

# 2011

ANNUAL  
REPORT

UNIVERSITY  
*of*  
OTAGO



*Te Whare Wānanga o Ōtāgo*  
NEW ZEALAND

# 2011

A N N U A L  
R E P O R T

UNIVERSITY  
*of*  
OTAGO



*Te Whare Wānanga o Otāgo*

NEW ZEALAND

## University of Otago

Leith Street  
Dunedin  
New Zealand  
Mail PO Box 56  
Dunedin 9054  
New Zealand  
Tel 64 3 479 1100  
Fax 64 3 479 8692  
Email [registrar@otago.ac.nz](mailto:registrar@otago.ac.nz)  
Web [www.otago.ac.nz](http://www.otago.ac.nz)

## Christchurch

University of Otago,  
Christchurch  
2 Riccarton Avenue  
Christchurch  
New Zealand  
Mail PO Box 4345  
Christchurch 8140  
New Zealand  
Tel 64 3 364 0530  
Fax 64 3 364 0525  
[csm-enquiries@otago.ac.nz](mailto:csm-enquiries@otago.ac.nz)

## Wellington

University of Otago, Wellington  
Mein Street, Newtown  
Wellington South  
New Zealand  
Mail PO Box 7343  
Wellington South 6242  
New Zealand  
Tel 64 4 385 5541  
Fax 64 4 389 5725  
[deandpt.wsmhs@otago.ac.nz](mailto:deandpt.wsmhs@otago.ac.nz)  
  
University of Otago  
Wellington Office  
Level 9 Revera House  
48 Mulgrave Street  
Thorndon  
Wellington  
New Zealand  
Mail PO Box 400  
Wellington 6140  
New Zealand  
Tel 64 4 460 9800  
Fax 64 4 460 9801  
[wellington.office@otago.ac.nz](mailto:wellington.office@otago.ac.nz)

## Auckland

University of Otago  
Auckland Centre  
University of Otago House  
385 Queen Street  
Auckland, New Zealand  
Mail PO Box 5543  
Wellesley Street Auckland  
1141  
New Zealand  
Tel 64 9 373 9700  
Fax 64 9 373 9701  
[auckland.centre@otago.ac.nz](mailto:auckland.centre@otago.ac.nz)

## Southland

College of Education  
Southland Campus  
100 Nelson Street  
Invercargill  
New Zealand  
Mail PO Box 886  
Invercargill 9840  
New Zealand  
Tel 64 3 211 6724  
Fax 64 3 216 1399  
[course.info@otago.ac.nz](mailto:course.info@otago.ac.nz)



## Vision

A research-led University with an international reputation for excellence.

## Ko te Aronga

He Whare Wānanga e Aronui ana ki te Rangahau, e Rongonui ana i ngā Tōpito o te Ao i te Ao i tōna Ikeiketanga.

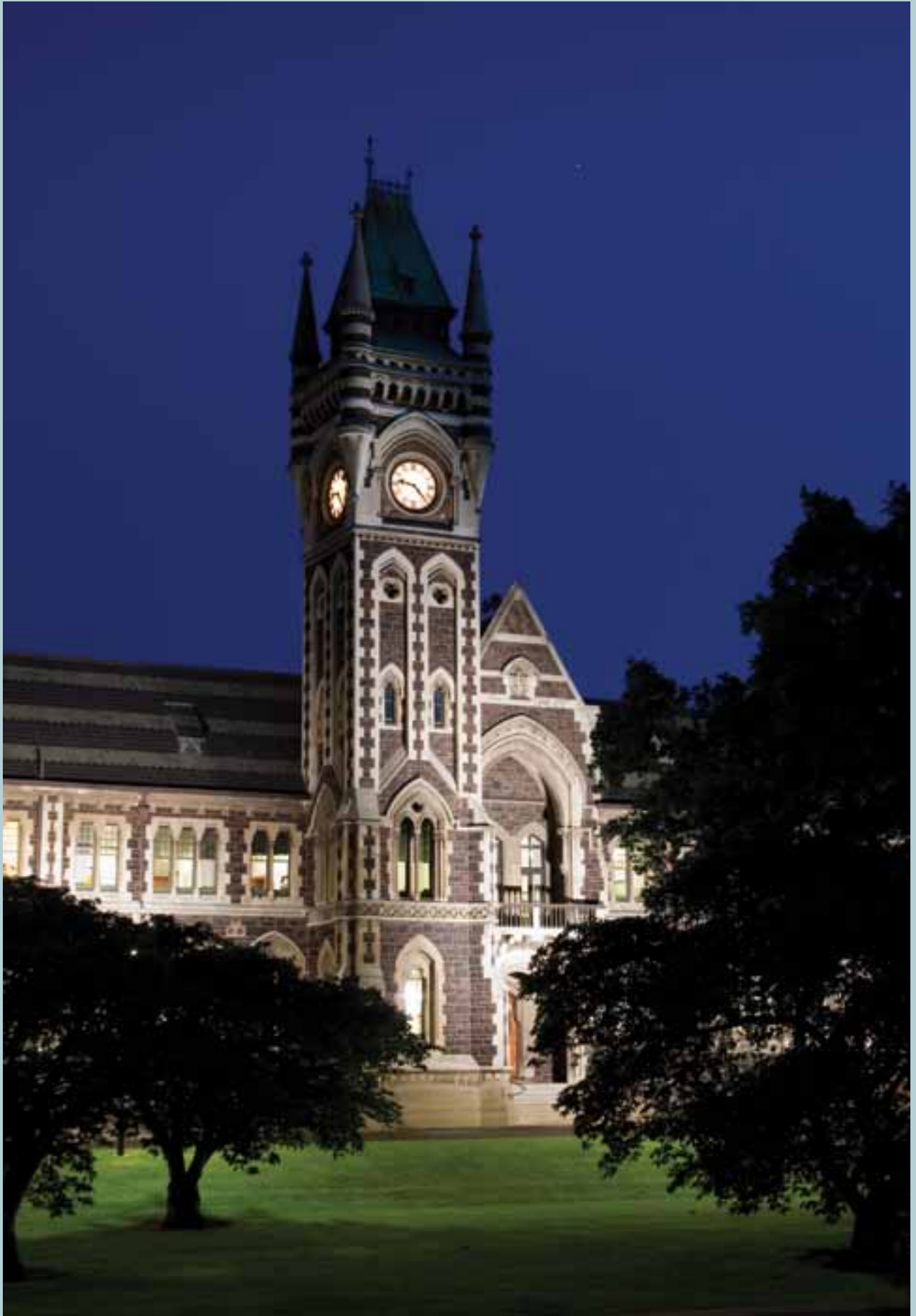
## Mission

The University of Otago will advance, preserve and promote knowledge, critical thinking and intellectual independence to enhance the understanding, development and well-being of individuals and society. It will achieve this by building on foundations of broad research and teaching capabilities, unique campus learning environments, its nationwide presence and mana, and international links.

Ko tā Te Whare Wānanga o Otāgo he whanake, he pupuri, he whakatairanga hoki i te mātauranga, i te ihomatua tātari kaupapa, i te whakaaroaro motuhake o te tangata, e nui ake ai te mōhio, te marama, te hiatotanga, otirā, te oranga o te tangata, o te iwi hoki. E tutuki ai tēnei mā te rangahau me te tika mārika o te whakaako, mā te whai wānanga ahurei, mā te whakaū i tōna mana, me ōna toronga puta noa i te motu, i te ao.

## Contents

Vision and Mission	3	Statement of Resources	40
University Governance	6	College of Education Merger Report	47
Organisation Chart	7	Financial Review	49
Council of the University	8	Statement of Responsibility	50
Executive Group	9	Statement of Accounting Policies	51
Chancellor's Introduction	10	Statement of Financial Performance	58
Vice-Chancellor's Review	12	Statement of Comprehensive Income	59
Significant Events	15	Statement of Changes in Equity	59
Achieving Research Excellence	16	Statement of Financial Position	60
Achieving Excellence in Research-Informed Teaching	20	Statement of Cash Flows	61
Ensuring Outstanding Campus Environments and Student Experience	23	Reconciliation of the Net Surplus	62
Contributing to the National Good and to International Progress	25	Statement of Commitments and Contingencies	63
Strengthening External Engagement	28	Notes to the Financial Statements	64
Building and Sustaining Capability	31	Independent Auditor's Report	91
Cost of Outputs	32	Summary Facts and Figures	94
Statement of Service Performance	34	Graphs	101



# University Governance

## Legal status

The University was established by the University of Otago Ordinance of the Provincial Council in 1869, the University of Otago Amendment Act 1961 and the Education Act 1989. It is governed by a Council, which appoints the Vice-Chancellor, who is the chief executive and employer of all other staff.

## Statutory role

Defining characteristics of universities in New Zealand, specified in the Education Act 1989, include that their teaching is primarily informed by research, they are repositories of knowledge and expertise, and they accept a role as critic and conscience of society.

## The University Council

The Council is constituted and empowered according to legislation. Council is chaired by the Chancellor, and comprises elected, appointed and co-opted members representing key stakeholders including alumni, students and staff.

## Committees of Council

Specific committees report directly to Council on matters including financial management and performance, audit, capital development, ethics, risk management and statutory compliance. It also has a Treaty of Waitangi committee with equal membership from Ngāi Tahu and the University, may, from time to time, establish special working parties to examine particular issues.

## The Senate

Senate reports directly to Council, advising it primarily on academic matters as the Academic Board of the University. Senate is convened by the Vice-Chancellor and its membership is drawn mainly from the heads of academic departments, but it also includes other senior academics and representatives of other teaching staff and students. It is, in turn, advised by a number of committees and boards.

## University autonomy and academic freedom

The Education Act 1989 provides statutory recognition of, and protection for, the institutional autonomy of the University and the academic freedom of its staff and students. In accordance with the Act, the Council and the Vice-Chancellor have a duty to act to preserve and enhance university autonomy and academic freedom.

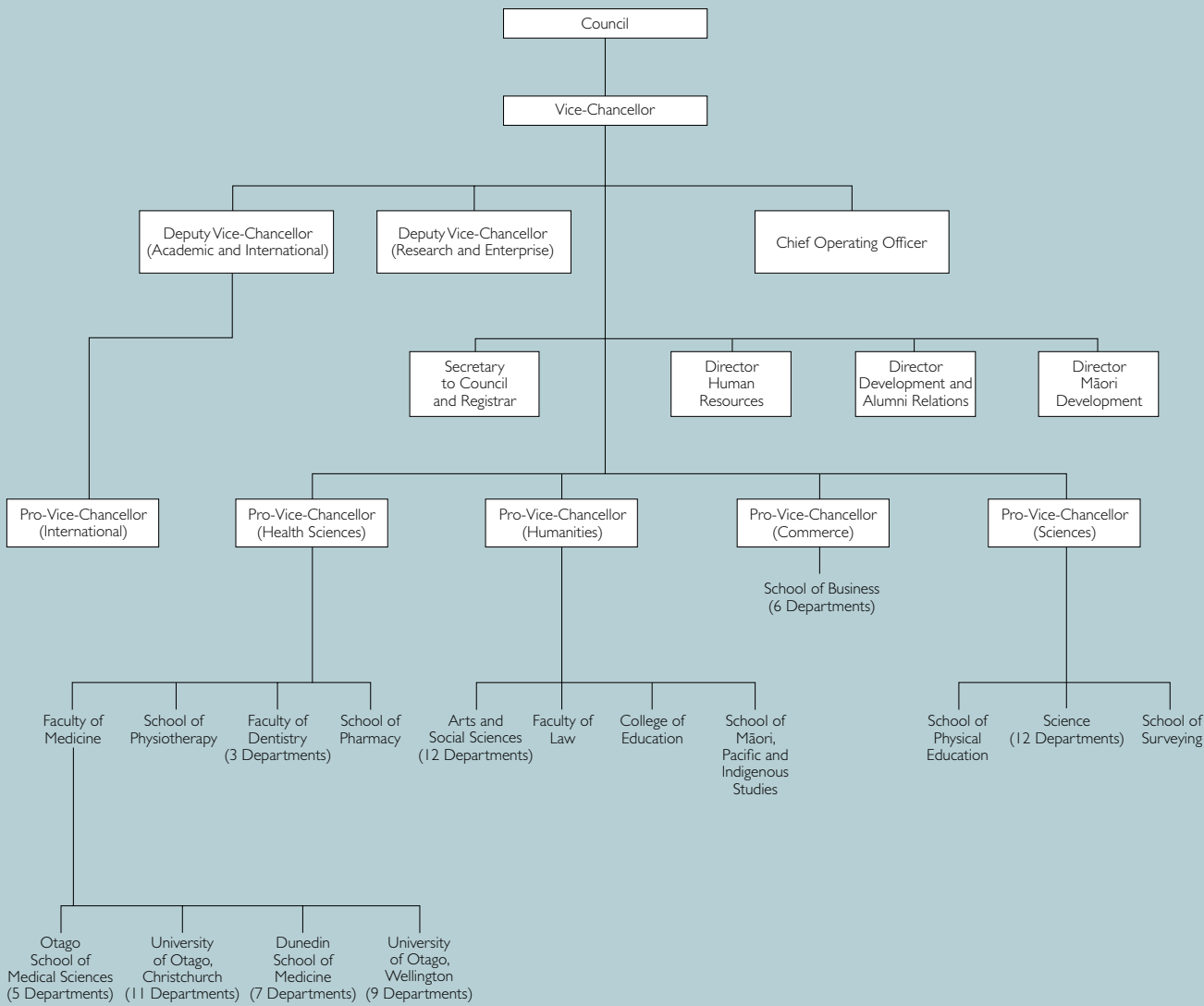
## Governance documents

The University Charter sets out the vision and mission of the University, its core values, special character and the high-level intent of its contributions to the wider community, nationally and internationally.

The University strategic plan, *Strategic Direction to 2012*, provides a framework for the development of the University.

The University Investment Plan outlines how the University will give effect to its Charter, the means by which it will contribute to the Government's strategies and priorities for tertiary education, and how it will monitor its performance in these matters.

# Organisation Chart





# The Council of the University of Otago 2011

## Appointed by the Minister of Education

Dr James D Every-Palmer BA(Hons) LLB(Hons)(Otago) LLM((Harv)DPhil(Oxon)

Ms Donna C Matahaere-Atariki BA(Otago) MPhil(Massey) MPA(Exec)(Well)

Ms Kereyn M Smith DipPhEd (Otago) (to 16 May)

Mr John F Ward – (Chancellor) BCom(Otago) FCA FlntD

## Ex Officio

Professor Sir David C G Skegg – (Vice-Chancellor)

KNZM OBE BMedSc MB ChB(Otago) DPhil(Oxf) FFPHM FAFPHM FRSNZ (to 31 July)

Professor Harlene Hayne – (Vice-Chancellor) ONZM BA (Colorado College) MS PhD(Rutgers) FRSNZ (from 15 August)

## Elected by the academic staff

Professor Judith A Bennett BA BEd(Qld) MA(Hawaii) PhD(ANU)  
DipEdDC(PNG)

Dr Craig J Marshall BSc(Hons) PhD(Otago)

Associate Professor Elisabeth Slooten MSc(Auck) PhD(Cant)

## Elected by the Court of Convocation

Judge E Oke K Blaikie LLB(Otago)

Miss Lorraine P Isaacs QSO MA(Otago & Hawaii)

Mr Michael J M Sidey BCom(Otago) ACA

## Elected by the general staff

Ms Margaret A Morgan MA (Otago) DipArch/RecMgmt (Monash)

## Appointed after consultation with the central organisation of employers

Mr Stuart J McLauchlan BCom(Otago) FCA(PP)

## Appointed after consultation with the central organisation of workers

Mr Roger H Tobin BSc(Vell)

## Appointed by the Students' Association

Ms Katherine J Reid (to 13 December 2011)

Mr Jonathan K Rowe

Mr Logan Edgar (from 14 December 2011)

## Appointed by the Dunedin City Council

Mr David C Cull BA PGDipArts (Otago)

## Co-opted

Dr Royden J Somerville QC LLM PhD(Otago) AAMINZ



From top (left to right): Professor H Hayne, Mr J F Ward, Dr J D Every-Palmer, Ms D C Matahaere-Atariki, Professor J A Bennett, Dr C J Marshall, Associate Professor L Slooten, Judge E O K Blaikie, Miss L P Isaacs, Mr M J M Sidey.



From top (left to right): Ms M A Morgan, Mr S J McLauchlan, Mr R H Tobin, Ms K J Reid, Mr J K Rowe, Mr D C Cull, Dr R J Somerville, Ms J A Flood.

## Executive Group

### Vice-Chancellor

Professor Sir David C G Skegg  
KNZM OBE BMedSc MB ChB(Otago) DPhil(Oxf) FFPHM FAFPHM FRSNZ (to 31 July)  
Professor Harlene Hayne  
ONZM BA (Colorado College) MS PhD(Rutgers) FRSNZ (from 15 August)

### Deputy Vice-Chancellor (Academic & International)

Professor Vernon A Squire  
Polar Medal BSc(Hons)(Wales) PhD(Camb) DSc(Wales) FRSNZ FIMA CMATH FNZMS

### Deputy Vice-Chancellor (Research & Enterprise)

Professor Harlene Hayne  
ONZM BA (Colorado College) MS PhD(Rutgers) FRSNZ (to 31 May)  
Professor Helen D Nicholson  
BSc(Hons) MB ChB MD(Brist) (Acting DVC from 1 June to 30 November)  
Professor Richard J Blaikie  
BSc(Hons)(Otago) PhD(Camb) FRSNZ MIEEE MInstP CPhys (from 1 December)

### Chief Operating Officer

Mr A John Patrick BCom(Otago) FCA CMA

### Pro-Vice-Chancellor (Commerce)

Professor George L Benwell BSurv PhD(Melb) MPhil(City) MNZCS MISAust

### Pro-Vice-Chancellor (Health Sciences)

Professor Peter R Crampton MB ChB MPH PhD(Otago) DipObst(Auck)  
FAFPHM MRNZCGP

### Pro-Vice-Chancellor (Humanities)

Professor Brian D Moloughney MA(Cant) PhD(ANU)

### Pro-Vice-Chancellor (Sciences)

Professor Keith A Hunter MSc(Auck) PhD(E Anglia) FNZIC FRSNZ

### Pro-Vice-Chancellor (International)

Professor Sarah J Todd BA(Massey) MCom PhD(Otago)

### Director of Human Resources

Mr Kevin J Seales BCom(Cant) MHRINZ

### Registrar and Secretary to Council

Ms Jan A Flood DipPhEd(Otago)



"Otago's staff and students had another excellent year and ... their talents and achievements have again been recognised in the national and international arenas."

**John Ward** Chancellor

## Chancellor's Introduction

It is once again my great pleasure to present the University of Otago's Annual Report.

2011 was a year marked by both achievement and change. In July, Professor Sir David Skegg stepped aside from the position of Vice-Chancellor. Throughout the seven years of his tenure, Professor Skegg provided outstanding academic leadership and I wish to thank him most sincerely for his enormous contribution to the University. I have greatly enjoyed working with him during my years on Council and, especially, as Chancellor.

In August, I was delighted to welcome Professor Harlene Hayne as the University's new Vice-Chancellor. A leading psychology researcher and Otago's Deputy Vice-Chancellor (Research and Enterprise), Professor Hayne was selected from a highly impressive field of national and international candidates. She has an exemplary academic record, proven administrative skills and a keen political acumen, qualities that will be of enormous benefit to the University in the years to come.

Otago's staff and students had another excellent year and, as will become apparent in this report, their talents and achievements have again been recognised in the national and international arenas. The University itself remains in a sound position, in spite of operating in a constrained financial environment. Funding remains an ongoing concern – as it does for all universities – and, as the need for more space and infrastructure becomes increasingly urgent, the University may have to increase its operating surplus to finance future projects. In 2011, Council adopted a rolling Priority Development Plan to provide a strategic framework for implementing future capital developments.

Proposed redevelopment of our Christchurch campus will be brought forward as a result of the devastating 22 February earthquake and subsequent aftershocks in which our building was significantly damaged. Over the past year, our Christchurch-based staff and students have continued to work and study under quite extraordinary circumstances. On behalf of the University, I wish to thank and congratulate them for their courage and determination. We are committed to rebuilding and re-opening our facilities as soon as possible.

The economic importance of this institution to the city of Dunedin – and to the country as a whole – was highlighted in the University's Economic Impact Report, presented to Council in September. This showed that, in 2010, the University contributed around \$754.2 million to the Dunedin economy, about 17% of the city's gross domestic product.

The University contributed a further \$43.6 million to the Christchurch economy, \$39.6 million in Wellington, \$2.6 million in Invercargill and \$682,000 in Auckland. In all, when all of the economic flow-on factors were taken into account, the University's total economic impact was estimated at around \$1.6 billion.

One of my privileges as Chancellor each year is to personally congratulate graduates on the completion of their studies. In 2011, there were 12 graduation ceremonies, more than usual as, in the latter part of the year, ceremonies were held in the smaller venue of the Regent Theatre while the Dunedin Town Hall was being refurbished. A particular highlight was the conferring of honorary degrees on Professor Sir David Skegg (Doctor of Laws) and New Zealand poet and writer Brian Turner (Doctor of Literature).

Another privilege for me as Chancellor is the opportunity to keep in touch with Otago alumni and I was fortunate to attend a number of alumni events in New Zealand as well as in Sydney, Ipoh, Toronto, Philadelphia and London. Our alumni chapters and networks around the world continue to provide invaluable support to the University. On behalf of Council, I wish to thank all alumni, staff, students, funders and other stakeholders for their contributions to the University operations and achievements throughout 2011.

Finally, I must acknowledge the hard work and commitment of my fellow Council members. Of particular note, I wish to thank Kereyn Smith who resigned in May after more than seven years on Council. A new ministerial appointment is pending. In December, Council also farewelled academic staff representative Professor Judy Bennett and OUSA representative Katie Smith. Again, I wish to thank them for their service.

**John Ward**  
CHANCELLOR



"We will enhance our efforts to recruit the best and the brightest students from within New Zealand and throughout the world."

**Professor Harlene Hayne** Vice-Chancellor

## Vice-Chancellor's Review

In August I succeeded Professor Sir David Skegg as Vice-Chancellor of the University of Otago. I would like to pay tribute to Professor Skegg's outstanding leadership and commitment to this University over the past seven years. During his tenure as Vice-Chancellor, Otago rose to the top of New Zealand's research rankings and repeatedly secured large amounts of contestable research funding. Professor Skegg successfully advocated for the University of Otago at the highest levels, established the Matariki Network of Universities and continued to maintain his own research career. His contribution will help ensure Otago's place as a world-class university into the future. Otago has flourished under his collegial leadership and I am determined to build on his legacy. I wish to thank Professor Skegg for leaving the University in such good heart.

2011 was yet another outstanding year for the University of Otago. Many of our achievements will be described in detail in other parts of this Annual Report, but I would like to mention some particular highlights.

New Zealand's two top science prizes were awarded to Otago researchers in 2011. Professor Christine Winterbourn, who heads the Free Radical Research group at the University of Otago, Christchurch, won the Royal Society's Rutherford Medal. She was the first woman to receive the medal and the second Otago scientist to receive it in successive years. Then, just a few weeks later, the Centre for Chemical and Physical Oceanography, a collaboration between researchers at the University of Otago and NIWA, was awarded the Prime Minister's Science Prize. This prize is awarded in recognition of a major scientific achievement that has had an economic, health, social or environmental impact on New Zealand, or the world. The prize heralds the significance of the work being undertaken by the Centre and will project it onto the world's scientific stage.

Otago's ongoing success in major external funding rounds continued. For the seventh successive year our researchers attracted the largest share of the prestigious Marsden Fund, gaining one-third of the total pool to undertake 26 projects. A further \$27.5 million was secured from the Health Research Council to fund 22 proposals that have the potential to create significant health benefits both in New Zealand and internationally. This funding success is further recognition of the quality, breadth and depth of the research being undertaken on our campuses. Professor Helen Nicholson provided outstanding leadership as the acting Deputy Vice-Chancellor (Research and Enterprise) and the University welcomed Professor Richard Blaikie into the role late in the year.

Otago's teachers also continued to take national honours, with Senior Teaching Fellow Tony Zaharic, from the Department of Biochemistry, winning an award for sustained excellence in the National Tertiary Teaching Awards. The University was one of only two New Zealand institutions to feature in the top 300 of the Shanghai Jiao Tong Academic Ranking of World Universities and the only one to improve its placing in the 2011–2012 QS World University Rankings.

Here in New Zealand, the Tertiary Education Commission again placed Otago first among New Zealand universities for qualification completion and for the retention of students in study. These rankings and indicators underscore Otago's international reputation for excellence in both teaching and research.

Faced with the dual challenge of a burgeoning student roll and constrained Government funding, together with our own strategic commitment to recruiting a higher proportion of "top calibre" students, a limitation of enrolment system was introduced for all undergraduate programmes in 2011. I am delighted that the limitation of enrolment has already started to achieve the desired result. The academic pass rate for the entire student cohort increased to 89.3%, compared to 88.4% in 2010 and 87.7% in 2009.

To ensure that the University of Otago can continue to provide the world-class facilities needed to both maintain and attract quality staff and students, we remain committed to enhancing our campus environments. Our vision for our campuses was outlined in the Campus Master Plan, released in 2010. In 2011 Council adopted a rolling eight-year Priority Development Plan to provide a strategy to achieve these goals and a number of exciting capital projects were undertaken during the year. The most significant project was the completion of the University Plaza Building One, adjacent to Dunedin's new Forsyth Barr Stadium. This building is the new home to Foundation Studies and it also houses our brand new, state-of-the-art gymnasiums and the Plaza Cafe.

We have continued to foster our strong relationship with Ngāi Tahu and other iwi throughout New Zealand. In 2011, we published *He Kitenga Māori*, which highlights the outstanding research being conducted by Māori researchers at Otago as well as research being conducted by non-Māori researchers on issues that are of special interest to Māori. This publication will be officially launched in Parliament in May 2012. The number of Māori students enrolled at Otago continues to grow and was 8.8% of the domestic student population. Nineteen Māori students successfully completed the Tū Kahika programme which is designed to prepare students for tertiary study, particularly in the Health Sciences. Otago's science wananga programme, which provides science



education to secondary students, is now operating in five regions through New Zealand.

The University of Otago is committed to leading the way on issues of social responsibility. We believe that environmental sustainability is an integral part of this commitment and, in the coming years, we will be increasing our efforts in recycling and energy conservation across our campuses. Two recently completed "green" projects – the newly refurbished Robertson Library and the William James Psychology Building – mark important steps in this direction. The William James Building uses just a quarter of the water and energy of a conventional building and, in 2011, was formally awarded a Five Star Green Star rating by the New Zealand Green Building Council.

Our Christchurch campus, already damaged by the September 2010 earthquakes, suffered further serious damage in the 22 February earthquakes, with recovery disrupted by major aftershocks that continued throughout 2011. As a result, our staff and students have been scattered across Christchurch in various temporary forms of alternative accommodation. It is a testament to their fortitude and commitment that they have continued to maintain their research productivity, and fulfil their teaching and learning commitments under such trying conditions. I admire them all for their patience and their courage. Our main building adjoining Christchurch Hospital is being repaired and strengthened and this work is expected to be completed by the second half of 2012. I keep a piece of concrete from the building on my desk in Dunedin as a symbol of my determination to do whatever it takes to put our Christchurch campus back together.

Unfortunately earthquakes will continue to have an ongoing impact on the University. There has already been a 62% increase in insurance premiums across our campuses, further exacerbated by a significant increase in the excesses we would have to pay in the event of a claim. In light of events in Christchurch, the University has also accelerated its seismic strengthening programme on our Dunedin and Wellington campuses. The ongoing costs associated with the earthquakes and the rebuilding of Christchurch will inevitably be a massive financial burden on the New Zealand economy which will undoubtedly also have an impact on government funding of universities.

While there has been a steady improvement in student behaviour since the introduction of the Code of Conduct and Campus Watch in 2007, the actions of some students have continued to cause concern. As new cohorts of students come to the University every year it is important that they fully understand the purpose of the Code and the possible consequences for those who breach it. So, in October, we produced a pamphlet outlining the University's pastoral responsibilities and expectations, and, equally importantly, the students' responsibilities as citizens of the University and the wider community. The provisions of the Code, its implications and how it has been applied to date were also explained in

simple terms. This pamphlet has been distributed widely to first-year students and their parents.

One of the most rewarding aspects of my first few months as Vice-Chancellor has been the opportunity to work closely with the Otago University Students' Association (OUSA). Late last year, the government passed the Education (Freedom of Association) Amendment Act, commonly known as the Voluntary Student Membership (VSM) Act, which prohibited compulsory membership in student unions. This Act effectively eliminated OUSA's primary source of revenue – compulsory student membership fees – and both the University and OUSA opposed it. Once the Act was passed, the University made a commitment to maintain the high quality of student support that is offered at Otago. We established a service level agreement with OUSA, contracting the association to continue to provide the high quality services that they have provided in the past. This agreement marks a fundamental change in the relationship between the University and OUSA, but it is a change that I welcome. I have been incredibly impressed by the OUSA Executive and I look forward to working with them, not only to provide the best suite of student services possible, but also in tackling areas of mutual concern.

Looking ahead, 2012 will be yet another exciting and challenging year. We are making our final preparations for the Performance-Based Research Funding (PBRF) evaluation. The University's Strategic Direction document expires at the end of 2012 and very shortly, we will begin consultation on our new document; this process will be characterised by evolution rather than revolution because it is clear to me that the University is already heading in the right direction. Our goal over the next few years will be to go from strength to strength. We will maintain our commitment to be a research-intensive university that is characterised by outstanding teaching. All academic staff, including the Vice-Chancellor, will continue to be actively engaged in research and scholarship. We will enhance our efforts to recruit the best and the brightest students from within New Zealand and throughout the world. Although we anticipate an increasingly constrained funding environment, I am confident that we will continue to work together to enhance our research and teaching programmes.

In closing, I would like to thank the Council, the staff and the students at the University of Otago. You have all made me feel remarkably welcome in my new role as Vice-Chancellor. I look forward to another exciting year.

**Professor Harlene Hayne**

VICE-CHANCELLOR

## Significant Events

### Senior Appointments

Professor Harlene Hayne as the Vice-Chancellor of the University of Otago

Professor Richard Blaikie as Deputy Vice-Chancellor (Research and Enterprise)

Professor Sunny Collings as Dean and Head of Campus at the University of Otago, Wellington

Dr John Crump as the inaugural McKinlay Professor of Global Health at the Centre for International Health

Mr Philip Kearney as Director of Development and Alumni Relations

Dr Elaine Webster as Director of the University of Otago Summer School and Continuing Education.

