

# The University of Auckland

## 2008 Annual Report





Front cover: Kate Duggan is studying for a Bachelor of Medicine and Bachelor of Surgery.

Inside cover: The Kenneth Myers Centre.



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# Chancellor's introduction

“Universities are expected to lead the way in innovative and creative research, thus contributing to economic growth and social well-being.”



The University of Auckland was confirmed in 2008 as New Zealand's premier university, recognized internationally by its peers as in the top one percent of universities world wide. This global position reflects the very significant efforts made by all members of the University, including its staff, students, alumni and Council, to undertake and support teaching and learning, research, knowledge transfer and service at the highest level.

The University celebrated its 125th anniversary in 2008. It opened in May 1883 after a long and difficult political debate in which some far-sighted Aucklanders argued that the city required an institution of higher learning if it were to fulfill its role within the country and meet the educational needs of its citizens. The University was founded as a constituent College of the University of New Zealand during a wave of university building across the United Kingdom, North America and Australasia. Many of the institutions created at that time are among the outstanding international universities of today and Auckland is one of them. The College became an independent, autonomous university through the University of Auckland Act of 1961.

I took over the role of Chancellor at the end of 2008, after serving for seven years as a Council member. I have seen the University undergo considerable change even in this relatively short period of its history. Equivalent full time student numbers have increased from approximately 24,000 to 30,000; new Faculties of Education

and Creative Arts and Industries have been established; the research impact of the University has been major, both nationally and internationally; linkages to other international universities have become crucial to the University's activities in teaching, learning and research; and, despite the financial constraints under which it operates, the University has made some investment in high quality infrastructure and facilities such as the Kate Edger Information Commons and the Owen G Glenn Building.

Also during this time, tertiary education policy has undergone major change. That policy now differentiates among different kinds of tertiary education institutions and is even prepared to contemplate that different universities may fulfill unique roles on the tertiary landscape. It has moved from a policy of increasing participation to ensuring that students engage in education that is appropriate to their abilities and are supported to be successful in their studies. Universities are expected to lead the way in innovative and creative research, thus contributing to economic growth and social well-being.

These changes have been beneficial to The University of Auckland and it has thrived on the challenges that they have presented. It has welcomed the introduction of the Performance Based Research Fund and the evaluation of the quality of research activity and outputs in universities. The increased expectation that good students will continue to postgraduate study and research training so that they can become the intellectual leaders and researchers of the future has been a dynamic force in the development

of the graduate school. The need for New Zealand universities to engage with their international counterparts has led to fruitful dialogue and exchanges with institutions across the world, but particularly in Asia, the Americas and Europe.

*Clint Watkins is currently studying towards a Doctor of Fine Arts at Elam School of Fine Arts – widely considered to be New Zealand's leading art school. Clint's research interests revolve around sonic sculpture and sound installation.*

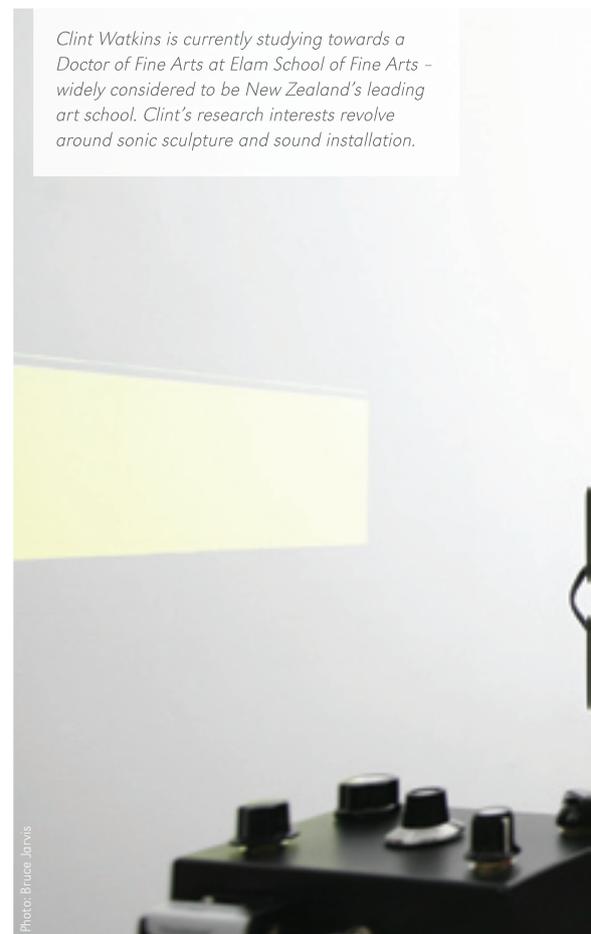


Photo: Bruce Jarvis

Accountability for teaching and learning has made staff more responsive to the needs and changing learning styles of students.

However, there are some signs that the next few years could become increasingly difficult. The University Council, sometimes working with the New Zealand Vice-Chancellors' Committee, has long urged Government to consider how it spends Vote Education. No Vote is more crucial to the future of the country. In the current economic recession, Government and the Tertiary Education Commission will need to consider very carefully how investment in universities can best be protected and how it can be leveraged to position the country strongly for the future.

The University has set itself some very ambitious goals in its Strategic Plan 2005-2012. It aims to enhance the quality of its students and the academic and social experience they have at the University, to increase the size of the graduate school, and to enhance its research performance. At the same time it recognizes its responsibility to be accessible to students of ability and potential regardless of their personal circumstances. We are now almost half

way through the life of this Strategic Plan. Progress thus far has been good but the University will need to make a concerted effort during 2009 to ensure that it remains on track to achieve its goals, despite the pressures that the current economic crisis will bring to bear on public and private investment in the university system.

To this end, in 2008 there have been two major developments in the completion of a Campus Development Strategy and the launch of a fundraising campaign. Both of these developments are closely related to the Strategic Plan. Without the development of the Campus infrastructure the University will not be able to achieve its targeted postgraduate and research growth. We anticipate the need to invest in excess of \$1.2 billion over the next decade in refurbishing and redeveloping the University's campuses, with a focus on City and Grafton. Universities are a key part of the nation's infrastructure and we will therefore be seeking government support for these initiatives. The "Leading the Way" fundraising campaign, which aims to raise \$100 million, will support areas of national significance where the University already has strengths in research and teaching, in the

main by providing support for staff salaries and student scholarships.

In writing this report I am conscious of the debt I owe my predecessor in the role of Chancellor, Hugh Fletcher. Hugh was appointed to the Council in 1999 and was Chancellor for four years, from 2004 until 2008. He was thoroughly engaged with the University, from chairing Council meetings, to speaking at University functions and overseeing the University's Autumn, Spring and Tai Tokerau Graduation Ceremonies. His advice on academic matters was as sound as his advice on finance and the infrastructure of the University. He advocated strongly for the University externally and challenged it provocatively internally. On behalf of the University Council, I wish to express our gratitude and appreciation of all that Hugh has done for the University.



**Mr G Roger W France**

Chancellor  
The University of Auckland



# Vice-Chancellor's review

“Governments world wide are looking at boosting public spending, particularly through investment in infrastructure, as a means of supporting flagging economic activity and building long term economic prosperity. Investment in the nation’s knowledge infrastructure is a rare win-win opportunity in difficult times.”



The University of Auckland has an ambitious Strategic Plan 2005-2012 which is built on five key aims: to increase the size of our graduate programme and improve the quality of our student body while holding our overall growth to a low level; to ensure that the University is accessible to all students of ability irrespective of their personal circumstances; to provide a high quality learning environment and experience to all our students; to enhance the research performance of the University and provide greater support for the research activities of our staff and students; and to build positive relationships with the community, both nationally and internationally, that will strengthen the University and enhance its ability to contribute to society. During 2008, we made very good progress in all these objectives although in some areas additional effort and investment are clearly required.

Our target for overall growth of 1% per annum in the student body was not achieved, due mainly to a decline in international student numbers. Equivalent Full Time Students (EFTS) in 2008 were 30,172 3.8% down on 2004 (the year prior to introduction of the Strategic Plan). This was driven by a 38% drop in international EFTS over that time. Domestic EFTS were 2% higher in 2008 than in 2004, closer to the overall growth target. Numbers of Māori and Pacific students in the University remain essentially static, and it is clear that

the limiting factors to progress in these objectives rest significantly in the compulsory sector. The University continues to work actively with schools that have high numbers of Māori and Pacific students, and we are developing a marketing strategy to further attract such students. We also eagerly await the announcement of new Government funding through the Priorities for Focus programme that will help us to develop even stronger collaborations with those schools, their students and their families.

Postgraduate EFTS have risen from 16% of the total in 2004 to 19.3% in 2008, reflecting good progress towards the 22% target. Growth in taught postgraduate EFTS has been particularly strong – rising from 9.7% of EFTS in 2004 to 12.8% in 2008, already past the 12% target set in the Strategic Plan. International PhD EFTS have increased from 47 in 2004 to 327 in 2008, and now account for 17% of all research postgraduate EFTS. Total research postgraduate numbers, however, are not rising nearly as quickly, increasing from 6% of the total in 2004 to only 6.5% in 2008, still well short of the target of 10%. This is perhaps the most disappointing aspect of our 2008 result.

Externally-funded research grew strongly in 2008 to \$190.6m, 45.1% up on the \$131.4m in 2004. Commercial research activity conducted via Auckland UniServices Ltd amounted to \$97.2m, in itself a substantial rise, with public good contracts rising to \$93.4m. UniServices revenue, however, is growing at a faster rate than public good research revenue, reflecting both the small

size and relatively static nature of public research funding pools in New Zealand as well as UniServices’ outstanding success in leveraging commercial revenue from the intellectual property generated by the University’s academics. UniServices deserves its widely recognised reputation as one of the leading university commercialisation companies in Australasia.

In a similar vein, our advancement function is beginning to make a powerful contribution to resourcing key strategic areas of the University’s activities. In recent years we have deliberately invested to build a stronger and more professional fundraising team, and this investment is already paying significant dividends. No better evidence of this could be offered than the November 2008 launch of the public phase of the University’s \$100m “Leading the Way” Campaign, with just under half of this ambitious target already raised during the quiet phase of the Campaign, which began in 2006.

Another area where we are making good progress in implementing the Strategic Plan is the Campus Development Strategy. This addresses two fundamental questions – how much space, and of what types, do we need, and how can we meet that need? Space needs are being projected for all parts of the University, based on Strategic Plan-driven estimates of the future size and composition of each faculty and department, taking particular account of expected levels of research activity and numbers of postgraduate students. At the same time, options for providing additional space – as well as better space – are being

assessed through detailed master-planning for the City and Grafton campuses. Master-planning considers both the opportunities for new developments and the need to refit much existing space as well as, crucially, considering how each campus as a whole can be progressively developed and redeveloped so as to create an outstanding university environment for students and staff.

By the beginning of 2008 we had identified some principles to guide formation of the Strategy, and had worked out at a high level how much space each faculty would need and how and where we could meet those needs. This formed the basis of consultation with the University community, which in turn informed decision-making on the Strategy. There was overwhelming support for the University-wide approach of the Strategy, and for seeking to identify solutions to all space issues in parallel, rather than dealing with parts of the University in isolation. There was also support for most of the specific proposals in the Strategy, as well as some opposition, principally in relation to the proposed relocation of the Faculty of Education to the City Campus. This reflected a high level of concern that the facilities to be provided for the Faculty on the City Campus would not be adequate for the Faculty's requirements. The academic advantages for both staff and students of closer integration of the Faculty of Education with the rest of the University were generally acknowledged, and not significantly challenged. The Council therefore resolved that the Faculty should move to the City Campus, but recognised that in planning for the move the University will need to consider carefully the nature of facilities required now and in the future by a research-intensive education faculty in a world-class university.

Implementation of the Campus Development Strategy will become increasingly evident on both the City and Grafton Campuses. 2009 will see a start to the Thomas Building Extension for biological sciences on the City Campus, and the continuation of a programme to expand and modernise medical and health sciences teaching and research facilities on the Grafton Campus. We will begin investigative and planning phases for several major projects on the City Campus. It is to be hoped that the new Government, with its focus on infrastructural investment, will recognize that universities are as much a part of key national infrastructure as are roads, rail and broadband connectivity.





Governments world wide are looking at boosting public spending, particularly through investment in infrastructure, as a means of supporting flagging economic activity and building long term economic prosperity. Investment in the nation's knowledge infrastructure is a rare win-win opportunity in difficult times, one which the new Government in New Zealand would be well advised to consider seriously.

The current international financial crisis, which is pushing many economies, including ours, towards recession or even depression, highlights more than ever the need to rebuild the human and physical infrastructures of New Zealand's universities. At the same time as we are reminded, painfully, of how vulnerable a small economy can be when the global economy is struggling, we need also to remember where our current and future economic prosperity lies. It will not be in mineral resources, like Australia, or in low cost mass production like China. It will be in clever people adding value to our natural resources and high quality manufacturing. This requires two things. One is a well educated, thinking, adaptive, ingenious population. The other is

research and development, innovation and technology transfer. Universities are uniquely placed to provide the former, and are by far the leading engine for the latter. In both good and hard economic times over the long run, New Zealand's economy will be more prosperous and more resilient if the Government switches to a course of sustained and positive investment in universities.

A strong university system is a prerequisite to achieving almost any meaningful set of national objectives, and the prerequisites to a strong university system are clear. A larger share of public expenditure needs to be delivered to institutions. Differentiation within the university system, which implies different cost structures, needs to be recognised in the funding system. Both the public and the private sectors need to spend more on research and development, and the public sector needs to return to contestability of research funding to ensure it flows to the brightest minds and the best ideas, not merely to those who claim to most need the cashflow. Adequate levels of base funding, once established, need to be maintained in real terms with proper

indexation. Poor and falling funding levels inevitably affect the competitiveness of remuneration that New Zealand universities can offer, making it difficult to recruit and retain top quality researchers and teachers. Loss of outstanding people is without doubt the single greatest danger facing our universities. Finally, the autonomy of institutions needs to be genuinely respected, not continually eroded by more and more bureaucratic and political intrusion.

Neither challenging economic times nor whatever changes may result from a change of Government, however, give the University any reason to resile from its Strategic Plan. To the contrary, both underscore the robust relevance of the University's goal of strengthening its position as a world class university in New Zealand. The Strategic Plan is now well embedded in the planning and reporting processes of the University. It forms the basis for strategic and annual planning by faculties and service divisions, and guides resource allocation decisions at all levels. But most of all it provides a context for the extraordinary effort that many of our staff and students put in to creating a world class university. I am often asked how it is that an institution which attracts so little investment by international standards can be so highly ranked among the world's leading universities. The answer is of course that we are blessed with some outstanding people who give their all in support of our teaching, research and community engagement. This Report is a testimony to their successes.

**Professor Stuart McCutcheon**  
Vice-Chancellor  
The University of Auckland



*Andrew Austin, PhD Electrical and Electronic Engineering.*

# Key facts and figures



Full Time Equivalent staff (FTE)	2006	2007	2008
Academic	1,956	1,949	1,981
General	2,405	2,402	2,512
<b>Total</b>	<b>4,361</b>	<b>4,351</b>	<b>4,493</b>

#### Note

- The calculation of FTE changed with the implementation of HR Connect +. This means 2008 FTE are not directly comparable with earlier years.

Students	2006	2007	2008
Equivalent Full Time Students (EFTS)	29,451	30,232	30,172

Gender (students)	2006	2007	2008
Male	15,979	16,273	16,494
Female	21,945	22,229	22,057
<b>Total</b>	<b>37,924</b>	<b>38,502</b>	<b>38,551</b>

Workload (students)	2006	2007	2008
Full Time	22,337	23,188	23,379
Part Time	15,587	15,314	15,172
<b>Total</b>	<b>37,924</b>	<b>38,502</b>	<b>38,551</b>

Ethnicity (students)	2006	2007	2008
European	14,970	15,745	16,066
Māori	2,468	2,526	2,546
Pacific Island	3,027	3,124	3,079
Asian	13,129	13,376	13,634
Other	2,177	1,961	1,853
No response	2,153	1,770	1,373
<b>Total</b>	<b>37,924</b>	<b>38,502</b>	<b>38,551</b>

Age Group	2006	2007	2008
18 or less	5,930	6,486	6,528
19 - 20	9,168	9,500	9,791
21 - 23	8,999	8,844	8,720
24 - 29	5,011	5,238	5,286
30 - 39	4,165	4,045	3,883
40+	4,651	4,389	4,343
<b>Total</b>	<b>37,924</b>	<b>38,502</b>	<b>38,551</b>

Student Enrolment by Qualification (EFTS)	2006	2007	2008
Doctor of Philosophy	1,143	1,233	1,267
Other doctoral degree	72	77	77
Master Degree	1,228	1,194	1,260
Conjoint Degree	3,295	3,455	3,287
Bachelor Honours	507	514	568
Bachelor Degree	19,188	19,672	19,533
Diploma	2,530	2,528	2,911
Certificate	1,367	1,443	1,163
Other programme	1	0	0
<b>Total</b>	<b>29,331</b>	<b>30,116</b>	<b>30,066</b>

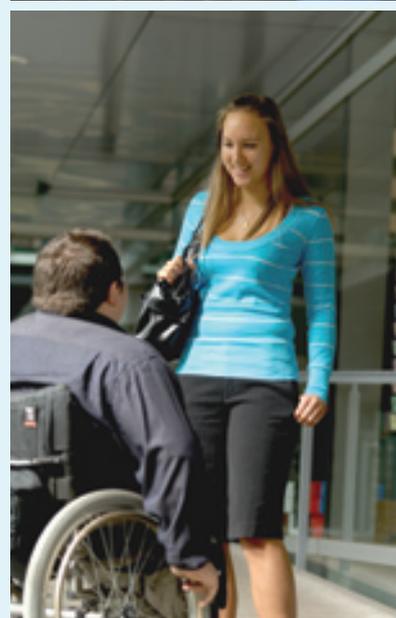
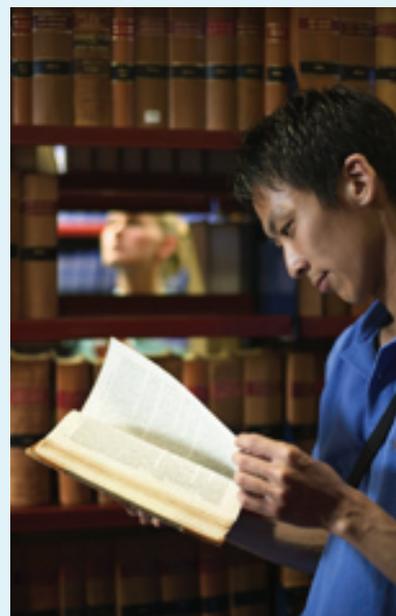
**Note**

- EFTS from formal qualifications only are included.

