rate (% SAC EFTS)		11.4	12.0	11.7	12.1	Below

[^] This measure was not included in previous reports and the 2017 result is shown against the internal target. Historical data for 2015 and 2016 is unaudited and shown for information purposes only.

Māori student enrolments in 2017 showed a decrease over previous years and were below target. Māori students' participation rate in 2017 decreased over previous years and was below the *Investment Plan* target.

LEARNING AND TEACHING	Note	2015	2016	2017
Māori academic staff numbers (full-time equivalents)	21 [^]	58	61	72

[^] This measure was not included in previous reports. Historical data for 2015 and 2016 is unaudited and shown for information purposes only.

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

Māori academic staff numbers continued to increase over previous years.

OUTPUTS

RESEARCH	Note	2015	2016	2017 Indicative	Target	Status
Māori postgraduate successful course completion (%)	22 [^]	86.1	84.7	82.9	87.5	*
Māori research degree completion (#)	22 [^]	39	41	22	–	*

* The results for 2017 are indicative and will be updated in the Annual Report 2018.

[^] These measures were not included in previous reports and results for 2017 are shown against internal targets. Historical data for 2015 and 2016 is unaudited and shown for information purposes only.

22 Indicative results for 2017 successful course completions and research degree completions are taken from the TEC EPIs, but will not be finalised until all results have been processed and Massey University's Single Data Return is submitted in April 2018. This number is likely to increase as additional 2017 completions will be reported.

LEARNING AND TEACHING	Note	2015	2016	2017	Target	Status
Student retention – Māori (% SAC EFTS)	23 [^]	68.1	67.8	67.4	63.0	*
Student progression – Māori (% SAC EFTS)	23 [^]	100.0	100.0	73.3	–	*
Successful course completion – Māori (% SAC EFTS)	23 [^]	71.0	71.7	72.2	72.5	*
Qualification completion – Māori (% SAC EFTS)	23 [^]	64.0	55.0	40.2	62.0	*

* The results for 2017 are indicative and will be updated in the Annual Report 2018.

[^] These measures were not included in previous reports and results for 2017 are shown against internal targets. Historical data for 2015 and 2016 is unaudited and shown for information purposes only.

23 Indicative results for the 2017 educational performance indicators are taken from the TEC EPIs, but will not be finalised until all results have been processed and Massey University's Single Data Return is submitted in April 2018. These numbers are likely to increase as additional 2017 completions will be reported.

STUDENT SATISFACTION	Note	2015	2016	2017
Student satisfaction – with educational experience – Māori (%)	24 ⁺ [^]	80	87	83
Student satisfaction – with services and facilities – Māori (%)	+ [^]	83	85	79

+ percentage of students rating good/very good.

[^] These measures were not included in previous reports. Historical data for 2015 and 2016 is unaudited and shown for information purposes only.

24 This data has been collected from the Student Experience Survey. In 2017 a total of 829 Māori students participated in the survey, a response rate of 30 per cent.

Māori student satisfaction with their educational experience and with services and facilities showed a decrease over previous years. Improvements in Māori student satisfaction are expected in 2018 with the launch of the new Te Rau Tauawhi Māori student centre.

GRADUATE DESTINATION SURVEY	Note	2015	2016	2017
Progression to employment – Māori (%)	25 [^]	89	89	94
Engaged in further study – Māori (%)	[^]	31	31	32

[^] These measures were not included in previous reports. Historical data for 2015 and 2016 is unaudited and shown for information purposes only.

25 This data has been collected from the Graduate Destination Survey. In 2017 a total of 143 Māori students participated in the survey, a response rate of 31 per cent. These results are not mutually exclusive and can total more than 100 per cent.

Both graduate outcome measures for Māori students surveyed showed increases over previous years. Māori students achieved higher progression to employment rates and progression to further studies (94 per cent and 32 per cent respectively) compared with the overall student body (89 per cent and 29 per cent respectively).

EQUITY AND DIVERSITY AT MASSEY UNIVERSITY



MASSEY UNIVERSITY IS COMMITTED TO PROVIDING EQUITY OF EMPLOYMENT AND EQUITY OF ACCESS TO EDUCATIONAL OPPORTUNITIES FOR ALL STAFF AND 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 its responsibilities as an equal opportunities employer and creating a workplace that attracts, retains and values diverse employees. 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.

In particular, Massey made significant progress this year towards becoming a more welcoming place for members of the Rainbow community. In August Massey received the Rainbow Tick accreditation, having demonstrated that it understands, values and welcomes sexual and gender diversity. Earlier in the year the University sought input from staff, students, and others in the Rainbow community to create a strategy that ensures equal opportunity and inclusion for Rainbow community members. The Out&About@Massey team had a stall at Auckland's annual Big Gay Out event in February and held events on each campus for students and supporters of the Rainbow community.

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 key 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 almost all of the University's high-level strategic documents and operational plans.

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

- *The Student Success Strategy*: The strategy puts forth 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;
- *Academic Standing Regulations*: The regulations support and address academic progress by students, enabling success to be acknowledged as well as prompting early action in relation to unsatisfactory progress. They were developed to improve course completions and the retention of students, but have proven beneficial in supporting underrepresented groups that have traditionally had lower rates of success, such as Pasifika students; 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 Pasifika 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
Caitlin Australia Pty Limited
Zurich Australia Insurance Limited
Lloyds of London, Syndicate TMK Aviation 510
Allianz Australia Insurance Limited
Allianz Global Assistance New Zealand Limited

INTERNAL AUDITORS

PwC New Zealand
McHale Group



STATEMENT OF RESPONSIBILITY

In the financial year ended 31 December 2017, 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.



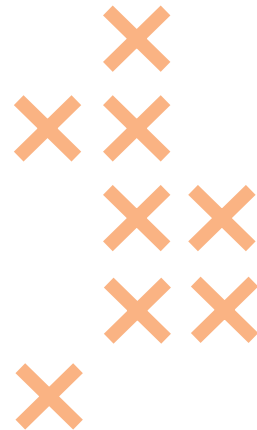
In the opinion of the Council and management of Massey University the financial statements and statement of service performance for the financial year fairly reflect the financial position and operations of Massey University and the Group.

Handwritten signature of Michael Ahie in black ink.

Michael Ahie
Chancellor

Handwritten signature of Professor Jan Thomas in black ink.

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 2017

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 61 to 99, that comprise the statement of financial position as at 31 December 2017, 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 45 to 52.

IN OUR OPINION:

- the financial statements of the University and group on pages 61 to 99:
 - present fairly, in all material respects:
 - the financial position as at 31 December 2017; 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 45 to 52 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 2017.