### Emeritus Professors

**The following professors were awarded the status of emeritus professor:**

Geoff Wyvill (Computer Science) and Sir David Skegg (Preventive and Social Medicine).

### Professorial Promotions

**The following staff were appointed to professor:**

John Broughton (Oral Diagnostic and Surgical Sciences, Preventive and Social Medicine); Vicky Cameron (Research Professor – Medicine, Christchurch); Marie Crowe (Psychological Medicine, Centre for Postgraduate Nursing Studies, Christchurch); Andrew Day (Paediatrics, Christchurch); Catherine Day (Biochemistry); Bernadette Drummond (Oral Sciences); Robin Gauld (Preventive and Social Medicine); Juergen Gnoth (Marketing); Kenneth Hodge (Physical Education); Brian Hyland (Physiology); Ian McLennan (Anatomy); Edward Ruffman (Psychology); Struan Scott (Law) and Jean-Claude Theis (Surgical Sciences).

**The following staff were appointed to associate professor:**

Robert Aitken (Marketing); Phillip Bishop (Zoology); Michael Boyes (Physical Education); Chris Brickell (Sociology, Gender and Social Work); Colin Brown (Physiology); Warwick Duncan (Oral Sciences); Dawn Elder (Paediatrics and Child Health, Wellington); David Gwynne-Jones (Surgical Sciences); Graeme Hammond-Tooke (Medicine); Andrew Harrison (Medicine, Wellington); Penelope Hunt (Medicine, Christchurch); Chrystal Jaye (General Practice and Rural Health); Alistair Knott (Computer Science); Brent Lovelock (Tourism); Karl Lyons (Oral Rehabilitation); James Maclaurin (Philosophy); David McBride (Preventive and Social Medicine); Tony Merriman (Biochemistry); Selene Mize (Law); Susan Pullon (Primary Health Care and General Practice, Wellington); John Reynolds (Anatomy); Anthony Ritchie (Music); Katrina

Sharples (Preventive and Social Medicine); Philip Sheard (Physiology); Takashi Shogimen (History); Zhifa Sun (Physics); Lois Surgenor (Psychological Medicine, Christchurch); Mark Thompson-Fawcett (Surgical Sciences); Lisa Whitehead (Centre for Postgraduate Nursing Studies); Cheryl Wilson (Applied Sciences).

Simon Hales (Public Health, Wellington), Anthony Reeder (Preventive and Social Medicine), Katrina Sharples (Preventive and Social Medicine) and Nicola Taylor (Centre for Research on Children and Families) were appointed to research associate professor. Antony Bird (Surgery, Christchurch) was appointed clinical associate professor.

### Honorary Degrees

Outgoing Vice-Chancellor Professor Sir David Skegg received an Honorary Doctor of Laws, and New Zealand poet and writer Brian Turner received an Honorary Doctor of Literature.

### Honours

**Staff awarded Royal honours in 2011 were:**

Companion of the New Zealand Order of Merit – Professor Warren Tate.

Officer of the New Zealand Order of Merit – Professor Swee Tan, Professor Jean-Claude Theis.

Member of the New Zealand Order of Merit – Associate Professor John Carter.

### Obituaries

Associate Professor David Clark (70). An internationally respected researcher who taught Pharmacology at Otago 1968–2007.

Dr Boris Popoff (79). Accountancy lecturer 1965–1998 and the University's first accountancy PhD graduate.

Dr Robert Smith (78). Chemistry lecturer 1965–1992.

Maurice Till (84). The University's inaugural Lecturer in Piano in 1971 and a Department of Music staff member until the end of 1980.

Emeritus Professor James Laurence (Laurie) Wright (96). Professor of Obstetrics and Gynaecology at the Otago Medical School 1951–1981.



## Achieving Research Excellence

The University of Otago is New Zealand's most research-intensive university and is top ranked for research quality. This strong research platform underpins all areas of academic activity through which Otago staff contribute to leading national and international discoveries, to the health and well-being of people here and around the world, and to innovation and the economic progress of New Zealand.

Reflecting this, in 2011 the University was one of only two New Zealand institutions to feature in the top 300 of the Shanghai Jiao Tong Academic Ranking of World Universities and the only one in the country to improve its placing in the 2011–2012 QS World University Rankings.

For the seventh successive year, Otago researchers gained the largest share in the highly-competitive Marsden Funding round, gaining \$17.8 million to undertake 26 leading-edge projects in areas as varied as ultra-cold atoms to the notion of "informed choice" in young adult smokers. Eight of the projects were Fast-Start grants which support outstanding early-career researchers.

Otago researchers also secured \$27.5 million in the Health Research Council (HRC) funding round to pursue 22 health research proposals across the University's campuses in Dunedin, Christchurch and Wellington. These projects include research into early detection of urological cancers, weight

regain in people with obesity, Alzheimer's disease, polycystic ovarian syndrome, housing conditions and bronchiolitis, and colon cancer screening.

The long-running Christchurch Health and Development Study, led by Professor David Fergusson (Psychological Medicine, University of Otago, Christchurch), received \$3.19 million from the HRC over five years to extend the study's research to when participants reach 35, looking at issues such as the consequences of mental disorders and the Canterbury earthquakes. Substantial three-year funding extensions were also granted to programmes investigating risk genes and common chronic conditions, led by Associate Professor Tony Merriman (Biochemistry), and genetic prediction and protection in heart disease, led by Professor Mark Richards (Medicine, University of Otago, Christchurch).

Otago research groups continued to undertake programmes and collaborations both within and beyond the University. The Centre for Reproduction and Genomics held conferences and seminars to link industry and research in the commercially important area of aquaculture. Research aimed at improving health in under-resourced countries was carried out by the Centre for International Health. This research will be greatly assisted by a new PC3 (physical containment level three) laboratory that will become operational in 2012. New Zealand's ongoing obesity epidemic continued to be



Centre for Chemical and Physical Oceanography - winners of the 2011 Prime Minister's Science Prize (from left):  
Dr Evelyn Armstrong, Dr Sylvia Sander, Associate Professor Russell Frew, Professor Philip Boyd, Professor Keith Hunter, Dr Kim Currie.

highlighted by the Edgar National Centre for Diabetes and Obesity Research.

Research undertaken by members of the Oxidative Stress in Health and Disease research theme was recognised with the awarding of the Rutherford Medal to the theme's director, Professor Christine Winterbourn (Pathology, University of Otago, Christchurch) for seminal discoveries in free radical biology, and the promotion of excellence in research and scientific education. This was the second successive year that the medal – New Zealand's top science and technology honour – was presented to an Otago researcher.

A *Times Higher Education* magazine analysis of scientific articles published in international journals since 2000 judged the University of Otago as being among the best research institutions in the world for oceanography, with the highest average citations per paper. Otago's excellence in this field was rewarded with the 2011 Prime Minister's Science Prize, presented to the Centre for Chemical and Physical Oceanography, a collaborative facility between Otago's Department of Chemistry and NIWA (National Institute of Water and Atmospheric Research), which is based at the University. The team of scientists, led by Professor Philip Boyd, won the \$500,000 prize for investigations into how the ocean controls the Earth's climate and evaluating ways to reduce greenhouse gases.

Otago geologists took part in a collaborative project to probe the secrets of New Zealand's Alpine Fault. A new research group, Aspire 2025, led by Otago researchers, was initiated to help achieve a tobacco-free Aotearoa by 2025,

and New Zealand's first Centre for the Book was established at the University to encourage research in all aspects of book culture and history.

The breadth and depth of Māori research being undertaken on the Otago campuses was highlighted by the publication of *He Kiteanga Māori* in December, reinforcing the University's commitment to research into Te Ao Māori and, in particular, research which contributes to Māori development and well-being. These projects include work on Māori health, resource management, fisheries, muttonbirding, history, culture and more.

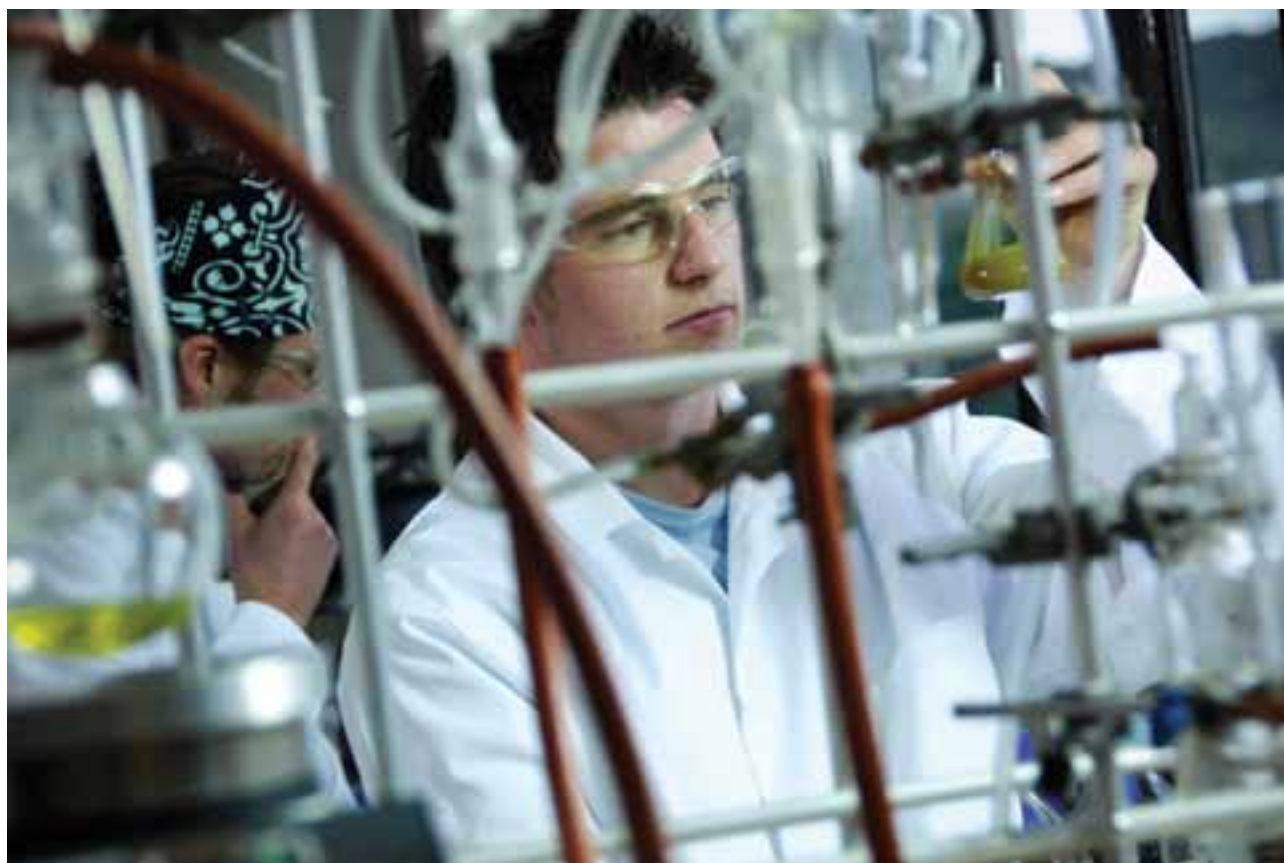
Several new research partnerships were developed during the year. A conference held with the New Zealand Defence Force (NZDF) led to the formation of a new research grouping in the University, established to look at collaborative research with the NZDF, particularly in the area of health. A memorandum of understanding was signed with the Salvation Army with the first research collaboration underway in 2011.

A long-term longitudinal study of New Zealand graduates was commenced, with the Otago-based National Centre for Lifecourse Research leading the study on behalf of all New Zealand universities.

Professor Allan Herbison (Physiology) received the University's own highest research honour, the Distinguished Research Medal, in recognition of his outstanding achievements in investigating how the brain controls fertility. Professor Herbison also received the Triennial Medal of the Physiological Society of New Zealand.



2011 Rutherford Medal winner Professor Christine Winterbourn.



Reflecting the University's strong commitment to fostering the careers of emerging researchers, Early Career Awards for Distinction in Research were presented to six academic staff in 2011: Dr James Crowley (Chemistry), Dr Peter Fineran (Microbiology and Immunology), Dr Dione Healey (Psychology), Dr Shinichi Nakagawa (Zoology), Dr Clare Strachan (Pharmacy) and Dr Shieak Tzeng (Surgery and Anaesthesia, Wellington). Dr Fineran was also awarded a five-year Rutherford Discovery Fellowship to pursue investigations into bacterium-viral interactions.

Ms Jacinta Ruru (Law) and Associate Professor Richard Troughton (Medicine, University of Otago, Christchurch) received the University's Rowheath Trust Award and Carl Smith Medal. Ms Ruru also gained a Fulbright-Ngā Pae o te Māramatanga Senior Scholar Award.

Other staff whose research excellence received significant recognition included:

Deputy Vice-Chancellor (Research and Enterprise) Professor Richard Blaikie and Professor Gerald Tannock (Microbiology and Immunology) who were elected Fellows of the Royal Society of New Zealand

Professor Greg Cook (Microbiology and Immunology) who was awarded a James Cook Research Fellowship to pursue research into bacteria that thrive in extreme environments

Emeritus Professor Jim Flynn (Politics) who received the Royal Society's inaugural Humanities Aronui Medal for his work in political philosophy

Professor Andrew Geddis (Law) and Associate Professor Fiona McDonald (Physiology) who received Fulbright New Zealand Senior Scholar Awards

Professor Martin Kennedy (Pathology, University of Otago, Christchurch) who received the Life Technologies/New Zealand Society of Biochemistry and Molecular Biology Award for research into genetics and mood disorders

Dr Chris Pemberton (Medicine, University of Otago, Christchurch) who won the Health Research Council of New Zealand's Liley Medal recognising an outstanding contribution to health and medical sciences

Professor Robert Poulin (Zoology) who was awarded the Royal Society's Hutton Medal for excellence in animal sciences.

Development activities continued to support the University's research strengths. In 2011, a proposal was developed for a Chair in Neurosurgery, to be supported by the Neurological Foundation of New Zealand as part of the South Island Neurosurgical Service. Support was sought for





the establishment for a Chair in Earthquake Science, and the School of Physical Education Research Endowment Fund was formally launched.

Postgraduate research students make a crucial contribution to research at Otago.

There were a record 1,327 doctoral enrolments at the end of 2011 (2010: 1,325), including 1,259 PhD candidates (2010: 1,258), 22 Doctor of Education candidates (2010: 20), 43 Doctor of Clinical Dentistry candidates (2010: 45) and three Doctor of Musical Arts candidates (2010: one). There were 1,220 enrolments at master's level (2010: 1,186) and 1,541 in postgraduate diplomas and certificates (2010: 1,660).

A record number (223) of doctoral candidates successfully completed their studies in 2011 (2010: 207) and a record 264 thesis masters' candidates also finished (2010: 189).

Graduate Research Month was held in August, highlighting the work of postgraduate students through a series of workshops and presentations, information evenings and social events. Jack Rivers, a PhD candidate in the Department of Pharmacology and Toxicology, won the popular Three-Minute Thesis competition that requires participants to summarise their research to a general audience in no more than three minutes.

The importance of the role of supervisors to postgraduate students is recognised by the OUSA (Otago University

Students' Association) Postgraduate Supervisor Awards. The 2011 Award went to Dr Tara Duncan (Tourism) and the new supervisor award to Dr Karen Bronéus (National Centre for Peace and Conflict Studies). Dr Charles Tustin (Graduate Research Services) was named Honorary Supervisor of the Decade in recognition of his contributions to the supervision of students.

The value of doctoral scholarships was increased from \$20,000 to \$25,000 plus fees per year. The University awards more than 180 new doctoral scholarships every year; the highest number awarded by any New Zealand university.

A number of students won external scholarships to pursue further study.

Natalie Coates was awarded both a New Zealand Law Foundation Ethel Benjamin Prize (for women) and a Fulbright Ngā Pae o te Māramatanga Graduate Award to complete a Master of Laws degree at Harvard University. Tamsin Jones gained a Frank Knox Memorial Fellowship to conduct doctoral study in genetics at Harvard University.

Medical graduate Nicholas Fancourt received an International Fulbright Science and Technology Award, and William Perry and Laura Woods gained Fulbright-Ministry of Science and Innovation Graduate Awards. Fulbright New Zealand General Graduate Awards were presented to Rachel Fairhurst and Rosemary Wyber.

## Achieving Excellence in Research-Informed Teaching

Excellence in teaching and research are equally valued at Otago, with a strong teaching-research synergy. In 2011, the University again performed well in the Tertiary Education Commission's (TEC) assessment of the educational performance of New Zealand's tertiary sector. In the three categories in which it was assessed, Otago ranked first for both qualification completion and for retention of students in study. It was also one of three universities to achieve the highest completion rate for papers, at 87%.

In 2011, 183 undergraduate and postgraduate degree, diploma and certificate programmes were offered across the four academic divisions, fewer than in recent years due to the phasing out of a number of sub-degree programmes. Music for Education was introduced as a new major for the Bachelor of Music, and Sports Technology as a major in the Applied Science programme. New minors included Entrepreneurship, Environment and Society, and Supplementary Nutritional Science. New postgraduate programmes included a Master of Fine Arts degree in Theatre Studies, a Graduate Diploma in Bioethics and Health Law, and a Postgraduate Certificate in Technology and Entrepreneurship. From July, the Master of Entrepreneurship programme was also offered in Queenstown.

The Distance Learning programme offered 127 qualifications in 2011 (90% at the postgraduate level) and 343 individual

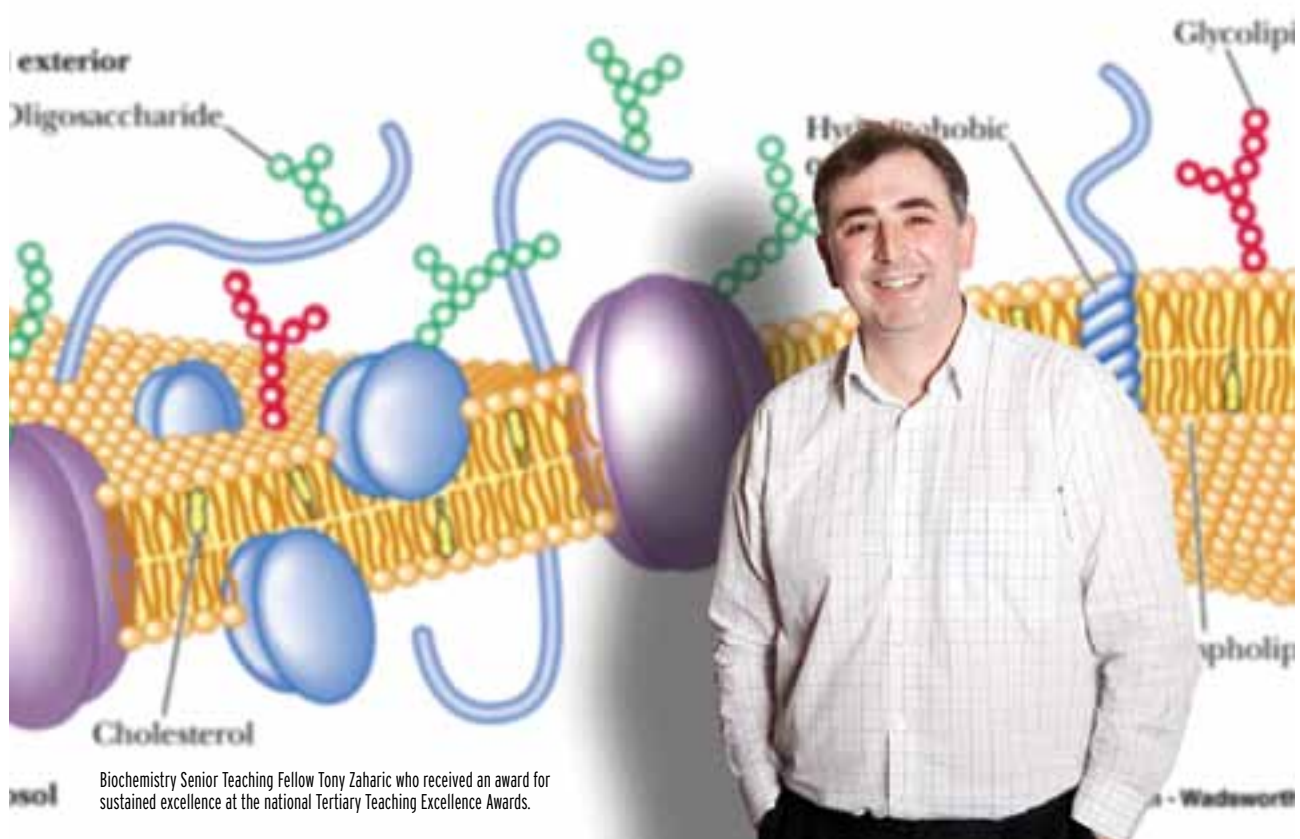
papers (75% postgraduate). A review of Distance Learning was undertaken in February and the biennial Distance Learning Symposium was held in November, attracting more than 50 participants from the University's three campuses.

An academic audit was undertaken by the New Zealand Universities' Academic Audit Unit in October focusing on the way internal processes support, monitor and enhance strategic imperatives. The panel met some 160 staff, students and community representatives. A draft report was received at the end of 2011. Also late in the year, the Business School was advised that it had retained its AACSB (Association to Advance Collegiate Schools of Business) accreditation, first gained in 2006.

The University's Higher Education Development Centre (HEDC) undertook 2,359 teaching and course evaluations throughout the year. Development began on a new web-based evaluation system and a working group was set up in May to consider an overhaul of the current evaluation system. A two-day "Spotlight on Teaching and Learning at Otago Colloquium" offered more than 50 sessions attended by some 150 staff.

After several years of solid growth, enrolments for the University Group dipped in 2011 to reach a final total of 19,568 EFTS, comprising 19,344 University EFTS and a further 224 EFTS for its Foundation Studies subsidiary. These





equivalent full-time figures, which were generated by 21,728 individual students, represented an overall drop of 1.8% on 2010, though still providing the University with the second-highest roll in its history.

A key contextual element for 2011 was the University's introduction of an enrolment limitation system at the undergraduate level to control growth – which had run at an unsustainable rate in recent years – and give priority to high-calibre students.

Other contributing factors were a tightening of academic progress provisions, the winding-down of several sub-degree programmes and a re-focusing of Foundation Studies activities to match reduced Government funding. As was the case at other New Zealand universities, this was further influenced by changes to Government student loans access, prevailing economic conditions and an apparent resurgence in interest for trades-type training.

The Canterbury earthquakes had a directly adverse impact on enrolments at Otago's Christchurch campus where domestic enrolments (which include overseas students with domestic status for government funding purposes) dipped by 2.5%. While a fall of this level had not been anticipated, the University still finished the year well within its target range for government funding.

Enrolment limitation produced a decline in the size of the University's commencing student cohort, with tougher

standards having a particular impact on those seeking to transfer to Otago from other universities and on special admission students – those seeking entry by virtue of age, who do not hold entrance qualifications.

While the University continued to draw around two thirds of its students from outside its Otago/Southland home catchment, there were small shifts among the areas from which the University drew its commencing student cohort. The proportion of students from the North Island and overseas rose slightly, and the proportion from Dunedin, Otago/Southland and the rest of the South Island decreased.

Despite the adverse impact of the Canterbury earthquakes on postgraduate enrolments through the University's Christchurch campus, the proportion of postgraduates within the total roll increased, in accordance with the University's strategic priorities, reaching 16.5% of total equivalent full-time enrolments (2010: 16.4%).

Māori student enrolments were less affected by the 2011 enrolment dip than enrolments overall. Thus, while the total number of Māori enrolled did fall very slightly, their representation in proportional terms rose to 8.7% of the domestic student roll (2010: 8.5%). The percentage of Pacific students remained unchanged from 2010 at 3.1%.

There was little change in the number of students recruited from Australia, with a total Australian commencing cohort of 33 students (2010: 34). Some 60% of this group were New

Zealand citizens returning from Australia. The total number of enrolments from Australia was 215 (2010: 214).

The 11th Otago Summer School held in January and February was subject to the overall institutional limits on enrolment and consequently capped at 300 domestic EFTS (approximately 2,058 enrolments). Sixty-eight papers were offered, of which 16 were new to the programme. Most papers (57) were taught in Dunedin, two were taught in Auckland, two in Wellington and seven were distance papers. Ten papers were taught by visiting international academics especially contracted for Summer School.

International enrolments increased by 8.7% to 2,798 (head count) (2010: 2,649), primarily underpinned by increases from China, India, Malaysia, Canada, the United States (US), England and Iran, and by the relocation of study abroad students from the University of Canterbury to Otago following the devastating 22 February Christchurch earthquake. The US again provided the largest number of international students by head count, with 652 students enrolled in 2011 (2010: 578). Malaysia contributed the highest number of EFTS with 467 (2010: 402), buoyed by having two cohorts of Malaysian-government sponsored BEd(TESL) students on campus, as well as pipeline growth from government-sponsored students in Pharmacy and Medicine, and the twinning arrangement with the International Medical University (IMU) in Dentistry. Together, the US, China and Malaysia accounted for 50% of all international students on campus by head count.

Canada is now the fourth largest source country for international students, with exchange student (tuition fee waiver) enrolments contributing significantly to that total. Enrolments from Germany continued to decline as a result of funding changes to domestic eligibility dating back to 2009. However, Germany still contributed the highest number of international PhD enrolments in 2011 with 54, marginally ahead of the US (52), Malaysia (51) and India (50). These four countries make up 42% of all international PhD enrolments.

Otago Global, the University's Student Exchange Programme, experienced further growth in 2011, with 247 of our own students taking the opportunity to spend one or two semesters at one of our partner universities.

Internationalisation of the Curriculum Initiative Grants were awarded to projects that included curriculum collaboration and online delivery in the area of Occupational Health with the University of Washington, and a multinational initiative to produce research-informed case studies regarding business solutions in the mining industry.

Quality teaching is vital for the successful delivery of all academic programmes and the University celebrates this with its annual Teaching Excellence Awards. In 2011 these were presented to Dr James Maclaurin (Philosophy), Associate Professor Craig Rodger (Physics) and Biochemistry Senior Teaching Fellow Tony Zaharic. Mr Zaharic also received

an award for sustained excellence at the national Tertiary Teaching Excellence Awards. Professor Mark Stringer (Anatomy) was named Lecturer of the Year in the 2011 OUSA teaching awards, and Dr Gill Rutherford (Education) won the Disability Awareness and Inclusive Teaching Award.

The Library is an essential source of information, services and expertise to enhance academic activity. In 2011, it increased its collections of printed books, serial volumes, microfilms and other non-book materials to a total of 3,096,521 items (2010: 3,077,860). Electronic alternates continued to be sought where appropriate and there are now 663 electronic databases available via the Dunedin campus. There are also 229,336 e-journals and 380,867 e-books accessible.

Library seating spaces increased by 11% to 4,188, primarily due to the completion of the upgraded Robertson Library. The Library worked with all four academic divisions to support the upcoming 2012 Performance-Based Research Fund (PBRF) evaluation: 35 schools and departments engaged in workshops designed to support PBRF preparation.



## Ensuring Outstanding Campus Environments and Student Experience

The University is committed to maintaining and, where necessary, enhancing the quality of its campus environments and student experience to ensure that it maintains its attractiveness to students and provides a high-quality environment for staff.

The Campus Master Plan, published in 2010, provides a vision for the University's campus for the next 20 to 25 years. In developing a strategy to achieve these goals, the Council has adopted a Priority Development Plan that is a rolling six-to-eight year plan for capital developments.

Several significant projects were completed in 2011. The University has been a key partner in the development of the Forsyth Barr Stadium at University Plaza, which proved an enormous success during the 2011 Rugby World Cup. Otago's own building, University Plaza Building One, backs on to the west wall of the stadium and was all but completed by the end of the year. The four-storey Oamaru stone-clad building will house the Otago Language Centre and Foundation Year Programme, the Unipol Gymnasium and Recreation Centre, and the Plaza Café.

The re-designed and refurbished Robertson Library was officially opened by the Prime Minister, the Rt Hon John Key, in August and the William James Psychology Building was formally awarded a Five Star Green Star rating by the New Zealand Green Building Council. The Richardson Building (formerly the Hocken Building) was given a category one listing from the Historic Places Trust.

The former Bowling Green Tavern, bought by the University in 2009, was redeveloped to provide office and seminar space. Council approved a proposal to establish a new study and social centre at the former Gardens Tavern site, at the north end of Castle Street, to help meet a need for more

study and social spaces. It will be known as the Marsh Study Centre, recognising a substantial gift from Dunedin business man Mr Graeme Marsh and his family.

A \$5.7million redevelopment of the Union building began at the end of the year. It is part of a larger project to revitalise the central campus precinct and will provide a better connection between this 1960s construction and the adjacent Link and Central Library. It is expected to be completed in June 2012. A landscape concept plan for the Dunedin campus was also prepared, with the aim of increasing the liveability, usability and navigation of the campus.

The University of Otago's Christchurch campus, which was damaged in the earthquake of September 2010, suffered further serious damage during subsequent 'quakes in 2011. The main building, which adjoins the Christchurch Hospital, is being repaired and strengthened, with work due for completion in the second half of 2012. Staff from the building are being temporarily housed in various buildings across the wider Christchurch area.

In what signals a fundamental shift in the relationship between the University and the OUSA, a shared student service agreement was reached in December following the passing of the Education (Freedom of Association) Amendment Act that prohibited compulsory membership of student associations. Through this, the University will contract OUSA to continue to provide services considered important for the majority of students. This will provide an opportunity for the University and OUSA to work together collaboratively in areas of mutual concern. During 2011, OUSA also revised its stance on the University's Code of Student Conduct following a referendum of students. OUSA has now adopted a "neutral stance" on the code, to which it had previously







been opposed, paving the way for student representatives on Council to be readmitted to the disciplinary appeals board.

Otago provides an outstanding range of services for students including Student Health, Recreation Services, Career Development Centre, Disability Information and Support and the Student Learning Centre. In 2011, the University enrolled 867 students with disabilities and provided more than 1,200 instances of learning assistance, note-taking, tutoring and other forms of support.

The Student Learning Centre provided 258 workshops across the three campuses and a further 1,110 one-to-one consultations with individual students. Learning support for undergraduate and postgraduate students was extended. In Dunedin, 106 Peer Assisted Study Session (PASS) groups met weekly, covering 12 subjects across the four divisions. Further sessions were offered in Residential Colleges and three PASS groups met weekly on the Southland Campus in Semester One.

Following a robust and careful evaluation of student management systems (SMSs) available in Australasia, the University entered into an agreement with Tribal Education Ltd, the UK's leading supplier of SMSs, for the supply of their SITS:Vision SMS. A two-year project to install, configure and implement SITS:Vision began in the third quarter of 2011. Over the next few years the new SMS will enable the University to simplify, streamline and automate student

administration processes for staff and students. This will enhance services to students and provide staff with improved tools to do their jobs.