Programme Enrolments (students)	2006	2007	2008
Arts	6,994	7,384	7,556
Auckland Bioengineering Institute			53
Business and Economics	7,361	7,018	6,731
Creative Arts and Industries	2,043	2,086	2,026
Education	4,917	4,663	4,398
Engineering	2,810	2,871	2,957
Law	1,614	1,983	1,909
Liggins Institute	31	40	42
Medical and Health Sciences	4,013	4,414	4,414
Science	7,166	7,349	7,452
Theology	165	150	140
University Programmes	2,476	2,594	2,970
<b>Total</b>	<b>39,590</b>	<b>40,552</b>	<b>40,648</b>

**Note**

- Conjoint degrees, PhD and other doctorate enrolments are reported with their sponsoring faculty. For example, a student enrolled in BA/BSc will be distributed between Science and Arts at a ratio of 50/50.
- Students enrolled in more than one qualification during the year are counted in each qualification.
- University Programmes includes Inter-faculty offerings as well as University Certificates and TFC.
- Adult and community education enrolments are not included.
- Auckland Bioengineering Institute was established as a large-scale research institute separate from the Faculty of Engineering from 1 January 2008.





### Undergraduate Enrolment (EFTS)

	2006	2007	2008
Arts	4,450	4,665	4,689
Business and Economics	4,871	4,781	4,656
Creative Arts and Industries	1,316	1,371	1,268
Education	2,441	2,138	2,001
Engineering	1,967	2,078	2,140
Law	1,123	1,271	1,243
Medical and Health Sciences	1,992	2,091	2,095
Science	5,353	5,523	5,518
Theology	90	92	77
University Programmes	595	613	564
<b>Total</b>	<b>24,198</b>	<b>24,623</b>	<b>24,251</b>

#### Note

- University programmes include Tertiary Foundation Certificate and University of Auckland at Manukau enrolments.
- Only formal enrolments are included; adult and community education enrolments are excluded.

### Postgraduate Enrolment (EFTS)

	2006	2007	2008
Arts	687	719	757
Auckland Bioengineering Institute			52
Business and Economics	700	688	719
Creative Arts and Industries	231	230	369
Education	860	1,035	998
Engineering	390	424	441
Law	131	148	147
Liggins Institute	22	34	36
Medical and Health Sciences	931	1,006	1,090
Science	1,150	1,166	1,158
Theology	28	30	33
University Programmes	1	13	14
<b>Total</b>	<b>5,131</b>	<b>5,493</b>	<b>5,814</b>

#### Note

- Auckland Bioengineering Institute was established as a large-scale research institute separate from the Faculty of Engineering from 1 January 2008.

Qualifications Awarded (by Faculty)	2006	2007	2008
Arts	1,707	1,989	1,821
Business and Economics	2,363	2,443	2,173
Creative Arts and Industries	594	562	621
Education	1,623	1,779	1,691
Engineering	634	629	672
Law	327	404	353
Medical and Health Sciences	1,045	1,064	1,202
Science	1,905	1,775	1,746
Theology	43	42	44
<b>Total</b>	<b>10,241</b>	<b>10,687</b>	<b>10,323</b>

International Students (students)	2006	2007	2008
China	2,097	1,484	1,077
Malaysia	374	524	570
United States	460	474	508
Korea, Republic of	345	401	421
Germany	274	318	324
India	97	91	110
Canada	72	84	89
Hong Kong	84	84	83
United Kingdom	69	86	80
Japan	88	83	74
Pakistan	6	35	70
Russian Federation	61	63	68
Taiwan	58	66	67
France	47	59	58
Fiji	61	49	47
Indonesia	50	46	47
Vietnam	74	68	47
Bahrain	4	13	42
Norway	71	49	38
Saudi Arabia	14	20	35
Singapore	31	28	26
Thailand	22	25	26
Other	336	386	376
<b>Total</b>	<b>4,795</b>	<b>4,536</b>	<b>4,283</b>



# University governance

The University was founded in 1883 as a constituent college of the University of New Zealand. Under the University of Auckland Act 1961 the college became an autonomous University. The University is currently administered under the 1961 Act and the Education Act 1989 and its amendments.

## University autonomy and academic freedom

The Education Act 1989 gives statutory protection to the institutional autonomy of the University and the academic freedom of its staff and students. The Act also binds the Council, the Vice-Chancellor, Ministers and agencies of the Crown to act in all respects so as to preserve and enhance University autonomy and academic freedom.

## University leadership: the Council

The University's governing body is the Council, which comprises elected staff, students and graduates, Council appointees and Ministerial appointees. Two executives – the Vice-Chancellor and one of the Deputy Vice-Chancellors – are also members of Council. Council is chaired by the Chancellor who is a lay member of Council. Under the Education Act 1989, Council has the following functions:

- Appoint a chief executive;
- Carry out long-term planning for the University;

- Adopt the Investment Plan;
- Ensure that the institution is managed in accordance with the Investment Plan;
- Determine the policies of the institution in relation to the carrying out of the Investment Plan and, subject to the State Sector Act 1988, the management of its affairs.

## The University's statutory role

In carrying out its functions, and particularly when considering the University's Investment Plan, Council is guided by the statutory characteristics of universities, which are defined in the Education Act 1989:

- They [universities] are primarily concerned with more advanced learning, the principal aim being to develop intellectual independence;
- Their research and teaching are closely interdependent and most of their teaching is done by people who are active in advancing knowledge;
- They meet international standards of research and teaching;
- They are a repository of knowledge and expertise;
- They accept the role as critic and conscience of society.

A university, according to the Act, is characterised by a wide diversity of teaching and research, especially at a higher level,

that maintains, advances, disseminates and assists the application of knowledge, develops intellectual independence and promotes community learning.

## Responsibilities of Council

Council is required, when performing its functions, to fulfil various duties. These include:

- Striving to ensure that the University attains the highest standards of excellence in education, training and research;
- Acknowledging the principles of the Treaty of Waitangi;
- Encouraging the greatest possible participation by the communities served by the University, especially by under-represented groups;
- Ensuring that the University does not discriminate unfairly against any person;
- Ensuring proper standards of integrity, conduct and concern for the public interest and the well-being of students;
- Ensuring that systems are in place for the responsible use of resources.

## The Vice-Chancellor

The Education Act 1989 entrusts the Chief Executive Officer (Vice-Chancellor) with the management of the academic and administrative affairs of the University. The Vice-Chancellor is the employer of all staff.



**Miss Sarah Roberts**  
Appointed by  
the Council

**Professor Stuart  
McCutcheon**  
(Vice-Chancellor)  
Ex Officio

**Professor Peter Watts**  
Elected by the Senate

**Mr Hugh Fletcher**  
Appointed by the  
Minister of Education

**Ms Kate Sutton**  
Elected by the  
Court of  
Convocation

**Ms Jane Buckman**  
Elected by the  
general staff

**Justice Lyn  
Stevens**  
Elected by the  
Court of  
Convocation

**Professor  
Raewyn Dalziel**  
Deputy Vice-  
Chancellor  
(Academic)  
Ex-officio

The Vice-Chancellor is supported by a Senior Management Team comprising:

- The Deputy Vice-Chancellors Academic and Research;
- The Pro Vice-Chancellors Equal Opportunities, International, Māori and Tamaki;
- The Deans;
- The Registrar and the Directors of Administration, Human Resources, Planning, Finance, Property Services, ITS and External Relations and the University Librarian;
- The Chief Executive of Auckland UniServices Ltd.

### The Senate

On academic matters, Council is bound to consult the Senate which the Vice-Chancellor chairs. This body includes all the professors, and representatives of sub-professorial staff and students. The Senate takes advice from the Education and Research Committees and from a number of other committees. Council has delegated to Senate the following responsibilities and functions:

- Making recommendations or reports to Council on any matter affecting the University;
- Furthering and coordinating the work of faculties and departments, the General Library and University Press;
- Encouraging scholarship and research;
- Appointing standing committees as required;
- Delegating authority to its committees;

- As delegate of Council, the Senate operates as a committee of Council.

### The Faculties

Each faculty is a committee of Senate and is headed by a Dean who is responsible for management of the teaching, research and administrative activities of a particular faculty. Each faculty has established its own structure of associate and assistant deans, and committees. Deans have primary financial responsibility for their faculties. Every year faculties are required to prepare an annual plan and an annual report that provides detail of planned activities and achievements. In 2008 Faculties developed strategic plans in alignment with the University Strategic Plan, to ensure that specific faculty-focused endeavours will move the University, collectively, towards its targets.

### Governance documents

#### Charter and Investment Plan

The University's Charter is a high-level governance document that defines broad strategy and sets out the University's mission and role.

The Charter was approved in 2003 by Council and the Associate Minister of Tertiary Education until December 2011. Under amendments to the Education Act 1989 which came into effect on 1 January 2008, the charter ceased to be a statutory document. The Council has, however, retained the Charter as a statement of the University's purpose and direction.

The Investment Plan is a rolling statement describing the University's plans and activities for the next three years. The Investment Plan under the Education Act 1989 is also the base document which the Tertiary Education Commission must utilise to release general funding.

#### Strategic Plan 2005-2012

The Strategic Plan 2005-2012 was approved by Council in August 2005. It lays out the 20 key strategic objectives of the University and provides the basis for the University's key performance indicators, capital planning and investment decisions.

#### Capital Plan and Financial Projections

The Capital Plan is updated annually and sets out the investment required to maintain and enhance the University's infrastructure and resources over a ten-year period.

The property capital expenditure programme is reviewed by the Capital Planning and Budgeting Committee with specific project approvals sought from Council. Faculty capital requirements are established subject to an annual Asset Management Plan, the Information Technology spending programme is reviewed by the IT Strategy and Policy Committee before being approved by the Capital Planning and Budgeting Committee, and the Library Committee oversees the University Library's capital expenditure allocation.

A projection of the University's financial performance and position over ten years is prepared as part of the Capital Plan. Projections of operating income and expenditure are combined with the capital requirements determined in the Capital



**Mr Greg Taylor**  
Appointed by  
the Minister  
of Education

**Professor Richard Faulk**  
Elected by the  
academic staff

**Mrs Lindsay Corban**  
(Pro-Chancellor)  
Appointed by the  
Minister of Education

**Mr G Roger W France**  
(Chancellor)  
Appointed by  
the Council

**Mr Alec Hawke**  
Appointed by  
the Minister  
of Education

**Associate Professor  
Jan Crosthwaite**  
Elected by lecturers

**Dr Ian Parton**  
Elected by  
the Court of  
Convocation

**Mr David Do**  
Elected by  
the students

**Ms Sophia  
Blair**  
Elected by  
the students

Plan to establish an overall projection of the University's financial position and financing requirements over a ten-year period.

## Council committees

### Finance Committee

The Finance Committee is appointed by Council and comprises the Chancellor, Vice-Chancellor, up to four lay members of Council at least one of whom has financial expertise, one general staff member of Council and one academic member of Council. The committee meets four or five times a year.

The purpose of the Finance Committee is to monitor the finances of the University so as to satisfy Council that they are managed in a way that:

- maintains solvency at all times, and
- minimises the risk of external intervention in the affairs of the University, and
- promotes achievement of the University's annual budget, mission and strategic objectives.

The Finance Committee supports the Council in carrying out its duty under s.181(e) of the Education Act 1989 to "ensure that the institution operates in a financially responsible manner that ensures the efficient use of resources and maintains the institution's long-term viability".

The committee is responsible for reporting and recommending to Council:

- approval of major financial decisions;
- financial policy and regulatory matters;
- financial strategy and planning;
- the financial position and performance of the University; and
- any other matter that Council or the Vice-Chancellor may refer to the committee.

### Audit Committee

The members of the Audit Committee are appointed by Council and comprise lay members of Council together with a member of Senate co-opted to the Audit Committee. The committee meets quarterly.

Audit Committee's principal task is to ensure that all financial statements released to the public, stakeholders, lenders or any regulatory body comply with accounting standards, and are true and fair. The committee reviews the effectiveness of internal controls in the University and the way in which they are applied.

The committee also oversees the relationship with the University's external auditors, Deloitte. Deloitte is appointed by the Office of the Auditor-General for a three-year term. Audit Committee receives regular reports on any matters which arise in connection with the performance of the external audit, including the adequacy of internal controls and the truth and fairness of the financial reports.

Internal audit is an integral part of the University's risk management framework. Certain internal audit services are contracted in from Pricewaterhouse-Coopers for a three-year term.

To provide an effective service as well as the required level of assurance on a wide range of issues, a core audit programme has been developed, consisting of financial audits and audit areas matching the expertise of the principal audit provider. Audit requirements not covered by the "core" programme are resourced on a flexible, co-sourced basis, to allow drawing on the knowledge, skills and resources of both the University staff and specialist providers.

### Equal Opportunities Committee

The University is committed to equitable participation and advancement of staff and students. Successful achievement of equity in employment and education can bring about innovation, a more effective use of human resources and ultimate benefits for the creative and intellectual life of the University and its communities.

The Equal Opportunities Committee is chaired by the Pro Vice-Chancellor (Equal Opportunities) and supports Council in fulfilling its responsibilities under the State Sector Act 1988 and the Education Act 1989. The Equal Opportunities Committee advises on University policy in Equal Employment and Equal Educational Opportunities, develops University plans for Equal Employment and Equal Educational Opportunities and monitors and reports on the implementation of policies and plans and progress towards Equal Opportunities

The Equal Opportunities (EO) Office produces plans, strategies, policies, and procedures. It develops 'good employer' initiatives for staff and programmes for students. These encourage participation, eliminate barriers and risks of discrimination, and maximise the potential of groups which are under-represented or disadvantaged in their ability to attend the institution.

Representatives from Council, the Pro Vice-Chancellor Māori, faculties, service divisions, the Students' Association, Pacific Reference Group, the EO Office and equity interest groups such as academic women, participate in the Equal Opportunities Committee.

### Rūnanga

The Rūnanga is constituted as a Committee of Council, chaired by the Pro Vice-Chancellor (Māori).

The Rūnanga has five primary roles:

- To advise Council on the appropriateness of relevant sections of the Charter, Strategic Plan and Council policies in terms of the University's aspirations to partner with Māori and support Māori development;
- To advise Council on the progress and achievements of the University towards its strategic objectives for Māori;
- To advise management on operational matters relevant to the delivery on strategic objectives for Māori;
- To consider and advise appropriate Senate committees, and through them Council, on academic matters that have direct relevance to Māori curriculum content, delivery and research; and
- To provide to Council and senior management such other advice as may be requested from time to time.

The Rūnanga reports to Council through Senate.

### Risk management

Risk management and internal audit activities are overseen by the Audit Committee. The University's risk management framework directs activities towards a high-level, process-based approach taking into consideration the external operating environment and including strategic, operational and financial risks. Risk management activities focus on identifying control gaps in existing processes and systems, and on aligning and embedding the various processes so that risk-based decisions can be made on a consistent basis.

### Ethical Standards

The University of Auckland maintains high ethical standards for research and teaching involving animals and humans. The following three committees report directly to Council.





The Animal Ethics Committee ensures that the protocols for use of animals in research and teaching are of the highest ethical standard in accordance with legislative requirements. The Committee reviews proposals and undertakes ongoing monitoring of the use of animals in accordance with the University's Code of Ethical Conduct, approved by the Ministry of Agriculture and Fisheries under the Animal Welfare Act.

The Biological Safety Committee assesses applications for the use of genetically modified organisms in the University in accordance with the delegation by Environmental Risk Management Authority (ERMA) in order to identify all potential risks to people including researchers, the community and the environment. Applications are determined in accordance with the Hazardous Substances and New Organisms (HSNO) Act and any relevant supporting protocols issued by ERMA. In addition the Biological Safety Committee monitors ongoing work within the University and makes recommendations on containment issues as appropriate. The committee has instigated a system for consultation with Māori.

The Human Participants Ethics Committee reviews proposed research and teaching projects which involve human subjects, other than projects which require approval from a New Zealand Health and Disability Ethics Committee, to ensure compliance with the highest ethical standards. This committee provides advice and assistance to Council and the University community with respect to ethical standards and issues involving human subjects.

In addition the Occupational Health and Safety Advisory Committee is a forum of nominated and elected management and staff representatives that enables staff and unions to communicate to management issues of interest and concern related to health and safety, and to encourage staff participation in the ongoing maintenance and improvement of a safe and healthy environment. The committee reports to the Staff Advisory Committee, an advisory committee to the Vice-Chancellor.

### Business details

#### Bankers

Bank of New Zealand

#### Auditors

Deloitte – on behalf of the Auditor-General

#### Valuers

DTZ New Zealand Ltd





Teaching and research programmes across the Faculty of Arts made extensive and distinctive contributions to the University's international objectives in 2008. In addition to area studies focusing on European, Pacific and Asian cultures and languages, the Faculty offers courses that enable students to study aspects of a wide range of cultures and international developments within the framework of disciplinary programmes. A similar pattern appears in the research work of staff members and postgraduate students. In pursuit of their research objectives, staff members maintain extensive networks of contacts with scholars and institutions throughout the world. These links, which are greatly assisted by information technology, facilitate staff and student mobility and create opportunities to invite leading international scholars to The University of Auckland.

In recent years relationships with highly ranked Chinese universities have been a University priority. As part of its current activities, staff from the Faculty coordinated and designed the inaugural course in New Zealand Studies at the New Zealand Centre at Peking University. This programme attracted considerable interest from highly engaged students from Peking University studying in a range of disciplines. Three members of the Faculty contributed lectures to the programme. During the year, staff from the Departments of History and Classics and Ancient History followed up on

earlier contacts by visits to Fudan and Peking Universities, two leading Chinese institutions which are U21 partners. These visits have laid the basis for a range of collaborations involving staff research and international student mobility.

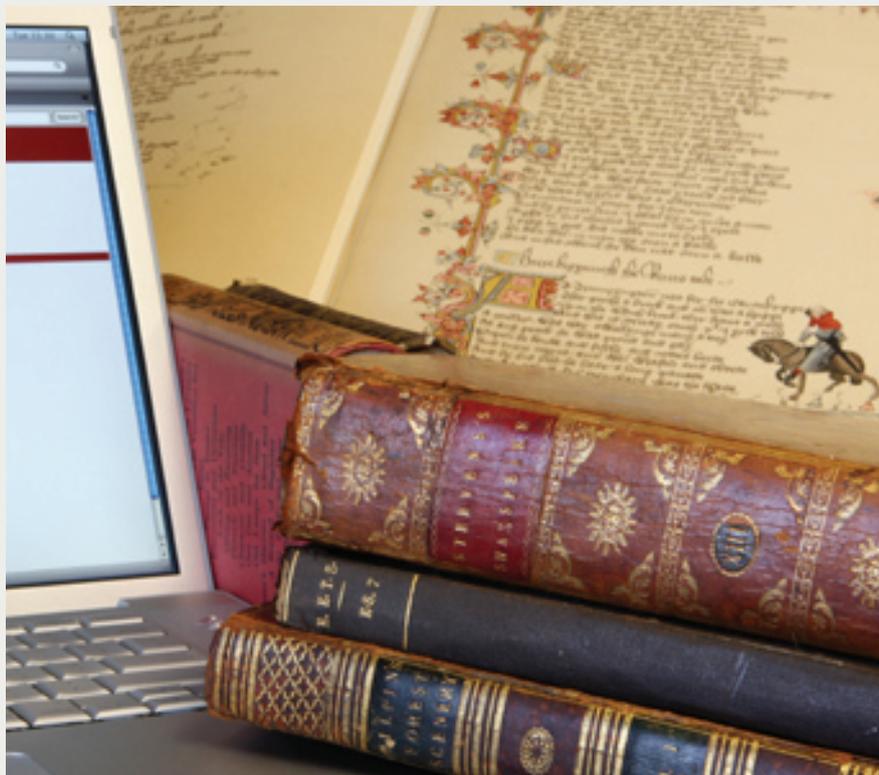
Support from the Faculty PhD Student Research Fund has enabled a number of students to conduct research in overseas locations. Strategies for broadening the international experience of postgraduate students are also supported by departments and by individual members of the academic staff. A number of departments provide funds to support conference attendance by students in the closing stages of their studies while staff members make provision for student support in funding applications to national and international agencies. These initiatives have provided opportunities for students in Anthropology, Archaeology and Classics and Ancient History to gain field-work experience in a number of locations including south western New South Wales, Egypt and Hawaii. The Faculty provides scholarships to assist undergraduate and postgraduate language students in undertaking study abroad as part of their programmes.