Our audit was completed on 13 April 2018. 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 44, 53 to 57 and 100 to 101, 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 other assurance engagements which were providing a report relating to expenditure verification on a grant contract under the External Actions of the European Union and a report on the University's Performance- Based Research Fund external research income. These engagements are compatible with those independence requirements.

Other than the audit and these engagements, 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 2017

	Notes	CONSOLIDATED			UNIVERSITY		
		Actual	Budget	Actual	Actual	Budget	Actual
		2017	2017	2016	2017	2017	2016
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING REVENUE							
Government Grants	2	193,134	196,742	193,343	193,134	196,742	193,343
Student Fees	2	179,120	175,587	169,570	179,120	175,587	169,570
Interest	2	4,563	3,411	3,853	4,370	3,246	3,674
Charges for Services	2	124,692	120,738	116,712	122,081	113,166	114,188
Trust Funds	2,22	12,758	4,969	4,807	2,192	1,159	2,769
Other Gains and Losses	2,3	30,468	2,100	710	30,428	2,000	1,664
Total Operating Revenue		544,735	503,547	488,995	531,325	491,900	485,208
OPERATING EXPENSES							
Staff-related Costs	4	296,139	290,351	286,222	293,645	287,640	283,932
Depreciation and Amortisation	5	55,147	58,897	53,928	54,666	58,447	53,506
Finance Costs		55	4	659	-	4	435
Other Direct Costs	6	153,111	145,284	140,993	154,740	139,071	139,059
Trust Funds	22	1,922	2,054	1,868	1,745	928	1,283
Total Cost of Operations		506,374	496,590	483,670	504,796	486,090	478,215
Share of Associates' (Deficit) / Surplus	13	(10)	-	731	-	-	-
Surplus before Income Tax		38,351	6,957	6,056	26,529	5,810	6,993
Income Tax Expense		6	-	-	-	-	-
Surplus for the Year		38,345	6,957	6,056	26,529	5,810	6,993
Massey University Group		38,343	6,957	6,056	26,529	5,810	6,993
Non-controlling Interest		2	-	-	-	-	-
Total		38,345	6,957	6,056	26,529	5,810	6,993
OTHER COMPREHENSIVE REVENUE AND EXPENSE							
Net (Loss) / Gain on Available for Sale Assets	21	(116)	(191)	(432)	144	-	8
Surplus / (Deficit) on Revaluation of Fixed Assets	20	156,505	-	(25,205)	156,505	-	(25,205)
Foreign Currency Translation Gain		7	-	-	-	-	-
Total Other Comprehensive Revenue and Expense		156,396	(191)	(25,637)	156,649	-	(25,197)
Total Comprehensive Revenue and Expense		194,741	6,766	(19,581)	183,178	5,810	(18,204)
Massey University Group		194,739	6,766	(19,581)	183,178	5,810	(18,204)
Non-controlling Interest		2	-	-	-	-	-
Total		194,741	6,766	(19,581)	183,178	5,810	(18,204)

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Notes	CONSOLIDATED			UNIVERSITY		
		Actual	Budget	Actual	Actual	Budget	Actual
		2017	2017	2016	2017	2017	2016
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS							
CURRENT ASSETS							
Cash and Cash Equivalents	9	32,608	27,788	35,814	29,209	24,873	32,522
Student and Other Receivables	10	34,776	26,315	29,637	38,579	26,028	32,927
Inventories		1,546	1,517	1,532	1,546	1,517	1,532
Other Financial Assets	11	125,239	15,810	72,095	123,392	15,169	70,944
Biological Assets - Livestock		3,838	3,442	3,620	3,838	3,442	3,620
Derivative Financial Instruments		35	-	-	35	-	-
Investment in Associate	13	-	-	4,493	-	-	-
Non-current Assets Held for Sale	12	-	57,100	34,575	-	57,100	34,575
Total Current Assets		198,042	131,972	181,766	196,599	128,129	176,120
NON-CURRENT ASSETS							
Investment in Associates	13	232	-	45	-	-	-
Other Assets	14	-	-	-	19,473	21,083	19,473
Other Financial Assets	11	40,197	32,350	30,167	2,479	2,373	2,335
Biological Assets - Forestry		878	726	865	878	726	865
Property, Plant and Equipment	15	1,155,016	1,062,614	999,302	1,154,946	1,062,189	999,223
Intangible Assets	16	36,219	25,109	25,205	34,439	23,299	24,015
Total Non-current Assets		1,232,542	1,120,799	1,055,584	1,212,215	1,109,670	1,045,911
Total Assets		1,430,584	1,252,771	1,237,350	1,408,814	1,237,799	1,222,031
LIABILITIES							
CURRENT LIABILITIES							
Trade and Other Payables	17	36,685	34,257	41,262	41,196	36,158	40,683
Employee Entitlements	18	23,865	19,327	19,320	23,763	19,196	19,229
Receipts in Advance	19	84,998	75,786	80,426	83,974	75,076	79,336
Derivative Financial Instruments		-	1,124	8	-	-	8
Total Current Liabilities		145,548	130,494	141,016	148,933	130,430	139,256
NON-CURRENT LIABILITIES							
Derivative Financial Instruments		467	-	163	467	-	163
Employee Entitlements	18	38,433	42,043	43,926	38,433	42,043	43,926
Other Payables		457	-	-	457	-	-
Receipts in Advance	19	567	1,500	1,907	567	1,500	1,907
Total Non-current Liabilities		39,924	43,543	45,996	39,924	43,543	45,996
Total Liabilities		185,472	174,037	187,012	188,857	173,973	185,252
Net Assets		1,245,112	1,078,734	1,050,338	1,219,957	1,063,826	1,036,779
EQUITY							
Surplus for the Year	21	38,343	6,957	6,056	26,529	5,810	6,993
Other Reserves	21	1,206,734	1,071,777	1,044,282	1,193,428	1,058,016	1,029,786
Massey University Group		1,245,077	1,078,734	1,050,338	1,219,957	1,063,826	1,036,779
Non-controlling Interest		35	-	-	-	-	-
Total Equity		1,245,112	1,078,734	1,050,338	1,219,957	1,063,826	1,036,779

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	CONSOLIDATED			UNIVERSITY		
		Actual	Budget	Actual	Actual	Budget	Actual
		2017	2017	2016	2017	2017	2016
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
EQUITY AS AT 1 JANUARY	21	1,050,338	1,071,968	1,069,919	1,036,779	1,058,016	1,054,983
Surplus		38,343	6,957	6,056	26,529	5,810	6,993
Other Comprehensive Revenue and Expense		156,396	(191)	(25,637)	156,649	-	(25,197)
Total Comprehensive Revenue and Expense Attributable to Massey University Group		194,739	6,766	(19,581)	183,178	5,810	(18,204)
Non-controlling Interest		35	-	-	-	-	-
Equity as at 31 December	21	1,245,112	1,078,734	1,050,338	1,219,957	1,063,826	1,036,779