Throughout 2011 the rollout of wireless across the University was extended into the bedrooms and common areas of all University-owned residential colleges. Major technology upgrades were completed in 10 lecture theatres and more than 950,000 podcasts (recorded lectures) were downloaded.

With more than 75% of students coming to Otago from outside Dunedin, the University places great emphasis on the provision of high quality accommodation. In 2011, 3,355 students were accommodated in residential colleges, including 75 postgraduate students in Abbey College, the University's first exclusive postgraduate college. For the first time, limited places were made available in University-owned colleges for Dunedin students, enabling them to participate more fully in the "Dunedin experience". A further 653 students were placed in University-managed flats.

The 2011 Student Opinion Survey indicated an overwhelming level of satisfaction with the campus and services provided to students: 95.0% of participants gave a positive assessment of the general campus environment; 98.1% expressed satisfaction with the University libraries, information technology and teaching facilities; and 95.5% provided positive feedback about the University's administrative and support services.

## Contributing to the National Good and to International Progress

The University of Otago is a committed contributor to work that fosters regional and national good, and international progress.

As outlined earlier in this report, research is encouraged in areas that support national development and well-being, and the needs of the developing world. In 2011, Dr John Crump was appointed Professor of Global Health, a second chair within the Centre for International Health. Associate Professor Russell Poulter (Biochemistry) received a Grand Challenges Explorations grant, funded by the Bill and Melinda Gates Foundation, to pursue innovative global health research on HIV. The University and the Salvation Army signed a memorandum of understanding aimed at ensuring the agency's social services are based on the best national and international research, informing policy debate around social deprivation, alcohol and gambling, mental health and family violence. Health inequities in New Zealand continued to be a focus of work undertaken by Public Health researchers at the University of Otago, Wellington.

Conferences hosted by the University focused on areas of national and international concern. For example, Genetics Otago, together with the New Zealand Law Foundation Centre for Law and Policy in Emerging Technologies, hosted a two-day "Future of Fairness" symposium examining the relationship between fairness and the opportunities

presented by new technologies. New Zealand's first major conference on disability studies, "Every Body In", was held on campus in November.

The Otago Energy Research Centre held a number of high profile events, including a public lecture by leading climate change expert, Dr James Hansen, that attracted more than 1,000 attendees. Renowned British epidemiologist Sir Michael Marmot was the keynote speaker at a symposium on health equity and the social determinants of health held at the Wellington campus in July.

The University, its staff and students stepped in to help the people of Christchurch in the aftermath of that city's devastating earthquakes. Senior medical students assisted in hospital emergency departments and a team from the School of Dentistry, led by Professor Jules Kieser, was involved in disaster victim identification. The University responded to requests to help relocate 'quake-affected international and domestic students from Christchurch universities to its Dunedin campus. Staff donated food and other essential supplies for 'quake-affected residents, the Business School donated computer equipment to a Christchurch school, and staff and students from the University of Otago, Christchurch offered free medical checks to the Māori community.





The University remains strategically committed to extending its relationship with its primary Treaty of Waitangi partner; Ngāi Tahu, as well as its other four iwi partners. In 2011, several relationships with Māori health providers who host the outplacement programme for fifth-year dentistry students were formalised through the signing of memoranda of agreements: Ngāti Hine Health Trust (Kawakawa); Te Taiwhenua o Heretaunga (Hastings); and Te Manu Toroa (Tauranga). A memorandum of understanding, also to support the outplacement programme and other research, will be signed with Waikato-Tainui in February 2012.

The Māori Strategic Framework (MSF) was further implemented across the divisions, with the appointment of an associate dean Māori in the Divisions of Humanities and Sciences (a similar appointment was made in the Division of Health Sciences in 2010). A snapshot of achievements arising from the MSF was highlighted in the publication *Wananei*, distributed in May 2011, as well as *He Kitenga Māori*, that focused on Māori research undertaken across all disciplines, launched in December ([www.otago.ac.nz/research/hekitenga](http://www.otago.ac.nz/research/hekitenga)). The MSF will be reviewed and updated in 2012.

The number of Māori students enrolled was 1,662 (2010: 1,683), comprising 8.8% of the domestic student population, by headcount. The University attracts Māori students from throughout Aotearoa with Ngāi Tahu and Ngāpuhi being the largest iwi groups. Nineteen students completed the Tū Kahika programme in 2011, established to prepare Māori

students for tertiary study, particularly in the health sciences. Of this cohort, 15 students will continue to study in 2012, with the other four students taking gap years.

The University also continued to work to strengthen its links with the Pacific community. The number of Pacific students attending Otago was 672 (2010: 686). A Pacific Research Protocol was established, setting out guidelines for researchers when interacting and collaborating with Pacific peoples in New Zealand and the Pacific region. Its aim is to ensure that research is conducted in a manner that is sensitive to the cultural ways and protocols of Pacific communities. POPO, a new orientation and support initiative for Pacific Health Sciences First Year students, was funded by the Ministry of Health and operated for the first 13 weeks of Semester One.

Otago has a thriving Pacific Research Cluster and Pacific health is taught in all health professional courses. A postgraduate paper in Applied Health and Social Research was taught in Apia at the National University of Samoa as part of the 2011 Summer School. The commitment to assist in developing staff at the National University of Samoa also continued, with candidates being supported to complete postgraduate qualifications at Otago. The Divisions of Sciences and Health Sciences donated more than 600 textbooks to the Samoan university's library.

A number of outreach programmes continued to target groups within New Zealand that may be disadvantaged. The Science Wānanga programme, which was established in 2008, is now operating in five regions providing science camps for provincial/rural secondary school Māori students. Six wānanga were held in 2011, from Oraka-Aparima in the south to Omaha marae in the north. The Otago University Advanced School Sciences Academy for talented senior students from provincial/rural, small or low-decile schools hosted its first intake of 50 Year-13 students. Professional development opportunities were also offered to teachers from contributing schools. In another Division of Sciences outreach initiative, 20 students from Dunedin schools attended the first Taputea Camp for Years-9–10 Pacific Islands students at Lake Waihola, designed to engage young Pacific Islanders with the relevance and practical nature of science.

The National Poisons Centre, based in the Department of Preventive and Social Medicine, provides a 24-hours, 365-days-a-year service to the people of New Zealand. During the year it received more than 36,000 enquiries concerning acute poisoning and the toxic effects of chemicals. Its TOXINZ database received a further 45,000 enquiries from registered users. The centre is actively involved in the areas of poisons prevention and education, and toxicovigilance. In the past year it has worked closely with government agencies profiling substances of abuse and providing advice on minimising harm from such products, and has also participated with the International Programme on Chemical Safety (WHO/ILO/UNEP).

Otago continued to contribute to the national good through its commitment to the arts and its library collections. The Hocken Library is one of the foremost research libraries in New Zealand. In 2011, 9,393 researchers accessed almost 30,400 collection items, 2,347 remote enquiries were answered and 502 orders involving 2,229 image reproductions were completed. Many of those images appeared in publications, exhibitions and displays, brochures, websites and theses. Almost 100 works were loaned to outside exhibitions.

A further 33,000 high-use photographs from the collection were digitised and made available on the freely searchable website, Hocken Snapshot.

Five exhibitions were staged in the Hocken Gallery to support University activities and to mark significant events, including “Bringing it Home: Pathways from Home Science to Applied Science, University of Otago 1911–2011”, coinciding with the Centenary of Consumer and Applied Sciences; and “Ralph Hotere: Zero to Infinity” to celebrate this esteemed artist’s 80th birthday.

The Special Collections, held within the Central Library, issued around 1,000 books for use in the reading room and hosted four exhibitions, viewed by more than 3,000 people. Two exhibitions were particularly popular – “Faces of Authorship: Constructing the Author in Medieval and

Early Modern Books” and “Experimental Philosophy: Old and New” – each coinciding with University of Otago-based international conferences. The 2011 Printer in Residence was John Denny who produced a limited edition book of poems by poet Peter Olds, illustrated by local artist Kathryn Madill.

Otago’s arts fellowships – in writing, art, music and dance – are also of national significance. The fellows in 2011 were: Christopher Adams (Mozart Fellow); Kushana Bush (Frances Hodgkins Fellow); Fiona Farrell (Burns Fellow); Lyne Pringle (Caroline Plummer Fellow in Community Dance) and Kyle Mewburn (University of Otago College of Education/Creative New Zealand’s Children’s Writer in Residence). University of Otago Wallace Residencies at The Pah Homestead in Auckland were held by former Burns Fellows Catherine Chidgey, Paddy Richardson and Michael Harlow, and Christopher Adams.



## Strengthening External Engagement

While the location of Otago's main campus in Dunedin offers outstanding advantages, it also separates much of the University geographically from the major centres of population and political and economic decision-making. Otago is, therefore, strategically committed to strengthening external engagement through the community service activities of staff, the sharing of expertise and resources, and the development of partnerships and relationships within the research, political and business arenas.

In January, senior Otago staff were appointed to the Science and Innovation Boards set up by government under the Research, Science and Technology Act to improve New Zealand's science and innovation systems. Professor Sir David Skegg was appointed chairman of the Science Board and Professor Warren Tate (Associate Dean Research, Health Sciences) was appointed a board member. Professor Harlene Hayne was appointed to the Innovation Board. Professor Kurt Krause (Biochemistry) was appointed as head of the Marsden Fund's Biomedical Sciences Panel.

In 2011, 96.4% of surveyed academic staff reported involvement in community service activities, up from 92.6% in 2010. It is estimated that community service typically absorbs 6.0–10.0% of an academic staff member's professional time. 28.8% of staff served on government advisory boards and committees, and 75.7% provided services to public

sector departments, statutory authorities, agencies, boards, committees and/or NGOs. The value of community service by academics in 2011 was estimated at \$25.0 million (2010: \$22.4 million).

Through these activities many Otago staff receive recognition from their peers and the wider community. In 2011 these included:

Dr Phil Bishop (Zoology) who was appointed chief scientist for the Amphibian Survival Alliance

Dr Virginia Cathro (Management) who was appointed to the Geoscience Society of New Zealand national board

Professor Jean Fleming (Science Communication/Anatomy) who was elected a Companion of the Royal Society of New Zealand in recognition of her outstanding leadership in science, and contributions to the promotion and advancement of science and technology in New Zealand

John Harraway (Mathematics and Statistics) who was elected president of the International Association for Statistical Education



Professor David Lont (Accountancy and Finance) who became the New Zealand president of the Accounting and Finance Association of Australia and New Zealand

Professor Jim Mann (Human Nutrition) who was awarded an honorary doctorate by South Africa's North-West University for his contributions to the prevention and treatment of non-communicable diseases, and to the fields of medicine and nutrition

Associate Professor Ian McAndrew (Management) who was a government appointment to the Lawyers and Conveyancing Disciplinary Tribunal and chairperson of the International Education Appeal Authority.

A total of 182 open-to-the-public lectures were held during the year, 12 of which constituted the Winter Lecture Series held in Auckland and Wellington. A further 336 short courses, workshops, colloquia, masterclasses, workshops and seminars were offered including three short courses offered collaboratively with the Southern Sinfonia and eight offered under a long-standing agreement with the University of the Third Age. Two continuing education intensive schools and three short courses were offered as part of Summer School and a further 25 short courses were offered in the 15th Public Health Summer School held at the University of Otago, Wellington.

A public lecture given in June by famed chimpanzee researcher and environmentalist Dame Jane Goodall was the largest ever held at Otago. The lecture was "live-streamed" in real time to eight lecture theatres seating more than 2,000 people. The Annual Foreign Policy School attracted leading national and international speakers on the subject of "Science Diplomacy" and the inaugural ScienceTeller Festival, hosted by the Centre for Science Communication in November, attracted some of the world's great storytellers of science, including Professor Lawrence Krauss, author of *The Physics of Star Trek*.

More than 200 participants attended the Australia/New Zealand Association of Medieval and Early Modern Studies Conference and Australasian Association of Philosophy Conference respectively. The Department of Tourism and the School of Physical Education co-hosted the 10th biennial Australian and New Zealand Association for Leisure Studies Conference; the Department of Economics hosted the 2011 Australasian Public Choice Conference; and the Business School's Otago Forum-3, held in December, attracted a diverse audience of academics, marketers, information scientists and accountants.

Continuing a long-established practice, the Department of Music and Theatre Studies staged 76 performances during the year. This regular series of lunchtime concerts and dramatic performances makes a strong contribution to the cultural life of Dunedin, as well as providing valuable experience for students. The Division of Humanities continued its sponsorship of the Southern Sinfonia and the SGCNZ (Shakespeare Globe Centre New Zealand) University of



Otago Sheilah Winn Festival of Shakespeare in secondary schools.

Productions by the University's Media Productions Unit (AVSDU) were one of the more visible ways in which staff communicated directly with the wider community. These included a monthly interactive current affairs panel discussion, The Public Square, hosted by Professor Andrew Bradstock (Centre for Theology and Public Issues) and Vote Chat, hosted by Dr Bryce Edwards (Politics), which comprised a series of interviews with politicians in the lead up to the general election, streamed live on the internet and available on iTunesU. A four-hour election night "special" hosted by Dr Edwards and Professor Andrew Geddis (Law) drew more than 1,250 viewers. Vote Chat has had more than 10,000 views on YouTube.

Members of the O-Zone group – early- to mid-career researchers whose achievements have been formally recognised by the University – presented their work at Parliament in June, to highlight some of the research being undertaken at Otago.

Internationally, a number of activities occurred under the auspices of the Matariki Network of Universities (MNU), a select international group of universities of which Otago is a founding member. The introduction of Matariki Travel Awards, designed to allow academic staff on conference or sabbatical leave to visit relevant MNU institutions, has seen a range of research collaborations from across the wider University further developed or initiated. Otago was also represented at the Student Services Forum hosted by Durham University, England, and at the network's annual research workshop (held this year at Tübingen University, Germany.)

Otago has formal exchange agreements with 91 universities in 33 countries and the programme continues to play a key role in the internationalisation of Otago study. In 2011, bilateral partnerships were also signed with a number of new institutional partners, including McGill University (Canada), Boston College (US), the Indian Institute of Management (Bangalore) and the University of Mahidol (Thailand). These relationships all include a student exchange component and the latter two, in particular, add to the range of destinations available for Otago students.

Relationships with key Chinese partner universities were also strengthened, with new initiatives occurring under the auspices of the New Zealand Centre at Peking University (in which Otago is a partner together with four other New Zealand universities and three government ministries). An agreement was signed and approval granted by the Chinese government for the University of Otago to formally become a partner in the University of Auckland-hosted Confucius Institute, in conjunction with Fudan University in Shanghai. This collaboration builds on our growing relationship with Fudan, and will also add to the strong sister-city relationship between Dunedin and Shanghai.

The New Zealand Marine Studies Centre (NZMSC), incorporating the Westpac Aquarium, offers a variety of community programmes including school and gifted-and-talented programmes, teacher professional development, and travelling exhibits and workshops for special interest groups. In 2011, the centre had 18,327 casual visitors, a further 6,450 school students and teachers attended curriculum-linked programmes, 2,485 people took part in group marine experiences tours and workshops, and 3,820 attended outreach and off-site programmes. The NZMSC maintained its Enviro-Gold status in the Qualmark tourism standards and continued to offer regular school holiday programmes and a number of special events to coincide with national and local festivals.

Otago maintained contact with more than 85,000 alumni in New Zealand and internationally via the *University of Otago Magazine*, published in February, June and October. The Office of Development and Alumni Relations organised 11 alumni social events at venues in New Zealand and around the world – in Timaru, Oamaru, Palmerston North, Melbourne, Ipoh, Sydney, Dunedin, Edmonton, Toronto, Philadelphia and London. The Dunedin event was the first function held for local alumni since 2000 and proved very popular, with more than 500 people attending. The office also assisted with events hosted by residential colleges and provided support for reunions organised by class groups.

Sixteen Alumni Scholarships were awarded through the Annual Appeal. Otago's alumni networks abroad continue to provide invaluable support to the University, and initiatives set up by US, Canadian and Malaysian alumni in 2010 and 2011 have resulted in funding for new prizes, scholarships and research activities. The University's connection with its alumni community continues to be enhanced by Your Otago Link, the secure website that enables alumni to communicate directly with the University and each other.

## Building and Sustaining Capability

To achieve its goals the University of Otago must secure sufficient resources and use those resources effectively. As will be covered in greater depth in the Financial Review on page 49 of this report, the University's financial performance in 2011 was satisfactory, in spite of trying conditions as the world continues to grapple with a prolonged recession involving most Western economies.

The University was successful in increasing its revenue base from government in the last financial year, but was affected by the removal of a significant proportion of the tri-partite funding stream that was provided by government specifically for salary increases for staff. Other income has continued to grow, but at significantly slower rates than in previous years.

Maintaining financial capability will be an important priority – and challenge – in the next few years as a number of important projects from the Priority Development Plan are expected to move from design to construction. Clearly this will not be easy in an environment of severe government fiscal constraint due to the current difficult global financial situation.

The commercialisation of intellectual property provides another avenue of funding for the University, while also providing benefits to the wider economy, enhancing research and providing opportunities for staff and students. In 2011 the University's commercialisation arm, Otago Innovation Limited, became a founding member of Kiwi Innovation Ltd (KiwiNet). This consortium of University and Crown Research Institute commercialisation offices works together to share networks, resources, knowledge and best practice to maximise the commercialisation opportunities of the parties. KiwiNet was formed in response to the then Foundation for Research, Science and Technology (now Ministry of Science and Innovation) notion of a "national network of commercialisation centres".

One such commercialisation example is the TOXINZ database developed by the National Poisons Centre. This continues to gain respect in the Australian market, performing well in a number of states and being trialled with a view to adoption in others. Across Australia, a number of universities and private hospitals are subscribing to the service. More recently, several Canadian poisons centres have also subscribed to TOXINZ and there are plans to expand into new markets.

A patent for a revolutionary wound-healing gel, collaboratively developed between Otago, the University of Adelaide and Wellington-based Robinson Squidgel, was sold to a leading US-based medical technology company in 2011.

Pacific Edge Limited's diagnostic test for bladder cancer, Cxbladder, is now being processed in their new commercial

laboratory in Dunedin, which was opened by Health Minister Tony Ryall in May. Pacific Edge is also establishing another CLIA-approved laboratory in Hershey, Pennsylvania, in order to process Cxbladder tests from the huge US market.

The 2011 Otago Innovation Proof of Concept Grant competition received a record 13 applications. The 2011 award was given to Mr Don Schwass (Dentistry) and Dr Carla Meledandri (Chemistry) for their research into the effectiveness of silver-nanoparticles to fight bacteria in teeth. They are actively working towards a commercial product in conjunction with Otago Innovation.

Staff are regarded as the University's most important assets and, in 2011, there was an increase in both the number of staff using the Human Resources (HR) professional development programme and in the number of departments represented. A total of 111 scheduled workshops were delivered with 1,605 staff attending – a 71% increase on 2010 (938 participants). There was also greater demand for customised professional training provided in response to issues affecting workplace performance: 37 workshops for 375 participants were delivered, an increase of 164% (2010: 14 workshops for 153 participants).

New initiatives included a Career Steps seminar, focusing on women's career development and an Essential Management seminar – the first in a series of workshops designed for management level staff. There was a focus on identifying gaps within the current programme for staff at managerial levels and this will continue in 2012 with the introduction of a pilot programme to assess the merits of online leadership and management blended learning tools. One hundred women participated in the Women's Professional Development Programme, including the Women in Leadership at Otago Programme (WiLO) and the Academic Women's Mentoring Programme continued to grow.

The Higher Education Development Centre (HEDC) provided professional development support for academic staff through one-on-one consultancies and work in departments to support curriculum initiatives and the use of technology in research collaborations. Ninety-four professional development workshops were offered, attended by 1,286 academic staff, tutors and demonstrators. A further 44 new academics attended the new staff conference. Many sessions were video-streamed, audio- or web-conferenced to enable access by staff in other campuses.

Academic heads of departments, directors of centres and associate deans participated in a range of leadership courses and activities offered in Dunedin and Wellington, including induction meetings with key contacts, networking, leadership coaching and mentoring. To further develop leadership



capability in their areas, heads of departments and directors were encouraged to nominate staff members to attend relevant courses.

Further information can be found in the Statement of Resources section of this report, pages 40 to 46.

As well as developing new capability, Otago is committed to protecting existing resources. The Environmental Sustainability

Committee developed a sustainability website that provides a cornerstone and information hub for all environmental sustainability activities at Otago. An Energy Challenge was also launched by Property Services to encourage reductions in the University's energy use.

## Cost of Outputs

### RESEARCH AND POSTGRADUATE TEACHING

	Commerce			Health Sciences			Humanities		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Postgraduate thesis supervision	4,698	4,911	3,866	15,833	17,751	13,913	9,739	9,898	9,064
Teaching-related research	2,651	2,778	2,711	6,896	8,545	6,935	9,382	8,440	7,296
Project-based research									
- University funded	3,381	3,774	3,944	61,235	52,542	57,388	5,023	5,294	5,733
- externally funded	1,188	1,733	1,408	78,002	75,447	78,449	9,439	9,655	9,864
<b>Total cost of output</b>	<b>11,918</b>	<b>13,196</b>	<b>11,929</b>	<b>161,966</b>	<b>154,285</b>	<b>156,685</b>	<b>33,583</b>	<b>33,287</b>	<b>31,957</b>
	Sciences			Service Division			Total		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Postgraduate thesis supervision	12,159	12,943	10,401	14,745	14,921	14,095	57,174	60,424	51,339
Teaching-related research	5,697	6,186	5,397	-	-	-	24,626	25,949	22,339
Project-based research									
- University funded	19,256	15,277	16,723	98	44	46	88,993	76,931	83,834
- externally funded	17,077	16,742	16,618	-	-	-	105,706	103,578	106,338
<b>Total cost of output</b>	<b>54,189</b>	<b>51,148</b>	<b>49,139</b>	<b>14,843</b>	<b>14,965</b>	<b>14,141</b>	<b>276,499</b>	<b>266,882</b>	<b>263,850</b>

## TEACHING AND LEARNING

	Commerce			Health Sciences			Humanities		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Total cost of output	22,793	23,416	20,704	73,442	82,966	69,408	41,981	42,065	38,584

	Sciences			Service Division			Total		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Total cost of output	40,033	42,776	37,025	3,224	3,463	3,172	181,473	194,686	168,893

## COMMUNITY SERVICE

	Commerce			Health Sciences			Humanities		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Total cost of output	2,473	2,536	2,244	9,554	9,350	8,621	6,475	6,077	6,218

	Sciences			Service Division			Total		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Total cost of output	6,473	6,356	5,281	-	-	-	24,975	24,320	22,364

# Statement of Service Performance

for the year ended 31 December 2011

## STRATEGIC OBJECTIVE ONE: ACHIEVING RESEARCH EXCELLENCE

### KEY POINTS OF FOCUS:

- To develop and maintain a national and international research profile
- To strengthen the research culture and ethos
- To attract and retain high-quality, research-active academic staff
- To provide a supportive environment for research students.

#	KEY PERFORMANCE INDICATORS:	2009 Actual	2010 Actual	2011 Target	2011 Actual
I.1	Increasing the number of quality-assured research outputs as measured by a three-year rolling average <sup>1</sup> .	4,047 (3-year average 3,694)	4,168 (3-year average 3,736)	> previous year	4,239 (3-year average 4,151)
I.2	Increasing research funding from outside sources by at least 5% per annum as measured by a three-year rolling average.	3-year rolling average of \$81.9 million (108.5%)	3-year rolling average of \$88.4 million (107.9%)	≥ 105.0% of 2010	3-year rolling average of \$89.9 million (101.7%)
I.3	Increasing the proportion of postgraduate research EFTS within University EFTS <sup>2</sup> .	8.0%	8.3%	> previous year	8.4%
I.4	Increasing the number of research degree completions.	418	423	> previous year	523
I.5	At least 90% of research degree respondents to the Graduate Opinion Survey reporting overall satisfaction with the quality of supervision.	88.5%	88.6%	≥ 90.0%	77.8%
I.6	At least maintaining the number of staff attending conferences of national and international standing.	1,184	1,095	≥ previous year	1,254

The University met its performance targets for four of six indicators relating to this imperative. The large increase in research degree completions reflects the first flow-through to graduation of additional doctoral enrolments generated by the Government allowing overseas students to pay domestic fees while undertaking doctoral study in New Zealand. This positive policy change has also helped support a further increase in the proportion of postgraduate EFTS. The ongoing increase in research outputs is pleasing, but it is important to acknowledge that due to a change in the IT systems used to gather and report research outputs, an element of estimation has been required to produce the 2011 research output figure.

External research funding increased by less than the target of 5% and this is attributable to the current national and international fiscal environment (for example, there was no increase in the size of the major competitive grant funding pools such as Marsden and HRC in 2011). This saw external research remain flat (though ahead of budget) in 2011, with the three-year rolling average increasing due to strong results in the two previous years. The disappointing result in satisfaction with supervision is due to specific issues in respect of a very small number of subject areas rather than a general decline in satisfaction. Steps have already been taken to address these issues in the subjects involved.

<sup>1</sup> Due to the time required to collate and vet research output data, the outputs reported for this measure are a year in arrears (i.e. outputs reported against 2010 are those published in 2009, etc). The definition of research outputs for this measure is consistent with that used for PBRF purposes.

<sup>2</sup> University EFTS, as referred to for this indicator and elsewhere in the Statement of Service Performance, exclude those associated with the University's Foundation Studies subsidiary.

## STRATEGIC OBJECTIVE TWO: ACHIEVING EXCELLENCE IN RESEARCH-INFORMED TEACHING

### KEY POINTS OF FOCUS:

- To enrol an increased proportion of high-calibre commencing students as well as an increased proportion of postgraduates
- To maintain innovative and high-quality teaching, leading to excellent academic outcomes
- To maintain a balanced approach to internationalisation.

#	KEY PERFORMANCE INDICATORS:	2009 Actual	2010 Actual	2011 Target	2011 Actual
2.1	Increasing the proportion of postgraduate EFTS within University EFTS.	16.0%	16.4%	> previous year	16.5%
2.2	Increasing the proportion of undergraduate degree-level commencing students admitted with NCEA Level 3 or an equivalent qualification.	83.8%	84.9%	> previous year	89.6%
2.3	At least 80% of commencing students passing at least two thirds of their academic credits in their first year of study.	80.3%	81.6%	> 80%	84.4%
2.4	Maintaining an average pass rate for papers within 2% of the average for the previous three years.	87.7% (3-year average 88.1%)	88.4% (3-year average 88.0%)	+/- 2.0% of rolling average	89.3% (3-year average 88.1%)
2.5	Increasing the number of students successfully completing qualifications at both undergraduate and postgraduate levels.	3,458 (UG) 1,321 (PG)	3,485 (UG) 1,476 (PG)	> previous year	3,663 (UG) 1,461 (PG)
2.6	At least 90% of respondents to the annual Student and Graduate Opinion Surveys providing a positive assessment of the quality of teaching.	87.4%	90.2%	≥ 90.0%	87.0%
2.7	Enrolling a diversified international student population <sup>3</sup> constituting no more than:				
	12% of total University EFTS	10.3%	10.6%	≤ 12.0%	11.8%
	25% of the international cohort from one country.	16.5%	19.4%	≤ 25.0%	19.3%

Strong progress was made in support of this objective, with seven of the nine performance targets achieved. The gains in the academic achievement indicators were noteworthy, particularly the strong growth in the proportion of undergraduate degree-level commencing students admitted with NCEA Level 3 (or equivalent), and in the proportion of commencing students passing at least two thirds of their academic credits in their first year of study. These improvements were achieved through a combination of new enrolment limitation and academic progress provisions, and through ongoing enhancements to learning support. Despite difficult market conditions, the University also achieved growth in the proportion of international student enrolments. There was, however, a slight drop from 2010 in the number of postgraduate qualification completions, reflecting the decline in postgraduate enrolments at the Christchurch campus (post-earthquake) and an increased proportion of students enrolling in coursework masters' instead of shorter postgraduate certificate and postgraduate diploma qualifications. The percentage of respondents positively assessing the quality of teaching at the University in 2011 was below the 2010 level, but similar to 2009. The University's strong overall performance in research-informed teaching was affirmed by the Tertiary Education Commission's educational performance indicators, which saw Otago ranked first among New Zealand universities for qualification completion and student retention.

<sup>3</sup> Including both full-fee international students and those granted domestic student status for fees and funding purposes.

## STRATEGIC OBJECTIVE THREE: ENSURING OUTSTANDING CAMPUS ENVIRONMENTS AND STUDENT EXPERIENCE

### KEY POINTS OF FOCUS:

- To nurture and enhance the campus environment and student experience
- To produce well-rounded, independent graduates
- To maintain and develop world-class infrastructure and student support facilities.

# KEY PERFORMANCE INDICATORS:	2009 Actual	2010 Actual	2011 Target	2011 Actual
3.1 At least 90% of respondents to the annual Student Opinion Survey providing a positive assessment of:				
The general campus environment	99.1%	98.2%	≥ 90.0%	95.0%
University libraries, information technology and teaching facilities	96.9%	95.1%	≥ 90.0%	98.1%
Administrative services and support services.	96.6%	96.1%	≥ 90.0%	95.5%
3.2 At least 90% of residential college respondents to the annual Student Opinion Survey providing a positive assessment of their colleges.	96.6%	93.1%	≥ 90.0%	91.5%
3.3 At least 90% of respondents to the Graduate Opinion Survey reporting some, moderate or extensive development of the following attributes:				
Written communication skills	95.3%	95.5%	≥ 90.0%	95.7%
Oral communication skills	88.5%	88.6%	≥ 90.0%	90.6%
Teamwork	82.4%	84.5%	≥ 90.0%	87.0%
A willingness to learn	97.3%	98.4%	≥ 90.0%	95.1%
Independent judgement	95.5%	95.4%	≥ 90.0%	93.6%
Self-confidence	89.8%	89.9%	≥ 90.0%	89.8%
Flexibility and adaptability.	91.6%	92.7%	≥ 90.0%	88.5%
3.4 Providing learning assistance and/or access to special equipment for at least 450 students with a disability affecting study.	527	503	≥ 450	503
3.5 Providing annual funding for capital expenditure no less than the sum of depreciation and the adjusted surplus (i.e. the surplus adjusted for carry forwards and extraordinary items).	Funding > depreciation + adjusted surplus	Funding > depreciation + adjusted surplus	Funding > depreciation + adjusted surplus	Funding > depreciation + adjusted surplus

Student satisfaction with the campus environment and student experience remained at high levels, with the targeted level of performance reached in eight of the 11 key areas, and narrowly missed in three. The increases reported for the development of oral communication skills and teamwork were especially pleasing, as these are areas in which the University has previously struggled to reach or better the 90% target. While student satisfaction with the residential college experience exceeded the target level, priority will be given to investigating the slight decline recorded against previous years.

