

Karori campus questions and answers February 2017

Windfall from the \$10 campus?

In 2010, Victoria was one of 25 tertiary institutions that applied to the Crown for title transfers and each of the institutions paid a nominal fee for the transfers. In Victoria's case the transfer payment was \$10. This payment was an important legal formality even though Victoria had been the beneficial owner of the Karori campus assets since 2004. That means the assets have sat on Victoria's balance sheet since 2004 and Victoria has been fully responsible for upgrades, maintenance, operating and insurance costs from that date.

Since 2005, Victoria has spent more than \$10 million in construction, upgrading and maintenance work at the Karori campus. In addition, it has cost around \$1 million a year to operate the campus with the money covering a range of things including maintenance of facilities and grounds, security, cleaning and IT infrastructure.

Unfortunately, the financial pressures placed on the University by these high capital expenditure and operating costs at Karori have been compounded by declining student numbers at the campus. Since 2009, the campus, which previously housed our Faculty of Education, has shed 457 EFTS (Equivalent Full Time Students) and total revenue for the Faculty of Education is now \$2 million less per annum than it was in 2009.

In addition, the floor area savings made by vacating the Karori campus are offset by the additional floor area required at the Kelburn campus to accommodate the recently arrived staff and students of the Faculty of Education. The staff are currently in repurposed temporary facilities. It is planned they will ultimately occupy new high quality learning and teaching space in the modernised Kirk Building – a redevelopment which service firms estimate will cost the University approximately \$80 million.

Has the University been a good neighbour?

The Karori community, like all communities in Wellington, is important to us and many of our staff and students live in Karori.

The University has been maintaining the Karori campus and its facilities for more than 14 years. The campus grounds have been open to the public and some facilities, such as tennis and netball courts, have also been available for community use. These facilities remain available for the community to use in the short to medium term.

The University has regularly communicated with the community about the future of the campus, including community meetings in April and September 2016, and email updates (including an update several weeks before the University announced that it had declared the campus surplus to requirements). In addition we have made detailed information available on the University's website. There will also be a community meeting on Monday 6 March 2017.

Victoria has also been in a formal process of engaging with Wellington City Council and the Ministry of Education about the campus with a view to ensuring future community needs are carefully considered.

Why has Victoria decided it no longer needs the campus?

Karori's distance from other Victoria campuses, which are in or near to the central city, and from other staff, has always been a significant barrier. Staff and students located at Karori have often felt

isolated and disconnected and that physical distance has made teaching and research collaborations difficult. The success of the Faculty of Education relocation to Kelburn at the start of this year is testament to the challenges Karori has presented.

If Victoria is to achieve its vision of being a world-leading capital city university and one of the world's great public universities, we must continue to strengthen our connections and links with Wellington city and be highly visible in the city. Providing the vibrant experience our students want is also something best achieved in the context of a busy and bustling inner city environment.

How long will divestment take?

The process is taking 12 – 24 months.

What about the facilities that the community uses such as the netball and tennis courts?

In the short to medium term, the community is welcome to continue using recreational facilities at the Karori campus.

What will happen to the child care facilities on Victoria University land?

The Ministry of Education (MoE) has notified Victoria University that it requires the properties occupied by Karori Kids and Campbell Kindergarten for alternative public use. Victoria is working with MoE staff to transfer these two properties to the MoE under section 50 of the Public Works Act. **Why did the campus review process take so long?**

It was important that we completed a comprehensive review before making a decision. During the review Victoria carefully considered how the Karori campus could play a role in the University's future. The review process has looked at a number of possibilities, including using the campus for accommodation, redeveloping the facility for other areas of the University or other activities, and finding another user.

Why did Victoria move the Faculty of Education from Karori to Kelburn?

Relocating the Faculty of Education to the Kelburn campus was a logical move for Victoria. It puts the Faculty closer to the heart of the University and is leading to productive teaching and research collaborations between education staff and colleagues in a wide range of other subject areas. We see Master's-level qualifications as being a significant part of the teacher education landscape in the future. For this to be successful, the Education Faculty must be in a position to recruit BA, BSc and BCom graduates from our other faculties into education. The move allows our education staff to fully contribute their expertise to helping Victoria achieve its strategic goals.

When did Victoria apply to transfer the Karori titles?

Victoria began the process in September 2010 when it applied to the Crown for transfer of 40 titles, including four in Karori.

Why did Victoria apply for the transfer?

This application resulted from Government announcing a new policy for the management of Crown-owned assets (land and buildings) by tertiary education institutions (TEIs).

The policy allowed TEIs to apply to acquire title to Crown-owned land and buildings that the TEI managed and for which it had an ongoing use. TEIs were also allowed to apply for the Crown to sell

Crown-owned assets where these were surplus to the TEI's needs. The TEI would receive at least 80 percent of the proceeds of such sales.

The new policy allowed TEIs, as autonomous institutions, to "manage their own assets in the way they best believe supports their institution in achieving its goals" and to "manage their capital strategically and efficiently". The policy expressly stated that it will "make it easier for TEIs managing Crown-owned property to maximise the value of their capital assets by acquiring legal ownership of Crown assets for which they have an ongoing educational need, and disposing of assets that are surplus to their needs".

When were the title transfers approved?

The Crown granted approval for the transfer of forty titles to Victoria University (including four in Karori) in September 2011. Transferring titles to tertiary education institutions took far longer than expected (the initial anticipated timeframe was twelve to twenty-four months from application). Transfer of the Karori titles was completed in April 2015.

When you applied for the transfer, why did you say you had an ongoing need for the property?

Victoria's application in 2010, which was for 40 titles, advised that all the assets (including four covering the Karori campus) were required by Victoria to deliver its education programmes and research. At the time of the application, more than five years ago, the Karori campus was actively used for educational purposes. Had Victoria determined that there was no ongoing educational need for Crown-owned land used by the University, including the Karori campus, Victoria could have applied for the Crown to sell that asset with at least 80 percent of the proceeds being paid to Victoria.

Victoria's application was clear that the University's asset portfolio is under constant review and may be reconfigured in the future.

Did you only pay a nominal fee for the property?

Victoria has been the beneficial owner of the assets ever since it merged with the college in 2004. Since this date, the assets have sat on Victoria's balance sheet and Victoria has been fully responsible for all upgrade, maintenance, operating and insurance costs. Victoria was one of twenty-five tertiary institutions that applied to the Crown for title transfers and each of the institutes paid a nominal fee for the transfers. Victoria has spent more than \$10 million in construction, upgrading and maintenance work at the Karori campus since 2005 and the campus costs around \$1 million a year to operate.

What about the Karori community?

The Karori community, like all communities in Wellington, is important to us and many of our staff and students live in Karori. The community has been using the campus facilities for many years and continues to be able to do so. Victoria University's primary purpose is to provide high quality, cost-effective tertiary education to our students on behalf of the wider community. Other bodies have a mission to provide community facilities, to make town planning decisions and to decide on investment in schools. Victoria has begun a formal process of engaging with The Wellington City Council and the Ministry of Education about the campus. The University is also talking directly to groups and individuals in the Karori community.

What about the marae?

Given the relocation of Victoria's Faculty of Education, Te Whanau Akopai and Te Kura Maori have also moved to the Kelburn campus. The Kaupapa and Mauri of Ako Pai (the history and the quality of learning and teaching) has been acknowledged and brought to the School of Education at the Kelburn campus.