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	CONSOLIDATED			UNIVERSITY		
		Actual	Budget	Actual	Actual	Budget	Actual
		2017	2017	2016	2017	2017	2016
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
<i>Cash was provided from:</i>							
Government Grants		194,692	196,742	188,536	194,692	196,742	188,536
Receipts from Students Fees		175,573	168,669	163,324	175,573	168,669	163,324
Other Revenue		123,650	125,520	116,555	119,190	117,211	113,523
Interest Received		3,609	3,410	3,745	3,419	3,246	3,567
Trust Funds		9,039	2,981	3,945	2,161	928	2,626
		506,563	497,322	476,105	495,035	486,796	471,576
<i>Cash was applied to:</i>							
Payments to Employees and Suppliers		446,155	431,162	416,117	441,196	420,099	408,562
Net GST		979	-	697	1,042	-	652
Interest Paid		-	4	458	-	4	458
		447,134	431,166	417,272	442,238	420,103	409,672
Net Cash Flow from Operating Activities	7	59,429	66,156	58,833	52,797	66,693	61,904
CASH FLOWS FROM INVESTING ACTIVITIES							
<i>Cash was provided from:</i>							
Withdrawal from Investments		143,368	15,790	168,679	142,297	15,000	164,607
Sale of Fixed Assets		63,947	-	13,017	63,947	-	13,017
		207,315	15,790	181,696	206,244	15,000	177,624
<i>Cash was applied to:</i>							
Purchase of Investments		202,873	-	222,802	194,479	-	220,440
Loans to Subsidiaries		-	-	-	1,182	576	2,043
Purchase of Property, Plant, Equipment and Intangibles		67,134	106,211	59,703	66,715	105,711	58,458
		270,007	106,211	282,505	262,376	106,287	280,941
Net Cash Flow to Investing Activities		(62,692)	(90,421)	(100,809)	(56,132)	(91,287)	(103,317)
CASH FLOWS FROM FINANCING ACTIVITIES							
<i>Cash was applied to:</i>							
Loan Repaid		-	-	13,134	-	-	13,134
		-	-	13,134	-	-	13,134
Net Cash Flow to Financing Activities		-	-	(13,134)	-	-	(13,134)
Net Decrease in Cash and Cash Equivalents		(3,263)	(24,265)	(55,110)	(3,335)	(24,594)	(54,547)
Net Foreign Exchange Gain / (Loss)		57	-	(434)	22	-	(434)
Cash and Cash Equivalents Brought Forward		35,814	52,053	91,358	32,522	49,467	87,503
Cash and Cash Equivalents Carried Forward		32,608	27,788	35,814	29,209	24,873	32,522

NOTES TO AND FORMING PART OF 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 27 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 University and Group are for the year ended 31 December 2017. The financial statements were authorised for issue by the Council on 13 April 2018.

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 University and 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, 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 University and Group have 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 18 for assumptions).

Management has exercised the following critical judgements in applying the University's policies for the year ended 31 December 2017.

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, buildings and leasehold improvements 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 University and Group consider it has assumed all of the risks and rewards of ownership of this property despite legal ownership not being transferred and accordingly 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 University and Group account for the funding as a capital contribution directly to equity.

ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The University and Group have not elected to early adopt any new standards or interpretations that are issued but not yet effective as at 31 December 2017.

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 University and Group as at 31 December 2017.

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 the 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 University and Group assess 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.

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.

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 University and 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 or 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 comprehensive 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 University and Group classify 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 are 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 and buildings	Revalued amount less accumulated depreciation (for buildings only) subsequent to last valuation	31 December 2017
Leasehold improvements	Revalued amount less accumulated depreciation subsequent to last valuation	31 December 2017
Equipment and furniture	Historical cost less accumulated depreciation	
Computers and research equipment	Historical cost less accumulated depreciation	
Motor vehicles	Historical cost less accumulated depreciation	
Aircraft	Historical cost less accumulated depreciation and impairment	
Library collection	Historical cost less accumulated depreciation	

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

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

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

Where the fair value of an asset can be determined by reference to the price in an active market for the same asset or a similar asset, the fair value of the asset is determined using this information. Where the fair value of the asset is not able to be reliably determined using market based evidence, depreciated replacement cost is considered to be the most appropriate basis for determination of the fair value.

The Depreciated Replacement Cost (DRC) 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.

“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.

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 University and 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% - 7%	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 on the University Asset Register.

(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; and
- 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 University and 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 University and 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 income tax under Income Tax Act 2007. Accordingly, no provision has been made for income tax.

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 University and Group classify their 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 University and Group commit 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 University and Group have 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 University and Group prior to the end of the financial year that are unpaid, and arise when the University and Group become 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 University and Group have chosen not to 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 University and Group have elected not to 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	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Government grants					
Students		152,017	151,862	152,017	151,862
Other		41,117	41,481	41,117	41,481
		193,134	193,343	193,134	193,343
Student fees					
Domestic students		105,594	105,343	105,594	105,343
International students		73,526	64,227	73,526	64,227
		179,120	169,570	179,120	169,570
Charges for services					
Research		72,002	66,827	73,748	67,351
Other		52,690	49,885	48,333	46,837
		124,692	116,712	122,081	114,188
Interest		4,563	3,853	4,370	3,674
Trust funds	22	12,758	4,807	2,192	2,769
Other gains and losses	3	30,468	710	30,428	1,664
Total Revenue		544,735	488,995	531,325	485,208
REVENUE CLASSIFICATION					
Revenue from exchange transactions		190,398	142,394	181,734	138,607
Revenue from non-exchange transactions		354,337	346,601	349,591	346,601
		544,735	488,995	531,325	485,208

3 OTHER GAINS AND LOSSES

	CONSOLIDATED		UNIVERSITY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Biological assets fair value gain	276	329	276	329
Disposal of property, plant and equipment gain	31,736	1,811	31,736	1,811
Disposal of shares gain	74	220	-	-
Derivative fair value loss	(261)	(42)	(261)	(42)
Foreign exchange gain / (loss)	21	(434)	22	(434)
Impairment of investments	(33)	(762)	-	-
Other write offs	(1,345)	(412)	(1,345)	-
Total Other Gains and Losses	30,468	710	30,428	1,664