## STRATEGIC OBJECTIVE FOUR: CONTRIBUTING TO THE NATIONAL GOOD AND TO INTERNATIONAL PROGRESS

### KEY POINTS OF FOCUS:

- To participate actively in national and international debate
- To extend our partnership with Māori and support the increased recruitment, retention and achievement of Māori students
- To strengthen links with Pacific communities and encourage the recruitment, retention and achievement of Pacific students
- To act in an environmentally responsible manner<sup>4</sup>.

#	KEY PERFORMANCE INDICATORS:	2009 Actual	2010 Actual	2011 Target	2011 Actual
4.1	Maintaining or increasing the number of national print, radio and television media articles featuring comment by University of Otago academic staff on matters relating to their professional expertise.	1,280	1,453	≥ previous year	1,483
4.2	Hosting at least 500 academic visitors to the University per annum.	752	680	≥ 500	634
4.3	Increasing the number of research projects being undertaken in association with Māori.	509	600	> previous year	634
4.4	Raising Māori student participation and achievement by:				
	Increasing the number of Māori students enrolled and Māori EFTS as a percentage of total domestic student EFTS	1,619 enrolments, 8.5% of EFTS	1,683 enrolments, 8.5% of EFTS	> previous year	1,662 enrolments, 8.7% of EFTS
	Increasing the percentage of first year Māori students passing at least two thirds of their academic credits	66.6%	75.5%	> previous year	78.4%
	Increasing the number of Māori students completing qualifications at both undergraduate and postgraduate levels.	276 (UG) 79 (PG)	287 (UG) 91 (PG)	> previous year	260 (UG) 92 (PG)
4.5	Raising the participation and achievement of Pacific students in the tertiary sector by:				
	Increasing the number of Pacific students enrolled and domestic Pacific EFTS as a percentage of total domestic student EFTS	644 enrolments, 3.2% of EFTS	686 enrolments, 3.3% of EFTS	> previous year	672 enrolments, 3.3% of EFTS
	Increasing the percentage of first-year Pacific students passing at least two thirds of their academic credits	50.4%	64.7%	> previous year	56.3%
	Increasing the number of Pacific students completing qualifications at both undergraduate and postgraduate levels.	98 (UG) 37 (PG)	107 (UG) 42 (PG)	> previous year	98 (UG) 45 (PG)

The University met eight of its 12 performance targets in relation to the national good and to international progress. A continued improvement in the pass rate for first-year Māori students was particularly welcome, as was the further increase in the number of research projects being undertaken in association with Māori. The number of Māori and Pacific enrolments decreased slightly from 2010, reflecting the overall drop in student enrolments in 2011. Proportionally, however, Māori were less affected by this drop than the overall student cohort, and Māori EFTS increased as a percentage of total domestic EFTS. Achieving a small increase in Māori and Pacific postgraduate completions was also pleasing at a time when – for reasons detailed elsewhere – total postgraduate completions fell slightly.

<sup>4</sup> The University is currently developing an Environmental Sustainability Plan and will adopt appropriate key performance indicators for this area once the plan is finalised.

The decline in the Māori undergraduate completion rate is partly explained by a decrease in Māori student enrolments in the diploma for graduates (it seems likely the tight employment market in 2010 influenced greater numbers of Māori students to enrol in this one-year programme). While the drop in pass rates for Pacific first-years was disappointing, it should be noted that the number of students involved in each case is sufficiently small that fluctuation in performance by just one or two students can make quite a difference to the percentage achievement of the entire cohort.

## STRATEGIC OBJECTIVE FIVE: STRENGTHENING EXTERNAL ENGAGEMENT

### KEY POINTS OF FOCUS:

- To share the University's expertise and resources with the local, national and international communities
- To increase engagement and development with research and commercial partners
- To continue to build relationships with the country's political, business, professional and community leaders.

#	KEY PERFORMANCE INDICATORS:	2009 Actual	2010 Actual	2011 Target	2011 Actual
5.1	At least 80% of University academic staff involved in community service activities.	92.0%	92.6%	≥ 80.0%	96.4%
5.2	Holding at least 300 open lectures, public seminars, and adult and community education courses per annum.	317	328	≥ 300	548
5.3	Providing at least 100 performing arts activities open to the public per annum.	112	107	≥ 100	76
5.4	Maintaining appropriate formal agreements for collaboration with other organisations for joint research and/or teaching and for the commercialisation of research.	386 agreements in place	402 agreements in place	Existing agreements reviewed, new agreements entered into as appropriate	334 agreements in place
5.5	At least 20% of academic staff serving on government advisory boards and committees.	24.0%	28.4%	≥ 20.0%	28.8%
5.6	At least 50% of academic staff providing services to public sector departments, statutory authorities, agencies, boards, committees or inquiries, or to non-governmental organisations.	73.6%	67.4%	≥ 50.0%	75.7%

The University met five of its six performance targets relating to strengthened external engagement, reflecting a high rate of academic staff participation in service to the University's local, national and international communities. Especially pleasing was the increased involvement of academic staff in government, public sector and non-government committees, boards and processes. The sharp rise in the number of open lectures, public seminars, and adult and community education courses reflects a more rigorous process for capturing information, while the decrease in performing arts activities stems primarily from the Department of Music scaling down the number of public performances at Marama Hall in 2011. This decision was influenced by issues around timetabling and staff availability, and the impact of a constrained fiscal environment.

## STRATEGIC OBJECTIVE SIX: BUILDING AND SUSTAINING CAPABILITY

### KEY POINTS OF FOCUS:

- To ensure financial stability and a diversified funding base
- To support the commercialisation of the University's intellectual property
- To invest in staff development.

#	KEY PERFORMANCE INDICATORS:	2009 Actual	2010 Actual	2011 Target	2011 Actual
6.1	Achieving or exceeding the following University EFTS enrolment targets:	19,017	19,661	19,775	19,344
6.2	Achieving an operating surplus such that the moving five-year average is at least 2% of net assets (excluding extraordinary items).	2.3% of net assets	2.2% of net assets	≥ 2.0% of net assets	2.2% of net assets
6.3	Maintaining a liquid ratio of no worse than 1:1.	1.7:1	1.9:1	≥ 1:1	1.6:1
6.4	Ensuring that net interest paid is no greater than one third of the operating surplus.	0.8%	0.7%	≤ 33.3%	0.7%
6.5	Maintaining at least 50% of University income from diverse sources other than Government grant funding.	55.1%	54.4%	≥ 50.0%	54.6%
6.6	Increasing the consulting, commercial and intellectual property income of the University Group by at least 5% per annum as measured by a three-year rolling average.	\$56.6 million	\$62.3 million (110.9%)	≥ 105.0% of 2010	\$67.5 million (108.3%)
6.7	Providing at least 2.0% of the University salary budget for staff training and development.	2.1%	1.2%	≥ 2.0%	1.3%
6.8	At least maintaining the number of academic staff undertaking research and study leave.	115	132	≥ previous year	104

The University met five of its eight performance targets in this area, with the strong financial performance measured against all five financial indicators further affirming the value of the University's commitment to prudent financial management. While 2011 EFTS enrolment figures were the second highest in the University's history, the drop from 2010 was not forecast. A mixture of internal and external factors that are fully explained elsewhere in this annual report generated this drop.

Allocation of the University salary budget for staff training and development, while rising slightly from 2010, remained below the 2% target, reflecting ongoing awareness across all University units to set training and development budgets that reflect likely actual expenditure. (It should be noted that this indicator does not take account of the many training and development courses provided free-of-charge to University staff.) The reduction in the number of staff taking research and study leave also reflects a cautious approach in the present constrained fiscal environment, as well as tendency for staff to take such leave in earlier years in order to maximise research productivity in advance of the 2012 PBRF round.



## Statement of Resources 2011

### Land, Buildings and Capital Development

There was no significant change in the amount of land owned by, or held in Crown title for, the University. Following completion of a detailed review of all University land titles in 2010, the listed amount of endowment land let on long-term leases was revised upwards by 11 hectares. (Endowment leasehold land is high-country pastoral land in the central South Island.)

Several major capital projects were completed in 2011. These included refurbishment of the Robertson Library and redevelopment of the former Bowling Green Tavern into office and seminar space. A major focus for 2011 was construction of the University Plaza Building One (adjacent to the Forsyth Barr Stadium) to house the Otago Language Centre and Foundation Year Programme, the Unipol Gymnasium and Recreation Centre, and the Plaza Café. Work on this facility was substantially complete by the end of 2011, in preparation for opening at the start of the 2012 academic year. Other milestones included Council approval of a proposal to develop the former Gardens Tavern site into a study and social centre (the Marsh Study Centre), and commencement at the end of the year of a \$5.7 million redevelopment of the University Union building.

The University's Christchurch campus sustained serious damage in the 22 February earthquake, and repair and

strengthening work were undertaken on the main University building throughout the year and will continue into 2012.

The University's net assignable floor space increased by 3,085m<sup>2</sup> (1.4%) in 2011 to reach 218,318m<sup>2</sup>. The largest increases in floor space were for Commerce, Information Services, and administration and other purposes.

Following the adoption in 2010 of the Campus Master Plan, which provides a strategic framework to guide the future long-term evolution of the University's three campuses, a Priority Development Plan (PDP) was developed in 2011 to identify those projects with high priority for development over a rolling six-to-eight-year period. The PDP will be updated annually as projects are added and completed.

### Library Resources

The Library system continued to evolve as an essential source of information and expertise for the University and the wider community, providing extensive collections, access services, instruction and infrastructure in support of scholarship, creativity and learning. The reopening of the Robertson Library was a particular highlight for the year. Collaboration between academic and Library staff continued to underpin the further development of both physical and online collections.





During 2011 the Library's on-site collections increased by 18,661 items (0.6%) to comprise a total of 3,096,521 items.

The University community also enjoyed desktop access to an increasing component of the Library's collections. As well as growing to 229,336 electronic serials (a 31.2% increase over 2010), online collections benefitted from a further expansion in the number of e-books, which reached 380,867 (up by 5.0% over 2010). The number of electronic serials continues to grow, with 97.4% of all serials now received in electronic rather than print form in 2011, compared to 96.6% in 2010.

University staff and students continued to make good use of the on-site collections with 452,893 items loaned during the year. Databases, e-journals, e-books and other electronic materials were heavily used, both on campus and off campus.

The Library maintained a programme of discipline-based and resource-specific information skills sessions for students. These are designed to develop effective search techniques and competencies in evaluating quality sources of information.

With the reopening of the Robertson Library, the number of seating places across the Library system increased by 10.9% to reach 4,188.

### Information Technology

The rapid growth of electronic communications continued in 2011. The volume of off-campus computer and telecommunications network traffic increased from 421,690

gigabytes in 2010 to 464,159 gigabytes in 2011 (an increase of 10%). 950,000 podcasts of recorded lectures were downloaded for the year, compared with 405,000 in 2010 – an increase of 134.6%.

The University continued its strong support of student and staff IT resourcing. There were 1,361 seating places provided in student computer laboratories in 2011 – a marked (81.7%) increase from 749 in 2010 – and 46,295 enquiries were processed through the ITS Helpdesk, up 2.3% from 45,256 in 2010.

The rollout of the University wireless network continued, with coverage provided to bedrooms and common areas in all University-owned residential colleges. This project has an overall aim of extending the existing wireless network across all campuses of the University and, in conjunction with local authorities, establishing a comprehensive wireless network for the North Dunedin residential precinct.

Work continued on the implementation of a new Student Management System, which will see a package-based system replace the multitude of in-house systems collectively student management processes.

Other highlights included major technology upgrades undertaken in 10 lecture theatres across campus, and the delivery of several major events, including the Jane Goodall lecture (the largest lecture ever held at the University of Otago, in which eight lecture theatres were "linked" together

in real-time), live streaming via the internet of graduation ceremonies held in the Regent Theatre, and a live election night broadcast from the Media Productions Unit studio in the Owheo Building.

## Human Resources

The total number of staff employed by the University in 2011 decreased very slightly to 3,749 in full-time equivalent (FTE) terms (2010: 3,751).

Within the academic ranks, the number of professors grew by 12 FTE (6.9%) to 187 and the number of research-only staff on academic contracts rose by 22 FTE (5.1%) to 455. The number of associate professors increased by 1 FTE to 157, while the number of senior lecturers decreased by 6 FTE (-1.6%) to 370, and the number of lecturers decreased by 19 FTE (-9.5%) to 180. The number of general staff employed decreased by 19 FTE (-0.9%) to 2,133. These reductions were largely a consequence of targeted restructures undertaken in a number of areas in 2010.

The recruitment environment has been relatively strong, although some specialist academic and general staff positions remain a challenge to fill. During 2011 the University introduced online recruitment functionality which has significantly improved our processes and made it easier for people to apply for vacancies.

## Equal Opportunities

Partnerships with tangata whenua and equity in employment and educational opportunity are core values of the University.

The University contributes to the achievements of tangata whenua through a Treaty-based partnership, primarily with Te Rūnanga o Ngāi Tahu. The partnership is underpinned by a Memorandum of Understanding (MoU) and recognises Ngāi Tahu rangatiratanga and mana within the takiwā of Ngāi Tahu. Additional agreements are also in place with three iwi: Ngāti Whatua, Waikato-Tainui and Ngāti Toa Rangitira; and a number of Māori health providers across the country: Ngāti Hine Health Trust, Raukura Hauora o Tainui, Ngāti Porou Hauora and Tipu Ora Trust. (Further details of the University's relationships with Māori health providers can be found in the Contributing to the National Good and to International Progress section of this report.)

A link between the aspirations expressed in memoranda and agreements with Ngāi Tahu and other iwi, and the overall strategic goals and objectives of the University, is provided by the Māori Strategic Framework. Excellent progress continued to be made towards the implementation of the Māori Strategic Framework in 2011, guided by the new Associate Deans (Māori) in two academic divisions and Te Kōhanga o Te Kahu, a leadership group comprising representatives from the University's academic and service divisions.

The University also recognises a commitment to Pacific peoples, which extends both to those who are resident in New Zealand, and those in the wider Pacific. The Pacific Peoples Reference Group, a joint University-community group which was formed in 2006 to advise on developments in this area, continued to meet and provide guidance to the University in 2011.

Summary Staff Profile	2011	2010	2009	2008	2007
Full-time Equivalent (FTE) Teaching and Research Staff					
Females	491	487	476	485	458
Males	669	680	699	695	687
<b>Total</b>	<b>1,160</b>	<b>1,167</b>	<b>1,175</b>	<b>1,180</b>	<b>1,145</b>
Full-time Equivalent (FTE) Research-Only Staff (excludes general research-only staff)					
Females	266	264	240	228	206
Males	189	169	172	179	164
<b>Total</b>	<b>455</b>	<b>432</b>	<b>412</b>	<b>407</b>	<b>370</b>
Full-time Equivalent (FTE) General Staff					
Females	1,385	1,411	1,373	1,414	1,331
Males	748	741	723	736	697
<b>Total</b>	<b>2,133</b>	<b>2,152</b>	<b>2,096</b>	<b>2,150</b>	<b>2,028</b>
<b>Total Staff (FTE)</b>	<b>3,749</b>	<b>3,751</b>	<b>3,683</b>	<b>3,737</b>	<b>3,543</b>

### Equal educational opportunities

The University is committed to eliminating unnecessary barriers to the admission and progress of students. A key component of its strategy in this area is the provision of support and recruitment initiatives for students from groups which may be under-represented within the institution and who may be disadvantaged in terms of their ability to attend the institution.

Māori students, Pacific students and students with disabilities are three such groups that the University gives particular focus to.

The University's package of targeted scholarships and awards was further extended in 2011, with 63 Māori and Pacific Island Entrance Scholarships awarded to commencing students.

### Māori

The number of Māori students enrolled at Otago decreased slightly from 1,683 (in 2010) to 1,662, but represents the second highest Māori student roll in the history of the University. The slight drop reflected the overall drop in student numbers in 2011. Of note, however, was the proportional increase in the number of Māori students, who now comprise 8.8% of the University's domestic student population in headcount terms – up from 8.6% in 2010.

In 2011, 78.4% of Māori at the University passed at least two thirds of the academic credits for which they had enrolled, up from 75.5% in 2010, and 66.6% in 2009. 352 Māori students successfully completed qualifications in 2011.

Te Huka Mātauraka, the Māori Centre, continued to provide academic, cultural and social support for Māori students at the University. Special recognition of the academic achievement of Māori students was given in pre-graduation ceremonies, and by holding a full marae-based graduation for those completing the bilingual teacher education programme delivered at the University's Southland campus.

Several initiatives were undertaken to support increased Māori student enrolment and success in the sciences and health sciences, with the Division of Sciences' long-established outreach programme, the appointment of an associate dean (Māori) in Sciences, and the office of the associate dean (Māori) in the Division of Health Sciences playing key roles in the implementation of these initiatives. One such initiative was the Tū Kahika foundation programme, a partnership between the University, the Ministry of Health and the Tertiary Education Commission, that aims to prepare Māori students for the highly competitive Health Sciences First-Year course. Eleven of the 14 students in the 2010 cohort continued with tertiary study in 2011 and nine pursued entry into health sciences professional programmes. Nineteen students were recruited into the Tū Kahika programme in 2011.

The community wānanga programme, which is aimed at increasing the number of Māori leaving school with the

necessary academic background to study in the sciences and health sciences, continued to expand in 2011. The programme was initially piloted in partnership with Ngāti Porou and schools in the Tolaga Bay area, and over the past year has been extended to operate in partnership with Ngāi Tahu papatipu rūnanga in Karitāne (near Dunedin) and Murihiku (Southland), Ngāti Porou in Te Araroa (East Coast) and Te Atiawa and Kimi Hauora Wairau (Te Tau Ihu). Partnerships for further wānanga are progressing with the Waitemata District Health Board and Te Rūnanga o Ngāti Whātua, as well as with the Hawke's Bay District Health Board, Kia Ora Hauora and Te Taiwhenua o Heretaunga in Hastings.

### Pacific peoples

There were 672 Pacific students enrolled at the University in 2011, a 2% drop from the 686 enrolments in 2010. Proportionally, however, Pacific students constituted 3.3% of total domestic student EFTS, the same proportion as for 2010. 143 Pacific students successfully completed qualifications, a slight overall drop from 2010 (149 completions).

As noted above, the University increased its scholarship support for commencing Pacific students in 2011.

The University's Pacific Islands Centre continued its role as a hub for targeted support and services for Pacific students, with most Pacific students being registered with the centre. It also remained active in outreach activities in Pacific communities. These activities included a special study support programme for Pacific students in Dunedin secondary schools.

The existing space at the Pacific Islands Centre was renovated to provide more room for tutorials and workshops, and a second space was added. The new space (Leithbank 2) houses the Pacific community liaison officer; a postgraduate study room, a computer lab, three tutorial rooms and storage.

A package of targeted scholarships has played an important role in supporting Pacific student recruitment, and the full-time Pacific community liaison officer has provided a strong community focus to this recruitment. Acting on the advice of its Pacific Peoples Reference Group, the University continued to offer achievement awards, recognising the top Pacific first-year student and top Pacific final-year student in each academic division.

Significant achievements for the year were the release of the Division of Health Sciences Pacific Strategic Framework 2011-2015, comprising strategic goals and key activities to enhance Pacific achievement in the Division of Health Sciences, and the University of Otago Pacific Research Protocols, comprising protocols for University researchers undertaking research involving Pacific peoples in New Zealand and overseas.

Progress was made on developing an inaugural Pacific Strategic Framework for the University, and this will continue in 2012.

Iwi to which Students Affiliated	2011		2010		2009		2008		2007	
	First Affiliation	Any Affiliation	First Affiliation	Any Affiliation	First Affiliation	Any Affiliation	First Affiliation	Any Affiliation	First Affiliation	Any Affiliation
Ngāi Tahu / Kāi Tahu	381	438	362	419	357	416	321	376	329	383
Ngāpuhi	192	254	207	289	197	272	203	271	179	235
Ngāti Porou	134	183	126	164	119	167	113	165	124	172
Tainui	64	108	62	94	48	76	34	66	33	55
Ngāti Maniapoto	50	68	54	73	53	73	45	67	48	67
Te Ahiawa (Taranaki)	42	72	49	68	48	64	48	69	45	68
Ngāti Tūwharetoa	39	71	36	74	40	74	38	80	38	76
Ngāti Kahungunu, region unspecified	35	56	32	55	27	50	25	41	22	39
Ngāti Kahungunu ki Te Wairoa	34	58	31	62	33	69	26	53	35	65
Ngāti Raukawa (Horowhenua/Manawatū)	33	48	41	62	44	65	31	48	34	52
Ngāti Awa	30	51	33	50	38	54	37	50	39	54
Don't know	30	33	27	27	24	25	13	13	19	21
Ngāti Kahungunu ki Heretaunga	27	41	34	42	37	44	33	43	30	38
Tūhoe	25	62	21	56	26	53	28	54	28	54
Not stated	25	26	31	32	43	44	44	45	62	63
Te Rarawa	24	47	32	59	25	48	23	47	27	46
Te Arawa	23	42	17	34	14	25	12	20	9	16
Ngāti Kahungunu ki Wairarapa	22	35	27	39	23	31	20	28	19	25
Ngāiterangi	20	33	17	32	19	31	19	34	14	29
Ngāti Raukawa (Waikato)	19	37	20	40	20	40	16	32	14	22
Whakatōhea	15	31	12	28	14	30	22	36	22	34
Ngāti Pikiao (Te Arawa)	14	22	13	23	8	20	11	26	11	23
Waikato	13	32	18	35	20	34	22	38	25	43
Te Whānau-a-Apanui	13	36	13	40	12	37	9	29	7	26
Ngā Ruahine	13	19	10	15	10	15	10	14	8	16
Ngāti Whātua	12	26	13	31	13	28	13	27	13	28
Taranaki	12	17	4	11	2	6	3	9	10	15
Taranaki (Taranaki) Region not further defined	12	18	18	25	17	22	18	23	11	16
Ngāti Kahu	12	21	13	20	9	19	7	12	7	14
Other	309	698	323	713	288	686	287	678	280	671
<b>Total</b>	<b>1662</b>	<b>n/a</b>	<b>1683</b>	<b>n/a</b>	<b>1619</b>	<b>n/a</b>	<b>1524</b>	<b>n/a</b>	<b>1535</b>	<b>n/a</b>



Services Provided by the Pacific Islands Centre	2011	2010	2009	2008	2007
Registered with the centre	702	681	645	430	360
Extra tutorials	72	75	65	47	42
Career Advisory Services seminar	4	6	12	5	4
Students receiving course advice	366	285	420	370	250
Pacific postgraduate seminars	10	11	12	28	24
Student gatherings	31	39	24	18	14
Community meetings/consultation	23	26	25	22	17
Community functions attended	41	45	92	102	87
Students receiving counselling	138	394	85	85	80

### Disabilities support

The University takes a proactive approach to the recruitment and support of students with disabilities, with its Disability Information and Support service taking a lead role in this area, and working in conjunction with both academic and administrative departments.

During the year the University undertook a review of the Disability Information and Support service and recommended that the University endorse the principles of "Kia Ōrite Achieving Equity: The New Zealand Code of Practice for an Inclusive Tertiary Education Environment for Students with Impairments", and that this endorsement be reflected in all high-level strategic documents.

In 2011, the University enrolled 867 students with a disability affecting study, a slight increase on the 852 enrolled in 2010. Provision of support in the form of learning assistance and/or special equipment requiring a specific financial commitment was provided to 503 students with disabilities in 2011 (2010: 503). 680 students received learning support in the form of note-taking, assistance with examinations, tutoring, transcription or typing (2010: 620).

### Equal employment opportunities

In 2011 the number of women in senior academic positions (senior lecturer and above) increased by 4 FTE (1.6%) to 249 FTE staff. Women now comprise 34.4% of staff at these levels, compared to 34.3% in 2010, and 24.7% as recently as 2005.

The overall number of female academic and research staff rose to 757 FTE (from 751 in 2010). While the majority of general staff are female, women continue to be under-represented at the senior levels within the general and management staff.

The University continued its support of the national universities' Women in Leadership Programme, sending five senior women to the programme in 2011. 124 women attended nine events put on through the Women's Professional Development Programme (jointly co-ordinated by HEDC and Human Resources), including the Women in Leadership at Otago Programme (WiLO), and 28 new members and 18 new mentors joined the Academic Women's Mentoring Programme. Mentoring and peer-learning groups increased for general staff women during the year with nine formal mentoring opportunities and 42 individual career counselling sessions undertaken. A committee was established to review and discuss the purpose and framework for Gender Equity Committee activities. The University continued to provide both the Treaty of Waitangi Education Programme and introductory Te Reo classes for staff in 2011. Six Te Reo classes were held with a total of 57 participants. The framework of competencies supporting the University of Otago Māori Strategic Framework 2007–2012 for use in the staff performance review process was piloted, in conjunction with the Office of Māori Development. Feedback was analysed and the competency framework refined for intended use in 2012.

The Pacific Peoples culture awareness course continued in 2011 and an additional two sessions were conducted for specific departmental groups. A Pacific Values through Dance, Drama and Dialogue workshop was also conducted. This workshop was the result of collaboration among the Pacific Islands Research and Student Support Unit (Division of Health Sciences), Pacific Trust Otago and Auckland-based Family Life Education Pasifika (FLEP).

Learning Assistance Support for Students with Disabilities	2011	2010	2009	2008	2007
Note-taking	235	212	296	210	223
Tutoring	164	126	131	127	112
Transcription/typing	3	5	3	5	4
Reader	0	3	0	4	0
Assistant	2	0	0	7	0
Examination arrangements	278	277	271	282	276
Scanning	0	0	0	0	0
Other	120	120	129	116	94

Disability Information and Support co-hosted the highly successful inaugural Disabilities Studies conference "Every Body In" which was held in November 2011. This was attended by over 300 delegates who participated in 83 papers over three days. The keynote speakers were Sir Tom Shakespeare, Anne Hawker and Patricia O'Brien.

A diversity and inclusivity workshop was conducted during the year, and diversity themes are incorporated within existing programmes such as the Supervisory Skills and Communication workshops. Diversity awareness has been provided as tailored training with specific teams, such as Campus Watch.

The University continues to address the gap in respect of staff equity information by requesting updates to the equity form on staff online profiles. Equity data are now proactively gathered for all new staff via the University's online recruitment system.

### **Other staff support initiatives**

The Employee Assistance Programme (EAP) continued in 2011, providing three confidential, short-term counselling sessions at no cost to individuals. The rate of use of the programme increased to around 4.0% of staff accessing the service (2010: 3%). The majority of issues reported and identified through EAP are in relation to non-work matters.

Occupational Health and Safety training continues and additional courses were offered based on identified needs. The Health and Safety team continued to offer influenza vaccination to staff, with approximately 1,700 staff vaccinated during 2011. The University retained tertiary-level accreditation for the ACC Partnership Programme during 2011. As it has now achieved tertiary level for two consecutive years, only the injury management section will be audited externally during 2012. Work-related ACC claim numbers remain static with very positive rehabilitation outcomes.

Support for childcare continued to be provided through the Otago University Childcare Association, with the University covering the rental cost of premises for the association's four pre-school care facilities and delivering further support via an annual lump-sum grant. The association provided childcare for approximately 120 University families, but – as in previous years – waiting lists indicated considerable unmet demand for childcare services around the University. Work that the University and the association had commenced in 2010 to address this was further advanced in 2011, with a suitable site for new facilities confirmed and initial plans prepared.

# College of Education Merger Report

This report has been prepared in accordance with clause 13.1 of the agreement between the Crown and the University "Regarding the Crown's Financial Support for the Merger with the Dunedin College of Education".

This clause requires the University to publish a summary report on the merger in its Annual Report in the year following the conversion to capital of the suspensory loan provided by the Crown to support the replacement or redevelopment of the College of Education Library.

It should be noted that detailed reports have already been provided to the Crown in respect of these loans and that the Crown, having been satisfied that the conditions associated with each loan have been met, has already activated the conversion of each loan to capital.

## Summary of the merger

The merger took effect on 1 January 2007, following an extended period of pre-merger planning.

The key tasks to be accomplished immediately following the merger were the integration of the college – including its staff, physical and financial assets, students and qualifications – into the University, and the integration of the University's Faculty of Education into the new college.

The new University of Otago College of Education took its place as an academic unit within the Division of Humanities, under the leadership of its foundation Dean, Professor Helen May. At the same time, a number of administrative and support services previously provided by the Dunedin college were merged into the appropriate service areas of the University.

An initial focus of the new college was the development of a new suite of academic programmes to replace the previous (and sometimes overlapping) qualifications of the former college and faculty. At the same time, staff of the old college and faculty were brought together at one physical location, under a new organisational structure, and significant resources were provided to support the academic staff of the new college in upgrading their qualifications and research activity to the level expected in a research-led University.

By the end of 2010 the new suite of academic programmes was well established, and an organisational re-structure took place within the college. By the end of 2011 – after two years of solid growth – enrolments at the college had reached their highest level (1,088 EFTS) since the merger and an extensively refurbished and upgraded college library was opened (see below).

## The general merger loan

It was always accepted that the college would require considerable financial cross-subsidisation in the years immediately following merger; and in light of this, a suspensory loan of \$1.2 million was provided to assist with the general costs of the merger.

This loan was drawn down in November 2006 and the funding provided was expended in full as a contribution to transition costs that arose immediately following the merger. These totalled \$4.4 million in the first two years following the merger.

The conversion conditions associated with the loan were that the University's Faculty of Education relocate to the College of Education site, and that the University establish, within the merged college, two centres for research and outreach.

The relocation of the Faculty of Education occurred in 2007, immediately following the merger. Two centres were established: the Centre for Distance Education and Learning Technologies; and the Centre for Educational Leadership and Administration, established in 2010.

Following the establishment of the second centre, the Crown was notified the conditions for the conversion of the merger had been met. Conversion was confirmed by the Crown on 20 December 2010.

## The library loan

The agreement referred to above provided for the Crown to supply a capital injection of up to \$5 million (GST exempt) as a 50% contribution to the cost of the refurbishment of the Robertson Library, or to the construction of a new library in its place. After giving careful consideration to the possible options, the University decided to proceed with a refurbishment/upgrade of the existing library rather than the construction of a new library<sup>1</sup>.

The redevelopment project was formally approved by the University Council in June 2009 and the main contract was let in late-2009 after a competitive tendering process. Work started on the site in January 2010 and was substantially completed by December 2010. Having operated from temporary facilities during the main construction period, the library service resumed from the re-developed facility in January 2011. As noted elsewhere in this Annual Report, the re-developed library was formally opened by the Prime Minister in August 2011.