Changes to the domestic funding environment that have resulted in the extension of limited entry across the University, have necessitated a review of admission processes in the Faculty of Arts. In response to these changes, the Faculty has developed a targeted admission scheme that will enable it to manage enrolments to the BA in ways which align with its equity

objectives. The scheme will allow the Faculty to admit some students on conditions which will ensure that they have tailored advice and support that will increase their chances of successful University-level study.

The Faculty has been particularly active in recruitment initiatives targeted at postgraduate student activity. It took part in the University's postgraduate week and held a Faculty event designed to convert the interest generated by the week into new enrolments. The recruitment of international postgraduate students was a priority in 2008. The Faculty was represented at postgraduate fairs in China, Europe and North America and worked closely with Auckland International on recruitment strategies. It built on existing relationships with Beijing Foreign Studies University to facilitate recruitment of research students, entered into an agreement to deliver a masters programme to students from the University of Guanajuato in Mexico and actively engaged in recruitment initiatives targeted at students from Latin America.

In 2008, the Faculty entered into the first year of a pilot 'track and trace' programme designed to identify at risk undergraduate students who can be directed to its various student support programmes. At the graduate level the Faculty has concentrated on improving the quality and level of study and research-related resources available to its students. It provided funds for a Faculty PhD Student Research Fund which assists in meeting the cost of undertaking field work and library-based research away from Auckland. During the course of the year



Clockwise from top left: Poetry off the page; literature old and new; Pacifica students at the Fale; Dr Nora Yao of the Confucius Institute.



the Faculty worked with Property Services to provide specially designed and equipped study space for graduate students in a newly refurbished building and engaged in planning to extend these improvements to other buildings.

In 2008 a range of staff research programmes was supported from the Faculty Research Fund. Allocations made from this Fund are designed to strengthen the Faculty's PBRF performance and are one part of a larger framework for facilitating the development of the research careers of members of the academic staff. During the course of 2008 the Faculty Research Committee explored a range of research-related strategies, including the provision of research mentoring in the Faculty and the utilisation of the research-planning potential of academic performance reviews.

The ongoing success of the Faculty's research efforts is demonstrated by the high ranking that it enjoys in Times Higher Education ranking of world universities and in recognition accorded to members of its staff. The Faculty sustained its position in the top forty of the THE rankings in both Humanities and Social Sciences. One of its leading researchers, Professor Dame Anne Salmond, was elected as a Fellow of the British Academy while the international standing of five of its members (Professors Maureen Baker, Brian Boyd, Robert Nola, Raylene Ramsay and Associate Professor Manying Ip) was recognised by their election as members of the New Zealand Academy of the Humanities.

Departments in the Faculty were active in promoting visits by leading international figures. Some of these scholars came to Auckland as keynote speakers at major international conferences organised and hosted by the Departments of Anthropology, Sociology and Philosophy. Other visitors were supported by grants obtained from the University's Distinguished Visitors' Fund and the Hood Fellowship Fund. Such visitors include Professor Margaret Boden (Sussex), Professor Jean Howard (Columbia), Professor Alan Lightman (MIT) and Professor Dame Marilyn Strathern (Cambridge). Distinguished visitors have engaged with staff and students in host departments and have given a range of seminars open to all members of the University. In addition, the Faculty worked with departments to arrange and promote well-attended public lectures which ensured that the international linkages of its staff members extended into its ongoing relationships with the Auckland community.





2008 was an important year for the University of Auckland Business School, marked by a series of transitions. February saw the formal opening of the new Owen G Glenn Building, which consolidated all Business School activities under one roof, with high tech facilities that contribute significantly to interaction, interconnectedness and the provision of extraordinary learning opportunities for students and staff. The second transition was the stepping down of Professor Barry Spicer, as Dean, and Professor Greg Whittred taking over the role in July. Under Professor Spicer the Business School was transformed through the new building, new programmes, professorial chairs, student scholarships, and a lasting partnership with government and industry. Professor Whittred came from the University of New South Wales with the goal to grow the relevance and impact of the School's research and teaching programmes to the New Zealand economy in furtherance of its ambition to be a leading business school in the Asia-Pacific region.

Senior staff in the School actively participated during 2008 in AACSB International (Association to Advance Collegiate Schools of Business), EQUIS (European Quality Improvement System) and AMBA (Association of MBAs) accreditation panels, review teams and high level committees. Accounting programmes were re-accredited by the New Zealand Institute

of Chartered Accountants (NZICA) for a further five years and significant progress has been made towards completing the reaccreditation processes for AACSB and EQUIS which are scheduled for 2009.

In teaching and learning, all graduate profiles were reviewed. The School's curricula have been mapped against the updated sets of graduate attributes and departments have been asked to review the alignment and to identify ways in which any significant gaps can be closed. A significant effort has been put into developing assurance of learning processes to support the AACSB accreditation requirements and a full scale pilot assessment scheme was implemented across all programmes.

The systems and processes developed for the identification of under-performing undergraduate students were further refined to ensure appropriate and more timely interventions. The undergraduate language and communication skills programme, now regarded as a curriculum model, was developed further. The tutor and marker training programme was expanded and tailored to the needs of each department to enhance the quality and delivery of tutorials and marker feedback and to ensure that the approaches accommodate the needs of the diverse student body and mix of learning styles.

The Business School continued to work on enhancing its research capabilities and performance. New staff appointments, greater interaction among disciplines within the new building, new research

collaborations locally and internationally, and improved funding opportunities are all playing a part. Relationships are growing with other Faculties, with a view to undertaking research projects in areas where business interests and scientific, technological or social innovations intersect.

The School continued to develop, and improve the support of, its research centres. These centres have strong links to industry, to public-policy makers, and to the wider community. They include the Energy Centre, the New Zealand APEC Study Centre, and the Retirement Policy and Research Centre, all based in the Economics Department, and the Centre for Supply Chain Management in Information Systems and Operations Management.

A new cross disciplinary research centre has been established in Commercial Law – the New Zealand Governance Centre. This centre will undertake research on corporate governance, on the governance of small and medium-sized enterprises, state-owned enterprises and not-for-profits, and on Māori governance. Important research activity continued in Faculty-level centres: the Mira Szászy Research Centre for Māori and Pacific Economic Development and the Centre for Digital Enterprise (CODE), and in University-level centres, particularly the New Zealand Leadership Institute and the ICEHOUSE.

Among staff of the School who were recognized in 2008 were Professor Peter Phillips, Distinguished Alumnus Professor in Economics, who was made a Corresponding Fellow of the British Academy in recognition



The Owen G Glenn Building, opened in 2008, home to The University of Auckland Business School.

of his academic achievements, being one of only ten internationally each year to receive the honour. Dr Siah Hwee Ang, Management and International Business, won an Early Career Research Excellence Award, recognising excellence among emerging researchers at The University of Auckland.

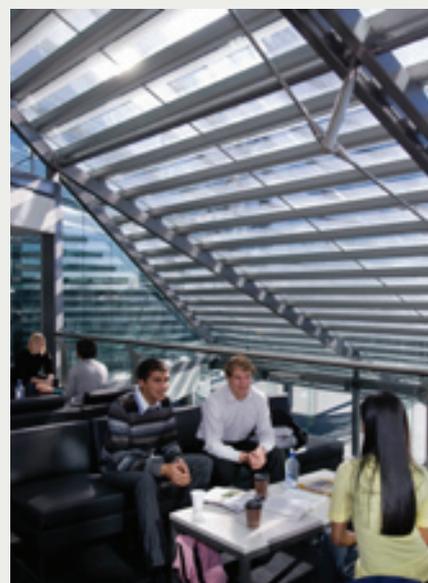
Under the leadership of Professor Steven Cahan, the School's PhD Programme Director, the third School-wide PhD conference was held at which students showcased their research. The Faculty's PhD scholarships continue to draw high-calibre applicants, both locally and from abroad. Extensive national and international advertising took place in the latter part of the year, with a view to awarding scholarships to top students in early 2009.

In support of the Business School's commitment to provide a dynamic forum for business, academia and Government to discuss the challenges of enterprise creation and growth, the Dean's Distinguished Speaker Series continued into its third year. The series has enabled the Business School and its partners, friends and alumni to come together and share knowledge and insights concerning important topics in business today. Prominent speakers this year in the series and other events included two Nobel laureates, Professors Joseph Stiglitz and Robert Lucas, and other distinguished visitors such as Dr. Alan Bollard, Governor of the Reserve Bank, and Robert Fisk, renowned British journalist and Middle East correspondent.



Business School students continued to excel in challenges of intellectual rigour and creativity. Aimed at engendering world-class businesses, Spark\* The University of Auckland Entrepreneurship Challenge is a student-led initiative established to foster the growth of the culture of entrepreneurship, build links with the business community and encourage the creation of value from the host of innovative ideas developed within the University. *Guinea pigs*, a venture to help scientists reduce the time and cost of setting up clinical trials, won the Spark\* \$40K Challenge final in September. Runner-up *ClicktheClam*, a venture to help autistic children learn to recognise human emotions through a computer game, received \$10,000 in start-up capital.

The Business School also encourages and supports student teams to enter business planning and business case competitions nationally and internationally. The School supports a Management Consulting Club whose members compete regularly in New Zealand, Australia and North America and commonly excel against strong international competition. Business School teams won two prestigious events this year – the University of Southern California Marshall International Case Competition and the inaugural Auckland Business School Champions Trophy for teams that won places in international competitions during 2007. Later in the year they took second place in the Thammasat Undergraduate Business Challenge in Bangkok and top place in New Zealand's inaugural National League Case Competition. International competition is the main focus of the case competition programme based on the view that competing against the best in the world will bring out the best in University of Auckland students.





NICAI strives to develop its presence and profile as an international player amongst interdisciplinary creative arts and industries faculties and tertiary institutions by developing strategic and collaborative alliances through research and other projects, by disseminating scholarly and creative outputs, and by supporting the international experience and visibility of staff and students. As a member of a number of international networks, including the European League of Institutes of the Arts (ELIA), NICAI is positioned and recognised as a forward-looking institute continuously seeking and finding new pathways for inter- and trans-disciplinary imagining.

NICAI has committed as a collaborative partner to an international venture with the Victorian College of the Arts (The University of Melbourne) and the Emily Carr University of Art and Design in Vancouver on the theme of cultural response to communities at risk. At the partnership meeting hosted by NICAI in September 2007, it was agreed to focus this exciting project on the island nation of Tuvalu. The project is designed with postgraduate students in mind, and has a range of goals that include supporting indigenous students (in the case of Auckland, Māori and Pasifika students) to develop artistic and community leadership skills. Dr Te Oti Rakana and Dance Studies Masters student, Cat Gwynne, visited Tuvalu in 2008 along with representatives of the partner institutions to scope the project in its initial phase. In 2009 the project will

broaden out to involve other NICAI schools, programmes and centres, particularly through the migration of the theme across studio projects.

The School of Music focused its international engagement on building stronger links with key international partner, the Royal College of Music, London. The Director of the Royal College visited the School in July, post-graduate seminars were conducted via high-resolution videoconferencing, and NICAI has committed to co-host the 2nd International Symposium on Performance Science with the Royal College in Auckland in December 2009.

Students and staff from the Dance Studies programme successfully participated in the Macau International Youth Dance Festival in July 2008. Students performed for a number of significant audiences but the stand out successes in Macau were the workshops in which the Auckland students taught colleagues from around the world, sharing their particular Aotearoa knowledge and perspectives. The inter-cultural networking and awareness remain lasting benefits of this tour.

Six staff members and five postgraduate students presented research at the World Dance Alliance Global Summit, Brisbane. Later, this work was drawn together as a one day research seminar held in Auckland, "Scopic Bodies". This involved all of the staff and students in the Programme.

Forty-one students from the School of Architecture and Planning visited Palermo,

Italy, on a five-week study tour as part of their Architecture studio programme. While at Palermo, the students successfully completed a design studio with students at the local university and extended their knowledge of architecture by way of field studies, and associated research.

Building on NICAI's commitment to the University's China Strategy, the Dean visited China twice during the year. In May, together with Professor Jenny Dixon (the Associate Dean (International)), Professor Pretty visited a number of higher education institutions including Zhejiang University, the Shanghai Conservatory of Music, the Central Conservatory of Music in Beijing and Tianjin University, with a view to developing specific frameworks for ongoing engagement through projects including joint student studios, and collaborative projects using high resolution videoconferencing technologies.

In November, the Dean attended the annual Beijing Forum. The Beijing Forum is an international event attracting some 300 representatives of universities around the world, co-sponsored by Peking University, Beijing Municipal Commission of Education, and the Korea Foundation for Advanced Studies, and had this year, for the first time, a panel session devoted to the arts. While in Beijing, she also visited the New Zealand Centre at Peking University, and met with the Director of the Beijing Modern Music Festival, securing an invitation for NICAI student participation in the 2010 Festival.

Professor Dory Reeves attended the World Urban Forum in Nanjing in November.



*Tuia tui Tuia was an interdisciplinary research project which drew on the experiences of Dance Studies students and Music (Voice) students.*

While there she also visited Tsinghua University and scoped the possibilities for joint studio projects in the future. Dr Kai Gu followed up on the visit by Professor Reeves in December, as well as visiting Zhejiang University to progress NICAI's studio project plans.

Professor Dory Reeves was invited to the Habitat Partner University Round Table, organised by the Norwegian University of Science and Technology and co-chaired by the Tongji University. The Round Table is exploring potential for co-ordination and cooperation between existing and prospective Habitat University partners and the United Nations Habitat Project, looking at research initiatives in the area of urbanisation challenges.

The collective et al. (Elam staff) was invited to exhibit at Art Basel, a major international art fair with a profile matched only by the renowned Venice Biennale. Elam Senior Lecturer Judy Millar was selected by Creative New Zealand to represent New Zealand in the 2009 Venice Biennale.

The Centre for New Zealand Art Research and Discovery (CNZARD) significantly enhanced the Faculty and University presence in the artistic life of Auckland and New Zealand in 2008. The Gus Fisher Gallery, which is part of CNZARD, presented a programme that included a number of acclaimed and well-attended exhibitions. Highlights included the "Power of Portraiture" exhibition which celebrated the successes of New Zealand's history-shapers over the centuries and "Long Live the

Modern: New Zealand's New Architecture, 1904-1984", an exhibition that coincided with the release of the warmly received book of the same name, edited by NICAI staff member Dr Julia Gatley. This exhibition looked at New Zealand's increasingly valued heritage of post-World War II modern architecture. The Gus Fisher Gallery was named Best Arts Institution in the Metro 'Best of Auckland' Awards 2008 which is due recognition of the important role that the gallery plays in Auckland's vibrant art community.

The Faculty's School of Music took centre stage in 2008 with its ambitious and challenging concert programme. Among the highlights were:

- The University of Auckland Strings' Russian Serenade concert, conducted by one of the world's most respected musicians and conductors, Professor Wolfram Christ.
- Auckland JazzFest 08, a three-day extravaganza of jazz concerts, seminars and workshops.
- The presentation by the vocal studies staff and students of Benjamin Britten's opera *Albert Herring* in collaboration with The Opera Factory.
- The annual Graduation Gala, part of the University's 125 year celebrations in 2008, which took the form of a concerto competition. Performing to a packed Town Hall, Harry Lyth, a distinguished conductor from Berlin, led the soloists and members of the School of Music Orchestra in dazzling virtuoso performances.

2008 saw the development and enhancement of the School of Architecture and Planning's exhibition programme which significantly raised its profile and engaged industry professionals and members of the broader community. Highlights included:

- "[arc/sec] Reactive Architecture", an exhibition of six interactive installations that all demonstrated concepts around reactive architecture.
- "The Claystation [Making Auckland]" an event based on the successful Claystation art intervention developed in the UK, involving different groups of people remodelling parts of their city, and the above mentioned "Long Live the Modern" exhibition.

Among the School of Architecture and Planning's student successes are the graduation of Charmaine Ilaiu, believed to be Australasia's first Pasifika research Master in Architecture graduate, and the award of first prize in the 2008 New Zealand Institute of Architects Graphisoft Student Design Award to Sarosh Mulla.

Elam hosted a number of leading international artists as part of its Artist in Residence programme, including Danish artist, Bjornstjerne Christiansen, a member of a three-man collective called SUPERFLEX that utilises a variety of media to help identify and ameliorate political, social, economic and infrastructural problems facing peoples around the world.

- Elam's George Fraser Gallery and Artstation were delighted to present "The Conch is Calling", an exhibition showcasing emerging Māori and Pacific Island artists from the Tuakana programme. Cross-cultural influences were the central themes in this mixed-media exhibition that acknowledged both the art and the families and communities who provided support to the artists.
- Associate Professor Peter Robinson was awarded the Walters Prize, New Zealand's most prestigious award to an artist.



*Suzanne Cowan - currently studying towards a Master of Performing and Creative Arts.*



In the four years since the Auckland College of Education amalgamated with the University, the Faculty has experienced considerable structural change. During 2008 a new organisational structure was implemented based on seven Schools as the main academic units of the Faculty, and on Team Solutions as the Faculty professional development unit. The two new Schools within this revised structure have been established successfully and the leadership and management of existing Schools confirmed. Academic and administrative functions are now channelled through Schools and as a consequence are more closely aligned to University practices. The leadership of the Faculty also changed in 2008 with the appointment of a new Dean, Associate Professor Graeme Aitken.

The Faculty continues to extend its international outreach. The BEd(TESOL) degree taught to cohorts of Malaysian students remains a cornerstone of Faculty international activity but strong international research connections are also being built. The Fulbright Senior Scholar and Distinguished Visitor programmes have attracted academics from a range of prestigious universities. Through seminar programmes, workshops and one-to-one discussions, these international scholars have helped build internal research networks and to connect these networks to the wider international research community. International activity has also

been stimulated by the encouragement of research and study leave and a significant increase in the number of successful applications for this leave.

The Faculty has placed a high priority on enhancing its research capacities. It conducted a search for Professors in Education across eight broad areas in the second half of 2008 and appointed two Adjunct Professors. A 2008-2012 research plan was developed and criteria were established to ensure that research funding was allocated to activities aimed at increasing research outputs. Funding was used to support research strategic planning, publication planning and goal setting workshops; writing retreats; internal mentoring; and the employment of Post Doctoral research fellows and research assistants. The Faculty workload policy has been modified to progressively increase the time allocated to research and to align the teaching-research balance more closely with other University faculties.