4 STAFF-RELATED COSTS

	CONSOLIDATED		UNIVERSITY	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Salaries and wages	285,451	268,374	283,094	266,084
Superannuation	11,663	11,066	11,598	11,066
Movement in employee entitlements	(5,554)	4,323	(5,554)	4,323
Other	4,579	2,459	4,507	2,459
Total Staff-related Costs	296,139	286,222	293,645	283,932

5 DEPRECIATION AND AMORTISATION

	Notes	CONSOLIDATED		UNIVERSITY	
		2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000
Depreciation	15	49,071	49,560	49,032	49,518
Amortisation	16	6,076	4,368	5,634	3,988
Total Depreciation and Amortisation		55,147	53,928	54,666	53,506

6 OTHER DIRECT COSTS

	CONSOLIDATED		UNIVERSITY	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Annual audit fee	254	307	199	196
Other assurance services provided by principal auditors	22	25	22	21
Bad debts written off	363	355	307	355
Increase / (Decrease) in provision for bad debts	390	(752)	2,805	(772)
Operating lease rentals	5,560	4,713	5,187	4,358
Scholarships	16,442	14,077	16,446	14,077
Energy	5,777	5,788	5,763	5,773
Repairs and maintenance	14,121	15,122	14,112	15,120
Travel and accommodation	13,706	13,179	13,603	13,181
Computing and telecommunications	7,896	8,308	7,822	8,266
Contracted services	36,740	29,662	36,352	29,618
Insurance	3,086	2,637	3,081	2,627
Marketing and advertising	3,741	4,429	3,552	4,404
Commission	4,405	3,486	4,405	3,486
Postage and printing	2,297	2,421	2,296	2,410
Other operating expenses*	38,311	37,236	38,788	35,939
Total Other Direct Costs	153,111	140,993	154,740	139,059

*Other operating expenses include consumables, subscriptions, campus security and other miscellaneous expenses.

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

	Notes	CONSOLIDATED		UNIVERSITY	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Surplus for the year		38,345	6,056	26,529	6,993
Add / (Less) Non-cash Items					
Depreciation and amortisation expense	5	55,147	53,928	54,666	53,506
Biological assets - fair value gain	3	(276)	(329)	(276)	(329)
Derivative - fair value loss	3	261	42	261	42
Foreign exchange (gain) / loss	3	(21)	434	(22)	434
Impairment of investment	3	33	762	-	-
Unrealised (gain) / loss from managed funds		(3,817)	951	-	-
Share of loss / (profit) from associates		10	(731)	-	-
Bad debts written off	6	363	355	307	355
Movement in provision for doubtful debts	6	390	(752)	2,805	(772)
(Decrease) / Increase in employee entitlements	18	(948)	6,296	(959)	6,250
Fixed assets impairment		1,345	2,316	1,345	1,904
Total Non-cash Items		52,487	63,272	58,127	61,390
(Less) / Add Items Classified as Investing or Financing Activities					
Gain on disposal of investment	3	(74)	(220)	-	-
Other non-operating items		2,634	-	2,634	-
Gain on disposal of property, plant and equipment	3	(31,736)	(1,811)	(31,736)	(1,811)
Total Items Classified as Investing or Financing Activities		(29,176)	(2,031)	(29,102)	(1,811)
(Less) / Add Movements in Working Capital Items					
(Increase) / Decrease in prepayments	10	(2,114)	1,231	(2,123)	1,246
Increase in student and other receivables		(3,867)	(5,184)	(5,460)	(7,445)
Decrease in inventories and biological assets		31	46	31	39
Increase / (Decrease) in accounts payable		491	(8,054)	1,497	(1,657)
Increase in receipts in advance	19	3,232	3,497	3,298	3,149
Net Movement in Working Capital Items		(2,227)	(8,464)	(2,757)	(4,668)
Net Cash Inflow from Operating Activities		59,429	58,833	52,797	61,904

8 SIGNIFICANT BUDGET VARIANCES

	CONSOLIDATED VARIANCE TO / FROM BUDGET \$'000		
Total operating revenue	41,188	Favourable	One-off gain on disposal of a property, higher trust income due to gifts & bequests and higher international student intake
Total cost of operations	9,784	Unfavourable	Higher than budgeted staff salaries and other direct costs associated with increased research activity and additional teaching
Surplus for the year	31,388	Favourable	See above
OTHER COMPREHENSIVE REVENUE AND EXPENSE			
Movement in assets revaluation reserve	156,505	Favourable	Surplus on land and building revaluation which was not budgeted due to volatility in the property market across the campuses
BALANCE SHEET			
Total assets	177,813	Favourable	Surplus on land and building revaluation and higher operating surplus
Total liabilities	11,435	Unfavourable	Higher than budgeted revenue in advance

9 CASH AND CASH EQUIVALENTS

	CONSOLIDATED		UNIVERSITY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Cash at bank and in hand	8,003	6,205	5,078	3,400
Short term deposits with original maturities of 3 months or less	24,605	29,609	24,131	29,122
Total Cash and Cash Equivalents	32,608	35,814	29,209	32,522

The carrying value of cash at bank and short term deposits with original maturities less than three months approximate their fair value.

Refer to note 11 for weighted average effective rate of interest for cash and cash equivalents.

Consolidated cash at bank and in hand included USD, AUD, and SGD valued in NZD\$1,687k (2016: \$1,740k), NZD\$1,757k (2016: \$478k), and NZD\$832k (2016: \$252k) respectively.

At 31 December 2017, the University and Group had available \$15million (2016: \$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.

10 STUDENT AND OTHER RECEIVABLES

	CONSOLIDATED		UNIVERSITY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
CURRENT PORTION				
Trade debtors	25,116	21,571	24,031	20,910
Other amounts receivables	765	895	668	176
Prepayments	11,053	8,939	11,036	8,913
Related party receivables	-	-	7,389	4,668
	36,934	31,405	43,124	34,667
Less provision for doubtful debts	(2,158)	(1,768)	(4,545)	(1,740)
Total Student and Other Receivables	34,776	29,637	38,579	32,927
Total Student and Other Receivables from Exchange Transactions	26,747	25,661	30,550	28,951
Total Student and Other Receivables from Non-exchange Transactions	8,029	3,976	8,029	3,976

The carrying value of student and other receivables approximates their fair value and is the same as contractual value, and are generally receivable 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 \$3,183k (2016: \$688k) 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. \$2,405k out of the individually impaired debts were due from an associated undertaking.