<sup>1</sup> Initial estimates confirmed that the refurbishment provided a more cost-effective solution (at \$10 million) than a new library (estimated at \$15 million or more, depending on site and scope).

This loan was drawn down in April 2010 and applied as a 50% contribution to library redevelopment costs that totalled \$10.0 million.

Six conditions were required to be met to trigger the conversion of the library loan. These, along with the summary evidence of their having been satisfied, are provided below. A fuller explanation in respect of each condition appears in the detailed College of Education Library Loan Conversion Report provided to the Tertiary Education Commission in March 2011. Conversion of this loan was confirmed by the Crown in April 2011.

#### Conversion condition

That the University has commissioned, and made available to the Crown if requested, reports that evaluate the extent of deferred maintenance and delayed refurbishment of the Robertson Library Building and determine the costs of refurbishing the Robertson Library or constructing a new Library.

#### Comment

*Reports were prepared as required. Initial cost estimates for four options to provide a modern library were then sought. The option of upgrading of the existing library (estimated cost \$10 million) was selected as the option which met the key project aims in the most cost-effective manner.*

#### Conversion condition

That the University has designed and built the proposed refurbishment of the Robertson Library, or constructed a new library as appropriate.

#### Comment

*Detailed plans were prepared in accordance with the project brief and, as noted above, the library reconstruction took place during 2010. The end result is a library that is both a little larger than its predecessor, and superior in terms of IT connectivity, aesthetics, comfort, the number and range of study places available, and compliance with current safety standards.*

#### Conversion condition

On a best effort basis, made the most efficient use possible of the library funding for the refurbishment of the Robertson Library or construction of the new library.

#### Comment

*This was achieved through following an appropriate tendering and construction project approach. The construction contract was secured in accordance with the principles of the University tendering policy. Construction was subject to the normal monitoring that the University puts in place for a project of this magnitude.*

#### Conversion condition

That the University has provided access and support to the staff and students of Otago Polytechnic, on a basis consistent with the library access agreement reached with the Otago Polytechnic.

#### Comment

*Access and support has been provided on an ongoing basis in accordance with the Service Level Agreement (SLA) between the University and Polytechnic. In accordance with the provisions of the SLA, the allocation of costs associated with the provision of the service is reviewed on an annual basis.*

#### Conversion condition

That the University has transferred to the Robertson Library or new library as much of the University's specialist education library and resources as required to operate the new school of education.

#### Comment

*These resources were transferred to the college site at the time of merger.*

#### Conversion condition

Provided, on a best effort basis, whatever amount of additional funding is necessary to upgrade the Robertson Library (or new library) to a University standard, principally by improving the IT resources of the Robertson Library or new library to the University Library and computer systems.

#### Comment

*The University has directly applied \$5,002,350 of its own funding to this project, this being the difference between the total project cost and the Government's suspensory loan conversion<sup>2</sup>. The upgraded library is, in all key respects including IT, equal in quality to that of the University's main Library, which is internationally recognised as a leading facility of its type.*

#### Concluding comments

The conclusion of the merger transition phase was also marked by Professor May stepping down as Dean.

Professor May who, as Foundation Dean, has led the college through an extremely busy period following the merger; remains as a professor within the college, but with more time to focus on her world-class research in the field of early childhood education.

She was succeeded as Dean in December 2011 by Professor Lisa Smith.

<sup>2</sup> Additionally, the integration of the catalogue, access to online University library and online resources, and connection to the University's high-speed optic fibre network were undertaken outside of the main project.

## Financial Review 2011

The University Group, which includes the University of Otago, University of Otago Holdings Limited, the University of Otago Foundation Trust, and the Dunedin City Accommodation Trust, produced an operating surplus of \$27.440 million for the year.

This surplus was \$4.510 million (19.7%) better than the budget but \$7.035 (20.4%) million less than the 2010 result.

The Group surplus represented a return of 4.6% on revenue of \$592.394 million and 1.9% on net assets of \$1.411 billion. These were comfortably above the Tertiary Education Commission's minimum guidelines of 3% and 1.2% respectively.

The University's operating surplus for the year was \$26.019 million, a return of 4.5% on revenue and 2.2% on net assets. The surplus was \$7.344 million above the budget of \$18.675 million and \$3.980 million greater than the \$22.039 million surplus achieved in 2010. The five year moving average surplus, for the period 2007 to 2011, was \$23.525 million, which was a 2.2% return on net assets and exceeded the University's own financial performance target of 2.0%.

All four of the University's teaching and research divisions produced favourable operating results for the year. This was a good outcome given a small reduction in student-related income. After reaching a record level in 2010, enrolments in 2011 declined slightly to 19,344 EFTS. However, this was still the second-highest roll in the University's history.

A number of factors combined to produce this enrolment result. These included measures taken internally – notably the introduction of general enrolment limitation, a tightening of academic progress policies, and a phasing out of some sub-degree programmes – to curb growth and advance the University strategically in terms of the calibre and nature of its student cohort. At same time a number of external factors – the most important of which were changes to Government student loans and allowances access, local school leaver cohorts, and the impact of the 22 February Canterbury earthquake on the Christchurch medical campus – added their influence to the mix.

The Trusts collectively produced an operating deficit of \$160k for the year. This was \$5.102 million worse than the budget and \$12.213 million worse than last year. This severe downturn was largely caused by the poor performance of local and global equity markets which resulted in a fall in equity values during the year and reduced investment returns.

The University of Otago Holdings Limited group of companies produced a surplus of \$1.115 million for the year, which was \$2.003 million better than budget and an improvement on the deficit of \$41k reported last year. The major contributors to this improved result were better than expected outcomes from Otago Innovation Limited and University of Otago Foundation Studies Limited.

Total cash flow for the Group was an outflow of \$7.208 million, which was significantly better than the budgeted outflow of \$36.353 million. The improvement was due to strong net cash inflows from operating activities and lower than expected outgoings for capital expenditure, largely due to timing of cash flows. These flows were influenced by the large number of projects in progress during the year. These included the new Foundation Studies teaching and student recreation building on University Plaza at the Forsyth Barr stadium site, which was largely completed in December; the conversion of the old Bowling Green Hotel into teaching and research space for Health Sciences, the renovation of the Student Union Building, which is due for completion in mid 2012, and the continuing development of the new student management and timetabling system.

The Group's equity is now \$1.411 billion, which is 89.3% of the total assets of \$1.581 billion. This shows the current low level of debt and demonstrates that the Group is in a strong financial position.

### Conclusion

The operating result for the year was higher than budget for the University and its subsidiaries but was affected by the poor result from the Trusts, due to the difficult year experienced in equity markets worldwide. Nevertheless, both the University and the Group exceeded the minimum financial performance guidelines provided by the Tertiary Education Commission and the University exceeded its own financial targets.

The Group's operating cash flow for the year was strong, although total cash flow was negative for the year due to the high level of capital investment by the University. Despite this the University's financial position at year end was solid with a satisfactory level of cash on hand and no debt.

The University's demand for cash is expected to increase substantially over the coming years as approved projects from its eight year Priority Development Plan move from design to construction. In addition to this the construction programme will include a number of seismic strengthening projects for buildings that are assessed as earthquake-prone according to the Building Act 2004.

Essential to these developments will be the need to maintain a healthy operating surplus and strong operating cash flows. This will not be easy in the current environment of funding constraints caused by the difficult global financial situation.

### John Patrick

CHIEF OPERATING OFFICER

# Statement of Responsibility

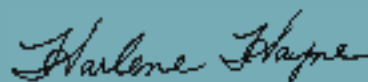
## 2011 Financial Statements

1. The Council and management of the University of Otago accept responsibility for the preparation of the annual financial statements and the Statement of Service Performance and the judgements used in them;
2. The Council and management of the University of Otago accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting; and
3. In the opinion of the Council and management of the University of Otago, the annual financial statements and the Statement of Service Performance for the financial year ended 31 December 2011 fairly reflect the financial position and operations of the University of Otago.

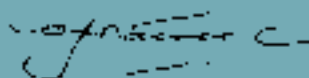
Chancellor



Vice-Chancellor



Chief Operating Officer



17 April, 2012



# Statement of Accounting Policies

for the year ended 31 December 2011

## The Reporting Entity

The University of Otago was founded in 1869 by an Ordinance of the Otago Provincial Council and is New Zealand's oldest University. In 1874 the University of Otago became an affiliated college of the University of New Zealand, which was established by statute in 1870. However, in 1961 the University of New Zealand was disestablished and the University of Otago acquired its present legal status and was granted the power to confer degrees by the University of Otago Amendment Act 1961.

The financial statements presented here are for the reporting entity University of Otago (Parent) and the Group consisting of the Associate and Subsidiary companies, controlled Trusts and the Dunedin City Tertiary Accommodation Trust.

The Group Associate and Subsidiary companies are:

- ~ University of Otago Holdings Limited. Holding company. 100% owned by the University.
- ~ Otago Innovation Limited. Company to hold and develop the commercial interests of the University. 100% owned by University of Otago Holdings Limited.
- ~ University of Otago Foundation Studies Limited. Operates the foundation year programme and an English language school. 100% owned by University of Otago Holdings Limited.
- ~ New Zealand Genomics Limited. 100% owned by University of Otago Holdings Limited. Was set up in collaboration with the University of Auckland, Massey University and AgResearch with the objective of creating a national infrastructure for making advanced genomics technologies accessible and affordable for New Zealand scientists, while also being accessible to commercial organisations. 2010 was the first year of operation.
- ~ University Union Limited. Owner of the University Union building. 50% owned by University of Otago Holdings Limited.
- ~ New Zealand Centre for Reproductive Medicine Limited. No longer trading – business assets sold. 50% owned by University of Otago Holdings Limited.
- ~ Unihealth Limited. Not trading. 50% owned by University of Otago Holdings Limited.
- ~ LCo New Zealand Limited. Owns and operates a software system for libraries serving four universities. 31% owned by University of Otago Holdings Limited.
- ~ Unipol Recreation Limited. Provides gymnasium and recreational services to University of Otago and Otago Polytechnic students and staff. 40% owned by University of Otago Holdings Limited.
- ~ BPAC NZ Limited. This company works with the Division of Health Sciences to provide best practice advocacy services to primary, secondary and tertiary health providers in the area of medication prescribing. 20% owned by University of Otago Holdings Limited.
- ~ Upstart Incubation Trustee Company Limited. 33% owned by University of Otago Holdings Limited. Non operational – has no assets or liabilities.
- ~ Immune Solutions Limited. This company is working with the Department of Microbiology to develop oral vaccines for the treatment of tuberculosis in animals, particularly possums. 100% owned by Otago Innovation Limited.
- ~ Photonic Innovations Limited. Developer of revolutionary laser technology. 50% owned by Otago Innovation Limited.
- ~ Menixis Limited. Developer of particle analysis technology. 26.7% owned by Otago Innovation Limited. Not yet trading.

The controlled Trusts include the University of Otago Foundation Trust and the Hocken Collections established for the benefit of the University of Otago. The University is the beneficiary of all the Trusts and appoints the Trustees.

The Dunedin City Tertiary Accommodation Trust owns and operates City College and is jointly controlled by the University of Otago and the Otago Polytechnic.

The primary objective of the University and Group is to provide goods and services for the community for social benefit rather than make a financial return. Accordingly, the University has designated itself and the Group as public benefit entities for the purposes of New Zealand equivalents to the International Financial Reporting standards (NZ IFRS).

The financial statements of the University and Group are for the year ended 31 December 2011. The financial statements were authorised for issue by Council on 17 April 2012.

The University is organised into divisions.

There are four teaching and research divisions: (Commerce, Health Sciences, Humanities, Sciences); and nine service divisions (Information Technology Services, Property Services, Financial Services, Marketing and Communications, Academic, Student Services, Human Resources, Research and Enterprise, and Accommodation Services).

## **BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

The accompanying financial statements are presented in accordance with Section 220 of the Education Act 1989, the Crown Entities Act 2004 and New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with NZ IAS 1 Sec 15 (1) (d) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The accounting principles followed by the Group are those recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis, with the exception that certain property, plant and equipment have been revalued.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the University of Otago is New Zealand dollars.

The financial statements include:

- ~ Statement of Financial Performance
- ~ Statement of Comprehensive Income
- ~ Statement of Changes in Equity
- ~ Statement of Financial Position
- ~ Statement of Cash Flows and
- ~ Statement of Commitments and Contingencies.

The financial statements include the operations of the University of Otago, its subsidiary and associate companies and its controlled Trusts. The subsidiary companies and Trusts have been included in the consolidated accounts by line aggregation of assets, liabilities, revenues, expenses and cash flows. Associate companies and the Dunedin City Tertiary Accommodation Trust have been consolidated on an equity accounting basis, which shows the share of the surpluses/deficits in the University's statement of financial performance and the share of post-acquisition increases/decreases in net assets in the University's Statement of Financial Position.

All significant inter-entity transactions have been eliminated on consolidation.

## **ACCOUNTING POLICIES**

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

### **1. Revenues**

#### **Government Grants and Student Fees**

Government grants and student fees are recognised as income on entitlement.

#### **Research Funds**

Income received for research which will provide reciprocal benefits to the research funding provider is recognised in the Statement of Financial Performance as "Externally Funded Research" income when research expenditure is incurred. Those research funds which are not expended at year end are included in the Statement of Financial Position as "Funds Received in Advance" to recognise the future obligations to complete the research. (Refer also to Note 11)

Income for research which provides no reciprocal benefits to the research funding provider is recognised in the Statement of Financial Performance as "Externally Funded Research" income when received.

## **Pledged Donations**

Pledged donations are recognised in the Statement of Financial Performance as "Trust Donations" when the pledge agreement is signed. When payments are made they are recorded against the asset. Pledged donations are recorded at their face value. (Refer also Note 19)

## **Other**

Where physical assets are acquired for nil consideration the fair value of the asset received is recognised as revenue.

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

Revenue from sale of goods and services are recognised on sale.

## **2. Budgets**

The budgets reported in these Financial Statements are those approved by University Council on 14 December 2010.

## **3. Foreign Currencies**

Transactions and balances in foreign currencies are converted at the New Zealand rate of exchange ruling at the date of the transaction and balance date respectively. Foreign exchange gains and losses have been recognised in the Statement of Financial Performance.

## **4. Trade and Other Receivables**

Accounts receivable are valued at estimated realisable value. Amounts not considered recoverable are written off in the period in which they are identified.

## **5. Property, Plant and Equipment**

The University's land and buildings are revalued when there has been a significant movement in the market value or depreciated replacement cost. They were revalued on 31 December 2010 in accordance with NZ IAS 16 "Property, Plant and Equipment" and the New Zealand Property Institute's Valuation Standard 3, "Valuations for Financial Reporting". The basis of valuation was as follows:

- ~ Land was valued at market value
- ~ Specialised buildings and improvements were valued at depreciated replacement cost, and
- ~ Non-specialised buildings and improvements were valued at market value.

The valuation was completed by a registered valuer employed by the University and has been reviewed by an independent registered valuer (Chapman Consultancy (2008) Limited) and confirmed as appropriate for financial reporting purposes. (Refer also to Note 8)

No revaluation was deemed necessary in 2011 except for buildings damaged in the Christchurch earthquakes and associated land. The buildings were impaired by the estimated cost of repair and the land by 50%. This impairment valuation was completed by a registered valuer employed by the University and was reviewed by an independent registered valuer (Chapman Consultancy (2008) Limited) and confirmed as appropriate for financial reporting purposes.

Costs incurred in researching and determining the feasibility of acquiring a fixed asset, prior to final approval to purchase, have been recognised as an expense.

All Crown-owned land and buildings (if any) used by the University are included as part of the University's assets. Although legal title has not been transferred, the University has assumed all the normal risks and rewards of ownership.

Capital work in progress is valued at cost and is not depreciated.

Library books and periodicals, with the exception of rare books and special library collections, have been valued at cost less accumulated depreciation. Library electronic resources in the form of annual subscriptions are written off at the time of purchase.

Rare books and special library collections were valued as at 31 December 1994 by expert University Library staff, based on the net current value of items following the methodology employed by the Alexander Turnbull Library. Any additions to the collection have been valued at cost. (Refer also to Note 16)

The Hocken Library Collections were revalued at 1 January 2006 by an independent registered valuer (Peter Webb Galleries). The University elected to adopt optional exemption appendix D1 (c) of NZ IFRS 1 and has recognised the revalued amounts as fair value, and used this as the deemed cost. Any additions since 1 January 2006 have been valued at cost. (Refer also to Note 17)

University artworks were valued at 1 January 2006 by an independent registered valuer (Peter Webb Galleries). The University elected to adopt optional exemption appendix D1 (c) of NZ IFRS 1 and has recognised the valued amounts as fair value, and used this as the deemed cost. Any additions since 1 January 2006 have been valued at cost.

Plant, motor vehicles, equipment and furniture are recorded at cost less accumulated depreciation and impairment losses. Asset purchases of less than \$2,000 are expensed at cost on acquisition, with the exception of furniture and computers which are capitalised regardless of cost.

The useful life of each asset class and the depreciation rates used in the preparation of these statements are as follows:

Asset Class	Useful Life (Years)	Depreciation Rate
Buildings and Components		
Site improvements	50 to 100	1.0% to 2.0%
Structure including walls	40 to 250	0.4% to 2.5%
Roof	25 to 100	1.0% to 4.0%
Plumbing	40 to 60	1.7% to 2.5%
Lifts	40 to 50	2.0% to 2.5%
Heating and ventilation	30 to 60	1.7% to 3.3%
Fume cupboards	15	6.7%
Floor coverings and chattels	10 to 40	2.5% to 10.0%
Fit out	30 to 75	1.3% to 3.3%
Fire protection	50 to 60	1.7% to 2.0%
Electrical	40 to 50	2.0% to 2.5%
Data network	15	6.7%
Motor vehicles and trailers	3 to 10	10.0% to 33.3%
Furniture and fittings	5 to 10	10.0% to 20.0%
Plant and equipment	4 to 37	2.7% to 25.0%
Computers and photocopiers	4 to 10	10.0% to 25.0%
Library collections	3 to 10	10.0% to 33.3%

Depreciation of all assets, except for land, artworks, rare books and special library collections is provided for on a straight-line basis at rates that will write off their cost, less any residual value, over their estimated useful lives. Land, artworks, rare books and special library collections are not depreciated.

## 6. Intangible Assets

Costs incurred in researching and determining the feasibility of acquiring computer software, prior to final approval to purchase, have been recognised as an expense.

Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software, subsequent to final approval to purchase.

Costs that are directly associated with the internal development of software for use by the University of Otago are recognised as an intangible asset.

Costs associated with maintaining computer software are recognised as an expense when incurred.

## Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful economic life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the Statement of Financial Performance. (Refer also to Note 9)

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software	3 to 25 years	4% to 33.3%.
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## 7. Inventory

Inventories have been valued at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis, or by the weighted average method. Obsolete inventories have been written off.

## 8. Goods and Services Tax (GST)

The financial statements are prepared on a basis which excludes GST. Accounts receivable and accounts payable are GST inclusive. GST owing to the Inland Revenue Department as at 31 December 2011 is included in accounts payable.

The net GST paid to, or received from, the IRD is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

## 9. Employee Entitlements

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

- ~ Long service leave which has vested to the employee (an entitlement has been established) has been measured at nominal value using remuneration rates current at reporting date. This is included as a Current Liability.
- ~ Retirement gratuities which have vested to the employee (an entitlement has been established) have been measured at nominal value using remuneration rates current at the time of entitlement. This is included as a Current Liability.
- ~ Retirement gratuities and long service leave which 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.
- ~ Sick leave has been measured using the present value measurement basis which discounts expected future cash outflows. This is treated as a Non-Current Liability.
- ~ Employee entitlements relating to the sale of intellectual property have been valued using the market value of the intellectual property at balance date as the basis for the entitlement.

## 10. Finance Leases

Finance leases, which effectively transfer to the University of Otago and Group companies all the risks and benefits incidental to ownership of the leased item, are capitalised. The leased assets and corresponding lease liabilities are disclosed and the leased assets are depreciated over the period that benefits are received from their use.

## 11. Operating Leases

An operating lease is a lease that does not transfer substantially all the risk and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

## 12. Other Financial Assets

The University classifies its Other Financial Assets into the following four categories: financial assets at fair value through the Statement of Financial Performance; loans and receivables; held to maturity investments and available for sale assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at reporting date. Financial assets are initially measured at fair value plus transition costs.

### Financial assets at fair value through the Statement of Financial Performance

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. These include investments in quoted shares. After initial recognition they are measured at fair values. Gains or losses on measurement are recognised in the Statement of Financial Performance.

### Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These include shareholders advances; loans and short term deposits. After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses where the asset is impaired or derecognised are recognised in the Statement of Financial Performance.

### Held to maturity investments

These are assets with fixed or determinable payments and fixed maturities that the University has the positive intention and ability to hold to maturity. The University and Group have no investments in this category.

### Available for sale assets

These are those non-derivative financial assets that are designated as available for sale or are not classified as financial assets at fair value through the Statement of Financial Performance, loans and receivables or held to maturity investments. The University and Group have no assets in this category.

University investments in its subsidiaries are carried at cost. Investments in associate companies are valued at cost plus the share of retained profits.

## 13. Accounting for Derivative Financial Instruments and Hedging Activities

The University uses derivative financial instruments to hedge exposure to foreign exchange risks arising from operating activities. The University does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and subsequently remeasured at fair value.

## 14. Statement of Cash Flows

Cash and Cash Equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Operating Activities include cash received from all income sources and record the cash payments made for the supply of goods and services.

Investing Activities are those activities relating to the acquisition and disposal of non-current assets.

Financing Activities comprise activities that change the debt structure of the University.

## 15. Taxation

The University, its subsidiaries and Trusts are exempt from the payment of income tax as they are treated by the Inland Revenue Department as charitable organisations. Accordingly, no charge for income tax applies or has been provided for.



## **16. ACC Partnership Programme**

The University of Otago belongs to the ACC Partnership Programme whereby the University accepts the management and financial responsibility of work related illnesses and accidents of employees. Under the ACC Partnership Programme, the University is effectively providing accident insurance to employees and this is accounted for as an insurance contract. The value of this liability represents the expected future payments in relation to accidents and illnesses occurring up to the Statement of Financial Position date for which the University has responsibility under the terms of the Partnership Programme.

The liability for claims reported prior to balance date has been determined by assuming that the future experience for each current claim is consistent with historical claim information since the commencement of the programme. The liability for injuries or illnesses that have occurred up to balance date, but not yet reported or not fully reported, has been determined by reference to historical information of the time it takes to report injury or illness.

The value of the liability is measured at the present value of the future payments for which the University has responsibility using a risk free discount rate. The value of the liability includes a risk margin that represents the inherent uncertainty of the present value of the expected future payments.

## **17. Superannuation Schemes**

Defined contribution schemes: Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the statement of financial performance.

Defined benefit schemes: The University belongs to the Government Superannuation Fund and the NPFDB scheme which are Defined Benefit Plan Contribution Schemes. The University has no underwriting responsibilities as any shortfall is met by the Government. As such, the schemes are accounted for as defined contribution plans.

Further information on this scheme is disclosed in Note 12.

## **18. Critical Accounting Estimates and Assumptions:**

In preparing these financial statements the University has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

## **CHANGES IN ACCOUNTING POLICIES**

All accounting policies have been applied on a basis consistent with the previous year.

# Statement of Financial Performance

for the year ended 31 December 2011

		Consolidated			University		
	Note	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
<b>INCOME</b>							
Government Grants	1	211,061	210,913	207,847	210,542	210,394	206,881
Domestic Tuition Fees		91,035	95,563	90,360	90,717	95,234	89,927
International Tuition Fees		46,000	45,699	42,169	40,670	40,920	37,342
Investment Income	2	8,256	16,258	15,487	5,266	3,671	4,919
Externally Funded Research		91,783	99,831	92,145	91,535	88,590	91,991
Performance Based Research Funding		54,188	52,401	51,611	54,188	52,401	51,611
Distributions from Trust Funds		-	-	-	3,526	6,251	127
Consulting and Commercial Income		68,387	65,077	66,695	68,534	66,235	67,173
Sale of Intellectual Property		2,298	197	109	1,312	67	34
Trust Donations		2,450	200	3,019	-	-	-
Other Income		16,936	12,946	16,941	16,328	12,627	16,401
<b>Total Income</b>		<b>592,394</b>	<b>599,085</b>	<b>586,383</b>	<b>582,618</b>	<b>576,390</b>	<b>566,406</b>
<b>EXPENDITURE</b>							
Salaries - Academic		191,242	191,291	185,242	188,605	188,677	182,123
Salaries - General		138,339	136,681	132,372	135,696	134,373	130,070
Staff Related Costs		15,111	19,712	23,996	14,935	19,507	23,880
Consumables and General		98,008	113,887	98,976	95,230	100,716	97,103
Depreciation & Amortisation	3	53,792	52,721	49,440	53,674	52,580	49,320
Occupancy Costs		41,339	34,838	37,354	41,336	34,837	37,343
Scholarships		27,123	27,025	24,528	27,123	27,025	24,528
<b>Total Expenditure</b>	3	<b>564,954</b>	<b>576,155</b>	<b>551,908</b>	<b>556,599</b>	<b>557,715</b>	<b>544,367</b>
<b>Net Surplus for the Year</b>		<b>27,440</b>	<b>22,930</b>	<b>34,475</b>	<b>26,019</b>	<b>18,675</b>	<b>22,039</b>

THE STATEMENT OF ACCOUNTING POLICIES AND THE NOTES TO THE FINANCIAL STATEMENTS FORM PART OF, AND ARE TO BE READ IN CONJUNCTION WITH, THIS STATEMENT.

## Statement of Comprehensive Income

for the year ended 31 December 2011

		Consolidated			University		
	Note	This Year \$'000	Budget \$'000	Last Year \$'000	This Year \$'000	Budget \$'000	Last Year \$'000
Net Surplus for the Year		<b>27,440</b>	22,930	34,475	<b>26,019</b>	18,675	22,039
<b>Other Comprehensive Income</b>							
Revaluation/(impairment) of Fixed Assets	8	<b>(7,845)</b>	61,331	41,420	<b>(7,845)</b>	61,331	41,420
Total Other Comprehensive Income		<b>(7,845)</b>	61,331	41,420	<b>(7,845)</b>	61,331	41,420
<b>Total Comprehensive Income</b>		<b>19,595</b>	84,261	75,895	<b>18,174</b>	80,006	63,459

## Statement of Changes in Equity

for the year ended 31 December 2011

		Consolidated			University		
	Note	This Year \$'000	Budget \$'000	Last Year \$'000	This Year \$'000	Budget \$'000	Last Year \$'000
Opening Equity Balance		<b>1,391,781</b>	1,337,672	1,310,885	<b>1,156,487</b>	1,081,297	1,088,028
Total Comprehensive Income for the Year		<b>19,595</b>	84,261	75,895	<b>18,174</b>	80,006	63,459
Crown and Other Equity Injection		-	6,200	5,000	-	31,200	5,000
Adjustments		-	-	1	-	-	-
<b>Closing Equity Balance</b>		<b>1,411,376</b>	1,428,133	1,391,781	<b>1,174,661</b>	1,192,503	1,156,487

THE STATEMENT OF ACCOUNTING POLICIES AND THE NOTES TO THE FINANCIAL STATEMENTS FORM PART OF, AND ARE TO BE READ IN CONJUNCTION WITH, THIS STATEMENT.

# Statement of Financial Position

as at 31 December 2011

		Consolidated			University		
	Note	This Year \$'000	Budget \$'000	Last Year \$'000	This Year \$'000	Budget \$'000	Last Year \$'000
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and Cash Equivalents	4	19,411	11,514	26,619	8,978	5,000	13,710
Other Financial Assets	5	96,504	45,038	72,531	54,765	22,308	69,723
Trade & Other Receivables and Prepayments	6	25,634	27,833	24,266	23,917	25,947	22,789
Inventory		555	839	694	555	839	694
<b>Total Current Assets</b>		<b>142,104</b>	<b>85,224</b>	<b>124,110</b>	<b>88,215</b>	<b>54,094</b>	<b>106,916</b>
<b>Non-Current Assets</b>							
Investments in Associates	7	5,130	5,087	4,870	-	-	-
Other Financial Assets	5	121,189	140,403	124,984	41,421	44,674	16,053
Property, Plant & Equipment	8	1,297,809	1,363,847	1,290,024	1,179,855	1,248,386	1,173,299
Intangible Assets – Internally Generated	9	1,722	-	1,870	1,722	-	1,870
Intangible Assets – Externally Generated	9	13,147	166	9,725	13,048	-	9,649
<b>Total Non-Current Assets</b>		<b>1,438,997</b>	<b>1,509,503</b>	<b>1,431,473</b>	<b>1,236,046</b>	<b>1,293,060</b>	<b>1,200,871</b>
<b>TOTAL ASSETS</b>		<b>1,581,101</b>	<b>1,594,727</b>	<b>1,555,583</b>	<b>1,324,261</b>	<b>1,347,154</b>	<b>1,307,787</b>
<b>LIABILITIES</b>							
<b>Current Liabilities</b>							
Trade & Other Payables and Accruals	10	43,993	42,183	46,206	43,568	41,272	44,654
Funds Received in Advance	11	54,265	51,299	45,787	35,314	41,156	35,621
Employee Entitlements	12	41,882	37,521	36,658	41,764	37,322	36,520
<b>Total Current Liabilities</b>		<b>140,140</b>	<b>131,003</b>	<b>128,651</b>	<b>120,646</b>	<b>119,750</b>	<b>116,795</b>
<b>Non-Current Liabilities</b>							
Loans and Leases	13	631	690	646	-	-	-
Employee Entitlements	12	28,954	34,901	34,505	28,954	34,901	34,505
<b>Total Non-Current Liabilities</b>		<b>29,585</b>	<b>35,591</b>	<b>35,151</b>	<b>28,954</b>	<b>34,901</b>	<b>34,505</b>
<b>EQUITY</b>							
General Reserve	14	820,919	799,772	793,479	584,204	564,142	558,185
Property Revaluation Reserve	14	590,457	628,361	598,302	590,457	628,361	598,302
<b>Total Equity</b>		<b>1,411,376</b>	<b>1,428,133</b>	<b>1,391,781</b>	<b>1,174,661</b>	<b>1,192,503</b>	<b>1,156,487</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>1,581,101</b>	<b>1,594,727</b>	<b>1,555,583</b>	<b>1,324,261</b>	<b>1,347,154</b>	<b>1,307,787</b>

THE STATEMENT OF ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FORM PART OF, AND ARE TO BE READ IN CONJUNCTION WITH, THIS STATEMENT.