Student numbers in the major teaching area of the Faculty – teacher education – are susceptible to external economic and political factors and to perceptions about teaching as a career. The Faculty instituted specific programme targets along with regular monitoring and marketing meetings to increase responsiveness to external trends. The Faculty has also used functions such as Matariki, the 25th anniversary of Tutahi Tonu marae, the 10th anniversary celebration of Sonny Riini Scholarship and the Pasifika and Māori graduation ceremonies to promote the Faculty and its programmes. The range

of postgraduate programmes was expanded with the introduction of a new postgraduate qualification in professional supervision, and with the completion of the consultation for the development of three new programmes – Early Career Teaching, Health and Social Work and Master of Professional Studies.

High quality, research-informed teaching is a priority for a Faculty of Education committed to the enhancement of achievement and opportunity. Consistent with this, a series of presentations to showcase Faculty initiatives in teaching was held. These stimulated further presentations and enabled teaching innovation to be more widely communicated to academics across the Faculty. A research programme has also been designed to examine the extent to which the Faculty's teacher education programmes provide student teachers with the opportunity to develop the knowledge, skills and abilities to improve educational outcomes for all pupils. The first phase of this programme developed and trialled instruments for assessing student-teacher knowledge development in the teaching of mathematics and writing. Collaborations with Boston College and Oxford University and the presentation of papers at peer reviewed international conferences have been part of this development.

In the e-learning area, trials have been successfully completed with secondary, primary and early childhood education student volunteers while on practicum to test ease of use and fitness for purpose of Mahara as an e-portfolio for students. This records and tracks their development

*Opposite page: Engaging young children in learning.  
Below: Engaging postgraduate students in learning.*



as teachers, and demonstrates their achievement against the New Zealand Teachers Council Graduating Teacher Standards.

Through its professional development work with schools, Team Solutions made a major contribution to national priorities by developing effective literacy and numeracy programmes in schools where students under-perform compared to the national norms; by supporting school leaders to adopt evidence-based practice particularly using AsTTle testing to determine student outcomes; by assisting schools to understand and implement The New Zealand Curriculum (2007); by developing programmes that better use the resources available for supporting provisionally registered and overseas trained teachers, particularly in schools at risk in South Auckland; and by helping school leaders and teachers to use effective pedagogy aimed at raising outcomes for Māori and Pasifika students.

In 2008 contracts have been won in a wide range of educationally important areas - Monitoring and Evaluating the Implementation of The New Zealand Curriculum (2007); Building Evaluative Capability in Schooling Improvement; Numeracy; Moderation of Literacy Assessment in Samoan; Induction and Mentoring Pilot Programmes; Otara and Mangere EHSAS; Books in Homes; asTTle SOW3 - 2008; Professional Supervision for New Zealand Principals; and Te Whakapiki Reo. The Faculty also continued to offer qualifications aligned to Ministry of Education priorities in such areas as Special

Education and Numeracy and developed a new programme in disability support in association with the Ministry of Health.

In a major new initiative The University of Auckland Centre for Educational Leadership has been established in association with UniServices. This centre significantly expands the scope and reach of educational leadership initiatives, and will give prominence to the internationally reputable educational leadership research being carried out in the Faculty.



*The Epsom Campus library.*



Undergraduate students entering the Faculty in 2008 were, for the first time, enrolled in the Bachelor of Engineering (Honours) (BE(Hons)) degree. This change recognised that the Engineering Bachelors degree is a four year programme which may lead to the award of honours. The degree programme was modified to ensure that all fourth year students conduct a research project; this brings the degree into line with international best practice.

For a number of years the Faculty has awarded "Kick Start" Scholarships to first year students. During 2008 funding was raised from the engineering profession to establish a number of "Friends of the Faculty of Engineering" entry scholarships. The main purpose of these scholarships is to support students from outside of the Auckland metropolitan area entering into the BE(Hons) degree.

Two major collaborative projects involving the University with government and New Zealand industrial partners were launched in 2008. Each project has funding of \$10m over its initial life that is split equally between government and industry. The Centre for Plastics Innovation and Technology is funded via the TEC Partnerships for Excellence framework and is a partnership between The University of Auckland and the New Zealand plastics industry. The work of the Centre began in 2008 and it was officially opened in October at the Tamaki Campus by the then Prime Minister, Helen Clark. In June,

the Foundation for Research Science and Technology (FRST) announced that it would fund a research programme in collaboration with the New Zealand structural timber industry to develop large-span timber buildings for a wide range of uses. The funding has been used to establish the Structural Timber Innovation Company, a collaboration of research providers that includes the Faculty together with the University of Canterbury, the University of Technology in Sydney and the Building Research Association of New Zealand.

Funding has also been awarded by FRST to enable the establishment of a New Zealand/Korean Laboratory based within the Faculty's Centre for Healthcare Robotics. The Centre is a partnership between the University and the Intelligent Robot Division at Korea's Electronics and Telecommunications Research Institute (ETRI) which is contributing \$3.7m in addition to the FRST award.

The Faculty of Engineering is almost unique internationally in having a Department of Engineering Science, which has a focus on mathematical modelling and analysis that sits alongside the other more "traditional" engineering departments. This year the Department of Engineering Science celebrated the 40th anniversary of its first graduates and the 45th anniversary of its foundation as a department in the Faculty. This joint anniversary was marked by the publication of a history of the Department and a celebratory dinner attended by some 350 Engineering Science graduates. Since its foundation the total number of graduates from the Department of Engineering

Science has been about 800: the number attending the dinner therefore represented an extraordinarily high proportion of the Department's alumni. The Faculty's alumni also turned out in large numbers for the 2008 Annual Alumni Dinner which was attended by 615 alumni and friends of the Faculty, making it the largest alumni function ever held by the Faculty.

During the year a number of academic staff in the Faculty received awards in recognition of their research activities. The most notable of these was the election of Professor Neil Broom of the Department of Chemical and Materials Engineering to a fellowship of the Royal Society of New Zealand. Professor Broom was also one of four new professors in the Faculty who delivered their inaugural lectures during the year. The other inaugural lecturers were: Professor Pierre Quenneville (Department of Civil and Environmental Engineering), Professor Pradeep Bansal (Department of Mechanical Engineering) and Professor Michael Davies (Dean of Engineering).

Six current and one former Engineering student received seven of the twelve prestigious Fulbright scholarships awarded to the University of Auckland graduate students. Two of these awards are for the students to conduct research that will form part of their PhD in Engineering from The University of Auckland.

Students from the Faculty make many contributions to the community through project work and voluntary service. A group of students from the Faculty founded a

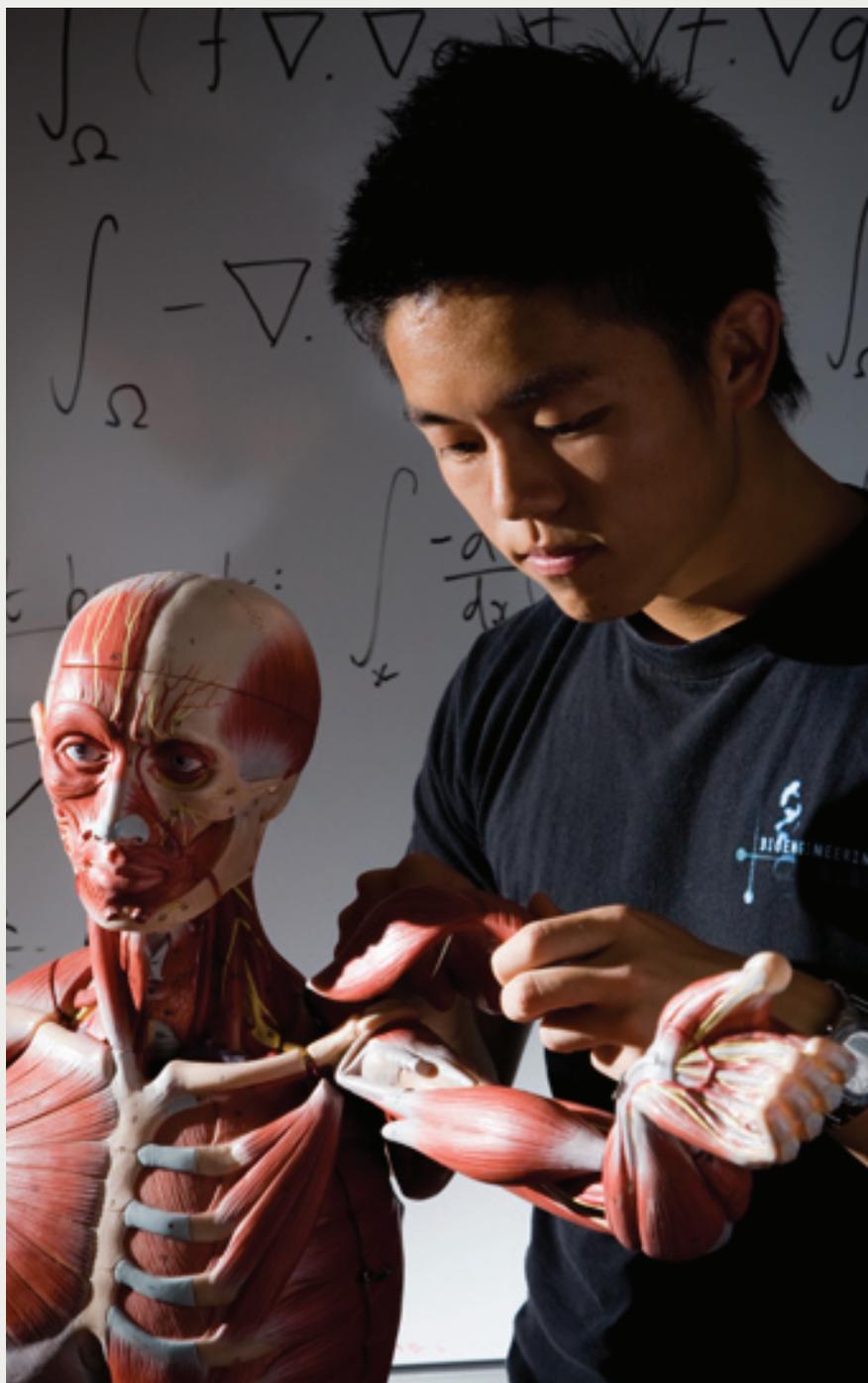


University Chapter of the organisation Engineers Without Borders. During the mid-year break they sent a team of seven students to Vanuatu to work with World Vision in the assessment and design of a water scheme upgrade for the Ivankula region.

Notable achievements of engineering alumni during the year included Sir Ron Carter receiving a Distinguished Alumni Award from the University and Dr Toby Collett, a specialist in robotics, being named New Zealand's Young Engineer of the Year.

Members of academic staff are encouraged to participate in international partnerships such as Universitas 21, ASEE and the Australasian Association for Engineering Education (AAEE). In September a conference on the theme of Energy was organised by U21 at the University of Birmingham, which was attended by a number of academic staff including the Dean. An outcome of this conference is a proposal to form a U21 "Energy Interest Group" in which The University of Auckland will be a core member. In December, Dr Elizabeth Godfrey was elected as President of the Australasian Association for Engineering Education (AAEE).

The Dean has attended meetings of the USA and Australian Deans of Engineering and visited leading engineering schools in Australia, Japan, China, Hong Kong, USA and the UK. The purpose of these visits is to develop links with peer institutions that will lead to international collaborations in teaching (such as student exchanges) and research. To this end, during the year both



University and Faculty level Memoranda of Understanding have been signed with the Hong Kong University of Science and Technology.

A number of international conferences were hosted by departments in the Faculty in 2008. These included the 19th International Conference on Multiple Criteria Decision Making (on the theme of Sustainable Energy and Transportation Systems), "Robot Vision 08" and the 3rd High Performance Yacht Design Conference, which were organised by the departments of Engineering Science, Electronic and Computer Engineering, and Mechanical Engineering respectively.

*Opposite page:*  
Katherine Heays, PhD  
Civil Engineering.

*Above:*  
Ian Kim, Bachelor of Engineering (Honours) in  
Biomedical Engineering.



*Students from The University of Auckland engage with their international counterparts, via video-conferencing, in the Masters of Law "Comparative Indigenous Peoples' Law" course.*

The Law School celebrated the University's 125th celebrations by hosting three special "Heritage Lectures" each given by distinguished persons. The first two lectures were presented by Australian law professors who are (respectively) son and granddaughter of previous Deans of the Faculty (A G Davis and Julius Stone). The third lecture was presented by His Excellency Sir Kenneth Keith who was a student in the late 1950s and has had a distinguished career including service on the New Zealand Court of Appeal, the Supreme Court and now the International Court of Justice. A book which serves as a full history of the Law School's first one and a quarter centuries was written and will be available in 2009.

Nine books have been published under the authorship or editorship of Faculty members and numerous articles have been published or submitted for publication. Professor Bruce Harris won the Legal Research Foundation Prize for the best published article of 2007. Several contracts for publication of legal texts have been secured by Faculty members.

An exchange agreement was completed with University College London Law School. An agreement was completed with University College Dublin for participation of Bergen University students in the LLM programme. Various academics from prestigious law schools taught in the LLM programme and Law Foundation Visitorships and Legal Research Foundation Visiting Scholarships enabled academic visits from leading international law schools. Faculty staff participated in international conferences throughout the world, presenting papers, and conferences associated with the Faculty brought distinguished overseas visitors to Auckland.

The LLM course on Comparative Indigenous Peoples' Law offered in March was taught with live video link to similar courses in US, Canada and Australia. Bringing together students from The University of Auckland, Monash and Queensland universities in Australia, Ottawa and Saskatchewan universities in Canada and Oklahoma university in the United States, the course has allowed young law students to gain valuable overseas experience without leaving home. At the weekly seminars, lecturers from each university take turns in presenting audiovisual material via high definition

autocam, then students have the opportunity to interact with the international lecturers and students in real time. A new undergraduate course was offered in Te Tiriti Issues and Māori Land Law; and a new Māori dimension was offered in Jurisprudence and Public Law. A new course on Commercial Transactions was offered, organised and taught by a major law firm. The trial of the legal writing (for Honours) programme was also managed by a national law firm.

Auckland students reached the quarter-finals of the Jessup International Law Moot in Washington DC; an Auckland team won the award for best written memorandum at the International Maritime Law Arbitration Moot in Perth. After winning the Bell Gully National Mooting competition this year, two Auckland students qualified to represent New Zealand at the prestigious Jessup International Law Moot in Washington DC in March 2009.

Other highlights of 2008 included a symposium "Twenty years after the Cartwright Report: What Have we Learned?" and organization of the LRF Conference "Human Rights at the Frontier".



*The Faculty of Law Library, City Campus.*



*Darren Svirskis (right) is developing a controlled release formulation based on conducting polymers. In addition to undertaking his PhD research, supervised by Associate Professor Sanjay Garg (left), Darren works as a community pharmacist and teaches undergraduate courses.*

2008 has seen further significant growth in activities across the Faculty, building upon the achievements of the past 3-5 years, consolidating existing developments, starting significant new initiatives and contributing strongly to its mission to improve the health of local, national and international communities through excellence in teaching, research and service.

The development of the proposal to transform the Grafton Campus through a \$240 million programme into a modern biomedical and health education and training facility, has been one of the major achievements this year. The plan involves upgrading key plant and infrastructure, refurbishing the existing buildings and constructing a new building on the Boyle Crescent aspect of the campus. The plan will enable the Liggins Institute to be co-located on the campus and provide for the return of the School of Nursing and the Faculty Administration.

Several changes have been made to the Faculty's academic programmes. The Doctor of Medicine and Bachelor of Health Sciences degree regulations were significantly revised, and a new Bachelor of Health Sciences (Honours) degree and specialisation in Health Social Work in the PGDipHSc will be introduced in 2009. 2008 also saw the successful launch of the Faculty's Northland Regional-Rural programme – Pukawakawa. This initiative involves 20 fifth year medical students living and studying in Whangarei, and has been a great success.

The second, student led, HealthX Conference was held in September and was very successful in promoting the high quality of student research in the Faculty. It significantly raised the student research profile and helped to develop future research talent in the Faculty. The Faculty's postgraduate students collected four of the six main prizes at the University-wide research presentation competition Exposure. This is an outstanding effort, and it is the second year running that FMHS representatives have taken first and second spots in the very competitive Oral Presentation section. Dr Mark Bolland, School of Medicine, was awarded the best Doctoral Thesis Prize in 2008 for his PhD thesis "Studies of the Pathogenesis and Treatment of Secondary Osteoporosis".

As is expected in a Faculty with such a strong research profile, there were a number of research highlights in 2008. These included:

- The launching in April of one of New Zealand's largest research projects "Growing up in New Zealand". Led by Dr Susan Morton, the longitudinal study will follow a group of 7,800 children from before their birth through to adulthood.
- The establishment of two significant new research networks. The Auckland Cancer Research Network started as a means of linking the many cancer researchers within the Faculty, and is expected to lead to greater collaboration internally as well as with the wider cancer research sector in the Auckland region. The Faculty has commissioned an external review of



*Heena Mulchandani is currently studying for a Bachelor of Science in Biomedical Science (Honours).*



*Launch of the Faculty's Northland Regional-Rural medical programme - Pukawakawa.*

cancer research activities that will help shape their future direction. The Auckland Nutrition Research Network was also established in 2008 by The University of Auckland, the Department of Nutrition Services and the Auckland District Health Board. It is envisaged that the network will provide a platform for increased cooperation and research activity in the sector.

- The official opening of a new National Eye Centre which brings together the disciplines of Ophthalmology, Optometry and the Vision Science Lab.
- The official launch of the Biomedical Imaging Research Unit's new Zeiss LSM 710 confocal microscope. This system, the first installed in the Southern Hemisphere, provides a huge step forward in technology and sensitivity, allowing a very stable platform for intervention, perfusion and precise measurement of intracellular signalling events such as calcium with high temporal and spatial resolution.

The Faculty continues to enjoy a strong relationship with its communities, and a number of key outreach projects were run again this year.

The Faculty hosted 131 students from over 30 high schools for the Brain Bee Challenge, a neuroscience-based competition for year 10 and 11 college students. This initiative has grown exponentially from 2007 and is supported by the Neurological Foundation and the Masterton-based CatWalk Trust.

The Faculty also hosted a Neurological Open Day in March. More than 2,000 people attended the event which concluded a very successful Brain Awareness Week. Last year's Open Day resulted in a generous \$250,000 donation from the Coker Charitable Trust to support research into Motor Neuron Disease and other neurodegenerative diseases.

The Faculty continued to take advantage of opportunities to raise its profile internationally. The Dean visited China in April as part of a University delegation with the aim of strengthening existing linkages with Chinese Universities and exploring new opportunities for collaboration in research. A number of international conferences were also hosted by the Faculty, including the International Social Pharmacy conference, Zebra Fish Conference, the Asian Health Conference and a satellite meeting at the Molecular Biology Conference in Queenstown.