If the University and Group determine 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 University and Group do 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	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Less than one month	9,888	5,830	6,765	5,169
One month	2,497	2,212	2,497	2,212
Two months	1,338	589	1,338	589
Three months and over	1,147	1,234	1,147	1,234
Total	14,870	9,865	11,747	9,204

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

	CONSOLIDATED		UNIVERSITY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
At 1 January	1,768	2,520	1,740	2,512
Increase / (Decrease) during the year	390	(752)	2,805	(772)
At 31 December	2,158	1,768	4,545	1,740

11 OTHER FINANCIAL ASSETS

	CONSOLIDATED		UNIVERSITY	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
CURRENT PORTION				
Short term bank deposit with maturities of 4-12 months	125,239	72,095	123,392	70,944
Total Current Portion	125,239	72,095	123,392	70,944
NON-CURRENT PORTION				
Fair value through surplus or deficit-managed funds	34,943	24,909	-	-
Loans and receivables	179	88	-	-
Listed shares	2,479	2,335	2,479	2,335
Unlisted shares	2,596	2,835	-	-
Total Non-current Portion	40,197	30,167	2,479	2,335

There were no impairment provisions for other financial assets.

Fair value through surplus or deficit - managed funds: 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	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Short-term deposits with original maturities of 3 months or less	24,605	29,609	24,131	29,122
Weighted average interest rate	2.82%	2.89%	2.82%	2.89%
Short-term deposits with maturities of 4-12 months	125,239	72,095	123,392	70,944
Weighted average interest rate	3.41%	3.29%	3.41%	3.29%
Total	149,844	101,704	147,523	100,066

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

12 NON-CURRENT ASSETS HELD FOR SALE

	CONSOLIDATED		UNIVERSITY	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Land and building	-	34,575	-	34,575
Total Non-current Assets Held for Sale	-	34,575	-	34,575

On 31 December 2016, Oteha Rohe (13.72 Hectares of Land and Enterprise Centre Building of approx. 2000 sq. meters in Albany, Auckland) held by the University was classified as non-current asset held for sale. The sale of Oteha Rohe was settled in September 2017. Upon settlement the University leased the property back under an operating lease arrangement.

13 ASSOCIATES

	CONSOLIDATED	
	2017 \$'000	2016 \$'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	3,772
Dividend	(230)	-
Distribution back to shareholders	(4,263)	-
Share of comprehensive revenue and expense	-	721
Balance at 31 December	-	4,493
Unrecognised gain / (loss) current year	-	-
Accumulated unrecognised gains / (losses)	-	-
<i>Summarised information:</i>		
Assets	-	14,126
Liabilities	-	2,652
Revenue	-	553
Surplus / (Deficit)	-	2,026
Group's interest	-	35.60%
Share of associate's contingent liabilities incurred jointly with others	-	-
Contingent liabilities that arise because of several liabilities	-	-
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	45	38
Dividend	(3)	(3)
Share of comprehensive revenue and expense	5	10
Balance at 31 December	47	45
Unrecognised gain / (loss) current year	-	-
Accumulated unrecognised gains / (losses)	-	-
<i>Summarised information:</i>		
Assets	79	75
Liabilities	1	-
Revenue	139	67
Surplus / (Deficit)	13	24
Group's interest	40.00%	40.00%
Share of associate's contingent liabilities incurred jointly with others	-	-
Contingent liabilities that arise because of several liabilities	-	-

	CONSOLIDATED	
	2017 \$'000	2016 \$'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	-	-
New investments during the year	200	-
Share of comprehensive revenue and expense	(15)	-
Balance at 31 December	185	-
Unrecognised gain / (loss) current year	-	-
Accumulated unrecognised gains / (losses)	-	-
<i>Summarised information:</i>		
Assets	214	-
Liabilities	49	-
Revenue	14	-
Surplus / (Deficit)	(35)	-
Group's interest	41.50%	-
Share of associate's contingent liabilities incurred jointly with others	-	-
Contingent liabilities that arise because of several liabilities	-	-

14 OTHER ASSETS

	CONSOLIDATED		UNIVERSITY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'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

15 PROPERTY, PLANT AND EQUIPMENT

	Cost / Revaluation 1 Jan 2017 \$'000	Accumulated Depreciation and Impairment Charges 1 Jan 2017 \$'000	Carrying Amount 1 Jan 2017 \$'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 2017 \$'000	Accumulated Depreciation and Impairment Charges 31 Dec 2017 \$'000	Carrying Amount 31 Dec 2017 \$'000
CONSOLIDATED 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	2,099	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
CONSOLIDATED 2016												
Land and Buildings	963,830	25,571	938,359	27,072	34,793	219	(25,205)	-	26,947	931,003	52,298	878,705
Leasehold Improvement	1,916	1,137	779	192	9	5	-	-	296	2,099	1,428	671
Aircrafts	4,767	912	3,855	119	-	-	-	-	323	4,886	1,235	3,651
Furniture	3,288	2,486	802	2,145	4	3	-	-	355	5,431	2,840	2,591
Equipment	174,568	127,522	47,046	14,040	11,935	11,759	-	-	14,761	176,672	130,523	46,149
Implements	305	230	75	-	-	-	-	-	14	305	244	61
Vehicles	3,735	2,354	1,381	96	255	208	-	-	468	3,576	2,614	962
Art	1,871	-	1,871	344	-	-	-	-	-	2,215	-	2,215
Library	117,838	85,077	32,761	7,892	-	-	-	-	6,396	125,731	91,474	34,257
Work in Progress	32,600	-	32,600	-	2,560	-	-	-	-	30,040	-	30,040
Total	1,304,818	245,289	1,059,529	51,900	49,556	12,194	(25,205)	-	49,560	1,281,958	282,656	999,302

	Cost / Revaluation 1 Jan 2017 \$'000	Accumulated Depreciation and Impairment Charges 1 Jan 2017 \$'000	Carrying Amount 1 Jan 2017 \$'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 2017 \$'000	Accumulated Depreciation and Impairment Charges 31 Dec 2017 \$'000	Carrying Amount 31 Dec 2017 \$'000
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
UNIVERSITY 2016												
Land and Buildings	963,830	25,571	938,359	27,072	34,793	219	(25,205)	-	26,947	931,003	52,298	878,705
Leasehold Improvement	1,897	1,121	776	134	9	5	-	-	271	2,022	1,387	635
Aircrafts	4,767	912	3,855	119	-	-	-	-	323	4,886	1,235	3,651
Furniture	3,255	2,463	792	2,142	4	3	-	-	352	5,394	2,813	2,581
Equipment	174,526	127,491	47,035	14,004	11,935	11,759	-	-	14,747	176,595	130,479	46,116
Implements	305	230	75	-	-	-	-	-	14	305	244	61
Vehicles	3,734	2,353	1,381	96	255	208	-	-	468	3,575	2,613	962
Art	1,871	-	1,871	344	-	-	-	-	-	2,215	-	2,215
Library	117,838	85,077	32,761	7,892	-	-	-	-	6,396	125,731	91,474	34,257
Work in Progress	32,600	-	32,600	-	2,560	-	-	-	-	30,040	-	30,040
Total	1,304,723	245,218	1,059,505	51,803	49,556	12,194	(25,205)	-	49,518	1,281,766	282,543	999,223

Transfers from work in progress to the other property, plant and equipment categories were \$40,009k (2016: \$51,803k).