# Statement of Cash Flows

for the year ended 31 December 2011

		Consolidated			University		
	Note	This Year \$'000	Budget \$'000	Last Year \$'000	This Year \$'000	Budget \$'000	Last Year \$'000
<b>OPERATING ACTIVITIES</b>							
<i>Cash was provided from:</i>							
Government Grant		265,108	262,795	258,753	264,630	262,795	257,780
Revenue from Fees		136,531	141,731	132,856	130,852	136,323	127,299
Revenue from Services		191,062	180,346	187,594	181,324	175,324	177,275
Investment Income		13,278	10,504	13,128	4,538	3,663	4,411
		605,979	595,376	592,331	581,344	578,105	566,765
<i>Cash was applied to:</i>							
Employees and Suppliers		514,121	520,000	489,374	504,958	502,173	482,406
		514,121	520,000	489,374	504,958	502,173	482,406
<b>Net Cash Flows from Operating Activities</b>		<b>91,858</b>	<b>75,376</b>	<b>102,957</b>	<b>76,386</b>	<b>75,932</b>	<b>84,359</b>
<b>INVESTING ACTIVITIES</b>							
<i>Cash was provided from:</i>							
Investments		15,366	380	8,269	-	-	-
Investments – Subsidiaries & Associates		404	333	63	404	333	225
Sale of Property, Plant & Equipment		613	-	-	613	-	-
		16,383	713	8,332	1,017	333	225
<i>Cash was applied to:</i>							
Investments		42,463	21,524	44,621	10,000	21,524	17,000
Investments – Subsidiaries & Associates		1,760	1,136	-	1,820	2,606	900
Property, Plant & Equipment Acquired		70,511	89,782	71,312	70,331	89,551	71,222
		114,734	112,442	115,933	82,151	113,681	89,122
<b>Net Cash Flows from Investing Activities</b>		<b>(98,351)</b>	<b>(111,729)</b>	<b>(107,601)</b>	<b>(81,134)</b>	<b>(113,348)</b>	<b>(88,897)</b>
<b>FINANCING ACTIVITIES</b>							
<i>Cash was provided from:</i>							
Loans raised		22	-	353	733	-	353
Equity Injection		-	-	5,000	-	-	5,000
		22	-	5,353	733	-	5,353
<i>Cash was applied to:</i>							
Reduce liabilities		737	-	30	717	-	-
		737	-	30	717	-	-
<b>Net Cash Flows from Financing Activities</b>		<b>(715)</b>	<b>-</b>	<b>5,323</b>	<b>16</b>	<b>-</b>	<b>5,353</b>
<b>Total Cash Flows</b>		<b>(7,208)</b>	<b>(36,353)</b>	<b>679</b>	<b>(4,732)</b>	<b>(37,416)</b>	<b>815</b>
Opening Balance		26,619	47,867	25,940	13,710	42,416	12,895
<b>Closing Balance</b>		<b>19,411</b>	<b>11,514</b>	<b>26,619</b>	<b>8,978</b>	<b>5,000</b>	<b>13,710</b>
<b>Represented by:</b>							
Cash and Cash Equivalents	4	19,411	11,514	26,619	8,978	5,000	13,710
<b>Total</b>		<b>19,411</b>	<b>11,514</b>	<b>26,619</b>	<b>8,978</b>	<b>5,000</b>	<b>13,710</b>

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department.

THE STATEMENT OF ACCOUNTING POLICIES AND THE NOTES TO THE FINANCIAL STATEMENTS FORM PART OF, AND ARE TO BE READ IN CONJUNCTION WITH, THIS STATEMENT.

## Reconciliation of the Net Surplus

with the Net Cash Flows from Operating Activities

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
<b>Net Surplus</b>	<b>27,440</b>	22,930	34,475	<b>26,019</b>	18,675	22,039
<i>Plus (Less) Non Cash Items</i>						
Adjustment to Staff Entitlements	(5,551)	1,115	5,447	(5,551)	1,115	5,447
Adjustment to Investments	6,124	(5,209)	(2,128)	-	-	(463)
Dunedin City Tertiary Accommodation Trust	(466)	(408)	(424)	-	-	-
Increase (Decrease) in Loans from External Trust Funds	5	53	43	-	-	-
Non Cash Donations	447	1,050	(614)	-	-	-
Share of Associates Surpluses	(260)	(324)	(422)	-	-	-
Depreciation and Property, Plant & Equipment Written Off	53,792	52,721	49,440	53,674	52,580	49,320
Gain/(Loss) on Disposal of Property, Plant & Equipment	(161)	(1)	259	(161)	(1)	259
Other Non-Cash Items	(10)	-	-	-	-	-
<b>Total Non-Cash Items</b>	<b>53,920</b>	48,997	51,601	<b>47,962</b>	53,694	54,563
<i>Plus (less) movements in other working capital items:</i>						
Decrease (Increase) in Trade & Other Receivables	(779)	(588)	3,388	(714)	(588)	3,801
Decrease (Increase) in Prepayments	(499)	(95)	485	(499)	(95)	485
Decrease (Increase) in Inventory	138	(19)	99	138	(19)	99
Increase (Decrease) in Trade & Other Payables	(2,064)	534	6,403	(1,457)	648	4,995
Increase (Decrease) in Employee Entitlements	5,224	1,314	1,560	5,244	1,314	1,604
Increase (Decrease) in Funds Received in Advance	8,478	2,303	4,946	(307)	2,303	(3,227)
<b>Total Movements in Other Working Capital Items</b>	<b>10,498</b>	3,449	16,881	<b>2,405</b>	3,563	7,757
<b>Net Cash Flows from Operating Activities</b>	<b>91,858</b>	75,376	102,957	<b>76,386</b>	75,932	84,359

THE STATEMENT OF ACCOUNTING POLICIES AND THE NOTES TO THE FINANCIAL STATEMENTS FORM PART OF, AND ARE TO BE READ IN CONJUNCTION WITH, THIS STATEMENT.



## Statement of Commitments and Contingencies

as at 31 December 2011

	University and Consolidated	
	This Year \$000	Last Year \$000
<b>COMMITMENTS</b>		
<b>Capital works and equipment</b>		
Capital Works	15,370	26,227
Equipment and Other	1,286	1,238
	<u>16,656</u>	<u>27,465</u>
<b>Non cancellable property operating leases</b>		
The University and Group leases property in the normal course of it's business. The future aggregate minimum lease payments payable under non cancellable operating leases are as follows:		
Not later than one year	2752	3,111
Later than one year and not later than two years	2,058	2,503
Later than two years and not later than five years	2,798	3,338
Later than five years	4,132	3,408
	<u>11,740</u>	<u>12,360</u>
<b>Total Commitments</b>	<b>28,396</b>	<b>39,825</b>

	University and Consolidated	
	This Year \$000	Last Year \$000
<b>CONTINGENT LIABILITIES</b>		
The University provided a guarantee to the Bank of New Zealand for a bond given by the bank to the Dunedin City Council, over the siting of some temporary buildings.	50	50
There were several personal grievance claims by employees against the University.	14	14

### CONTINGENT ASSETS

Insurance Proceeds:

The University has two key insurance policies relevant to the Christchurch earthquakes as follows:

Material Damage – This is a full replacement policy.

Business Interruption – Lost revenues and additional costs are claimable if they arise as a consequence of damage to the Group's insured assets.

The University is virtually certain to receive insurance proceeds on both policies, but the quantum of the likely proceeds cannot be reliably measured, because of the wide range of possible outcomes that will be negotiated with the University's insurers following completion of detailed engineering and financial assessments. To date, \$697k of insurance proceeds have been recognised as income in the financial statements.

It will be several months before the University will be in a position to put forward definite claims to the underwriters. There are currently no disputes with the University's underwriters or their assessors.

There were no other Contingent Assets.

# Notes to and Forming Part of the Financial Statements

for the year ended 31 December 2011

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
<b>Note 1 GOVERNMENT GRANTS</b>						
Vote Education	208,891	208,475	205,616	208,372	207,956	204,650
Vote Health	2,170	2,438	2,231	2,170	2,438	2,231

<b>Total Government Grants</b>	<b>211,061</b>	<b>210,913</b>	<b>207,847</b>	<b>210,542</b>	<b>210,394</b>	<b>206,881</b>
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Vote Education includes funding received from Government by way of the tertiary education student achievement component (the latter is based on forecast equivalent full-time student (EFTS) numbers and the funding category values of these EFTS). Vote Health is EFTS funding for health education that is clinically based and is funded by the Ministry of Health, through the Clinical Training Agency.

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
<b>Note 2 INVESTMENT INCOME</b>						
Interest from Bank Term Deposits	6,493	4,430	5,115	5,266	3,531	4,456
<i>Loans and Receivables</i>						
Interest from Government and Public Stock	882	1,036	1,106	-	-	-
Interest from Corporate Bonds and Notes	3,600	3,534	3,483	-	-	-
Income from Associate Companies	307	333	452	-	-	-
Dividends from New Zealand Company Equities	2,356	2,205	1,872	-	140	-
Dividends from Australian & Global Company Equities	1,304	978	1,034	-	-	-
Realised Gains/(Losses) on Sale of Equities	(603)	-	239	-	-	63
Realised Foreign Exchange Gains	27	-	240	-	-	-
Unrealised Gains/(Losses) on Revaluations of Investments	(6,357)	3,768	1,829	-	-	400
Unrealised Foreign Exchange Gains	247	(26)	117	-	-	-

<b>Total Investment Income</b>	<b>8,256</b>	<b>16,258</b>	<b>15,487</b>	<b>5,266</b>	<b>3,671</b>	<b>4,919</b>
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Note 3 **REQUIRED DISCLOSURES**

**Statement of Financial Performance**

Total Expenditure includes:

**Fees to Principal Auditor (Audit NZ)**

	This Year \$000	Consolidated Budget \$000	Last Year \$000	This Year \$000	University Budget \$000	Last Year \$000
- Audit fees for Financial Statement audit	241	268	266	164	182	187
- Fees for other services *1	8	9	15	8	9	15

<b>Total Fees to Principal Auditor</b>	<b>249</b>	<b>277</b>	<b>281</b>	<b>172</b>	<b>191</b>	<b>202</b>
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*Depreciation/Amortisation*

Depn – Property Plant & Equipment (see Note 8)	51,560	50,371	47,656	51,457	50,268	47,550
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Amortisation – Intangible Assets (see Note 9)	2,232	2,350	1,784	2,217	2,312	1,770
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<b>Total Depreciation/Amortisation</b>	<b>53,792</b>	<b>52,721</b>	<b>49,440</b>	<b>53,674</b>	<b>52,580</b>	<b>49,320</b>
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Profit/Loss on Disposal of Fixed Assets	(161)	(1)	259	(161)	(1)	259
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Interest Expense	187	167	151	187	167	148
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Bad Debts Written Off	139	89	169	133	89	154
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Lease Payments	5,519	5,613	5,633	5,519	5,613	5,633
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Losses from Associate Companies	47	9	30	-	-	-
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Directors Remuneration	126	124	126	-	-	-
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Trustees Remuneration	4	6	3	-	-	-
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Fees paid to Lay Council Members (see below)	86	109	90	86	109	90
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\*1 Relates to the audit of the Vice-Chancellor's declaration on the Performance-Based Research Fund External Research Income component.

The following fees were earned by members of the Council during the year:

Council Member	This Year \$	Last Year \$
E O K Blaikie	4,160	3,520
P W H Chin	-	3,520
D C Cull	2,880	640
J D Every-Palmer	1,920	1,600
H R Geoghegan	1,920	6,080
K E Grant	-	9,920
L P Isaacs	15,360	10,880
S J McLauchlan	8,400	7,600
D C Matahaere-Atariki	1,920	2,880
V A Nicholson	-	3,520
K J Reid	3,520	-
J K Rowe	4,480	-
M J M Sidey	3,520	4,480
K M Smith	-	3,520
R J Somerville	8,320	1,600
R H Tobin	4,800	4,800
J F Ward	25,350	25,350

<b>Total Earned</b>	<b>86,550</b>	<b>89,910</b>
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Note: Council members who are also employees do not receive attendance fees.

The following Director and Trustee remuneration was earned by members of the Council who are directors/trustees of group organisations:

Council Member	This Year \$	Last Year \$
S J McLauchlan	6,000	6,000
J F Ward	15,000	15,000
L P Isaacs	1,600	1,600
R J Somerville	960	-

<b>Total Earned</b>	<b>23,560</b>	<b>22,600</b>
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Note 4 **CASH AND CASH EQUIVALENTS**

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Cash at bank and in hand	815	268	3,604	796	-	3,520
Bank on call deposits	13,346	11,246	8,765	8,182	-	5,190
Short term deposits maturing 3 months or less from date of acquisition	5,250	-	14,250	-	5,000	5,000
<b>Total Cash and Cash Equivalents</b>	<b>19,411</b>	<b>11,514</b>	<b>26,619</b>	<b>8,978</b>	<b>5,000</b>	<b>13,710</b>

Note 5 **OTHER FINANCIAL ASSETS**

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
<b>Current Portion</b>						
<i>Loans and Receivables</i>						
Loans to Subsidiaries	-	-	-	370	370	370
Loans to Associates	370	370	370	-	-	-
Other loans	395	414	353	395	414	353
Loan from University to Foundation Trust	-	-	-	-	-	25,000
Pledged donations	850	850	1,170	-	-	-
Short term deposits with maturities of greater than 3 months from date of acquisition	81,200	31,524	57,025	54,000	21,524	44,000
<i>Fair value through Statement of Financial Performance</i>						
Govt, LB & SOE Stock & Corporate Bonds	13,689	11,880	13,613	-	-	-
<b>Total Current Portion</b>	<b>96,504</b>	<b>45,038</b>	<b>72,531</b>	<b>54,765</b>	<b>22,308</b>	<b>69,723</b>
<b>Non Current Portion</b>						
<i>Loans and receivables</i>						
Loans to Subsidiaries	-	-	-	1,758	3,485	2,920
Other loans	5,574	5,369	4,363	5,574	5,369	4,363
Pledged donations	2,190	2,190	3,040	-	-	-
<i>Fair value through Statement of Financial Performance</i>						
Govt, LB & SOE Stock & Corporate Bonds	41,146	52,584	45,430	-	-	-
Shares in listed equities	72,001	79,942	71,783	1,303	1,624	1,044
Shares in other companies	278	318	368	-	-	-
<i>Shares in Subsidiary</i>						
Shares in Subsidiary	-	-	-	7,786	9,196	7,726
Investment in-substance subsidiary	-	-	-	25,000	25,000	-
<b>Total Non Current Portion</b>	<b>121,189</b>	<b>140,403</b>	<b>124,984</b>	<b>41,421</b>	<b>44,674</b>	<b>16,053</b>
<b>Total Other Financial Assets</b>	<b>217,693</b>	<b>185,441</b>	<b>197,515</b>	<b>96,186</b>	<b>66,982</b>	<b>85,776</b>

The maturity profile for other investments is as follows:

	Consolidated			University		
	Weighted avg effective interest rate			Weighted avg effective interest rate		
	This Year \$000		Last Year \$000	This Year \$000		Last Year \$000
<b>Less than 1 Year</b>						
<i>Loans and Receivables</i>						
Loans to Subsidiaries	-	-	-	370	0.00%	370
Loans to Associates	370	0.00%	370	-	-	-
Other loans	395	0.00%	353	395	0.00%	353
Loan from University to Foundation Trust	-	-	-	-	-	25,000
Pledged Donations	850	0.00%	1,170	-	-	-
Short term deposits with maturities of greater than 3 months from date of acquisition	81,200	4.44%	57,025	54,000	4.52%	44,000
<i>Fair value through Statement of Financial Performance</i>						
Govt, LB & SOE Stock & Corporate Bonds	13,689	7.96%	13,613	-	-	-
<b>Total Current Portion</b>	<b>96,504</b>	-	72,531	<b>54,765</b>	-	69,723
<b>1 to 5 years</b>						
<i>Loans and Receivables</i>						
Other loans	1,754	0.00%	1,415	1,754	0.00%	1,415
Pledged Donations	1,890	0.00%	2,460	-	-	-
<i>Fair value through Statement of Financial Performance</i>						
Govt, LB & SOE Stock & Corporate Bonds	23,253	7.41%	29,417	-	-	-
<b>More than 5 years</b>						
<i>Loans and Receivables</i>						
Loans to Subsidiaries	-	-	-	1,758	0.00%	2,920
Other loans	3,820	0.00%	2,948	3,820	0.00%	2,948
Pledged Donations	300	0.00%	580	-	-	-
<i>Fair value through Statement of Financial Performance</i>						
Govt, LB & SOE Stock & Corporate Bonds	17,893	7.54%	16,013	-	-	-
Shares in Listed Companies	72,001	0.00%	71,783	1,303	0.00%	1,044
Shares in Other Companies	278	0.00%	368	-	-	-
<b>Other</b>						
Shares in Subsidiary	-	-	-	7,786	0.00%	7,726
Investment in in-substance subsidiary	-	-	-	25,000	0.00%	-
<b>Total Term Portion</b>	<b>121,189</b>	-	124,984	<b>41,421</b>	-	16,053
<b>Total Loans and Receivables</b>	<b>217,693</b>	-	197,515	<b>96,186</b>	-	85,776



## Investments

Investments held by the Group include State Owned Enterprises (SOE) stock, local authority (LB) stock, bank bonds, commercial bonds and listed equities. The fair values of these investments are based on quoted market prices at balance date.

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
<b>Note 6 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS</b>						
Trade Receivables	<b>12,458</b>	14,839	12,904	<b>12,011</b>	14,473	12,285
Other Receivables	<b>8,882</b>	8,246	7,572	<b>7,623</b>	6,730	6,720
Prepayments	<b>4,294</b>	4,748	3,790	<b>4,283</b>	4,744	3,784
<b>Total Trade &amp; Other Receivables and Prepayments</b>	<b>25,634</b>	27,833	24,266	<b>23,917</b>	25,947	22,789

	Consolidated		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
<b>TRADE RECEIVABLES</b>				
Current	<b>9,758</b>	8,895	<b>9,441</b>	8,604
2 to 3 months	<b>1,105</b>	1,183	<b>994</b>	1,056
> 3 months	<b>1,595</b>	2,826	<b>1,576</b>	2,625
<b>Carrying Amount</b>	<b>12,458</b>	12,904	<b>12,011</b>	12,285

Any impairment or write-off of trade receivables is based on an analysis of past collection history, and a review of specific debtors balances greater than 3 months.

Note 7 **INVESTMENTS IN ASSOCIATES**

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
<b>University of Otago Holdings Limited</b>						
Unipol Recreation Limited	1,793	1,765	1,596	-	-	-
Unihealth Limited	-	3	3	-	-	-
University Union Limited	2,431	2,404	2,321	-	-	-
LCO New Zealand Limited	816	818	825	-	-	-
NZ Centre for Reproductive Medicine Ltd	60	97	87	-	-	-
BPAC NZ Limited	-	-	-	-	-	-
Upstart Incubation Trustee Company Ltd	-	-	-	-	-	-
	5,100	5,087	4,832	-	-	-
<b>Otago Innovation Limited</b>						
Photonic Innovations Limited	30	-	38	-	-	-
Menixis Limited	-	-	-	-	-	-
	30	-	38	-	-	-
<b>Total Investments in Associates</b>	<b>5,130</b>	<b>5,087</b>	<b>4,870</b>	<b>-</b>	<b>-</b>	<b>-</b>

**University of Otago Holdings Limited's Associates:**

**Name of entity: Unipol Recreation Limited**

Principal activity: Owner of Sports Centre fixed assets

Ownership: 40% (31 December 2010 - 40%)

Balance date: 31 December

Investment at Deemed Cost	905	905	905	-	-	-
Share of Increase (Decrease) in the net assets of the Associate (previous years)	691	633	389	-	-	-
Share of Increase (Decrease) in the net assets of the Associate (current year)	197	227	301	-	-	-
Adjustment	-	-	1	-	-	-
<b>Total Investment</b>	<b>1,793</b>	<b>1,765</b>	<b>1,596</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Consolidated			University		
	This Year	Budget	Last Year	This Year	Budget	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000

**Name of entity: Unihealth Limited**

Principal activity: Not operating

Ownership: 50% (31 December 2010 - 50%)

Balance date: 31 December

Investment at Deemed Cost	3	3	3	-	-	-
Share of Increase (Decrease) in the net assets of the Associate (previous years)	-	-	-	-	-	-
Share of Increase (Decrease) in the net assets of the Associate (current year)	(3)	-	-	-	-	-

<b>Total Investment</b>	-	3	3	-	-	-
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**Name of entity: University Union Limited**

Principal activity: Owner of University Union Building, University of Otago

Ownership: 50% (31 December 2010 - 50%)

Balance date: 31 December

Investment at Deemed Cost	1,992	1,992	1,992	-	-	-
Share of Increase (Decrease) in the net assets of the Associate (previous years)	329	322	220	-	-	-
Share of Increase (Decrease) in the net assets of the Associate (current year)	110	90	108	-	-	-
Adjustment	-	-	1	-	-	-

<b>Total Investment</b>	2,431	2,404	2,321	-	-	-
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**Name of entity: LCO New Zealand Limited**

Principal activity: Owner and operator of library system

Ownership: 31% (31 December 2010 - 31%)

Balance date: 31 December

Investment at Deemed Cost	792	792	792	-	-	-
Share of Increase (Decrease) in the net assets of the Associate (previous years)	33	10	(10)	-	-	-
Share of Increase (Decrease) in the net assets of the Associate (current year)	(9)	16	43	-	-	-

<b>Total Investment</b>	816	818	825	-	-	-
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**Name of entity: New Zealand Centre for Reproductive Medicine Limited**

Principal activity: Not operating, formerly involved in the Provision of Human Fertility Services

Ownership: 50% (31 December 2010 - 50%)

Balance date: 30 June

Investment at Deemed Cost	310	310	310	-	-	-
Share of Increase (Decrease) in the net assets of the Associate (previous years)	(223)	(213)	(213)	-	-	-
Share of Increase (Decrease) in the net assets of the Associate (current year)	(27)	-	(10)	-	-	-
	-	-	-	-	-	-

<b>Total Investment</b>	60	97	87	-	-	-
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	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000

**Name of entity: BPAC NZ Limited**

Principal activity: Provision of best practice advocacy to primary, secondary and tertiary health providers in the field of medication prescribing

Ownership: 20% (31 December 2010 - 20%)

Balance date: 30 June

Value: UOHL doesn't account for a share of BPAC's income or net assets, as it has been established there is no prospect of distribution to shareholders.

**Name of entity: Upstart Incubation Trustee Company Limited**

Principal activity: This company is not operational, and has no assets or liabilities

Ownership: 33.33% (31 December 2010 - 33.33%)

**Otago Innovation Limited's Associates:**

**Name of entity: Photonic Innovations Limited**

Principal activity: Development of infra-red laser technology

Ownership: 50% (31 December 2010 – 50%)

Balance date: 31 December

Unlisted ordinary shares	59	9	59	-	-	-
Share of Increase (Decrease) in the net assets of the Associate (previous years)	(21)	-	-	-	-	-
Share of Increase (Decrease) in the net assets of the Associate (current year)	(8)	(9)	(20)	-	-	-
Adjustment	-	-	(1)	-	-	-

<b>Total Investment</b>	<b>30</b>	<b>-</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>-</b>
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**Name of entity: Menixis Limited**

Principal activity: Developing particle analysis technology

Ownership: 26.7% (31 December 2010 - 0%)

Balance date: 31 December

Unlisted ordinary shares	-	-	-	-	-	-
Share of Increase (Decrease) in the net assets of the Associate (previous years)	-	-	-	-	-	-
Share of Increase (Decrease) in the net assets of the Associate (current year)	-	-	-	-	-	-
Total Investment	-	-	-	-	-	-

<b>Total Investments in Associates</b>	<b>5,130</b>	<b>5,087</b>	<b>4,870</b>	<b>-</b>	<b>-</b>	<b>-</b>
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Note 8  
**PROPERTY, PLANT AND EQUIPMENT  
PARENT**

**Cost**

*Balance at 1 January 2010*

	Land \$000	Buildings \$000	Computers \$000	Furniture \$000	Artworks \$000	Library Books \$000	Hocken Collections \$000	Rare Books \$000	Equipment \$000	Total \$000
Items at cost	39,050	181,747	67,040	19,992	9,796	94,741	2,697	9,363	174,569	598,995
Items at valuation	147,753	684,867	-	-	-	-	-	-	-	832,620
	186,803	866,614	67,040	19,992	9,796	94,741	2,697	9,363	174,569	1,431,615
Revaluations/(impairment)	15,849	(60,540)	-	-	-	-	-	-	-	(44,691)
Additions	2,089	40,260	9,214	1,595	70	4,580	200	51	13,094	71,153
Disposals	(220)	(954)	(1,477)	-	-	-	-	-	(596)	(3,247)
Transfers between categories	-	(4,437)	101	1,095	47	-	-	-	3,194	-
Transfers intangible assets	-	(507)	-	-	-	-	-	-	-	(507)
Other adjustments	-	(390)	(2)	-	-	-	-	-	(11)	(403)
<b>Balance at 31 December 2010</b>	<b>204,521</b>	<b>840,046</b>	<b>74,876</b>	<b>22,682</b>	<b>9,913</b>	<b>99,321</b>	<b>2,897</b>	<b>9,414</b>	<b>190,250</b>	<b>1,453,920</b>

*Balance at 1 January 2011*

Items at cost	5,602	11,758	74,876	22,682	9,913	99,321	2,897	9,414	190,250	426,713
Items at valuation	198,919	828,288	-	-	-	-	-	-	-	1,027,207
	204,521	840,046	74,876	22,682	9,913	99,321	2,897	9,414	190,250	1,453,920
Revaluations/(impairment)	(1,077)	(6,768)	-	-	-	-	-	-	-	(7,845)
Additions	-	42,575	3,694	1,228	162	4,064	192	72	14,336	66,323
Disposals	(33)	(115)	(7,665)	(291)	-	-	-	-	(10,591)	(18,695)
Transfers between categories	-	-	20	-	-	-	-	-	(20)	-
Transfers intangible assets	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	(6)	(3)	-	(1)	1	-	-	(4)	(13)
<b>Balance at 31 December 2011</b>	<b>203,411</b>	<b>875,732</b>	<b>70,922</b>	<b>23,619</b>	<b>10,074</b>	<b>103,386</b>	<b>3,089</b>	<b>9,486</b>	<b>193,971</b>	<b>1,493,690</b>

# PROPERTY, PLANT AND EQUIPMENT PARENT (continued)

## Accumulated Depreciation and Impairment Losses

	Land	Buildings	Computers	Furniture	Artworks	Library Books	Hocken Collections	Rare Books	Equipment	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<i>Balance at 1 January 2010</i>	-	63,921	55,105	11,458	-	75,135	-	-	116,087	321,706
Revaluations/(impairment)	-	(86,111)	-	-	-	-	-	-	-	(86,111)
Depreciation	-	22,881	6,080	1,623	-	4,502	-	-	12,464	47,550
Disposals	-	(692)	(1,426)	-	-	-	-	-	(407)	(2,525)
Transfers between categories	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	1	1	1	-	-	-	-	(2)	1

## Balance at 31 December 2010

	-	-	59,760	13,082	-	79,637	-	-	128,142	280,621
<i>Balance at 1 January 2011</i>	-	-	59,760	13,082	-	79,637	-	-	128,142	280,621
Revaluations/(impairment)	-	-	-	-	-	-	-	-	-	-
Depreciation	-	25,915	6,139	1,658	-	4,882	-	-	12,863	51,457
Disposals	-	(5)	(7,626)	(283)	-	-	-	-	(10,329)	(18,243)
Transfers between categories	-	-	(286)	-	-	-	-	-	286	-
Other adjustments	-	-	(1)	-	-	-	-	-	1	-

## Balance at 31 December 2011

	-	25,910	57,986	14,457	-	84,519	-	-	130,963	313,835
<i>Carrying Amounts</i>										
At 1 January 2010	186,803	802,693	11,935	8,534	9,796	19,606	2,697	9,363	58,482	1,109,909
At 31 December 2010 & 1 January 2011	204,521	840,046	15,116	9,600	9,913	19,684	2,897	9,414	62,108	1,173,299
At 31 December 2011	203,411	849,822	12,936	9,162	10,074	18,867	3,089	9,486	63,008	1,179,855

**PROPERTY, PLANT AND EQUIPMENT  
CONSOLIDATED**

**Cost**

*Balance at 1 January 2010*

Items at cost	41,221	186,500	67,903	20,419	9,796	94,924	110,497	9,363	175,185	715,808
Items at valuation	147,753	684,867	-	-	-	-	-	-	-	832,620
	188,974	871,367	67,903	20,419	9,796	94,924	110,497	9,363	175,185	1,548,428
Revaluations/(impairment)	15,849	(60,540)	-	-	-	-	-	-	-	(44,691)
Additions	2,219	40,541	9,257	1,597	70	4,580	1,414	51	13,106	72,835
Disposals	(220)	(954)	(1,483)	(4)	-	-	-	-	(596)	(3,257)
Transfers between categories	-	(4,437)	101	1,095	47	-	-	-	3,194	-
Transfers intangible assets	-	(507)	-	-	-	-	-	-	-	(507)
Other adjustments	-	(390)	(2)	-	-	-	-	-	(11)	(403)
<b>Balance at 31 December 2010</b>	<b>206,822</b>	<b>845,080</b>	<b>75,776</b>	<b>23,107</b>	<b>9,913</b>	<b>99,504</b>	<b>111,911</b>	<b>9,414</b>	<b>190,878</b>	<b>1,572,405</b>

*Balance at 1 January 2011*

Items at cost	7,903	16,792	75,776	23,107	9,913	99,504	111,911	9,414	190,878	545,198
Items at valuation	198,919	828,288	-	-	-	-	-	-	-	1,027,207
	206,822	845,080	75,776	23,107	9,913	99,504	111,911	9,414	190,878	1,572,405
Revaluations/(impairment)	(1,077)	(6,768)	-	-	-	-	-	-	-	(7,845)
Additions	143	42,884	3,717	1,252	162	4,064	915	72	14,446	67,655
Disposals	(33)	(115)	(8,296)	(558)	-	(183)	-	-	(10,764)	(19,949)
Transfers between categories	-	-	20	-	-	-	-	-	(20)	-
Transfers intangible assets	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	(6)	(3)	-	(1)	1	-	-	(4)	(13)
<b>Balance at 31 December 2011</b>	<b>205,855</b>	<b>881,075</b>	<b>71,214</b>	<b>23,801</b>	<b>10,074</b>	<b>103,386</b>	<b>112,826</b>	<b>9,486</b>	<b>194,536</b>	<b>1,612,253</b>



# PROPERTY, PLANT AND EQUIPMENT CONSOLIDATED (continued)

## Accumulated Depreciation & Impairment Losses

	Land	Buildings	Computers	Furniture	Artworks	Library Books	Hocken Collections	Rare Books	Equipment	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<i>Balance at 1 January 2010</i>	-	63,986	55,841	11,773	-	75,318	-	-	116,452	323,370
Revaluations/(impairment)	-	(86,111)	-	-	-	-	-	-	-	(86,111)
Depreciation	-	22,883	6,156	1,636	-	4,502	-	-	12,479	47,656
Disposals	-	(692)	(1,432)	(4)	-	-	-	-	(407)	(2,535)
Transfers between categories	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	1	1	1	-	-	-	-	(2)	1

## Balance at 31 December 2010

	-	67	60,566	13,406	-	79,820	-	-	128,522	282,381
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## Balance at 1 January 2011

	-	67	60,566	13,406	-	79,820	-	-	128,522	282,381
Revaluations/(impairment)	-	-	-	-	-	-	-	-	-	-
Depreciation	-	25,917	6,197	1,669	-	4,882	-	-	12,895	51,560
Disposals	-	(5)	(8,257)	(550)	-	(183)	-	-	(10,502)	(19,497)
Transfers between categories	-	-	(294)	-	-	-	-	-	294	-
Other adjustments	-	-	(1)	-	-	-	-	-	1	-

## Balance at 31 December 2011

	-	25,979	58,211	14,525	-	84,519	-	-	131,210	314,444
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## Carrying Amounts

At 1 January 2010	188,974	807,381	12,062	8,646	9,796	19,606	110,497	9,363	58,733	1,225,058
At 31 December 2010 & 1 January 2011	206,822	845,013	15,210	9,701	9,913	19,684	111,911	9,414	62,356	1,290,024
At 31 December 2011	205,855	855,096	13,003	9,276	10,074	18,867	112,826	9,486	63,326	1,297,809

Buildings at Cost includes Work in Progress \$46,729 million (2010: \$34,122 million).