In other international highlights the School of Nursing introduced a Study Abroad exchange programme with the University of Virginia in 2008 with good success for both inbound and outbound students, and this may be expanded in 2009. The School also continues to receive Norwegian nursing students. Omani and Saudi students continue to enter the Faculty from the pathway programme, and Malaysia continues to be a strong source of students, with productive visits made to Kuala Lumpur in Malaysia in April and October.

The backbone of a top university is its staff, and in 2008 a number of staff were recognised for their work and achievements. These include:

- Professor Mark Cannell was admitted to a Fellowship of the Royal Society of New Zealand in 2008, which is a just and due recognition of his contribution to research in the field of physiology.
- Associate Professor John Kolbe, Head of the Department of Medicine, being elected the next President of the Royal Australasian College of Physicians.
- Professor Ross Lawrenson, Head of the Waikato Clinical School, being appointed as Chairman of the National Screening Advisory Committee.
- Two Faculty members having their academic achievements recognised through a Royal Society of New Zealand award. Professor Diana Lennon (Pediatrics, School of Medicine) was awarded the inaugural Dame Joan Metge Medal in recognition of her very significant contributions to child health. Dr Maurice Curtis (Anatomy with Radiology, School of Medical Sciences) was awarded the Hamilton Memorial Prize, which is awarded annually for the encouragement of early career researchers in scientific or technological research in New Zealand or in the South Pacific Islands.



*James Muirhead (MSc Auckland 2008) in Iceland while presenting his work at the annual conference of the International Association of Volcanology and Chemistry of the Earth's Interior (IAVCEI) 2008.*

The Faculty of Science continues to play a significant role in establishing the University as New Zealand's premier research university and enhancing its international standing. The Faculty stresses the importance of strengthening international relationships, particularly through targeting existing staff networks. A priority has been set for staff to develop working partnerships with reputable institutions and to make efforts to recruit graduate students from internationally credible sites.

The Research Centres and Institutes within the Faculty contribute markedly to the University's international recognition. The Institute of Earth Science and Engineering (IESE) has assembled a group of globally recognized members involved in worldwide projects in places such as Australia, USA, Europe and the Caribbean. The IESE has shown strong growth in terms of revenue from contract research and through a grant from the Strategic Relocation Fund of the Royal Society of New Zealand. Links with the School of Geography, Geology and Environmental Sciences through appropriate fractional salary buyouts are becoming stronger. IESE is closely involved with the Borehole Instrument Centre for Eden Park project which began in October 2008. This involves installing an array of seismographs to provide a three-dimensional view of the movements directly below Eden Park. This will be a permanent installation incorporated into the stadium infrastructure and will provide continuous data.

The Light Metals Research Centre continues to operate internationally, particularly in the Middle East, through contract research and education. The Maurice Wilkins Centre, one of the CoREs hosted in the Faculty, maintains a high international status through the individual links of its members and the organization of guest lectures. The Director, Distinguished Professor Ted Baker, is past president of the international Union of Crystallographic Research and sits on a number of international advisory boards.

The process of consolidating and developing the new School of Geography, Geology and Environmental Sciences (SGGES) made good progress in 2008. Its aims are to strengthen the pipeline of students taking courses in this area, and to build research and scholarly activity. Increases in enrolments in the School in the 2007 year had a beneficial effect on pipeline growth in the 2008 year. Good progress has been made this year in simplifying structures and teaching complexity, but significant work remains to be done. Co-location of staff and those of the IESE remains a priority and will be a requirement if the new School is to prosper.

Space usage has been rationalised through the movement of SGGES staff and Clinical Psychology staff between the Tamaki and City campuses. This relocation will open up the opportunity to improve efficiency and provide better linkages with the Faculty of Medical and Health Sciences. A specific initiative will be the launching of the 'University of Auckland Clinics at Tamaki'. International contacts have been made in Queensland and Toronto to help establish best practice in its management in 2009.



*Professor John Montgomery, Chair of Marine Science, in the Taylor Valley, Antarctica. Professor Montgomery is on the board of AntarcticaNZ and was in the Dry Valleys where the board was visiting several New Zealand and international science teams working in the region.*

In 2008 the Faculty focused on building a stronger cohort of students in Physics and accessing better external research funding for this department. Building a stronger presence in biophotonics and laser physics was part of a proposed joint initiative with the University of Otago. The Faculty re-branded the current Centre for Applied Optics as the Dan Walls Centre for Advanced Optics and Biophotonics, and will seek to build a partnership with the University of Otago targeting future CoRE opportunities. Purchase of the Photon Factory should enable the project to generate momentum, and will provide an internationally acclaimed resource.

Counter to international trends, Chemistry at the University has entered a growth phase, particularly in Food Science and Medicinal Chemistry. The PhD programme continues to be very strong with 110 students.

In line with the University's Strategic Plan, the Faculty of Science continues to strive to provide a better level of support to academics seeking to achieve research success and improved PBRF ratings. The Faculty provides support to researchers for the management and reporting of projects. In 2008, there was improved monitoring of the progress and completion of contracted research. In conjunction with the Research Office, plans will be drafted in 2009 for the establishment of a Faculty of Science Research Office, which will allocate Faculty Research Development Funds, coordinate projects and provide advice and support to researchers. The strategic allocation of Faculty Research Development funds has been a remarkable success over 2008.

Staff members and post graduate students throughout the Faculty maintain and build a wide international network through the many international conferences attended and by hosting numerous international visitors. Such visitors include Professor Richard Schrock (MIT), Professor Peter Cameron (University of London) and Professor Andrew Matus (Basel), a 2008 Hood Fellowship recipient. The Head of Department of Mathematics, Associate Professor Bill Barton, also received a Hood Fellowship during 2008 and spent three months at Oxford. Additionally, the Faculty supported a number of public lectures delivered by renowned international visitors: Professor Anne Glover (Chief Scientist of Scotland); Adjunct Professor Alan Lightman (MIT) and Professor F. Ekkehardt Hahn (Münster).

The structure of Science IT services was reviewed in 2007 with a view to improving efficiency and reducing costs and a new consolidated structure (Science IT) was implemented in 2008. Refinements now are underway aimed at standardising systems and reducing/eliminating duplication of effort.

The Faculty has continued to develop and support a distinctive international educational student experience and has exceeded its 2008 target of 20% for post graduate international students (22%). Work has been initiated with the Centre for Continuing Education and Institute of European Studies to develop customized courses for cohorts of Study Abroad students. The funding for participants in Universitas 21 and Association of Pacific Rim Universities activities has been maintained and collaborative efforts are being made with Auckland Abroad to find ways to meet the outgoing component of exchange agreements in non-traditional ways. The Faculty (particularly the Department of Mathematics) continues to support the MARA scholarship students from Malaysia with pastoral care and academic advice and counseling. A few key staff work closely with Uniservices to develop and support this relationship, including mediating with accommodation, agents and Auckland Abroad.

A joint initiative between Science and Engineering was launched on Courses and Careers Day, 2007 to build better cohesion amongst the ICT offerings of the faculties. High profile work which will target female students is planned for the start of 2009. A Hood Fellowship application has been

lodged to bring to Auckland a leading Palo Alto-based expert in ICT recruitment/gender issues. These issues have been recognised as an international concern.

All departments and the Faculty Office were active in outreach during 2008 with the objective of developing and enhancing community partnerships. Prospective students were advised and supported by visits to schools and various national and international sponsorships such as the 2008 *International Young Physicists Tournament* in which the New Zealand team gained a silver medal. The Faculty continued to email its annual Alumni magazine *InSight* to all international Alumni.



In 2008, long-standing staff members retired, leading to decreased staff numbers and the employment of the first full-time University appointed staff person other than the Head of School, in accordance with the conditions of the Memorandum of Agreement. The School's committee structure has been streamlined and monitored to ensure excellent quality of administration of the School without burdening a reduced staff. This has worked well in 2008.

The school had a major review of its curriculum in 2006. On-going adjustments have been made in response to staff changes and student experiences.

In 2008, the School offered the GradDipTheol in flexible mode. One course was offered in each Semester. A session on Learning in Flexible and Online Mode was included in the Staff Retreat mid-year in order to continue to upgrade skills in this mode of teaching and learning. Further courses are to be made available in flexible mode in 2009.

In the first part of 2008, a group of researchers including many of the academic staff of the School completed a funded research project on Spirit Possession. This is due for publication in 2009, and the School and Sainsbury Trust, which funded this project, are collaborating on taking the project to an international symposium in early 2010.

The School's commitment to the development of Public Theology was

enhanced during 2008 by Professor Elaine Graham's six week visit. She delivered the Ferguson Lecture, which is co-sponsored by St. David's Presbyterian Church and the School of Theology. A seminar delivered by Professor Graham on Faith in the City, drawing on a project conducted in Manchester, England, has given rise to the School working toward the development of a similar type of research project focused on Auckland. This project will be developed through the School's Research Unit.

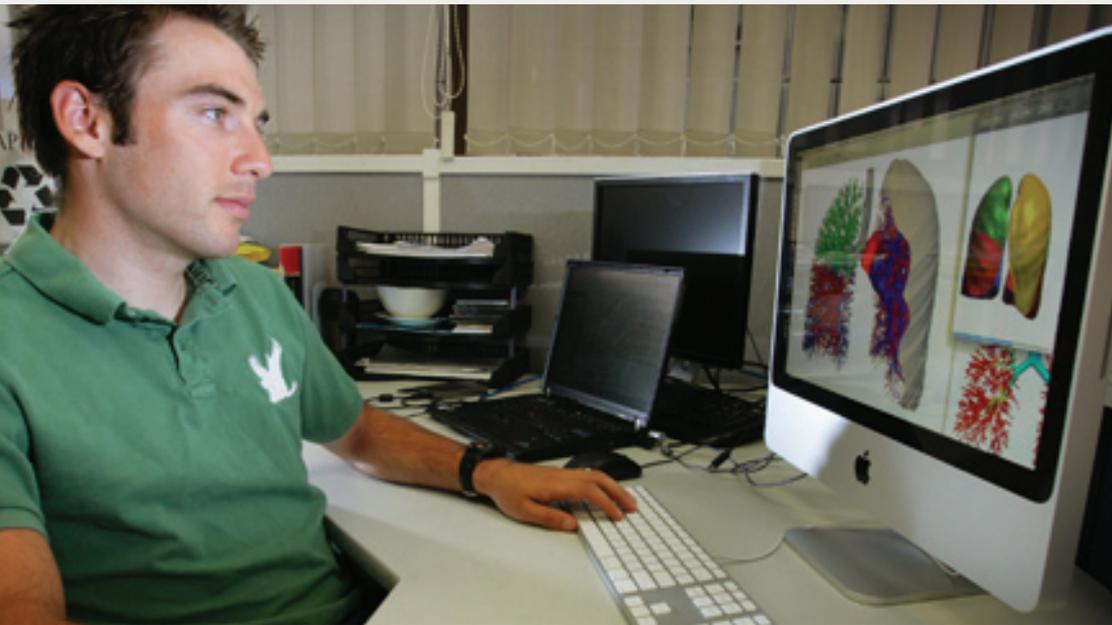
In July 2008, the School of Theology hosted the International Meeting of the Society of Biblical Literature in collaboration with the regional associations for the study of the bible, religion and theology. The conference attracted approximately 500 scholars and students of the Bible, Religion and Theology nationally, regionally and internationally. This provided an opportunity for some of the School's Stage 3 BTheol and early stage postgraduate students to experience an international conference and for the School's more advanced research students to present papers and engage with scholars renowned for their research. The School and the University of Auckland was promoted as an attractive educational institution for postgraduate study.

The School promoted itself as a destination for prospective PhD students from Theological Colleges in the Pacific region through providing seven scholarships to staff from five Theological Colleges to attend the Conference. This proved quite significant as the conference provided the venue for a gathering of Pacific Island biblical scholars

at which they planned to establish an Association of Pacific Biblical Scholars and discussed the proposal for their first edited volume of essays, a project which has been developed significantly since then.

In September, the School of Theology collaborated with the Maclaurin Chapel Trust Board to host an international interfaith conference which explored how interfaith processes and learning might be initiated and developed within The University of Auckland. The Conference brought together international and New Zealand scholars in this field. Conference outcomes

are being further developed by the different groups represented, groups external to the University as well as internal. For the School, the Conference assisted in focussing the need for a Lecturer in interfaith or multi-faith dialogue or religion in order to develop the School's curriculum on a broader base.



The Auckland Bioengineering Institute (ABI) was established as a large-scale research institute in 2008. It had operated as a research institute managed through the Faculty of Engineering from 2001-2007, increasing from 20 members in 2001 to 120 in 2007. For 20 years previous, this joint bioengineering research group had operated between the Department of Engineering Science in the Faculty of Engineering and the Department of Physiology in the Faculty of Medical and Health Sciences.

The Institute has joint academic appointments and strong research links across three Faculties: Engineering, Science, and Medical and Health Sciences. The Faculty of Engineering is the ABI's 'nearest neighbour' Faculty and a very close relationship is maintained with the Department of Engineering Science in that Faculty, particularly through involvement in the Biomedical Engineering degree. The ABI currently employs approximately 40 scientists, engineers and clinicians, 70 graduate students and postdoctoral students, and 20 support staff.

General trends for the Institute are an increasing graduate student intake, more international research grants (particularly from the US National Institutes of Health and the European Framework 7 programme) and a growing capacity for commercialisation of research. Another trend has been an increasing participation in global efforts to use bioengineering

technologies to improve and reduce the costs of healthcare. The Institute is taking steps to strengthen its administrative functions to deal with these changes. An Industry Advisory Board, which meets every two or three months, was set up earlier this year and is proving extremely useful in guiding commercial developments.

A pleasing development over the past two years has been the strengthening of links between the ABI and clinicians (at Auckland City Hospital as well as nationally and internationally). This flows from the progress of the HRC programme grant that the ABI holds, the growth of the gastrointestinal research group and overlap of interest in the use of computer modelling for anaesthetic and surgical training and competency assessment.

The ABI is pioneering the development of mathematical models of human physiology and new instrumentation techniques for a wide variety of healthcare applications. The Institute's vision is to provide virtual human models that can be personalized and used, with new medical devices, as the basis for improved and lower cost 21st century healthcare.

Another significant development over the last two years has been the co-application with several CRIs for (FRST) NERF and RFI grants. The Institute currently undertakes joint research with Industrial Research Limited, AgResearch and the Institute for Plant and Food Research. These collaborations are valuable for the research income and industry linkages they generate and for the

job opportunities they create for graduates.

Major research grants in the ABI in 2008 include heart research, funded by the HRC, the Wellcome Trust and an EU FP7 grant; respiratory research, funded by the NIH; musculo-skeletal research, funded by FRST; digestive system research, funded by NIH and FRST; breast modelling research, funded by FRST; and a new skin project with IRL funded by FRST.

The ABI is well known internationally for long term cardiac and respiratory research and for the leadership position taken in the international Physiome Project. The Institute helped draft the Framework

7 roadmap for EU investment in the VPH (Virtual Physiological Human) project and has had a substantial input into the NIH Roadmap for computational biology. The Institute had previously participated in one FP6 project (on cerebral aneurysms) and was successful in 2008 in gaining direct participation in the VPH Network of Excellence as a contracted partner, and indirect participation, via Oxford connections with the EU (European Union) Heart FP7 project (that builds on much of the ABI heart modelling work) and the PreDICT FP7 project (that makes extensive use of the ABI CellML developments). The linkage with the University of Oxford remains the Institute's strongest international academic linkage, followed by those with MIT, UCSD, the University of Iowa and Vanderbilt. To a lesser extent the Institute has links with many of the world's top research universities in Europe, the US, Australia, Singapore and Japan. In 2008 a new linkage was opened with China via the Chinese Academy of Sciences and the Chinese University of Hong Kong. Gaining international recognition remains a high priority as it opens up many funding opportunities and also means that graduate students are in high demand around the world.



One of the major focuses of the Liggins Institute during 2008 has been to seek major research partnerships, grow international research collaborations and international research funding opportunities.

The Institute's major achievements in established areas for 2008 include; major new research funding, continued rapid growth in the Liggins Education Network for Science, increased public promotion of scientists and science and research outputs.

In December 2008 The University of Auckland and AgResearch announced a new joint initiative focused on collaborative research to advance human health through foods of pastoral origin. This will involve up to 15 scientific and technical staff of AgResearch being seconded to the Liggins and AgResearch investment in collaborative research conducted at the Liggins.

Senior Institute academics have pioneered an impressive range of strategically important collaborations with highly ranked international universities and institutions:

- Distinguished Professor Gluckman is the Programme Director for Growth Development and Metabolism of the Singapore Institute for Clinical Sciences (SICS). He is also Honorary Professor at the National University of Singapore and co-Principal Investigator on the Translational and Clinical research programme awarded in Singapore in 2008 in metabolic disease.
- The Liggins continued to place a staff member in the Department of Molecular Pathology at Cambridge University supervising a PhD student there with Liggins Institute identified research outputs.
- Epigen is a formal consortium between UniServices on behalf of the Liggins with AgResearch and SICS (National University of Singapore), The University of Southampton and the MRC Epidemiology Resource Centre (Southampton) to jointly develop research and intellectual property in developmental epigenetics, human health and animal productivity.
- The "Healthy Start to Life" initiative is an international project led by the Liggins and aimed at bringing scientists, doctors, epidemiologists and economists together to identify the true costs of a poor start to life and to develop economic models to define when best to intervene. The economic modelling is carried out by The University of Auckland and the NZ Institute for Economic Research, but also involves economists from the World Bank, University of Pennsylvania, Cambridge, and Queens University Belfast. Data are being collected in New Zealand, the UK, Jamaica, Bangladesh, India and Singapore for the core study and further data for the second stage are being collected in countries including Chile and Brazil. The project had its first major collaborative meeting hosted by the National Research Centre for Growth and Development and the Liggins Institute in April 2008.
- An active collaboration between the Liggins Institute breast cancer research group and a team at the University of Science and Technology of China in Hefei was established in 2006 and resulted in two publications in 2008.
- The Liggins Institute clinical endocrine research group has formed a strong research collaboration with the Departments of Pediatrics and Molecular Epidemiology at the University of Leiden.