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

In 2016, disposals of land and buildings included reclassification of Oteha Rohe as non-current asset held for sale.

The University and Group do not have any finance leases.

Asset values included in the balance sheet as at 31 December 2017 and 2016 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	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Massey University owned	140,108	80,516	494,802	454,261
Crown owned (includes buildings on Crown-owned land)	99,906	83,046	283,785	260,882
Total	240,014	163,562	778,587	715,143

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% New Building Standard) or potentially earthquake risk buildings with high occupancy. If the DSA indicates the building is earthquake prone, a full costing of the repairs is compiled, and at that point the building is deemed to be impaired and revalued accordingly.

During 2017 the University continued seismic assessment of buildings proposed for refurbishment to mitigate stakeholder risk. Seismic assessments on 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 who will advise assessment requirements in the coming year.

16 INTANGIBLE ASSETS

	Cost / Valuation 1 Jan 2017 \$'000	Accumulated Amortisation and Impairment 1 Jan 2017 \$'000	Carrying Amount 1 Jan 2017 \$'000	Additions \$'000	Disposals/ Transfer at Cost \$'000	Amortisation on Disposals \$'000	Impairments \$'000	Amortisation \$'000	Cost / Valuation 31 Dec 2017 \$'000	Accumulated Amortisation and Impairment 31 Dec 2017 \$'000	Carrying Amount 31 Dec 2017 \$'000
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
CONSOLIDATED 2016											
Software	19,914	9,637	10,277	2,724	-	-	412	4,368	21,812	13,591	8,221
Work in Progress	2,589	-	2,589	14,395	-	-	-	-	16,984	-	16,984
Total	22,503	9,637	12,866	17,119	-	-	412	4,368	38,796	13,591	25,205
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
UNIVERSITY 2016											
Software	19,914	9,637	10,277	2,151	2,235	826	-	3,988	19,830	12,799	7,031
Work in Progress	2,589	-	2,589	14,395	-	-	-	-	16,984	-	16,984
Total	22,503	9,637	12,866	16,546	2,235	826	-	3,988	36,814	12,799	24,015

Transfers from work in progress to software were \$24,575k (2016: \$2,151k).

Included in the additions above is the new Student Management System.

17 TRADE AND OTHER PAYABLES

	CONSOLIDATED		UNIVERSITY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Trade payables	1,849	5,087	1,632	4,885
Deposits and bonds	1,132	727	1,131	726
Accrued expenses	18,900	16,911	18,999	16,872
Amounts due to related parties	-	-	4,837	4,781
Other payables	14,804	18,537	14,597	13,419
Total Trade and Other Payables	36,685	41,262	41,196	40,683
Total Trade and Other Payables from Exchange Transactions	36,685	41,262	41,196	40,683

Trade and other payables are non-interest bearing and are normally settled on 30-day terms; therefore the carrying value of trade and other payables approximates their fair value and is the same as the contractual values.

18 EMPLOYEE ENTITLEMENTS

	CONSOLIDATED		UNIVERSITY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
CURRENT PORTION				
Accrued pay	13,366	8,091	13,307	8,046
Annual leave	10,178	10,847	10,135	10,801
Long service leave	321	382	321	382
Total Current Portion	23,865	19,320	23,763	19,229
NON-CURRENT PORTION				
Long service leave	571	677	571	677
Retirement gratuities	37,862	43,249	37,862	43,249
Total Non-current Portion	38,433	43,926	38,433	43,926
Total Employee Entitlements	62,298	63,246	62,196	63,155

The long service leave and retirement gratuities were independently assessed by Johnathan Eriksen of Eriksen & Associates as at 31 December 2017.

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 1.86% to 4.75% (2016: 1.89% to 4.75%).

An increase in the discount rate by 1% reduces the long service and retirement gratuities by \$2,210k (2016: \$2,803k), whereas a reduction in the discount rate by 1% increases the long service and retirement gratuities by \$2,493k (2016: \$3,186k).

Salary progression allows for a 2.5% increase per year (2016: 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.

19 RECEIPTS IN ADVANCE

	CONSOLIDATED		UNIVERSITY	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
CURRENT PORTION				
Student fees	32,521	29,537	32,521	29,537
Other receipts	52,477	50,889	51,453	49,799
Total Current Portion	84,998	80,426	83,974	79,336
NON-CURRENT PORTION				
Other receipts	567	1,907	567	1,907
Total Non-current Portion	567	1,907	567	1,907
Total Receipts in Advance	85,565	82,333	84,541	81,243

The carrying value of current receipts in advance approximates their fair value.

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

20 ASSET REVALUATION RESERVES

	CONSOLIDATED		UNIVERSITY	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Balance on 1 January	451,885	481,555	451,885	481,555
Revaluation	156,505	(25,205)	156,505	(25,205)
Transferred to general reserves	(24,193)	(4,465)	(24,193)	(4,465)
Balance on 31 December	584,197	451,885	584,197	451,885

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

21 EQUITY

	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 2016	Share Capital	Movement in Reserves	Other Comprehensive Revenue and Expense	Operating Surplus	Closing Balance 31 Dec 2016
CONSOLIDATED 2016	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trust funds	38,194	-	-	-	2,939	41,133
Asset revaluation reserves	481,555	-	(4,465)	(25,205)	-	451,885
Special reserves	22,054	-	-	-	-	22,054
General reserves	528,114	-	4,465	(432)	3,117	535,266
Total Massey University Group	1,069,917	-	-	(25,637)	6,056	1,050,338
Non-controlling Interest	-	-	-	-	-	-
Total	1,069,919	-	-	(25,637)	6,056	1,050,338

	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

	Opening Balance 1 Jan 2016	Movement in Reserves	Other Comprehensive Revenue and Expense	Operating Surplus	Closing Balance 31 Dec 2016
UNIVERSITY 2016	\$'000	\$'000	\$'000	\$'000	\$'000
Trust funds	11,577	-	-	1,486	13,063
Asset revaluation reserves	481,555	(4,465)	(25,205)	-	451,885
Special reserves	21,964	-	-	-	21,964
General reserves	539,886	4,465	8	5,507	549,866
Total	1,054,982	-	(25,197)	6,993	1,036,779

22 TRUST FUNDS

	CONSOLIDATED		UNIVERSITY	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Balance on 1 January	41,133	38,194	13,063	11,577
Income	12,758	4,807	2,192	2,769
Expenses	(1,922)	(1,868)	(1,745)	(1,283)
Balance on 31 December	51,969	41,133	13,510	13,063

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 University and 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.