Note 9 **INTANGIBLE ASSETS - PARENT**

	Externally Generated \$000	Internally Generated \$000	Total \$000
<b>COST</b>			
<i>Balance at 1 January 2010</i>	17,589	3,515	21,104
Additions	1,623	-	1,623
Disposals	(26)	-	(26)
Transfers Property Plant & Equipment	507	-	507
Other adjustments	(229)	-	(229)

<b>Balance at 31 December 2010</b>	<b>19,464</b>	<b>3,515</b>	<b>22,979</b>
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<i>Balance at 1 January 2011</i>	19,464	3,515	22,979
Additions	5,278	190	5,468
Disposals	(65)	-	(65)
Transfers Property Plant & Equipment	-	-	-
Other adjustments	-	-	-

<b>Balance at 31 December 2011</b>	<b>24,677</b>	<b>3,705</b>	<b>28,382</b>
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**Accumulated Amortisation & Impairment Losses**

<i>Balance at 1 January 2010</i>	8,410	1,307	9,717
Amortisation	1,432	338	1,770
Disposals	(26)	-	(26)
Other adjustments	(1)	-	(1)

<b>Balance at 31 December 2010</b>	<b>9,815</b>	<b>1,645</b>	<b>11,460</b>
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<i>Balance at 1 January 2011</i>	9,815	1,645	11,460
Amortisation	1,879	338	2,217
Disposals	(65)	-	(65)
Other adjustments	-	-	-

<b>Balance at 31 December 2011</b>	<b>11,629</b>	<b>1,983</b>	<b>13,612</b>
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**Carrying Amounts**

At 1 January 2010	9,179	2,208	11,387
At 31 December 2010 & 1 January 2011	9,649	1,870	11,519
At 31 December 2011	13,048	1,722	14,770

**INTANGIBLE ASSETS - CONSOLIDATED**

	<b>Externally Generated</b>	<b>Internally Generated</b>	<b>Total</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>COST</b>			
<i>Balance at 1 January 2010</i>	17,771	3,515	21,286
Additions	1,669	-	1,669
Disposals	(52)	-	(52)
Transfers Property Plant & Equipment	507	-	507
Other adjustments	(229)	-	(229)
<b>Balance at 31 December 2010</b>	<b>19,666</b>	<b>3,515</b>	<b>23,181</b>
<i>Balance at 1 January 2011</i>	19,666	3,515	23,181
Additions	5,316	190	5,506
Disposals	(159)	-	(159)
Transfers Property Plant & Equipment	-	-	-
Other adjustments	-	-	-
<b>Balance at 31 December 2011</b>	<b>24,823</b>	<b>3,705</b>	<b>28,528</b>
<b>Accumulated Amortisation &amp; Impairment Losses</b>			
<i>Balance at 1 January 2010</i>	8,548	1,307	9,855
Amortisation	1,446	338	1,784
Disposals	(52)	-	(52)
Other adjustments	(1)	-	(1)
<b>Balance at 31 December 2010</b>	<b>9,941</b>	<b>1,645</b>	<b>11,586</b>
<i>Balance at 1 January 2011</i>	9,941	1,645	11,586
Amortisation	1,894	338	2,232
Disposals	(159)	-	(159)
Other adjustments	-	-	-
<b>Balance at 31 December 2011</b>	<b>11,676</b>	<b>1,983</b>	<b>13,659</b>
<b>Carrying Amounts</b>			
At 1 January 2010	9,223	2,208	11,431
At 31 December 2010 & 1 January 2011	9,725	1,870	11,595
At 31 December 2011	13,147	1,722	14,869

Note 10 **TRADE & OTHER PAYABLES AND ACCRUALS**

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Trade Payables	8,743	13,998	16,820	8,602	13,658	16,657
Other Payables	21,110	18,006	17,163	21,601	17,708	16,615
Accruals	14,140	10,179	12,223	13,365	9,906	11,382
<b>Total Trade &amp; Other Payables and Accruals</b>	<b>43,993</b>	<b>42,183</b>	<b>46,206</b>	<b>43,568</b>	<b>41,272</b>	<b>44,654</b>

**TRADE PAYABLES**

	Consolidated		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Current	5,434	11,872	5,293	11,709
2 to 3 months	2,942	4,515	2,942	4,515
> 3 months	367	433	367	433
<b>Carrying Amount</b>	<b>8,743</b>	<b>16,820</b>	<b>8,602</b>	<b>16,657</b>

Note 11 **FUNDS RECEIVED IN ADVANCE**

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Research Funding	26,442	31,664	27,491	26,442	31,664	27,491
Student Fees	7,853	7,892	7,968	5,821	5,779	5,929
Other	19,970	11,743	10,328	3,051	3,713	2,201
<b>Total Funds Received in Advance</b>	<b>54,265</b>	<b>51,299</b>	<b>45,787</b>	<b>35,314</b>	<b>41,156</b>	<b>35,621</b>

Note 12 **EMPLOYEE ENTITLEMENTS**

Current Portion of Employee Entitlements:

	This Year \$000	Consolidated Budget \$000	Last Year \$000	This Year \$000	University Budget \$000	Last Year \$000
Annual Leave	28,219	26,959	26,535	28,101	26,760	26,397
Long-Service Leave	961	809	543	961	809	543
Retirement Gratuities	12,474	8,607	8,860	12,474	8,607	8,860
Staff Intellectual Property Entitlements	228	1,146	720	228	1,146	720

<b>Total Current Portion</b>	<b>41,882</b>	<b>37,521</b>	<b>36,658</b>	<b>41,764</b>	<b>37,322</b>	<b>36,520</b>
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Non-Current Portion of the Employee Entitlements:

Long-Service Leave	1,258	963	907	1,258	963	907
Retirement Gratuities	26,254	32,705	32,252	26,254	32,705	32,252
Sick Leave	1,442	1,233	1,346	1,442	1,233	1,346

<b>Total Non Current Portion</b>	<b>28,954</b>	<b>34,901</b>	<b>34,505</b>	<b>28,954</b>	<b>34,901</b>	<b>34,505</b>
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<b>Total Employee Entitlements</b>	<b>70,836</b>	<b>72,422</b>	<b>71,163</b>	<b>70,718</b>	<b>72,223</b>	<b>71,025</b>
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**Calculation of Sick Leave, Long-Service Leave and Retirement Gratuities**

An actuarial assessment of the accrued sick leave, long-service leave and retirement gratuities of the University of Otago in respect of current employees was carried out as at 31 December 2011. A range of discount rates from 2.76% to 6.00% (2010: 3.59% to 6.10%) and a salary growth rate of 3.00% (2010: 2.75%) have been applied in the calculation of the non-current sick leave, long-service leave and retirement gratuity entitlements. Discount rates are those assessed as the interest rates (before tax) attaching to Government Stock with terms to maturity that match, as closely as possible, the terms of the related liabilities. The salary growth rate is based on the projected long-term annual rate of inflation. The assumed retirement age of academic staff is 69 (2010: 65).

Sick leave for University of Otago Holdings Limited Group has not been accrued as it is immaterial.

	This Year \$000	Consolidated Last Year \$000	This Year \$000	University Last Year \$000
Employer Contributions to Multi-Employer Defined Benefit Plans	4,052	3,666	4,052	3,666

Note 13 **LOANS AND LEASES**

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Non-Current Loans & Leases	631	690	646	-	-	-
<b>Total Loans and Leases</b>	<b>631</b>	<b>690</b>	<b>646</b>	<b>-</b>	<b>-</b>	<b>-</b>

Non-Current Loans represent funds held on behalf of two external trusts where the University of Otago is not the sole beneficiary. The funds from these trusts have been invested in the University of Otago Foundation Trust and investment income is allocated to these funds monthly. The carrying amount (fair value) of the above loans has been estimated to be the face value of the loans.

	Consolidated			University		
	This Year \$000	Weighted avg effective interest rate	Last Year \$000	This Year \$000	Weighted avg effective interest rate	Last Year \$000
<b>Non-Current</b>						
Maturity Analysis						
1 to 5 Years	-	-	-	-	-	-
>5 Years	631	0.00%	646	-	0.00%	-
<b>Total Loans</b>	<b>646</b>	<b>-</b>	<b>646</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note 14 **EQUITY**

	Consolidated		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
<b>General Reserve</b>				
As at 1 January	793,479	753,293	558,185	530,436
Surplus for year	27,440	34,475	26,019	22,039
Crown Equity Injection	-	5,000	-	5,000
Revaluation/(impairment) Movement in Asset Disposal	-	710	-	710
Adjustment	-	1	-	-
<b>As at 31 December</b>	<b>820,919</b>	<b>793,479</b>	<b>584,204</b>	<b>558,185</b>
<b>Property Revaluation Reserve</b>				
As at 1 January	598,302	557,592	598,302	557,592
Revaluation/ (impairment) Fixed Assets	(7,845)	41,420	(7,845)	41,420
Revaluation/ (impairment) Movement in Asset Disposal	-	(710)	-	(710)
<b>As at 31 December</b>	<b>590,457</b>	<b>598,302</b>	<b>590,457</b>	<b>598,302</b>
<b>Total Equity</b>	<b>1,411,376</b>	<b>1,391,781</b>	<b>1,174,661</b>	<b>1,156,487</b>

Note 15 **FINANCIAL INSTRUMENTS**

The Group is party to financial instrument arrangements as part of its everyday operations. The main risks arising from the University and Group's financial instruments are foreign exchange risk, credit risk, interest rate risk, price risk and liquidity risk.

To manage and limit the effects of those risks, the University Council has approved policy guidelines and authorised the use of various financial instruments. Compliance is monitored monthly and deviations from the target are reported to the Finance and Budget Committee, the Investment Committee or the Foreign Exchange Risk Management Committee. The financial instruments being utilised at balance date are outlined below.

The principal or contract amounts of derivative financial instruments outstanding at balance date are as follows:

	<b>Consolidated</b>		<b>University</b>	
	This Year \$000 Fair Value	Last Year \$000 Fair Value	This Year \$000 Fair Value	Last Year \$000 Fair Value
Forward foreign exchange contracts	<b>9,400</b>	9,499	<b>9,400</b>	9,499

**Foreign Exchange Risk**

The Group has transactional currency exposures arising from sales and purchases in currencies other than NZ dollars. The University regularly monitors its exposure to overseas currency fluctuations. Wherever possible the University transacts in NZ dollars including the setting of fees for international students. The University purchases library items and scientific equipment from overseas, giving rise to and exposure to currency fluctuations, but in the case of ordering major items of equipment (over \$50,000) policy requires the University to hedge the purchase when the committed payment date is known. Hedge accounting is not applied. The Group has a Foreign Exchange Risk Management Committee which oversees this risk by applying the foreign exchange policy which is approved by Council.

At 31 December 2011, the University held the following amounts of foreign currency within its current and call deposit accounts:

	<b>Consolidated</b>		<b>University</b>	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
<b>Currency</b>				
<b>Expressed in original currency value</b>				
US Dollars	<b>105</b>	1,939	<b>105</b>	1,849
Australian Dollars	<b>139</b>	614	<b>15</b>	38
Euro	<b>235</b>	395	<b>235</b>	395
Great Britain Pounds	<b>90</b>	236	<b>90</b>	236
Swiss Franc	<b>12</b>	3	<b>12</b>	3

In January, the majority of the above funds were used to pay overseas creditors.

**Sensitivity Analysis**

At 31 December 2011, if the NZD had weakened / strengthened by 5% against the US dollar, Australian dollar, Euro, GB pound or Swiss franc, with all other variables held constant, the surplus / deficit for the year would have been \$67,573 / \$79,696 (2010: \$301,223 / \$349,501) higher / lower. This movement is attributable to the foreign exchange gains on translation of foreign denominated bank accounts held in the group.

At 31 December 2011, if the NZD had weakened / strengthened by 5% against the Australian dollar, or US dollar with all other variables held constant, the surplus / deficit for the year would have been \$2,253,303 / \$1,976,379 (2010: \$2,128,695 / \$2,427,909) higher / lower. This movement is attributable to the foreign exchange gains on translation of foreign equities held in the Group.



**Credit Risk**

Credit risk is the risk that a third party will default on its obligation to the Group, causing the Group to incur a loss.

In the normal course of business, credit risk arises from debtors, deposits with banks and derivative financial instruments assets.

Trade receivables constitute a minimal concentration of credit risk due to the large number of customers included in the Group's customer base.

The Group consults with professional investment advisors and has an investment policy which is regularly reviewed. The Group places its investments with institutions that have a high credit rating. It also reduces its exposure to risk by limiting the amount that can be invested in any one institution. The Group believes that this policy reduces the risk of any loss which could arise from its investment activities.

Short term deposits are only placed with the major New Zealand trading banks approved under the investment policy. Not more than one third of all cash deposits can be held with any one approved bank.

**Interest Rate Risk**

The Group has minimal exposure to interest rate risk from loans.

**Sensitivity analysis**

At 31 December 2011, if interest rates on investments had strengthened / weakened by plus or minus 0.5%, the surplus for the year would have been \$564,100 (2010: \$507,800) higher / lower. This movement is attributable to interest earning deposits held.

**Price Risk**

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. The University and Group are exposed to equity security prices on its equity investments. These prices move in line with market movements in listed securities. The University and Group holds listed equity instruments which are publicly traded on the NZX and ASX exchanges

**Sensitivity analysis**

If the NZX50 and the ASX100 index and the global index at 31 December 2011 had fluctuated by plus or minus 5% and equity instruments moved proportionately, the effect would have been to increase/decrease the fair value by \$3,748,603 / \$3,355,931 (2010: \$3,651,591 / \$3,532,626).

**Liquidity Risk**

Liquidity risk is the risk that the Group will encounter difficulty raising liquid funds to meet commitments as they fall due.

**Management of liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Flexibility in funding is maintained by keeping committed credit lines available. The University and the Group have a maximum amount that can be drawn down against its overdraft facility of \$30 million (2010: \$30 million). There are no restrictions on the use of this facility.

The University and the Group manages liquidity risk by continuously monitoring forecast and actual cash flow requirements and matching the maturity profiles of financial assets and liabilities.

**Note 16 RARE BOOKS AND SPECIAL LIBRARY COLLECTIONS**

The University holds a number of gifted collections of books, manuscripts, and artworks within the Central, Medical and Dental Libraries. The collections were valued at 31 December 1994, based on net current value, by expert University staff following the generally accepted methodology employed by the Alexander Turnbull Library. The total valuation of the Rare Books and Special Collections is \$9.486 million (2010: \$9.414 million). Additions at cost in 2011 were \$72k (2010: \$51k) (see Note 8).

Note 17 **HOCKEN COLLECTIONS**

	Consolidated		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Opening Balance	111,911	110,497	2,897	2,697
Donated Hocken Additions	915	1,414	192	200
<b>Total</b>	<b>112,826</b>	<b>111,911</b>	<b>3,089</b>	<b>2,897</b>
being:				
Assets held in Trust	109,737	109,014	-	-
Assets owned by the University	3,089	2,897	3,089	2,897
<b>Total</b>	<b>112,826</b>	<b>111,911</b>	<b>3,089</b>	<b>2,897</b>

The University holds in Trust a national archival collection of books and artworks known as the Hocken Collections. Items included in the collections are acquired by gift, bequest and purchase. Items are also accepted on deposit where ownership is retained by the depositor.

The University has included the valuation of the owned and deposited items in the total above as it believes that the Hocken Library is in-substance the owner of all items in the collection. The total collections include deposited items valued at \$24.612 million (2010: \$24.266 million).

Note 18 **RELATED PARTY INFORMATION****Crown / Government**

The Government influences the role of the University and Group as well as being a major source of revenue. While the University and Group enter into numerous transactions with Government departments and other Crown agencies, they are on an arm's length basis and, where those parties are acting in the course of their normal dealings, are not considered to be related party transactions.

**Inter-Group****University of Otago Holdings Limited (UOHL)**

- During the year term loans to UOHL from the University of Otago decreased by \$1.162 million (2010: decrease of \$0.719 million). The loan movement related to OIL's shareholdings in BLIS Technologies Limited and Pacific Edge Limited being transferred back to the University, the consideration being the non cash debt remission of the associated loan. The purpose of the term loans is to fund UOHL's ownership of various investments. Term loan balances at year end for UOHL were \$1.758 million (2010: \$2.920 million).
- During the year the current loan to UOHL from the University of Otago did not change. This loan has been used to fund a shareholder advance to Unipol Recreation Limited. This loan balance at year end was \$370k (2010: \$370k).
- During the year, the University of Otago provided additional equity funding for UOHL of \$60k (2010: \$900k).
- UOHL paid the University of Otago \$26k for accounting and secretarial services (2010: \$26k).
- UOHL has a current account with the University of Otago. Since 1 January 2008 this account has been interest-bearing, with interest charged to the University at the average rate achieved by the University on its bank call and term deposits. Interest received on this current account amounted to \$10k (2010: \$3k). The balance at year end was \$723k (2010: \$28k).

**University of Otago Foundation Studies Limited (FSL)**

- FSL enters into transactions with the University of Otago, which are made on normal commercial terms and conditions. During the year FSL purchased goods and services from the University to the value of \$1.007 million (2010: \$1.055 million), including building rentals. At year end the amount owing to the University was \$191k (2010: \$389k).
- FSL provided goods and services to the University of Otago to the value of \$761k (2010: \$1.201 million). This included payments of Vote Education funding of \$519k (2010: \$966k) and commissions associated with student recruitment of \$201k (2010: \$216k). At year end the amount owing by the University was \$Nil (2010: \$4k).

#### **Otago Innovation Limited (OIL)**

- a. OIL enters into transactions with the University of Otago, which are made on normal commercial terms and conditions. During the year OIL purchased goods and services from the University to the value of \$1.639 million (2010: \$135k). At year end the amount owing to the University was \$34k (2010 \$14k).
- b. During the year Otago Innovation Limited supplied services to the University to the value of \$511k (2010 \$484k). At year end the amount owing by the University was \$98k (2010 \$46k).
- c. During the year OIL invested surplus funds with the University of Otago. Interest received on these monies was \$11k (2010: \$Nil). The balance at year end was \$Nil (2010: \$Nil).
- d. Immune Solutions Limited enters into transactions with the University of Otago, which are made on normal commercial terms and conditions. During the year Immune Solutions Limited purchased goods and services from the University to the value of \$26k (2010: \$25k). At year end the amount owing to the University was \$2k (2010: \$3k).
- e. During the year, Otago Innovation Limited transferred 6,700,000 shares in BLIS Technologies Limited to the University of Otago (2010 781,433 shares were sold).
- f. During the year, Otago Innovation Limited sold 120,000 shares in Pacific Edge Limited and transferred the remaining balance of 2,797,540 to the University of Otago (2010 591,860 shares were sold).

#### **New Zealand Genomics Limited (NZGL)**

- a. NZGL enters into transactions with the University of Otago, which are made on normal commercial terms and conditions. During the year NZGL purchased goods and services from the University to the value of \$1.696 million (2010: \$118k), including building rental. At year end the amount owing to the University was \$222k (2010: \$58k).
- b. NZGL provided goods and services to the University of Otago to the value of \$44k (2010: \$Nil). At year end the amount owing by the University was \$45k (2010: \$Nil).

#### **Unipol Recreation Limited (URL)**

- a. The University of Otago manages the Unipol recreation facility under terms specified in a Management Agreement between itself and URL. The current agreement is for a period of five years commencing 1 January 2009. As part of the agreement any operating surplus generated by the operation of the Recreation Centre shall be paid to URL at year end. Correspondingly, if at the end of the financial year it is determined that the Recreation Centre has generated an operating deficit, that deficit shall be paid by URL to the University of Otago. The surplus transferred for the year was \$771k (2010: \$820k).
- b. The University of Otago carried out secretarial and accounting services for URL and received a fee of \$7k (2010: \$7k) for this work.
- c. The University of Otago leases space in the Unipol building at an annual rental of \$25k (2010: \$25k). The lease is for three years commencing 1 January 2007. The lease allows for two renewals of three years each.
- d. The University of Otago invests URL's cash reserves in trading bank call and term deposits. Interest paid to URL for the year was \$160k (2010: \$136k). The balance held at year end was \$4.213 million (2010: \$3.452 million).
- e. University of Otago Holdings Limited has made a shareholder's advance to URL. At year end the balance was \$370k (2010: \$370k). This advance is interest-free and repayable on demand.

#### **University Union Limited (UUL)**

- a. During the year the University entered into transactions with UUL, an associate company of University of Otago Holdings Limited. The transactions were made on commercial terms and conditions. The University paid UUL \$299k for rent (2010: \$240k). UUL paid the University of Otago ground rent of \$99k (2010: \$99k).

#### **University of Otago Trusts**

- a. During the year, the University entered into transactions with its Trusts. These were made on commercial terms and conditions. The University received investment management fees of \$535k (2010: \$487k) and received distributions of \$3.526 million (2010: \$127k). The University has a current account with the trusts. The balance at year end was \$625k (2010: \$252k) and a current loan of \$Nil (2010: \$25 million).

#### **Key Management Personnel**

During the year key management personnel which includes the Chancellor, Councillors, Vice-Chancellor and other senior management personnel, as part of a normal customer relationship, may have been involved in minor transactions with the University of Otago on an arm's-length basis.

Close family members of Councillors and key management personnel are employed by the University. The terms and conditions of those arrangements are no more favourable than the University would have agreed had there been no relationships to Councillors or key management personnel.

	Consolidated		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
<i>Key Management Remuneration:</i>				
Salary and Short Term Benefits	3,594	3,541	2,364	2,311
Superannuation	235	184	225	174
University Council fees	87	90	87	90
Directors' Remuneration	126	126	-	-
Trustees Remuneration	4	3	-	-
<b>Total</b>	<b>4,046</b>	<b>3,944</b>	<b>2,676</b>	<b>2,575</b>

## RELATED PARTIES TRANSACTIONS

### Councillors

	Year: 2011				Year: 2010			
	Purchased by University during year	Purchased from University during year	Owed by University at Balance Date	Owed to University at Balance Date	Purchased by University during year	Purchased from University during year	Owed by University at Balance Date	Owed to University at Balance Date
	Value of Transactions (GST Inclusive)				Value of Transactions (GST Inclusive)			
<b>Professor J A Bennett</b> (term completed Dec 2011) University of Otago (Council Member) University of Otago (Employee)								
<b>Judge E O K Blaikie</b> University of Otago (Council Member)								
<b>Mr D C Cull</b> (term commenced Oct 2010) Dunedin City Council (Mayor of Dunedin) Popaway Limited (D) (S) University of Otago (Council Member)	5,158,754	1,195,681	28,945	11,736	746,626	34,501	96,795	17,207
<b>Dr J D Every-Palmer</b> Russell McVeagh (Partner) University of Otago (Council Member) University of Otago Holdings Limited (D)*	-	552	-	-	-	81	-	-
	See intergroup note above				See intergroup note above			
<b>Ms H R Geoghegan</b> (term completed May 2011) Critical Publications Limited (D) Otago University Students Association (President) Planet Media Dunedin Limited (D) Student Job Search (National Councillor) Unipol Recreation Limited (D) University of Otago (Council Member) University Sport NZ (Board Member) University Union Limited (D)	3,016,642	142,312	N/A	N/A	3,166,454	241,883	53,819	10,809
	81,892	14,518	N/A	N/A	89,292	21,399	3,450	2,329
	-	71	-	N/A	-	1,549	-	381
	See intergroup note above				See intergroup note above			
	See intergroup note above				See intergroup note above			

## Councillors

Councillors	Year: 2011				Year: 2010			
	Purchased by University during year	Purchased from University during year	Owed by University at Balance Date	Owed to University at Balance Date	Purchased by University during year	Purchased from University during year	Owed by University at Balance Date	Owed to University at Balance Date
	Value of Transactions (GST Inclusive)				Value of Transactions (GST Inclusive)			
<b>Professor H Hayne</b> (term commenced Aug 2011)								
A.A.W.Jones Charitable Trust (Trustee)								
Alexander McMillan Trust (Trustee)								
Fulbright NZ Trust (Inc) (Trustee)								
Innocence Project (Deputy Director)								
John F Kennedy Memorial Fund (Trustee)								
MSI-Innovation Board Member	-	4,133,569	-	99,936				
Otago Innovation Limited (D)	See intergroup note above				-			
University of Otago Foundation Trust (Trustee)	See intergroup note above				See intergroup note above			
University of Otago (Council Member)								
University of Otago (Vice-Chancellor)								
Upstart Incubation Trust (Trustee)								
Upstart Incubation Trustee Co Limited (D)								
<b>Miss L P Isaacs</b>								
University of Otago (Council Member)								
University of Otago Foundation Trust (Trustee)	See intergroup note above				See intergroup note above			
<b>Dr C J Marshall</b>								
Tertiary Education Union Otago (Committee Member)	-	19,018	-	59	-	12,435	-	5,583
University of Otago (Council Member)								
University of Otago (Employee)								
<b>Mr S J McLauchlan</b>								
AD Instruments PTY Limited (D)	126,379	380	-	-	306,302	174	(3,057)	-
Aurora Energy Limited (D)	200,016	-	3,778	-	28,247	1,874	-	1,874
Cargill Hotel 2002 Limited (C)	68,914	-	169	-	52,642	-	11,628	-
City Forests Limited (D)								
Delta Limited (D)	198,136	-	995	-	126,647	8,813	32,369	-
Dunedin Casinos Management Limited (D) (S)								
Dunedin Casinos Limited (D) (S)								
Dunedin City Holdings (D)								
Dunedin International Airport Limited (D)	6,072	-	-	-	8,670	-	-	-
Dunedin Transport Limited (D)	9,030	-	-	-	16,015	-	2,663	-
GS McLauchlan & Co Limited (D) (S)								
GSM Trustees Limited (D) (S)								
HTS-I 10 Limited (D)								
Institute of Directors Otago & Southland (C)								
Lund South Limited (D)	181,165	-	-	-	302,613	-	-	-
NZ Sports Hall of Fame (Governor)								
Otago Community Hospice Trust (C)	10,921	-	-	-	4,105	-	-	-
Otago Festival of the Arts (Trustee)					12,038	-	-	-
Otago Southland Employers Assn (Trustee)	5,617	5,230	-	-	6,461	10,268	1,144	1,035
Pharmac (C)								
Rosebery Holdings Limited (D) (S)								
Roxdale Foods Limited (D)								
Scenic Circle Hotels Limited (D)	51	-	-	-	6,467	-	-	-

## Councillors

Councillors	Year: 2011				Year: 2010			
	Purchased by University during year	Purchased from University during year	Owed by University at Balance Date	Owed to University at Balance Date	Purchased by University during year	Purchased from University during year	Owed by University at Balance Date	Owed to University at Balance Date
	Value of Transactions (GST Inclusive)				Value of Transactions (GST Inclusive)			
Mr S J McLauchlan continued								
Scott Technology Limited (C)								
Southern DHB (Crown Monitor)	2,437,091	11,042,191	128,671	1,542,806	1,845,884	7,631,837	210,886	1,581,438
University of Otago Foundation Studies Limited (D)*	See intergroup note above				See intergroup note above			
University of Otago (Pro-Chancellor)								
University of Otago Rugby Club (Committee)	-	3,625	-	-	368	16,552	-	-
UDC Finance Limited (C)								
USC Investments Limited (D)								
Wagstaff Holdings Limited (D)								
Wavell Resources Limited ( D )								
ZNH Limited (C)								
Ms D C Matahaere-Atariki								
Arai Te Uru Whare Hauora (Executive Director)	10,580	684	-	153				
Brockville Primary School Dunedin (Trustee)	-	1,502	-	-	-	1,496	-	-
Family and Community Services – Advisory Council (Member)							Ministry of Health -	
NGO Working Group (Member)								
National Taskforce on Violence (Member)								
Otakou Runanga (Member)					1,208	680	1,208	-
Southern Primary Health Organisation (Board Member)								
University of Otago (Council Member)								
Ms MA Morgan								
Arana College (College Council Member)								
University of Otago (Council Member)								
University of Otago (Employee)								
Ms K J Reid (term commenced May 2011, completed Dec 2011)								
University of Otago (Council Member)								
University of Otago (Student)								
Mr J K Rowe								
University of Otago (Council Member)								
University of Otago (Student)								
Mr M J M Sidey								
Forsyth Barr Limited (Vice-Chairman) (S)	1,104	230	-	-	26,563	225	1,472	-
Halberg Trust (Trustee)								
Last Ocean Trust (Trustee)								
Excellence in Sport-South Island (D)	1,104	115,650	-	-	3,288	94,938	1,104	(18)
NZ Winter Games Trust (D)								
Salvation Army Advisory Board (C)								
St Andrew's College Foundation (Trustee)	100	2,935	-	-	2,682	1,965	-	-
University of Otago (Council Member)								
University of Otago Holdings Limited (D)*	See intergroup note above				See intergroup note above			

## Councillors

Councillors	Year: 2011				Year: 2010			
	Purchased by University during year	Purchased from University during year	Owed by University at Balance Date	Owed to University at Balance Date	Purchased by University during year	Purchased from University during year	Owed by University at Balance Date	Owed to University at Balance Date
	Value of Transactions (GST Inclusive)				Value of Transactions (GST Inclusive)			
Professor D C G Skegg (term completed July 2011)								
A.A.W.Jones Charitable Trust (Trustee)								
Alexander Mc Millan Trust (Trustee)								
BSE Expert Science Panel (C)								
Directors Cancer Research Trust (C)								
New Zealand Food Safety Authority (Member)	-	5,565	-	N/A	-	28,644	-	232
University of Otago (Vice-Chancellor)								
University of Otago Foundation Trust (Trustee)	See intergroup note above				See intergroup note above			
University of Otago Holdings Limited (D)*	See intergroup note above				See intergroup note above			

## Associate Professor E Slooten

New Zealand Whale and Dolphin Trust (Trustee)  
University of Otago (Council Member)  
University of Otago (Employee)

## Ms K M Smith

(term completed May 2011)  
Centre of Excellence Inc. (D)  
Highlanders Franchise Board (D)  
International Federation of Netball Associations (D)  
(Vice-President)  
Excellence in Sport-South Island (CEO)  
Skeggs Foundation (Trustee)  
University of Otago (Council Member)

1,104	107,343	-	N/A	3,288	94,938	1,104	(18)
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## Dr R J Somerville

(term commenced July 2010)  
Environmental Legal Assistance Fund Panel  
(Ministry for the Environment) (C)  
Knox College and Salmond College Council Inc. (C)  
OFTB Limited (D)  
Otago Foundation Trust Board (Trustee)  
University of Otago (Council Member)  
University of Otago Foundation Trust (Trustee)

1,106,778	42,298	-	1,344	74,275	6,532	-	3,157
273,260	-	-	-	313,970	140,625	212	-
See intergroup note above							

## Mr R H Tobin

Logan Park High School (Deputy Principal)  
University of Otago (Council Member)

3,544	6,159	-	728	7,676	5,245	-	1,137
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## Mr J F Ward

Amtex Corporation Limited (C) (S)  
H & J Smith Holdings Limited (C)  
Otago Innovation Limited (D)  
RD Petroleum Limited (D)  
Simner Investments Limited (C) (S)  
Southland Building Society (Deputy Chairman)  
University of Otago (Chancellor)  
University of Otago Foundation Trust (C)  
University of Otago Holdings Limited (D)\*  
Wilson Holdings Limited (D)

See intergroup note above	See intergroup note above
See intergroup note above	See intergroup note above
See intergroup note above	See intergroup note above
See intergroup note above	See intergroup note above

C = Chairman; D = Director; S = Shareholder

\* Refer Inter-Group Transactions above (note 18).