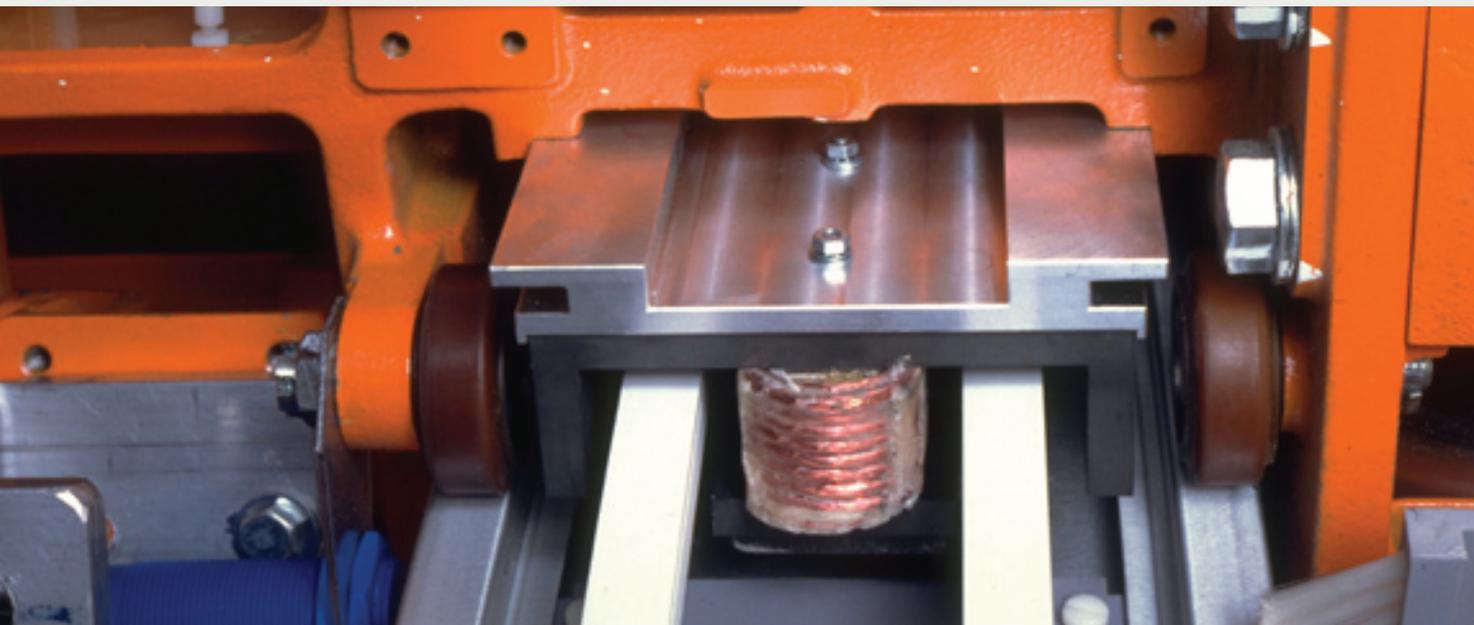
The collaboration aims to examine whether prematurity in humans leads to epigenetic change in growth and metabolic genes in one of the largest prematurity studies undertaken.

The Liggins Education Network for Science (LENS) provides high school students and teachers with a unique opportunity to gain insight into biomedical research and is an important avenue to introduce students to a career in biomedical science and research. The popularity of LENS amongst New Zealand secondary schools continued to grow. The 2,000 students through the day programme represents a 25% increase from 2007 with an additional 3,000 students gaining access through innovative means such as web casts, interactive television and learning resources. In 2008, seven LENS publications were provided to assist biology teachers in secondary schools. LENS student achievements in 2008 continue to be impressive: two represented NZ at the Beijing Youth Science Fair, seven were selected to become Royal Society of NZ Young Achievers and LENS students won all three gold awards at the NIWA Auckland Science and Technology Fair.

The international and major national academic achievements by institute academic staff this year included:

- Distinguished Professor Peter Gluckman was awarded the DCNZM in the 2008 New Years honours and the Nuffield medal by the Royal Society of Medicine for developmental plasticity and human health.
- Professor Murray Mitchell was awarded a Royal Society of New Zealand James Cook Fellowship.
- Professor Wayne Cutfield was President of the Asia Pacific Pediatric Endocrine Society which represents and advocates for almost half of the world's children.
- Professor Lord Robert Winston, a member of the Liggins Scientific Advisory Board, was conferred with a University of Auckland honorary DSc.

# Auckland UniServices Ltd



A wholly owned company of the University, UniServices commercialises its research and capability to provide new research and teaching opportunities, revenue for investment in further research, revenue to secure intellectual property as the basis for future licences and equity, and generally for the social and economic benefits to the broader community.

The annual revenue for UniServices has grown rapidly to \$100.9 million (research revenue totaled \$97.2 million) in 2008 making it the largest organization of its kind in Australasia. This growth strongly reflects the investments made in previous years and goes mostly towards salaries and support of researchers in the University.

In 2008 a new fund to invest in early stage research, the Trans-Tasman Commercialisation Fund, was successfully established in a joint venture with Monash University and a cluster of South Australian universities including Adelaide University. This fund has significantly increased the ability to invest in technology development and UniServices will encourage University research staff to seek the potentially valuable innovations inherent in this work.

International business now accounts for a third of UniServices revenue and is growing at about twice the rate of the overall company. It is clear that many aspects of the research and teaching capability at the University are internationally relevant and are increasingly a source of valuable overseas income.

UniServices's Contract Education business provides a pathway for students who need supplementary English skills, and augments the student body with cohorts of high quality international students with an emphasis on post graduates.

Four new companies started in 2008 include Pathway Therapeutics, Symansis and eBonz, and a yet to be named company formed in Engineering Science.



Emeritus Professor Richard Werbner, from Manchester University, at the Joint International Conference in Anthropology hosted in December by the University's Department of Anthropology, on a theme of 'Ownership and Appropriation'.

# Internationalisation

The University of Auckland is an international University which aims to prepare its students to be global citizens and to support its staff in international activities that will enhance their ability to contribute to knowledge and discovery and advance their professional development and careers.

International partnerships and exchanges, connections to international scholarship, research and intellectual developments produce a dynamic University community and enable us to contribute to New Zealand's position and influence on the world stage.

The first objective of the University in its current Strategic Plan is to establish the University as 'a peer of the world's leading autonomous universities through association and collaboration, and by an active presence in the international academic community'. The second objective is to 'create a distinctive international experience for our students, in Auckland and overseas.' In looking back over 2008 we report on some of the international activities that support these objectives.

#### International research institutes

Our extensive global research linkages, the international focus of our staff, and our top-quality international undergraduate and postgraduate students have been crucial in the emergence of research institutes with international partnerships.

The Auckland Bioengineering Institute is a leading international player in the human physiome project. The human physiome project is a worldwide collaboration which aims ultimately to provide a linked hierarchy of working computer models of every organ and system of the human body for purposes of research, training and education, and for testing of drugs and other treatment.

The Institute, known as ABI, was established in 2001 and is directed by Distinguished Professor Peter Hunter, a fellow of the Royal Society of London. Professor Hunter and his Institute team are working in collaboration with Oxford University to create a complex integrated model of the human heart.

While the heart model is the most advanced of any in the world to date, teams of researchers from ABI are collaborating with top international institutions such



#### Vanuatu

Eight engineering students from The University of Auckland as part of Engineers Without Borders New Zealand (EWBNZ) volunteered their mid-year holidays to work as consultants to World Vision Vanuatu. Their project was on the development of water infrastructure on Tanna island, specifically on the Ivankula region with a population of around 800 people. Here are the team in front of Mount Yasur, Tanna active volcano.

as Oxford, Harvard and Massachusetts Institute of Technology to produce models of other organs of the body, from which many applications are arising.

The CellML language, developed by Associate Professor Poul Nielsen and his colleagues in the Institute, is a language, based on common mathematical formulae, that has enabled the creation of an online platform which makes it possible for researchers to "share" models directly and electronically. Associate Professor Nielsen's team works with the authors of refereed papers to translate the published models into CellML language. These can then be made available on the CellML website for downloading by other scientists working on related models. There are now over 360 peer-reviewed models on the site (of which around 20 were created in Auckland).

In 2008 the Liggins Institute, under the directorship of Distinguished Professor Peter Gluckman, undertook two major new international collaborations, with the aim of improving human health worldwide; a collaboration with A\*STAR (Agency for Science, Technology and Research), Singapore, to combat obesity and diabetes in Asian populations, and the International Healthy Start to Life Project, which will be looking at the health of women before and in early pregnancy to prevent the onset of diabetes and obesity of the child in later life.

Two years of interaction and planning have started to yield results. At the beginning of 2008, A\*STAR's Singapore Institute for Clinical Sciences (SICS) signed

a Memorandum of Understanding with Auckland UniServices Ltd to partner with the Liggins Institute in developing a new research program in metabolic diseases. A major new laboratory will be established, in Singapore to conduct research into the origins of obesity and diabetes in a bid to head off growing concern about the prevalence of these conditions in Asian populations. Through this strategic partnership, SICS will develop a new research program in Growth, Development and Metabolism (GDM) that will focus on the developmental pathways to metabolic and cardiovascular diseases. The development of this research is timely as these two diseases are rapidly increasing in prevalence throughout the world.

The partnership recognises the Liggins Institute as one of the world's major contributors to research addressing the role of developmental factors in the pathway to metabolic disease and obesity. The programme will be directed on a part-time basis by Professor Peter Gluckman and many of the senior staff of the Liggins Institute are already contributing to this exciting new development.

The GDM Program will be housed in the Brenner Centre for Molecular Medicine, SICS's research facilities located on the National University of Singapore campus, and is expected to grow to about 24 researchers.

In April 2008, in Wellington, a unique grouping of leading economists and medical scientist from developed and developing

countries met for the International Healthy Start to Life Project, at the Royal Society of New Zealand Conference Centre.

The initiative is being led by Professor Peter Gluckman working with the National Research Centre for Growth and Development (NRCGD), one of New Zealand's Centre's of Research Excellence. Research at the NRCGD focuses on the developmental origins of disease and cognitive development. This work has raised concern that, throughout the world, health care budgets and initiatives could be targeted more effectively for the public good.

The project emphasises action focused on the root of problems rather than the consequences. One aim of the project is to develop an appropriate economic model the project members can use to evaluate the costs across lifetimes and populations that arise from children not having a healthy start to life. The information provides a tool to assess the value of nutritional and social programmes which, targeted at specific points of the life-course, will have the greatest impact on the long term health, productivity and quality of life in populations in different stages of social and economic development.

The project has the potential to make a major impact on worldwide economies through promoting healthier, wealthier, more productive societies.

### International Research activities

The University encourages staff to build strong relationships between individuals, departments, research teams, and international colleagues and bodies that can assist in advancing research, and drive innovation in our learning environment.

The University has joined forces with Korea's largest government funded research facility to develop inexpensive mobile robotic care devices for use in health and care facilities for older people. The Intelligent Robot Division at Korea's Electronics and Telecommunication's Research Institute (ETRI) works with University researchers at a joint New Zealand/Korean laboratory based in the University's new Centre for Healthcare Robotics. Auckland UniServices Ltd has developed the relationship with ETRI and provided seed funding. The Centre is supported by both governments. In 2008 the New Zealand Foundation for Research, Science and Technology approved \$1.8m over three years from its International Investment Opportunities Fund for this joint

work. The Korean Government will provide \$3.7m through ETRI.

Online collaborations have enabled differing perspectives to combine in the seeking of a solution for global problems. School of Pharmacy staff are involved in a groundbreaking online project targeting serious disease in Africa. The "Visualising Issues in Pharmacy" VIP project brings together students and academics in pharmacy and graphic design from over 20 countries, covering a wide range of institutions to help raise awareness of critical health issues in Kenya. Following a "think globally, act locally" ethos, the project focuses on the community of Winam in Western Kenya. Dr Nataly Martini, Lecturer in the School of Pharmacy, has been centrally involved in establishing the project. VIP was developed in collaboration between the School of Pharmacy and the Omnium Research Group at the College of Fine Arts (University of New South Wales).

Long Live the Modern: New Zealand's Post-War Architecture is both the name of a book, published by the Auckland University Press and an exhibition held at the University's Gus Fisher Gallery in 2008. Receiving much media attention, this project was the culmination of curator/author Julia Gatley's involvement with the international organisation DOCOMOMO, which is concerned with "DOcumentation and CONservation of buildings, sites and neighbourhoods of the MODern MOVement". Initiated by the University of Eindhoven, Netherlands in 1988, it is the most significant non-governmental organisation of experts devoted to the "history, preservation and reassessment of modern architecture." It concentrates on the post-World War II period, which saw enormous government expenditure on housing, public buildings and infrastructure projects, and a concurrent wave of private and commercial developments. The book and exhibition show how international ideas were both pursued and adapted to New Zealand concerns, climates and conditions.

A team led by Adjunct Professor David Mayes (Europe Institute) obtained a \$270,000 grant from the European Commission to study the future relationship between social welfare and the democratic process in the European Union. This is the first project to be awarded to New Zealand following an agreement on research cooperation signed between the government and the EU Commission in June 2008.



### Science Professor Gary Brierley at Lijixia dam

Professor Gary Brierley of the University's Department of Geography at Lijixia dam. Professor Brierley, who is an expert in river system management has identified key areas of research collaboration in highland ecology and environmental science, particularly around water management and environmental protection as part of the 'Three Rivers Project'. A project which stems from the Three Brothers Project, the Three Rivers is a research project into water management and environmental protection in the Sanjiangyuan highland ecology zone (the 'Three Source Zone' - the headwaters of the Yellow, Yangtze and Mekong Rivers) in the Qinghai province.

### International conferences

Every year the University sponsors and hosts many academic conferences that bring leading scholars from around the world to New Zealand.

The Department of Anthropology jointly hosted an international anthropology conference, collaborating with the Association of Social Anthropologists of the UK and the Commonwealth, the Australian Anthropological Society and the Association of the Social Anthropologists of Aotearoa/New Zealand. More than 400 anthropologists gathered for the five day convention organised by Professor Veronica Strang and Dr Mark Busse. The purpose of the convention was to generate new insights through the shifting perspectives from the conventional paradigm of traditional property ownership to more fluid concepts of owning and appropriating. World renowned anthropologist from the University of Cambridge, Professor Dame Marilyn Strathern, delivered the keynote speech "Sharing, stealing and borrowing simultaneously".



The School of Theology hosted the International Congress of the Society of Biblical Literature in July, with almost 500 international, regional and local participants. The Society was founded in the United States of America in 1880 to foster biblical scholarship. The participants, some from countries as far afield as Iceland, the United States, Britain, and Hong Kong, were greeted with a powhiri at Waipapa Marae then spent five days attending lectures, sessions and new book launches. Many students had their first experience of an international conference and the opportunity to meet international scholars. The School of Theology together with the New Zealand Association of Biblical Scholars and the New Zealand Association of Theological Schools sponsored seven lecturers and students from the Pacific Theological Colleges to attend the conference.

The 3rd Asia-Oceania Top University League of Engineering (AOTULE) Deans meeting was hosted by the Faculty of Engineering in November. The AOTULE meeting comprised the Deans' Meeting and a postgraduate conference involving 12 influential international institutions. Professor Michael

Davies, Dean of Engineering, is this year's Chairman of AOTULE. The AOTULE Deans made presentations about the facilities they have in their faculties, with the intention of preparing a catalogue which eventually will be available for viewing at a central AOTULE website. The researchers from member faculties are able to enjoy preferential access to facilities at other AOTULE Universities. Some 140 students from the 12 universities presented papers and/or posters at the conference. The AOTULE conference provided an opportunity for Auckland postgraduate students to network with postgraduates from member countries. An Engineering postgraduate student made a three month visit to the Tokyo Institute of Technology under (and funded by) the AOTULE student exchange programme.

Other international conferences that have been held this year include:

- Ngā Pae a te Māramatanga hosted the International Knowledge Conference which attracted a large international audience and the Department of Philosophy hosted the Australasian Society for Continental Philosophy Conference.
- The Faculty of Business and Economics held an international econometrics conference, a TransTasman Business Circle forum, and the Global Women's Roundtable, the Fourth Asia/Pacific Research Symposium on Accounting Information Systems and the Global Mobility Roundtable, run by the Centre for Digital Enterprise.
- A symposium on Emerging Regional Trade Architecture was run jointly by the APEC Study Centre and the NZ Asia Institute.
- The International Conference for the Study of Leadership was hosted by Exceleator: The New Zealand Leadership Institute in December 2008. This was the first time this conference was held outside of the UK, an opportunity made possible through growing relationships within the international leadership research community. Over 100 delegates from across Australasia, Asia, UK, Europe and the US attended to present papers on leading edge thinking within the leadership and leadership development research domains. The theme of the conference: The Locales of Leadership:



The International "Healthy Start to Life" Project, led by Professor Peter Gluckman of the Liggins Institute, working with the National Research Centre for Growth and Development, is an international collaboration bringing together scientists and economists to address the developmental origins of disease and cognitive development.

Foregrounding Context aimed to highlight and explore the contexts of leadership, recognising the influence that 'place', be it geographical, cultural or theoretical, has on the way in which leadership is conceptualised and practised.

- In January the Operations Research Group in the Department of Engineering Science hosted the 19th International Conference on Multiple Criteria Decision Making on the theme of Sustainable Energy and Transportation Systems.
- The Department of Mathematics in the Faculty of Science hosted LOGOS 15, the workshop of the Mathematics Education Pipeline Project. Pipeline is a pilot project of the International Commission for Mathematics Instruction This is a preliminary stage of a long-term project to document, on a worldwide scale, the numbers of students studying mathematics as they transition from secondary school to tertiary institutions to workplaces.
- The International Symposium on Fish Tagging and Marking was held at The University of Auckland in February 2008 jointly hosted by the American Fisheries Society, the Australian Society for Fish Biology and the New Zealand Marine Sciences Society.
- The Fourth International Conference on Combinatorial Mathematics and Combinatorial Computing (4ICC) was held at The University of Auckland in December 2008. The ICC is held approximately every 10 years.
- The glassblowers in the Department of Chemistry hosted the 8th Biennial Scientific Glassblowers Symposium, with participants from Australia, New Zealand and Germany.

### International experiences for students

Through the creation and maintenance of a curriculum that reflects New Zealand and its distinctive place in the Asia-Pacific region, and embedding international and intercultural perspectives, we can prepare our students to be citizens of the world. By encouraging New Zealand students to benefit from international experiences, and international students to experience our distinctive learning environment, we bring different insights into our classrooms, drive innovation in learning and research, and ensure our society remains open to the experience of other countries.

International agreements between universities enable students to gain benefit from exchange programmes in order to give them a wider world view. In 2008, the University signed renewed student exchange agreements with the University of Calgary in

Canada, Albert Ludwigs-Universität Freiburg in Germany, Waseda University in Japan, and the University of California in the US. In 2008 new exchange agreements were signed with La Sorbonne in Paris, Tec de Monterrey in Mexico, Hong Kong University of Science and Technology, Tsinghua University in Beijing and Manchester University, bringing the total number of exchange agreements in place to 92.

The 360° Auckland Abroad student exchange programme creates opportunities for students to complete part of their University of Auckland degree overseas. With an increasing range of options from semester exchanges through to summer school programmes, students have the opportunity to study and live in another country, make new friends, get international experience, see the sights, build professional networks, expand their potential, learn another language and break out of their comfort zones. University of Auckland students pay tuition only to Auckland, are eligible to apply for scholarships, and bring credits they have earned home to their Auckland degree.

The countries available for a one or two semester exchange currently include Australia, Belgium, Brazil, Canada, Chile, China, the Czech Republic, Denmark, England, France, Germany, Iceland, India, Ireland, Italy, Japan, Korea, Mexico, the Netherlands, New Caledonia, Norway, Scotland, Singapore, Spain, Sweden, and the United States of America.

Formal exchange agreements in place with partner universities provided opportunities for 188 students to study overseas in 2008. All received some University funding and a number were also awarded external scholarships. One student attending Keio University on exchange was awarded a Japan Student Services Organisation Scholarship. Another 17 exchange students were granted New Zealand Undergraduate Study Abroad Awards ranging from \$3,000-\$5,000 by the New Zealand Government.