23 FINANCIAL INSTRUMENTS RISK AND SUMMARY OF FINANCIAL ASSETS AND LIABILITIES

The University and Group have a series of policies to manage risks associated with financial instruments. The University and Group are risk averse and seek to minimise exposure from treasury activities. The University and Group have 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 University and 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	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Cash at bank and term deposits	157,847	106,760	152,601	102,317
Receivables	23,723	21,847	22,559	20,495
Loans	179	88	-	-
Managed funds	34,943	24,909	-	-
Derivatives	35	-	35	-
Credit facility on credit card	4,000	4,000	4,000	4,000
Total Credit Risk	220,727	157,604	179,195	126,812

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	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
COUNTERPARTIES WITH CREDIT RATINGS				
Cash at Bank and Term Deposits				
AA- (Very strong)	126,629	82,428	121,383	77,985
A (Strong)	31,218	24,332	31,218	24,332
Total Cash at Bank and Term Deposits	157,847	106,760	152,601	102,317
Credit Facility on Credit Card				
AA- (Very Strong)	4,000	4,000	4,000	4,000
Derivatives				
AA- (Very Strong)	35	-	35	-
COUNTERPARTIES WITHOUT CREDIT RATINGS				
Receivables	23,723	21,847	22,559	20,495
Loans	179	88	-	-
	23,902	21,935	22,559	20,495

Managed Funds

Managed Funds of \$34.9 million (2016: \$24.9 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:

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

(b) LIQUIDITY RISK

Liquidity risk is the risk that the University or 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 University and Group aim 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 11.

	Carrying Amount	Contractual Cash Flows	6 Months and Less	7-12 Months	2 Years	More than 2 Years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CONSOLIDATED 2017						
Trade and other payables	37,142	37,142	36,685	-	-	457
Accrued pay	23,865	23,865	23,865	-	-	-
Derivatives	467	467	-	-	-	467
Total	61,474	61,474	60,550	-	-	924
UNIVERSITY 2017						
Trade and other payables	36,816	36,816	36,359	-	-	457
Accrued pay	23,763	23,763	23,763	-	-	-
Derivatives	467	467	-	-	-	467
Total	61,046	61,046	60,122	-	-	924

	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 2016						
Trade and other payables	41,262	41,262	41,262	-	-	-
Accrued pay	19,320	19,320	19,320	-	-	-
Derivatives	171	171	8	-	-	163
Total	60,753	60,753	60,590	-	-	163
UNIVERSITY 2016						
Trade and other payables	35,902	35,902	35,902	-	-	-
Accrued pay	19,229	19,229	19,229	-	-	-
Derivatives	171	171	8	-	-	163
Total	55,302	55,302	55,139	-	-	163

(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 9. 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 9. If the United States dollar had moved up or down by 1% the effect on surplus and equity would have been \$17k (2016: \$12k). If the Australian dollar had moved up or down by 1% the effect on surplus and equity would have been \$18k (2016: \$5k).

Interest Rate Risk

The interest rates on Massey University's investments are disclosed in note 11.

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 University and Group are 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 \$738k (2016: \$500k). Interest rates on borrowings are fixed and not subject to fluctuation for the duration of the fixed maturity chosen. Borrowings are carried at amortised cost and therefore are not impacted by fair value interest rate risk. All other variables are held constant.

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. Borrowings and investments made at variable interest rates expose the University to cash flow interest rate risk. Other than some deposits at call, held for liquidity purposes, the University and Group do 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 University and Group do not hold any significant financial instruments that are subject to this risk.

SUMMARY OF FINANCIAL ASSETS AND LIABILITIES

CONSOLIDATED 2017 Classification of Financial Assets and Liabilities	Loans and Receivables \$'000	At Fair Value Through Surplus or Deficit \$'000	Available for Sale Financial Assets \$'000	Other Liabilities at Amortised Cost \$'000	Total \$'000
FINANCIAL ASSETS					
Cash and cash equivalents	32,608	-	-	-	32,608
Student and other receivables	23,723	-	-	-	23,723
Loans	179	-	-	-	179
Short term deposits with maturities of 4-12 months	125,239	-	-	-	125,239
Derivatives	-	35	-	-	35
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	-	-	-	17,785	17,785
Accrued expenses	-	-	-	43,222	43,222
Derivative financial instruments	-	467	-	-	467
Total Financial Liabilities	-	467	-	61,007	61,474

CONSOLIDATED 2016 Classification of Financial Assets and Liabilities	Loans and Receivables \$'000	At Fair Value Through Surplus or Deficit \$'000	Available for Sale Financial Assets \$'000	Other Liabilities at Amortised Cost \$'000	Total \$'000
FINANCIAL ASSETS					
Cash and cash equivalents	35,814	-	-	-	35,814
Student and other receivables	20,698	-	-	-	20,698
Loans	88	-	-	-	88
Short term deposits with maturities of 4-12 months	72,095	-	-	-	72,095
Unlisted shares	-	-	2,835	-	2,835
Shares	-	-	2,335	-	2,335
Managed funds	-	24,909	-	-	24,909
Total Financial Assets	128,695	24,909	5,170	-	158,774
FINANCIAL LIABILITIES					
Trade and other payables	-	-	-	24,351	24,351
Accrued pay	-	-	-	16,911	16,911
Derivative financial instruments	-	171	-	-	171
Total Financial Liabilities	-	171	-	41,262	41,433

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	-	-	-	27,543
Short term deposits with maturities of 4-12 months	123,392	-	-	-	123,392
Derivatives	-	35	-	-	35
Shares	-	-	2,479	-	2,479
Total Financial Assets	180,144	35	2,479	-	182,658
FINANCIAL LIABILITIES					
Trade and other payables	-	-	-	22,197	22,197
Accrued expenses	-	-	-	43,219	43,219
Derivative financial instruments	-	467	-	-	467
Total Financial Liabilities	-	467	-	65,416	65,883

UNIVERSITY 2016	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	35,522	-	-	-	35,522
Student and other receivables	24,014	-	-	-	24,014
Short term deposits with maturities of 4-12 months	70,944	-	-	-	70,944
Shares	-	-	2,335	-	2,335
Total Financial Assets	127,480	-	2,335	-	129,815
FINANCIAL LIABILITIES					
Trade and other payables	-	-	-	23,811	23,811
Accrued expenses	-	-	-	16,872	16,872
Derivative financial instruments	-	171	-	-	171
Total Financial Liabilities	-	171	-	40,683	40,854

CAPITAL MANAGEMENT

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

The University and Group manage 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 University and 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 University and 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.