## Note 19 PLEDGED DONATIONS

Donations are recognised at face value upon the pledge being made and the contract documents signed. All of the pledges have been made and the University expects that these pledges will be honoured.

Total pledged donations outstanding are \$3.040 million (2010: \$4.210 million). The Net Present Value of these pledges at an interest rate of 4.5% (2010: 5%) is \$2.769 million (2010: \$3.722 million).

	Consolidated		University			
	This Year \$000		Last Year \$000	This Year \$000		Last Year \$000
<i>Analysis of Pledged Donations:</i>						
Less than 1 year	<b>850</b>	850	1,170	-	-	-
More than 1 year but less than 5 years	<b>1,890</b>	1,890	2,460	-	-	-
Greater than 5 years	<b>300</b>	300	580	-	-	-
<b>Total Pledged Donations</b>	<b>3,040</b>	3,040	4,210	-	-	-

## Note 20 CAPITAL MANAGEMENT

The University's capital is its equity, which comprises general funds and revaluation reserves. Equity is represented by net assets.

The University manages its revenues, expenses, assets, liabilities, and general financial dealings prudently. The University's equity is largely managed as a by-product of managing income, expenses, assets and liabilities.

The objective of managing the University's equity is to ensure the University effectively achieves its goals and objectives for which it has been established, whilst remaining a going concern.

## Note 21 STANDARDS OR INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The University of Otago has elected to not apply the following new standards or interpretations that have been issued but are not yet effective.

NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. The new standard is required to be adopted for the year ended 31 December 2013. The entity has not yet assessed the impact of the new standard and expects it will not be early adopted.

There are no other standards or interpretations issued, but not yet effective, that the University of Otago has not yet applied.

## Note 22 EVENTS AFTER THE BALANCE SHEET DATE

There were no other significant events after balance date.

## Independent Auditor's Report

### TO THE READERS OF THE UNIVERSITY OF OTAGO AND GROUP'S FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2011

The Auditor-General is the auditor of University of Otago (the University) and group. The Auditor-General has appointed me, Julian Tan, 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 her behalf.

We have audited:

- the financial statements of the University and group on pages 51 to 90 that comprise the statement of financial position as at 31 December 2011, the statement of comprehensive income, 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 34 to 39.

### Opinion

In our opinion:

- the financial statements of the University and group on pages 51 to 90:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect the University and group's:
    - ~ financial position as at 31 December 2011; and
    - ~ financial performance and cash flows for the year ended on that date;
- the statement of service performance of the University and group on pages 34 to 39 fairly reflects the University and group's service performance achievements measured against the performance targets adopted for the year ended 31 December 2011.

Our audit was completed on 17 April 2012. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

### Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and statement of service performance are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the University and group's preparation of the financial statements and statement of service performance that fairly reflect the matters to which they relate. We consider internal control 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.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the financial statements and statement of service performance; and
- the overall presentation of the financial statements and statement of service performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

### Responsibilities of the Council

The Council is responsible for preparing financial statements that:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the University and group's financial position, financial performance and cash flows.

The Council is also responsible for preparing a statement of service performance that fairly reflects the University's service performance achievements.

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

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

### Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

### Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

In addition to the audit, we carried out an assurance engagement reporting on the Vice-Chancellor's annual declaration on the Performance-Based Research Fund external research income. This assurance engagement is compatible with those independence requirements.

Other than the audit and the assurance engagement, we have no relationship with or interests in the University or any of its subsidiaries.

#### Julian Tan

Audit New Zealand  
On behalf of the Auditor-General  
Dunedin, New Zealand



### MATTERS RELATING TO THE ELECTRONIC PRESENTATION OF THE AUDITED FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE

This audit report relates to the financial statements and statement of service performance of University of Otago (the University) and group for the year ended 31 December 2011 included on the University's website. The University's Council is responsible for the maintenance and integrity of the website. We have not been engaged to report on the integrity of the University's website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and performance information named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance as well as the related audit report dated 17 April 2012 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.



## Summary Facts and Figures

The 2007 summary facts and figures data include the impact of the merger with the Dunedin College of Education. From 2009, figures include international Foundation Studies students for the first time. Caution is therefore advised when analysing changes between years.

### STUDENT ENROLMENTS

	2011	2010	2009	2008	2007
<b>Equivalent Full-time Students (EFTS)</b>					
Commerce	3,220	3,526	3,586	3,471	3,406
Health Sciences	5,761	5,620	5,310	5,150	5,122
Humanities	5,910	5,971	5,646	5,449	5,481
Sciences	4,418	4,490	4,318	4,094	4,085
Other University*	36	55	43	31	64
<b>Subtotal</b>	<b>19,344</b>	<b>19,661</b>	<b>18,903</b>	<b>18,195</b>	<b>18,158</b>
Other Group EFTS**	224	257	269	134	129
<b>Total</b>	<b>19,568</b>	<b>19,918</b>	<b>19,172</b>	<b>18,330</b>	<b>18,287</b>

\* Other University EFTS comprise continuing education EFTS not allocated to departments within the four academic divisions.

\*\* Other Group EFTS comprise EFTS enrolled in the Foundation Studies programme of the University subsidiary Foundation Studies Limited.

\*\*\* Prior to 2009 the Foundation Studies programme figure was for domestic EFTS only. From 2010 international EFTS have also been included.

### EFTS by Funding Type (University only)

Domestic	17,680	18,130	17,477	16,306	16,108
International	1,664	1,531	1,426	1,889	2,050
<b>Total</b>	<b>19,344</b>	<b>19,661</b>	<b>18,903</b>	<b>18,195</b>	<b>18,158</b>

### Enrolment By Qualification Type

PhD	1,259	1,258	1,206	1,104	1,048
Professional Doctorates	68	67	64	48	29
Masters – by Thesis	969	979	921	874	838
Masters – by Coursework	251	207	196	209	223
Postgraduate Diplomas	1,068	1,134	1,095	1,101	1,104
Postgraduate Certificates	473	526	525	535	383
Graduate Diplomas	475	487	405	385	577
Bachelor Honours	873	854	843	797	829
Bachelors	15,593	15,780	15,359	14,947	14,812
Undergraduate Diplomas	91	121	121	146	251
Undergraduate Certificates	25	31	48	28	63
Certificate of Proficiency	1,326	1,450	1,419	1,402	1,339
Interest Only	0	223	150	138	153
Foundation Studies	254	273	282	120	132
Other	17	20	25	17	16
<b>Total Students</b>	<b>21,728</b>	<b>22,139</b>	<b>21,507</b>	<b>20,752</b>	<b>20,665</b>

	2011	2010	2009	2008	2007
<b>Full-time and Part-time Students</b>					
Full-time	15,595	16,077	15,394	14,574	14,481
Part-time	6,133	6,062	6,113	6,178	6,184
<b>Total</b>	<b>21,728</b>	<b>22,139</b>	<b>21,507</b>	<b>20,752</b>	<b>20,665</b>

<b>Female and Male Students</b>					
Female	12,282	12,623	12,197	11,810	11,886
Male	9,446	9,516	9,310	8,942	8,779
<b>Total</b>	<b>21,728</b>	<b>22,139</b>	<b>21,507</b>	<b>20,752</b>	<b>20,665</b>

<b>First Year and Returning Students</b>					
First Year	3,832	4,458	4,453	4,167	4,371
Returning	17,896	17,681	17,054	16,585	16,294
<b>Total</b>	<b>21,728</b>	<b>22,139</b>	<b>21,507</b>	<b>20,752</b>	<b>20,665</b>

#### Ethnicity of Students

European/Pakeha	75.0%	75.6%	75.7%	76.8%	73.6%
Māori	7.6%	7.6%	7.5%	7.3%	7.4%
Asian	17.9%	17.2%	16.9%	16.0%	16.8%
Pacific Islanders	3.1%	3.1%	3.0%	2.8%	2.8%
Middle Eastern/Latin American/African	3.0%	3.1%	2.8%	2.2%	n/a
Other/Unknown	2.9%	2.5%	2.5%	2.2%	7.0%

Students who reported more than one ethnic group are counted once in each group reported. This means that the total number of responses for all ethnic groups can be greater than the total number of students who stated their ethnicities. Therefore, totals may be greater than 100%.

#### Home Area of Students

Dunedin	5,266	5,486	5,380	5,214	5,218
Otago/Southland	2,240	2,216	2,162	2,123	2,195
Remainder of South Island	3,380	3,567	3,380	3,322	3,295
North Island	7,865	7,891	7,667	7,480	7,293
Overseas (including NZ citizens overseas)	2,823	2,791	2,674	2,446	2,658
Unknown	154	188	244	167	6

<b>Total</b>	<b>21,728</b>	<b>22,139</b>	<b>21,507</b>	<b>20,752</b>	<b>20,665</b>
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Note: The majority of NZ Citizens Overseas included (93 in 2011) listed their home area as Australia. Conversely, 247 of the 341 Australian Citizens who enrolled in 2011 were normally resident in New Zealand prior to commencing University study, and so listed a New Zealand home area.



	2011	2010	2009	2008	2007
<b>International Students</b>					
Undergraduate	2,036	1,873	1,829	1,764	2,019
Postgraduate	762	776	643	588	527

<b>Total</b>	<b>2,798</b>	<b>2,649</b>	<b>2,472</b>	<b>2,352</b>	<b>2,546</b>
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#### International Students by Home Country

USA	652	578	524	487	549
Malaysia	483	473	326	303	279
China	267	232	237	301	436
Canada	113	99	112	94	79
Germany	101	127	138	161	161
India	97	74	69	53	42
England	84	69	44	46	48
Saudi Arabia	82	90	63	62	60
Brunei	64	63	60	59	46
Korea (South)	64	70	86	96	89
Hong Kong	61	58	57	50	65
France	47	45	49	47	46
Japan	45	60	82	84	97
Thailand	36	37	36	35	39
Singapore	31	33	35	39	54
Iran	28	20	12	9	9
Vietnam	26	25	22	21	23
Oman	25	28	25	19	17
Taiwan	21	22	26	26	30
Spain	20	15	10	9	10
Fiji	20	19	24	28	28
Samoa	20	15	17	18	23
Netherlands	19	19	18	17	9
Pakistan	17	11	6	5	2
Other	375	367	394	283	305

<b>Total</b>	<b>2,798</b>	<b>2,649</b>	<b>2,472</b>	<b>2,352</b>	<b>2,546</b>
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Note: Australian, Tokelauan and Cook Islands' students – whether resident in their home country or New Zealand prior to commencing study – are not counted as international students, and so are not included in the above figures.

#### Students' Accommodation Status

Own Home (including renting)	3,281	3,302	3,128	3,185	3,231
At Parents' Home	1,432	1,459	1,385	1,422	1,409
Residential College	3,275	3,265	3,240	3,201	3,012
Private Board	349	307	326	283	330
Sharing (flatting)	12,369	12,120	11,741	11,430	11,456
Other	554	576	546	553	558
Unknown	468	1,110	1,141	678	669

<b>Total</b>	<b>21,728</b>	<b>22,139</b>	<b>21,507</b>	<b>20,752</b>	<b>20,665</b>
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#### Home Area of First Year Students

Dunedin	668	901	891	873	920
Otago/Southland	530	577	549	556	695
Remainder of South Island	675	808	758	768	803
North Island	1,665	1,772	1,780	1,726	1,672
Overseas (including NZ citizens overseas)	273	355	424	227	281
Unknown	21	45	51	17	0

<b>Total</b>	<b>3,832</b>	<b>4,458</b>	<b>4,453</b>	<b>4,167</b>	<b>4,371</b>
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Note: The majority of first year NZ Citizens Overseas (20 in 2011) listed their home area as Australia. Conversely, 40 of the 54 first year Australian Citizens who enrolled in 2011 were normally resident in New Zealand prior to commencing University study, and so listed a New Zealand home area.



## ACADEMIC ATTAINMENT

	2011	2010	2009	2008	2007
<b>Number of Graduates</b>					
Undergraduate Diplomas and Certificates	364	397	312	328	325
Undergraduate Degrees	3,544	3,369	3,411	3,383	3,593
Postgraduate Diplomas and Certificates	911	977	851	806	787
Postgraduate Degrees	561	515	480	436	425
<b>Total University</b>	<b>5,380</b>	<b>5,258</b>	<b>5,054</b>	<b>4,953</b>	<b>5,130</b>
Commerce Graduates	807	794	724	814	854
Health Sciences Graduates	1,485	1,581	1,379	1,325	1,283
Humanities Graduates	1,541	1,462	1,518	1,457	1,512
Sciences Graduates	1,387	1,262	1,292	1,204	1,347
Interdivisional Graduates	160	159	141	153	134
<b>Total University</b>	<b>5,380</b>	<b>5,258</b>	<b>5,054</b>	<b>4,953</b>	<b>5,130</b>
<b>Degrees, Diploma and Certificates Completed per 100 EFTS Enrolled</b>					
Commerce	25.1	22.5	20.2	23.5	25.1
Health Sciences	25.8	28.1	26.0	25.7	25.0
Humanities	26.1	24.5	26.9	26.7	27.6
Sciences	31.4	28.1	29.9	29.4	33.0
<b>Total</b>	<b>27.8</b>	<b>26.7</b>	<b>26.7</b>	<b>27.2</b>	<b>27.6</b>
<b>Examination Pass Rates</b>					
Commerce	86.5%	85.7%	85.0%	85.4%	85.9%
Health Sciences	90.8%	90.7%	90.6%	91.3%	90.6%
Humanities	91.0%	89.7%	88.9%	88.9%	89.0%
Sciences	85.8%	87.6%	86.8%	86.3%	86.4%
Other (Foundation Studies)	79.0%	77.5%	77.3%	70.4%	69.4%
<b>Total Pass Rate</b>	<b>89.3%</b>	<b>88.4%</b>	<b>87.7%</b>	<b>88.1%</b>	<b>88.1%</b>

**STAFF PROFILE**

	2011	2010	2009	2008	2007
<b>Full-time Equivalent (FTE) Teaching and Research Staff</b>					
<b>Female</b>					
Vice-Chancellor/Senior Academic Managers	2	3	3	2	1
Professors	26	23	21	19	21
Readers/Associate Professors	49	44	31	24	17
Senior Lecturers	172	175	169	168	157
Lecturers	91	102	118	130	114
Other Teaching and Teaching/Research Staff	152	140	134	142	148
Research-only Staff	266	264	240	228	206
<b>Total Females</b>	<b>757</b>	<b>751</b>	<b>716</b>	<b>713</b>	<b>664</b>
<b>Male</b>					
Vice-Chancellor/Senior Academic Managers	6	5	5	6	7
Professors	161	152	149	137	131
Readers/Associate Professors	108	112	102	99	95
Senior Lecturers	198	201	213	221	222
Lecturers	89	97	109	121	122
Other Teaching and Teaching/Research Staff	108	113	121	112	110
Research-only Staff	189	169	172	179	164
<b>Total Males</b>	<b>858</b>	<b>848</b>	<b>871</b>	<b>874</b>	<b>851</b>
<b>Total Academic and Research-only Staff</b>	<b>1,616</b>	<b>1,599</b>	<b>1,587</b>	<b>1,588</b>	<b>1,515</b>
<b>Full-time Equivalent (FTE) General Staff</b>					
<b>Female</b>					
Senior Managers	9	8	10	12	3
General Services, Student and Community Staff	991	1,003	987	986	922
Librarians and Library Assistants	94	99	94	95	105
Research Support Staff and Technicians	290	301	283	322	301
<b>Total Females</b>	<b>1,385</b>	<b>1,411</b>	<b>1,373</b>	<b>1,414</b>	<b>1,331</b>
<b>Male</b>					
Senior Managers	23	24	23	19	13
General Services, Student and Community Staff	519	515	504	500	473
Librarians and Library Assistants	15	15	17	21	24
Research Support Staff and Technicians	191	187	179	195	187
<b>Total Males</b>	<b>748</b>	<b>741</b>	<b>723</b>	<b>736</b>	<b>697</b>
<b>Total General Staff</b>	<b>2,133</b>	<b>2,152</b>	<b>2,096</b>	<b>2,150</b>	<b>2,028</b>
<b>Total Staff</b>	<b>3,749</b>	<b>3,751</b>	<b>3,683</b>	<b>3,737</b>	<b>3,543</b>

Note: Changes to the way in which various types of general staff are categorised for reporting purposes account for some of the apparent variations in FTE staff numbers within the different categories.

Significant changes have been made to the way in which the actual hours worked by part-time staff are calculated in human resources statistical reports.

These changes, which took effect in 2009, have the overall effect of reducing reported FTE staff numbers, and are such that valid comparisons cannot be made between 2009 FTE staffing data and that for previous years.

	2011	2010	2009	2008	2007
<b>Student-Academic Staff Ratios</b>					
Commerce	28.7	28.4	27.1	26.1	24.7
Health Sciences	12.3	12.0	11.5	11.7	10.1
Humanities	19.0	18.6	17.0	16.6	16.5
Sciences	16.6	17.7	16.5	15.4	15.3
<b>Overall</b>	<b>16.7</b>	<b>16.8</b>	<b>15.9</b>	<b>15.5</b>	<b>14.6</b>

## RESEARCH ACTIVITIES (revised for previous years)

### Research Outputs Produced

Total Publications	4,239	4,168	4,090	3,687	3,432
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Note: Publications are shown in the year they are reported in the University's Research Outputs Report. Actual date of publication or dissemination may differ. Figures for the current year are provisional, subject to final vetting. Figures for previous years are updated as appropriate to account for the impact of vetting.

## LAND & BUILDINGS

	2011	2010	2009	2008	2007
<b>Land (hectares)</b>					
Land owned by the University	33	33	31	29	26
Land in Crown title for the University	11	11	8	8	8
Endowment Leasehold	22,246	22,235	25,585	25,585	25,585
<b>Total Land Controlled by the University</b>	<b>22,289</b>	<b>22,279</b>	<b>25,624</b>	<b>25,622</b>	<b>25,620</b>

Notes: Endowment land is tied up in long-term pastoral lease. Reduction in endowment land in 2010 was due to confirmation of previous changes in land use.

### University of Otago Net Assignable Space (floor space in square metres)

Commerce	8,929	8,870	9,079	9,021	9,019
Health Sciences	65,105	65,904	66,229	65,902	64,485
Humanities	20,533	20,600	19,773	21,167	21,903
Science	41,943	42,020	39,013	38,046	37,627
Administration and Other	62,672	59,013	58,416	50,494	49,387
Corporate	3,030	3,033	2,923	4,439	4,492
Information Services	16,106	15,793	15,950	16,479	16,320
<b>Total</b>	<b>218,318</b>	<b>215,233</b>	<b>211,383</b>	<b>205,548</b>	<b>203,233</b>

Notes: University-owned flats and residential colleges total a further 56,190 sq m, Unipol and Clubs & Societies 5658 sq m (approx).

	2011	2010	2009	2008	2007
<b>LIBRARY</b>					
<b>Library Collection</b>					
Books (volumes)	1,109,344	1,096,807	1,094,165	1,091,174	975,752
Serials (volumes)	536,242	526,937	525,512	517,738	502,252
Microfilms	229,493	232,546	224,052	229,582	230,947
Non-book Materials	1,221,442	1,221,570	1,218,520	1,215,442	1,196,244

<b>Total</b>	<b>3,096,521</b>	<b>3,077,860</b>	<b>3,062,249</b>	<b>3,053,936</b>	<b>2,905,195</b>
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Print Serials Received	6,030	6,210	6,813	7,143	6,964
Electronic Serials Received	229,336	174,844	111,919	73,359	72,224

<b>Total</b>	<b>235,366</b>	<b>181,054</b>	<b>118,732</b>	<b>80,502</b>	<b>79,188</b>
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e-books Received	380,867	362,526	348,633	n/a	n/a
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#### Space

Seating Places Available	4,188	3,776	3,698	3,681	3,553
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Note: From 2008 Library collection figures include the Robertson Library.

## INFORMATION TECHNOLOGY SERVICES

#### Volume of Computer and Telecommunications Traffic

Off-campus Network Traffic (megabytes)	464,158,837	421,690,487	291,222,821	154,474,845	109,357,140
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#### ITS Training and Support Services

Enquiries Received by ITS Helpdesk	46,295	45,256	60,502	51,500	47,889
Seating Places in Student Computer Laboratories	1,361	749	702	615	713

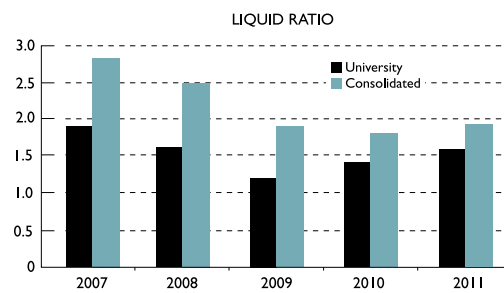
## KEY FINANCIAL INDICATORS

#### Value of Output per EFTS

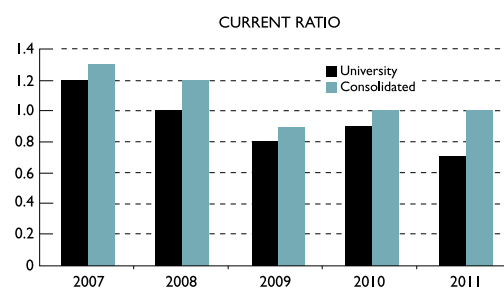
Teaching, Learning and Assessment	\$9,381	\$8,590	\$9,088	\$9,049	\$8,068
Research and Postgraduate Teaching	\$14,294	\$13,420	\$13,134	\$12,772	\$12,119
Community Service	\$1,291	\$1,137	\$1,112	\$969	\$1,284

#### Financial Indicators

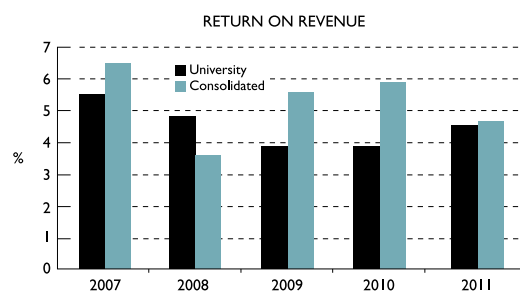
	2011 Consolidated	2010 Consolidated	2009 Consolidated	2008 Consolidated	2007 Consolidated
Current Ratio (current assets: current liabilities)	1.0	1.0	0.9	1.2	1.3
Liquid Ratio (current assets which will result in cashflow: current liabilities which will result in cashflow)	1.9	1.8	1.9	2.6	2.9
Level of Debt (debt to equity)	2.1%	2.5%	2.3%	2.3%	1.7%
Increase in Net Assets	1.4%	2.3%	2.4%	2.0%	12.0%
Return on Total Assets	1.7%	2.2%	2.1%	1.3%	2.3%
Return on Revenue	4.6%	5.9%	5.5%	3.6%	6.5%



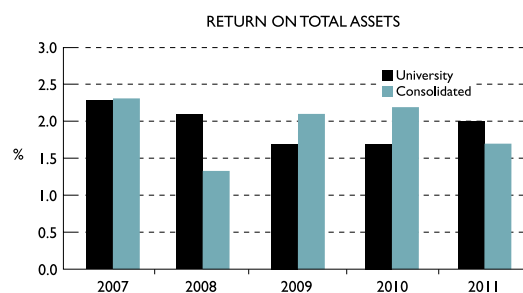
Current assets which will result in cashflow: current liabilities which will result in cashflow



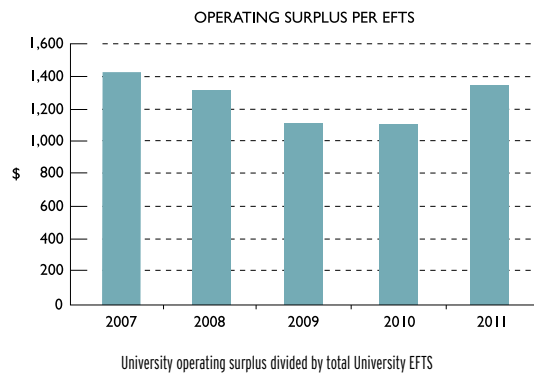
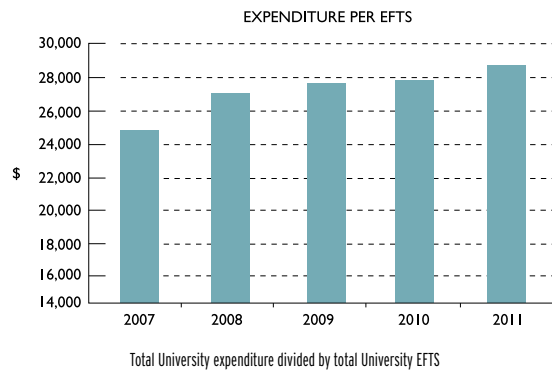
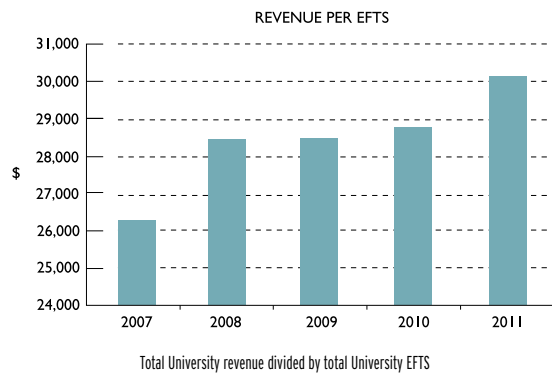
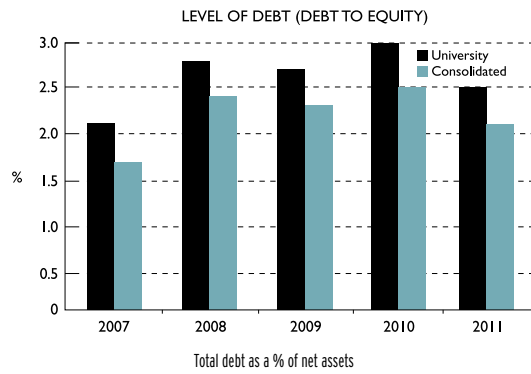
Current assets: current liabilities

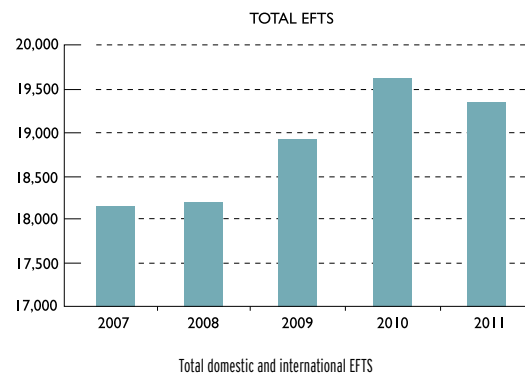
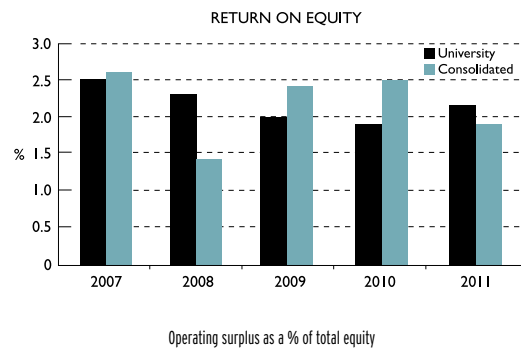
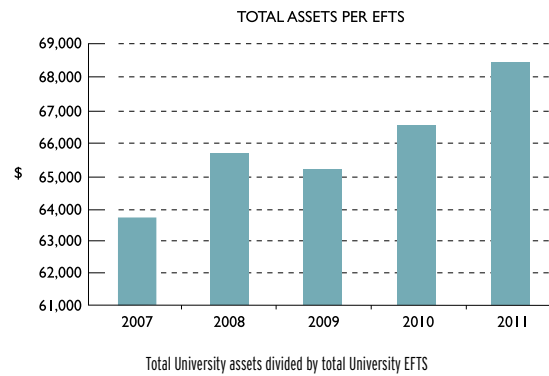


Operating surplus as a % of total income



Operating surplus as a % of total assets









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