Three Auckland Abroad exchange students were awarded the prestigious Fulbright Scholarship for postgraduate study in the USA. One of the Fulbright Scholars, Hiten Mulchandani, went to the University of California, Los Angeles on exchange. He is now studying for a Master of Science degree and PhD in Aeronautics and Astronautics at the Massachusetts Institute of Technology. Hiten stated "I largely credit my time abroad

on exchange at a prestigious US research institution for my Fulbright award and acceptance to a world renowned university."

As well as the opportunity to engage in semester exchanges, an increasing range of other options are available to students wanting to take advantage of an overseas experience while studying. Summer courses are available to Auckland students at a number of universities including Copenhagen University, Korea University, Philipps Universität Marburg in Germany, National University of Singapore and Hong Kong Polytechnic University.

The University funded a total of four students to participate in the U21 Undergraduate Research Conference at the National University of Singapore which had 'Sustainability' as its theme, and the U21 Summer School in Birmingham which focused on 'Embracing Diversity through Culture'.

In conjunction with World Vision, seven engineering students from Engineers without Borders New Zealand went to Vanuatu during the mid-year break to design a fresh water supply system for villagers on Tanna Island. The team was led by Ross Copland, a final year conjoint business and engineering student. The student team spent three weeks surveying the area using GPS equipment and mapping the existing gravity-fed water system.

The National Institute of Creative Arts and Industries has engaged in developing the "Communities at Risk" collaborative initiative for post-graduate students with the Victorian College of the Arts (Australia) and Emily Carr Institute of Art and Design (Canada). The Pacific Project explores, through consultation, an intellectual, artistic and social/cultural engagement with Tuvalu and the Tuvaluan communities in each of the partner countries. The Tuvaluan environment is under threat in the current climate conditions, the island is sinking, and the population is in danger of becoming a nation of environmental refugees. The Pacific Project is interested in cultural resilience and irreversible loss, sovereignty/self-determination and the challenges of globalisation. University of Auckland representatives travelled to Tuvalu in September 2008 as part of the pilot project with representatives from the partner institutions. As a result of connections with Tuvaluans living or born in New Zealand and Australia, the local population in Tuvalu was

accepting and generous. The next stage of the project includes collaboratively producing a new international partnership document and locating regional funding for further engagement in Tuvalu.

The Business School's Management Consulting Club teams engage in a number of international case competitions each year. In 2008 they won two prestigious events. The first was the University of Southern California Marshall International Case Competition for undergraduates. Later in the year, the Business School hosted an international competition for all those student teams that won places in international competitions in 2007. Twelve top-ranked international teams participated in the competition which was held in the Business School's new Owen G Glenn Building. The Auckland team took the top trophy in this competition. A team also came second in the Thammasat Undergraduate Business Challenge in Bangkok.

Architecture students Sonia Huang and Kevin Wang were awarded 2nd prize in the Association Européenne pour l'Enseignement de l'Architecture International Competition for Students in Architecture.

Auckland students reached the quarter-finals of the Jessup International Law Moot in Washington DC and an Auckland team won the award for best written memorandum at the International Maritime Law Arbitration Moot in Perth. Two Law students won the Bell Gully National Mooting competition in 2008 and will represent New Zealand at the Jessup International Law Moot in March 2009.

Since 2006, a unique law course, "Comparative indigenous peoples and the law" has been taught by videoconference bringing together students in four countries in opposite hemispheres. The University of Auckland collaborated with five other universities, Monash and Queensland in Australia, Ottawa and Saskatchewan in Canada, and Oklahoma in the United States to deliver this course.

## International Recognition for staff

Professor John Hattie (Education) has received a Fellowship in Division 15 American Psychological Association. Fellow status is an honour bestowed upon APA Members who have shown evidence of unusual and outstanding contributions or performance in the field of psychology.

Distinguished Professor Dame Anne Salmond and Professor Peter C B Phillips were elected as Corresponding Fellows of the British Academy, the United Kingdom's Academy for the Humanities and Social Sciences. Only ten international academics are recognised in this way each year.

## Regional Engagement: China

### The Three Brothers Project

The Three Brothers Project is a trilateral partnership, created in 2006, between The University of Auckland, Tsinghua University and Qinghai University to support Qinghai University which is located in the north eastern part of the Tibetan plateau. The economic disparity between the eastern and western part of China has meant universities in the west have been less well resourced than their counterparts in the east. To address this balance, the Chinese Ministry of Education has developed a scheme for major eastern Chinese universities to work in partnership with developing universities in Central and Western China. Tsinghua is in such an association with Qinghai, and The University of Auckland was invited to join in the trilateral partnership. Currently, the Three Brothers Project is breaking new ground in tackling environmental and medical challenges that are indicators of rapidly growing economies.

The specific areas of research collaboration are: highland ecology, hydraulic and electrical power engineering (hydro-engineering, geology electrical engineering); chemical engineering and advanced materials; and life sciences and resource protection including high-altitude medicine. There are also opportunities for interactive professional development for staff, postgraduate student collaboration and PhD research. The development of the trilateral activities to be implemented in the next five years include: research collaboration, scholarships, professional development, and coordination of programmes.

Professor Gary Brierley of the University's Department of Geography who is an expert in river system management has identified

key areas of research collaboration in highland ecology and environmental science, particularly around water management and environmental protection. The 'Three Rivers Project' is a research project into water management and environmental protection in the Sanjiangyuan highland ecology zone (the 'Three Source Zone' – the headwaters of the Yellow, Yangtze and Mekong Rivers) in the Qinghai province.

In the advanced materials engineering field, Professor Wei Gao of the Faculty of Engineering is the Principal Investigator and Science and Technology Advisor for a project on "Fluidised bed purification of silicon materials for solar cell applications", which is funded by the Qinghai Provincial Government over three years. Research into solar cells is of increasing prominence and has long-term application prospects. Research is already being conducted to improve the efficiency of solar cells through the use of nano-materials. Professor Gao was also invited to be the Chair of the Technical Committee for the Qinghai University Magnesium Technology Development Centre.

In order to strengthen the Qinghai-Tsinghua-Auckland trilateral project, a Plant Science Scholarship was established at The University of Auckland in early 2007 to assist a Chinese student from a western area of China to study plant science at The University of Auckland to attain a PhD. Mr. Xilai Li, Director of the Grasslands Institute at Qinghai University, arrived in New Zealand in July 2008 to begin his PhD research in grassland ecology

In April 2008, the Vice-Chancellor, together with the Vice-President of Tsinghua University, led a small delegation to Qinghai University to further strengthen relations and activity in the Three Brothers Project.

Professional development of staff is an important and exciting component of the Three Brothers Project. There are several short courses on university governance and administration, delivered by Auckland staff at Qinghai, and Qinghai University teachers will be able to visit Auckland for professional development and training. A shadow programme exists for various high level roles, which provides the opportunity for Qinghai senior management, heads of departments and faculty deans to shadow their University of Auckland counterparts, in New Zealand.

The Three Brothers Project recruits top postgraduate and undergraduate students

from China and New Zealand, to build both countries' capabilities, and to create long-term professional networks linking the two countries.

### The Confucius Institute

The Confucius Institute is a non-profit centre established jointly by the Office of Chinese Language Council International (HANBAN), Beijing, and the University along with Fudan University, one of the University's partners, located in Shanghai. The Institute promotes Chinese language and culture in New Zealand. It is a world-class centre for coordinating and enhancing China-related activities for individuals, communities, institutions of education and business as well as acting as a hub for communication and networking between New Zealand and China.

The Institute has won, for the second time in a row, the Confucius Institute of the year, coming out top from amongst over 300 Confucius Institutes/ classrooms worldwide. To achieve this recognition, the staff at the Institute successfully worked together with partners in China and New Zealand, including the Chinese Ministry of Education, the Ministry of Foreign Affairs and Trade in New Zealand, the New Zealand China Friendship Society and New Zealand Trade and Enterprise.

The Institute provided three significant scholarships to New Zealanders across different disciplines to develop their understanding, and study of China. These scholarships are: New Zealand- China Scholarships, New Zealand Chinese teachers' scholarship and Confucius Institute tertiary students' summer study in China scholarships.

The Institute's other services to the University and the public are translation services, provision of resources for students, assistance to teachers and researchers of China related disciplines, staging of Chinese cultural events, and China related business consultation. The Institute offered seminars on various China related topics, teaching courses on Chinese language and culture including tailor made courses to meet the demands from the community.

The Confucius Institute collaborated with the New Zealand Olympics Committee and Ministry of Education in various projects to promote the 2008 Beijing Olympic Games including: production of a 2008 Beijing Olympic Games Booklet, 2008 Beijing Olympic Poster Competition, Olympic Hanzhi Series and the Ministry's Asia Awareness



Twelve of the most influential engineering deans in the Asia Pacific gathered at the AOTULE conference in November 2008. Faculty of Engineering Dean Professor Michael Davies, who was the official host, said the event was about finding synergistic ways for engineering schools to combine their strengths. An agreement was signed at the conference giving each AOTULE member university access to each other's engineering research facilities.



Website. In collaboration with the Chinese Language Foundation, the Institute launched a national school programme which included a principals' delegation to China and Chinese teachers' professional development workshops.

Various competitions organised/co-organised by the Institute have encouraged students of Chinese to share what they have learned in the classes and have provided opportunities for New Zealand students to compete internationally. This year the Institute organised several regional speech competitions such as the New Zealand Chinese Essay Competition. The Institute is also an authorised examination centre for Chinese proficiency exams, which in 2008 saw a great increase of the number of examinees.

#### **New Zealand Centre at Peking University**

On 22 May 2007 in Beijing, senior representatives from The University of Auckland, Peking University and government officials from both New Zealand and China officially launched The New Zealand Centre at Peking University. The New Zealand Centre is a joint initiative between The University of Auckland and Peking University, which also has the support of the New Zealand Ministries of Economic Development, Foreign Affairs and Trade, and Education, the University of Otago, Victoria University of Wellington and several private donors. It was established to provide deeper institutional links between The University of Auckland and Peking University in Beijing, as well as encouraging greater collaboration and mutual understanding between New Zealand and China at institutional and governmental levels. The one-day China-NZ Technology Commercialisation Networking Forum, which was held in April 2008,

brought together leading research professors and technology transfer companies from New Zealand with their counterparts in China to provide a forum for China-New Zealand dialogue and policy development in innovation and the commercialisation of research. In September 2008 Professor Paul Clark from the University's School of Asian Studies launched an academic undergraduate programme on campus at Peking titled: "New Zealand History and Culture" to promote the study of New Zealand to top Chinese students. The Centre is also a focus for special projects aimed at enhancing New Zealand-China understanding and cooperation in research, teaching and publication. A series of seminars, given by New Zealand academics and senior officials, were hosted at the Centre throughout the September semester, including a lecture given by Auckland's Professor Gregor Coster, Dean of Graduate Studies, on New Zealand's health system.

# Statements of service performance

## International standing

### Objective 1

Establish The University of Auckland, New Zealand's premier research university, as a peer of the world's leading autonomous universities through association and collaboration, and by an active presence in the international academic community.

Performance Indicators	2005 Actual	2006 Actual	2007 Actual	2008 Target	2008 Actual
1.1 International ranking – Times Higher Education	52	46	50	Top 50	65
1.2 International ranking – Shanghai Jiao-Tong	203-300	201-300	203-304	151-202	201-302

- The University of Auckland remains the highest ranked New Zealand University in the key international rankings. It is the only New Zealand University in the Top 100 of the THE-QS Higher World University Rankings and retained its position (201 – 302) in the Academic Ranking of World Universities, published annually by China's Shanghai Jiao Tong University.
- Although the University was disappointed that its 2008 THE-QS World University Rankings ranking (referred to as the "Times Higher Rankings") was 65th it is still a very significant ranking in the competitive world of higher education. The University continues to achieve a high standing in the academic and employer rankings, where it is 39th and 48th respectively.
- Fellowships, including the Hood and Seelye Fellowships provided opportunities for University of Auckland staff to visit international universities and for prestigious international scholars to visit Auckland. Visitors to Auckland included Professor Jean Howard, from Columbia University,

Professor Alan Lightman an adjunct professor at Massachusetts Institute of Technology and Professor Dame Marilyn Strathern who delivered public lectures during their visits.

- The University is an active member of the *Universitas 21* association of comprehensive research-intensive universities. Membership provides opportunities for research collaboration, staff and student exchanges and for collegial dialogue through forums. Professor Gary Brierley, Dr Tamasailau Suaalii-Sauni and Dr Hilary Chung participated in U21 research symposia.
- The collaborative project between Auckland, Tsinghua and Qinghai Universities is seen as a new model for international cooperation and co-development. Professor Jane Harding, Deputy Vice-Chancellor (Research), was invited to attend the 2008 International University Presidents' Conference in Nanjing. The conference was organised jointly by the University of British Columbia and the China Scholarship Council to enhance international

cooperation in postgraduate education, facilitate academic research collaboration and create new cooperative models on the basis of co-development and mutual benefits.

- Over 60 major university-level visits were hosted during the year. These included: visits by the Japan International Science and Technology Exchange Centre; Stellenbosch University, South Africa; the Ambassador for Uruguay, a delegation from Renmin University, Beijing; the Vice-Minister of Education in Saudi Arabia; the Cultural Attaché from the Royal Embassy of Saudi Arabia in Canberra; Comisión Nacional de Investigación en Ciencia y Tecnología (CONICYT) and the Ministry of Finance, Chile; and the Director of the Secretariat of the UNESCO Forum for Higher Education; the Ambassador for Italy; and a group of Vice-Chancellors from 14 universities from Brazil.



NIKA Dance Students in the Macau International Youth dance Festival, held in Tuvalu.

## Objective 2

Create a distinctive international educational experience for our students, in Auckland and overseas.

Performance Indicators	2005 Actual	2006 Actual	2007 Actual	2008 Target	2008 Actual
2.1 % International students (EFTS)	14	13	12	≥12	11
2.2 % International postgraduate students (Postgraduate EFTS)	12	12	14	15	15
2.3 Students studying off-shore (number)	338	523	620	700	935

- 4,283 International students from 93 different countries and generating 3,353 EFTS were enrolled in 2008. Although their percentage of overall EFTS was lower than the target of 12%, the University's strategy of diversifying its international recruitment has resulted in significant growth in student numbers from 10 countries while the numbers and proportion of students from China continues to decline.
- International postgraduate students generated 848 EFTS (15%) of the University's postgraduate EFTS in 2008. International postgraduate EFTS have increased by 34% from 632 EFTS in 2004.
- A wide range of opportunities is available to students wanting to experience overseas study. Summer courses are available to Auckland students at a number of universities including Korea University, Philipps Universitat Marburg in Germany, National University of Singapore and Hong Kong Polytechnic University.
- Formal exchange agreements in place with partner universities provided opportunities for 188 Auckland students to study overseas.
- New exchange agreements were signed with La Sorbonne in Paris, Tec de Monterrey in Mexico, Hong Kong University of Science and Technology, Tsinghua University in Beijing and Manchester University, bringing the total number of exchange agreements in place to 92.
- Students were supported to participate in the U21 Undergraduate Research Conference at the National University of Singapore and the U21 Summer School in Birmingham. Four students went to the U21 events. A further 765 students engaged in overseas educational experiences including case competitions, medical electives, conferences and research placements.
- 17 Auckland students took up New Zealand Undergraduate Study Abroad Awards. These national awards were established by the Government and provide between \$3,000 and \$5,000 for each student.

## Research and creative work

### Objective 3

Achieve a PBRF ratio of A:B:C:R rated researchers working at the University of 20:50:22:8 through the development of a high quality research environment.

Performance Indicators	2005 Actual	2006 Actual	2007 Actual	2008 Target	2008 Actual
3.1 % PBRF eligible staff ranked A (FTE)	11	11	14	14	14
3.2 % PBRF eligible staff ranked B (FTE)	37	37	36	36	36
3.3 % PBRF eligible staff ranked C (FTE)	34	34	34	34	34
3.4 % PBRF eligible staff ranked R (FTE)	18	18	16	16	16
3.5 Citations per FTE (PBRF Eligible FTE)	12.5	13.8	15.6	≥16.5	16.1

- The PBRF ratios used in the performance measures are the official Tertiary Education Commission Research Quality Evaluation results. The last PBRF quality evaluation took place during 2006 and was reported in 2007. The next quality evaluation round is expected to take place in 2012.
- The University has put in place a number of activities designed to achieve the PBRF targets for the 2012 Quality Evaluation round. A report from the University's PBRF Taskforce which was set up in 2008 identified several initiatives that would enhance performance in the 2012 round. Among the initiatives proposed is the implementation of new software to manage research information and the integration of PBRF related measures into existing staff performance appraisal processes.
- The University encourages and recognises new researchers' achievements through the award of Early Career Research Excellence Awards. Five staff were awarded Early Career awards.
- Staff contributions to the wider research environment were recognised through national and international awards and prizes. The research contributions of Distinguished Professor Dame Anne Salmond and Professor Peter Phillips were recognised in their election as Corresponding Fellows of the British Academy. Other contributions included the award of fellowships and prizes by the Royal Society of New Zealand and fellowships of the New Zealand Academy of the Humanities.

## Objective 4

Achieve 800 masters and 500 doctoral completions per annum through the development of an international quality graduate programme.

Performance Indicators	2005 Actual	2006 Actual	2007 Actual	2008 Target	2008 Actual
4.1 Doctoral theses completions	213	183	217	300	245
4.2 Masters theses completions (PBRF eligible ie 90 points or more)	694	647	595	740	608
4.3 % Doctoral completion (within five years)	38	46	46	50	49

- The numbers of doctoral and masters theses completions have increased from 2007 numbers but are lower than the 2008 targets. Doctoral theses completions have increased by 43% since 2004, the year before the Strategic Plan was adopted, from 171 in 2004 to 245 in 2008.
- The rate of growth in masters theses completions has been slower than that of doctoral theses. There was a 7% increase in masters theses from 568 in 2004 to 608 in 2008.
- 9,485 students comprising 23% of the student body were enrolled in a postgraduate programme in 2008. The University's graduate student scholarships make an important contribution to supporting and attracting students to the graduate programme. 451 domestic and 57 international doctoral students received funding from University Scholarships (normally providing an annual stipend of \$25,000 plus tuition fees for up to 3.5 years) in 2008. 32 international students received University of Auckland International Doctoral Fees Bursaries.
- The quality of the doctoral programme was recognised with five "Best Doctoral Theses" awards. The MacDiarmid Young Scientist of the Year awards recognised two University of Auckland students' doctoral research. They were runners up in the "Understanding Planet Earth" and the "Advancing Human Health" categories.
- The University's Doctoral candidates have been successful in gaining Top Achiever Doctoral Scholarships. Sixteen of the 37 awarded in 2008 went to students from The University of Auckland.

## Objective 5

Provide enhanced support for research activities by doubling external research income to \$270 million per annum.