24 FAIR VALUE HIERARCHY DISCLOSURES

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

- **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 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

CONSOLIDATED 2016 Classification of Financial Assets	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
FINANCIAL ASSETS				
Shares	2,335	-	2,835	5,170
Managed funds	-	24,909	-	24,909
Total	2,335	24,909	2,835	30,079

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

UNIVERSITY 2016 Classification of Financial Assets	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
FINANCIAL ASSETS				
Shares	2,335	-	-	2,335
Total	2,335	35	-	2,335

25 JOINT VENTURE

The Group's interest in Agri One Limited, a joint venture, is accounted for as a jointly controlled entity. The Group owns 50% of Agri One Limited.

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

	CONSOLIDATED	
	2017	2016
	\$'000	\$'000
GROUP		
Current assets	244	781
Non-current assets	-	-
Current liabilities	322	746
Non-current liabilities	-	-
Revenue	620	628
Expenses	733	689
Share of joint venture's commitments	-	-
Share of joint venture's contingent liabilities	-	-

26 COUNCIL MEMBERS' FEES AND KEY MANAGEMENT REMUNERATION

	UNIVERSITY	
	2017	2016
	\$'000	\$'000
Council members remuneration	205,000	199,326
Senior executive team including Vice-chancellor	3,833,810	3,814,511
Total	4,038,810	4,013,837

Total number of Council members remunerated in 2017 was 9 (2016: 14).

The senior executive team remunerated in 2017 included the Vice-chancellor, five pro vice-chancellors and six assistant vice-chancellors.

27 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	
	2017	2016
	\$'000	\$'000
SUBSIDIARIES		
Massey Ventures Limited	3,641	2,940
ALPP Limited	2,405	1,454
Massey Global Limited	820	94
ecentre Limited	46	7
MUSAC Limited	39	11
Massey University Foundation Trust	336	44
Massey Global Singapore Private Limited	523	210
ASSOCIATE		
Polybatics Limited	92	92
	7,902	4,852

The accompanying notes form part of these financial statements.

Apart from Massey staff members performing certain work for the subsidiaries free of 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 2017, the University has recorded an impairment of receivables \$2,497k relating to amounts owed by related parties (2016: \$92k). 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 Group Entities	OWNERSHIP	
	2017	2016
	%	%
SUBSIDIARIES		
Massey University Foundation Trust	100	100
ALPP Limited	100	100
Massey Global Limited (MGL)	100	100
Massey Global Singapore Private Limited (MG SPL)	100	100
Massey Ventures Limited (MVL)	100	100
ecentre Limited	100	100
MUSAC Limited	100	100
Synthodics Limited	60	60
Hyperceptions Limited	66.7	-
JOINT VENTURE		
Agri One Limited	50	50
ASSOCIATES		
Tramal Limited (formerly New Zealand Vet Pathology Limited)	-	35.6
Consumer Insights Limited	40	40
Polybatics Limited	29	29
Skill Tracker Limited	41.5	-

MG SPL is wholly owned by MGL. MUSAC Limited, ecentre Limited and Hyperceptions Limited are owned by MVL. Shares in all the associates are held by MVL.

The University owns Agri One Limited jointly with Lincoln University.

Ownership in all other group entities is held by the University.

Tramal Limited was liquidated during 2017 and ceased to exist on 25 October 2017.

On 21 March 2017, the Group acquired 66.7% of the voting shares of Hyperceptions Limited, an unlisted company based in New Zealand. The purchase consideration, \$100k in cash, was invested in the company as paid up capital. The company did not have any other identifiable assets or liabilities on the date of acquisition. The Group has elected to measure the non-controlling interest in Hyperceptions Limited at their proportionate share in the identifiable net assets of the company.

28 STATEMENT OF COMMITMENTS

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

	CONSOLIDATED		UNIVERSITY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
CAPITAL COMMITMENTS				
Buildings	35,701	27,025	35,701	27,025
IT	3,949	11,655	3,949	11,655
Equipment	1,741	2,198	1,741	2,198
Others	-	61	-	61
Total Capital Commitments	41,391	40,939	41,391	40,939

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

	CONSOLIDATED		UNIVERSITY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
OPERATING LEASES				
Due not later than one year	3,511	2,476	3,271	2,476
Due later than one year and not later than five years	15,539	7,311	15,394	7,311
Later than five years	9,126	5,468	9,126	5,468
Total Non-cancellable Operating Leases	28,176	15,255	27,791	15,255

	CONSOLIDATED		UNIVERSITY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
OTHER COMMITMENTS				
Due not later than one year	4,185	3,734	4,185	3,734
Due later than one year and not later than five years	2,342	1,632	2,342	1,632
Total	6,527	5,366	6,527	5,366

29 STATEMENT OF CONTINGENT ASSETS AND LIABILITIES

Management is not aware of any significant contingent assets or liabilities related to the University and Group as at the year end. (2016: Nil)

30 WORLD BANK FUNDING

	Actual 2017 \$'000	Actual 2016 \$'000	Actual 2015 \$'000	Actual 2014 \$'000
GLOBAL FOOD SAFETY PARTNERSHIP				
Opening Balance	15	182	-	-
Income	-	-	544	473
Expenses	(15)	(167)	(362)	(473)
Closing Balance	-	15	182	-

The Global Food Safety Partnership Programme activity and funding was completed following submission of the completion audit to the World Bank in 2017.

31 POST BALANCE SHEET DATE EVENTS

Management is not aware of any significant post balance sheet date events requiring adjustment to 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	885	524	3,055	2,145	1,583	295	2,387	10,874
Expenses	882	523	3,045	2,139	1,579	294	2,215	10,677
Surplus	3	1	10	6	4	1	172	197

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 (Albany and Palmerston North) are a student contribution to the costs of the Recreation Centres on these campuses. These levies are not charged to distance students.

The amenities and 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 2017 was set at \$555.80 (GST inclusive).

Building levies are charged as follows:

- Albany \$384.30 per EFTS
- Manawatu \$102.20 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