Performance Indicators	2005 Actual	2006 Actual	2007 Actual	2008 Target	2008 Actual
5.1 Total external research income earned (\$m)	145	153	163	175	191
5.2 PBRF eligible external research income (\$m)	106	114	117	131	139
5.3 External Research Income (PBRF Eligible) per FTE (PBRF eligible)	71,509	71,970	78,688	88,579	93,428

- External Research Income (ERI) across the University including UniServices and the Large Scale Research Institutes exceeded the 2008 targets by 8.6%. This is a 16% increase on 2007 achievements and a 45% increase since 2004.
- The Trans Tasman Commercialisation Fund, a collaborative venture involving The University of Auckland, four Australian universities, Westschem and the Australian and New Zealand governments, was launched. The fund will provide support for the commercialisation of intellectual property developed at the five universities. The first recipient from the fund was Pathway Therapeutics, a New Zealand drug development company commercialising research from The University of Auckland.
- University of Auckland researchers were successful in obtaining new contracts through New Zealand and overseas public good research funds. New contracts were awarded through the Marsden Fund administered by the Royal Society of New Zealand where \$10.4 million for 20 new contracts, comprising 9 Fast Start awards for new investigators and 11 standard contracts, amounting to 22% of all contracts awarded nationally, were obtained.
- The Foundation for Research, Science and Technology is the largest single external funder of research at the University of Auckland, accounting for approximately 15% of our total external research revenue. The University had 34 contracts for a total of \$23.9m, including 18 contracts in the New Economy Research Fund (NERF), 13 in Research for Industry, two in Environmental and two in Social Research. The University of Auckland is the only University among Foundation's "Tier 1" clients (ie clients with contracts worth more than \$10m).
- Funding from the Foundation for Research, Science and Technology (FRST) of close to \$50 million was awarded. This is made up of \$30m in contestable funding and \$20m for a programme under the new Stable Funding Environment initiative for long-term funding.
- The University had a successful year of applications to the Health Research Council. A total of \$31.1m was awarded. The 23 applications funded in 2008 compares very favourably with results in 2007 and includes two successful applications to the HRC International Investment Opportunities Fund.
- The University was also funded for three projects under the TEC's *Encouraging and Supporting Innovation* fund.

## Objective 6

Develop large-scale research institutes of excellence.

Performance Indicators	2005	2006	2007	2008	2008
	Actual	Actual	Actual	Target	Actual
6.1 External research income earned per LSRI (\$m)	12.0	12.4	9.8	12.0	15.4
6.2 Large Scale Research Institutes (Number)	1	1	1	2	2

- The Auckland Bioengineering Institute (ABI), headed by Distinguished Professor Peter Hunter, became the University's second Large Scale Research Institute (LSRI) in 2008. ABI joins the Liggins Institute which was established as an LSRI in 2006.
- Distinguished Professor Hunter was successful in gaining approximately \$1 million funding over three years from the European Union's Framework 7 as a full partner of the Network of Excellence consortium. This was an important achievement as it has been very difficult for the University to access European funding except as a collaborator.
- The Liggins Institute is the focus of a new joint initiative between The University and AgResearch. The initiative will undertake research to bring about marked improvements in human health through diet and bring compelling economic benefits to New Zealand through changes to the agricultural and food sectors. The initiative is to be led by Distinguished Professor Peter Gluckman, Liggins Institute Director.
- The Growth Development and Metabolism research programme directed by Distinguished Professor Gluckman for the Singapore Institute Clinical for Sciences will greatly enhance opportunities for international clinical research collaboration and access to technologies and funding for Liggins staff.



Scientists and economists who gathered for the "International Healthy Start to Life" Project, an initiative led by Distinguished Professor Peter Gluckman, Director of the Liggins Institute (third from bottom).

## Teaching and learning

### Objective 7

Achieve a high quality student body with an annual growth rate of equivalent full-time students of 1%. This student body to be composed as follows: 78% in undergraduate, 12% in taught postgraduate and 10% in research postgraduate programmes.

Performance Indicators	2005 Actual	2006 Actual	2007 Actual	2008 Target	2008 Actual
7.1 Total EFTS	30,785	29,451	30,233	30,471	30,172
7.2 % Annual EFTS growth	-1.9	-4.3	2.7	1.0	0.2
7.3 % Research postgraduate EFTS	6	6	6	7	7
7.4 % Taught postgraduate EFTS	10	11	12	12	13

- The total EFTS in 2008 were marginally lower than in 2007, and 1% (close to 400 EFTS) lower than the overall target for 2008. Although research postgraduate EFTS grew by 6% from 2007 to 2008, significantly higher growth had been expected. Taught postgraduate EFTS also grew by 6%. This was a higher rate of growth than was forecast for 2008. To achieve the Strategic Plan research postgraduate targets, the percentage of taught postgraduate EFTS is

expected to exceed targets in the short term to provide the pool of potential research postgraduate students required to meet the long term target.

- The baseline growth established for each faculty in 2007 has continued to provide the basis for future student enrolment targets.
- Council adopted limitations for all undergraduate qualifications for 2009. The limits make it possible to manage future

undergraduate growth. A guaranteed entry score was established for most undergraduate degrees. Processes to consider applicants who do not meet the guaranteed scores but have the potential to succeed at University, Targeted Admission Schemes, were also established to ensure students from equity groups would not be adversely affected by the limitations.

### Objective 8

Create a curriculum meeting the highest standards of excellence across the University.

Performance Indicators	2005 Actual	2006 Actual	2007 Actual	2008 Target	2008 Actual
8.1 Degrees accredited by professional associations/accreditation bodies	28	30	33	≥30	33
8.2 % Qualification completions (domestic, undergraduate)	61	60	61	≥60	63

- The following degree programmes were accredited in 2008:
  - Bachelor of Planning and Master of Planning Practice
- The Bachelor of Music and Bachelor of Music (Honours) were reviewed by an external Review Panel.
- The Departments of Anthropology, Classics and Ancient History, Marketing, and Sports and Exercise Science, and the School of Medical Sciences were reviewed by external Review Panels.

- The Committee on University Academic Programmes has approved the introduction of the following qualifications:
  - Master of Public Policy;
  - Master of Legal Studies
  - Bachelor of Health Sciences (Honours)
  - Bachelor of Social Work (Honours);
- The Committee on University Academic Programmes approved the introduction of a specialisation in Commercial Law in the Bachelor of Commerce (Honours) and the Post Graduate Diploma in Commerce; Criminology as a new subject for the Bachelor of Arts; Ecology as a specialisation for the Bachelor of Science; a specialisation

in Disability Support to the Graduate Diploma in Education; a specialisation in Environmental Law in the Master of Legal Studies, and a specialisation in Social Work for the Postgraduate Diploma and Master of Health Sciences.

- Graduating Year Reviews were completed and approved for the following qualifications:
  - Doctor of Musical Arts,
  - Master of Creative Writing,
  - Postgraduate Certificate and Postgraduate Diploma and Masters of Maori Health.

## Objective 9

Create and maintain an outstanding teaching and learning environment.

Performance Indicators	2005 Actual	2006 Actual	2007 Actual	2008 Target	2008 Actual
9.1 Student: academic staff ratio	17.8	17.8	18.3	18	17.5
9.2 Academic: general staff ratio	1.5	1.6	1.6	1.6	1.7
9.3 % new undergraduate retention (re-enrolment)	89	89	90	≥91	87
9.4 % Library collections expenditure (Total Revenue)	3.4	2.0	1.9	2.3	2.0

- The key measures associated with maintaining an outstanding teaching and learning environment remained largely unchanged from 2007 performance. The small improvement in the student to academic staff ratio and the change in the academic to general staff ratio may in part be a result of changes to the underlying calculations following the introduction of the new Human Resources management system.
- The change in the retention of new undergraduate students from 90% in 2007 to 87% in 2008 is mainly associated with 'open entry' to Law Part 1. Students who are below the cut-off for Law Part 2 are often able to gain places at other New Zealand law schools.
- University of Auckland Teaching Excellence awards were awarded to five staff. Professor John Hosking of the Faculty of Science and Dr Dawn Garbett of the Faculty of Education, two recipients of University of Auckland awards, won National Tertiary Teaching Excellence Awards. Since the awards were instituted in 2002, the University has had at least one award winner at each ceremony.
- The agreement between the University and the Manukau Institute of Technology that provides for co-operation in the delivery of academic programmes so as to increase the access of students in Manukau to degree programmes was renewed.
- Revised Guidelines for the Conduct of Coursework that address the principles and practices of academic integrity and set out processes for dealing with cases of academic misconduct in coursework have been introduced. The review and new processes were informed by benchmarking against practices in Australian and other New Zealand Universities.
- Student evaluations of courses and teaching are conducted on a regular basis. The policy for evaluations and the evaluation questions have been reviewed and revised. The new evaluation questionnaires and an associated Evaluations Handbook for staff will come into operation from the beginning of 2009.
- The University's compliance with the *Code of Practice for the Pastoral Care of International Students* was audited in 2008. The University received positive feedback on all aspects of its international support services.



School of Music students perform in the comic opera "Albert Herring".

# Te Tiriti o Waitangi/The Treaty of Waitangi

## Objective 10

Fulfill the responsibilities and obligations of the University under Te Tiriti o Waitangi.

Performance Indicators	2005 Actual	2006 Actual	2007 Actual	2008 Target	2008 Actual
10.1 % Maori academic staff (FTE)	5	5	5	≥6	6
10.2 % Maori general Staff (FTE)	5	5	5	≥6	7
10.3 % Maori students (domestic EFTS)	8	7	7	≥7	7
10.4 % Maori successful course completions (undergraduate)	79	79	78	≥80	81
10.5 % Maori qualification completions (domestic, 5 year, degree-level and above)	53	44	48	≥48	51

- The performance indicators show an improvement over 2007 performance. The number of Māori students enrolled in 2008 (1,842 EFTS) is essentially the same as in 2007. However, the measures of student achievement ie pass rates and percentage of Māori completing undergraduate qualifications within five years show continuing improvements.
- The percentage and numbers of Māori staff have also increased. This is in part a result of improved reporting following the implementation of the new Human Resources Management System.
- Karanga Waipapa 20 Year Celebrations* were held in February. The week long celebrations held to mark the event included faculty-based events, a discussion of histories and concluded with an anniversary dinner and the presentation of eight special scholarships.
- The re-dedication of the James Henare Māori Research Centre coincided with the Waipapa Anniversary. The Centre has been successful in attracting a Foundation for Research, Science and Technology research grant. The research will investigate the links between youth success and tribal marae, values and languages.
- The first publication from the James Henare Māori Research Centre, 'Tāhuhu Kōrero: The Sayings of Taitokerau' was launched.
- Six awards were presented at the annual Māori Business and Alumni Leaders Awards Dinner. The winner of the 2008 Māori Business Leaders' Award was Peter Cooper, (Te Aupōuri, Ngāti Kuri, Ngāti Kahu).
- The Office of the Pro Vice-Chancellor (Māori) is a partner in two TEC "Encouraging and Supporting Innovation" initiatives. The MANU-Ao Academy will build upon the gains made with the MANU-Ao Programme's inter-universities activities of seminars, lectures, and capability building for Māori academics established over the last year.
- The University won the Māori Language Week Award for tertiary institutions, one of 13 national trophies presented by Te Taura Whiri i te Reo Māori (Māori Language Commission). The University entry included a Te Reo Wānanga, a Māori language quiz night for staff and Faculty-based events.
- The office of the Pro-Vice Chancellor (Māori) met with a number of Māori leaders in the University's wider region.

## Community Engagement

### Objective 11

Develop effective partnerships with the University's local, national and international communities.

- The 125th anniversary of the University's founding as a College of the University of New Zealand was celebrated in 2008. The Jubilee Celebrations included the production of a history of the University's first 125 years *The University of Auckland: the first 125 years* (Auckland University Press), a 125th jubilee luncheon for retired staff of the University and a "Town and Gown" reception involving civic and business leaders.
- The University's 2007 performance was reported to key community stakeholders through the Vice-Chancellor's Community Breakfast which was attended by a range of business leaders, politicians and representatives of community groups.
- A range of opportunities was provided by the University for the community to engage with internationally renowned researchers and their research. These included public lectures by visiting fellows, inaugural professorial lectures, the Winter Lectures in which the challenges for research in modern academia were considered. The 2008 Robb Lectures were delivered by Emeritus Professor Sheldon Rothblatt a renowned scholar of British and European history, whose research centres on the history of universities in relation to society and culture.
- The second annual Graduation Gala: Concerto Competition was held at Auckland's Town Hall. The three finalists played before a large audience of parents, recent graduates and members of the community. The competition was won by Amalia Hall, a violin student.

## Objective 12

Engage alumni and friends in mutually supportive and productive relationships.

Performance Indicators	2005	2006	2007	2008	2008
	Actual	Actual	Actual	Target	Actual
12.1 Donations, bequests and fundraising revenue (\$000)	4,242	5,465	5,360	6,063	8,422
12.2 Alumni with whom the University is actively engaged	93,997	98,260	103,790	110,751	103,070

- Donations and bequests measured in the performance indicator are those recognised as revenue by the University. The financial down turn in the latter part of 2008 impacted on the revenue recognised, but the target was still surpassed.
- The annual Distinguished Alumni Awards Dinner was held by the University. Seven awards were made in 2008.
- The “Leading the Way” fundraising campaign was launched at a dinner involving alumni, staff and friends of the University. This was the official start of the campaign that aims to raise \$100 million by 2012. Philanthropy provides support for a variety of activities including research, staff fellowships and student scholarships.
- The Vice-Chancellor, assisted by senior staff, participated in a programme of international and national alumni events. Events were held in a number of overseas locations including Beijing, Hong Kong, Shanghai, Seoul, London and New York as well as in New Zealand and Australia. Alumni events including the annual Golden Graduates luncheon provide an opportunity for alumni to maintain awareness of the University’s activities.
- A Pacific Alumni ball was organised by the new Pacific Alumni group. The group aims to provide encouragement, including mentoring and career development opportunities for Pacific alumni.



The 2008 recipients of Distinguished Alumni Awards (DAA), from left Emeritus Professor Carrick Chambers; Dr James Church; Dame Cath Tizard, Patron of The University of Auckland Society; David Abbott, President of The University of Auckland Society; Lynette Stewart; John Taylor, Director External Relations; The Hon Justice Lowell Goddard; Emeritus Professor C.K. Stead; and Chris Liddell, guest speaker and previous DAA recipient.

## Excellent people

### Objective 13

Recruit and retain a high-quality staff and student body, striving to create equal opportunities for all those of ability to succeed in a university of high international standing.

Performance Indicators	2005 Actual	2006 Actual	2007 Actual	2008 Target	2008 Actual
13.1 % School leavers with a GPE > 4.4 ( on a 5 point scale)	32	33	36	≥36	39
13.2 % qualification completions for under 25's (domestic, 5 year degree-level and above)	66	67	66	≥66	68
13.3 % Senior academic positions filled by women (FTE)	21	22	24	≥24	23
13.4 % Pacific academic staff (FTE)	2	3	2	≥3	2
13.5 % Pacific general staff (FTE)	5	5	5	≥6	6
13.6 % Pacific students (Domestic EFTS)	8.9	9.1	8.9	≥10	8.4
13.7 % Pacific successful course completions (undergraduate)	70	69	67	≥68	68
13.8 % Pacific qualification completions (domestic, 5 year degree-level and above)	43	44	41	≥40	44

- The performance measures related to the quality of the student intake, especially the standard of the school leaver intake and the rate at which domestic students complete undergraduate degrees, show a marginal improvement in 2008 compared with targets and over time.
- The student related equity measures show that the achievement of Pacific students as measured by course and qualification completion rates has improved but that the percentage of students who identify as Pacific has declined marginally.
- The staff related equity measures, percentage of senior women and percentage of Pacific staff show marginal decreases but changes to FTE calculation methods following the introduction of the new HRM system mean that the differences between 2008 and targets are within expected margins of error.
- The Undergraduate Admissions and Equity Taskforce was established by the Council to consider the equity implications of limiting entry to all undergraduate degrees. The principles recommended by the Taskforce were adopted and their implementation will be monitored for a three year period.
- Staff contributions to equity were recognised through The Excellence in Equity Awards. Distinguished Professor Dame Anne Salmond was recognised for sustained excellence in equal opportunities. The contributions of the postgraduate mentoring for research programme between NICAI Tuākana and the Student Learning Centre, and the SPIES Pacific Tour 2007 – recruiting students of the Pacific, were acknowledged.

### Objective 14

Create and promote a student environment that is welcoming, enjoyable and stimulating, encouraging students to reach their full potential within a climate of academic excellence.

Performance Indicators	2005 Actual	2006 Actual	2007 Actual	2008 Target	2008 Actual
14.1 % undergraduate students expressing satisfaction with University experience	n/a	91	94	≥90	82*
14.2 % postgraduate students expressing satisfaction with University experience	n/a	91	93	≥90	n/a

#### Note

- The University participated in the Australasian Survey of Student Engagement in 2008. This internationally benchmarked survey was undertaken on a different basis than the University's usual Teaching and Learning Survey which means the 2008 results for student satisfaction are not directly comparable with past years' results.

- International students participated in the International Student Barometer, a survey that benchmarked international student experience at Auckland with that of other New Zealand and international universities.
- University of Auckland students were successful in gaining prestigious international scholarships. Jessica Rodrigues, a Bachelor of Technology graduate, was awarded an International Fulbright Science and Technology Award. Nina Hall, a political studies graduate, was awarded a Rhodes Scholarship to undertake a PhD at Oxford. George Gordon and Rachael Shaw were awarded Rutherford Foundation Scholarships to undertake doctoral studies at Cambridge.
- Student teams successfully participated in National and International competitions. A team of students from the Business School won the Marshall International Case Competition held at the University of Southern California. The inaugural 2008 Champion's Trophy, held at the University, was also won by the Business School team. A number of world-rated international universities took part in the event. Two Auckland Law students won the Bell Gully National Mooting competition.

and qualified to represent New Zealand at the International Law Moot in Washington DC in 2009. A team of postgraduate engineers won four individual awards and were second overall at an international earthquake design competition in Taiwan.

- Student success in academic, recreational and cultural activities is celebrated each year with the award of prizes and scholarships. Encouragement and support is provided to student-led initiatives such as Spark\* and Chiasma.

- The University encourages strong and effective student leadership through the Auckland University Students' Association, departmental and faculty staff-student consultative committees. Regular briefings were held with student representatives on key University committees.

## Objective 15

Create a culture that encourages academic and general staff to reach their full potential.

Performance Indicators	2005 Actual	2006 Actual	2007 Actual	2008 Target	2008 Actual
15.1 Number of prestigious international awards held by staff	94	103	116	≥150	161
15.2 Professional development expenditure per FTE	1,055	992	1,149	≥1,300	1,480

- New Zealand honours were awarded to several staff:
  - Distinguished Companion of the New Zealand Order of Merit (DCNZM) for services to medicine: Professor Peter Gluckman
  - Officer of the New Zealand Order of Merit (ON ZM) for services to archaeology: Associate Professor Harry Allen
  - Member of the New Zealand Order of Merit (MNZM) for services to local body affairs, education and the community: Jim Peters, Pro Vice-Chancellor (Māori).
  - Companion of the Queen's Service Order (QSO): Dr Melani Anae for services to the Pacific Islands community.
- Royal Society of New Zealand Fellowships and other medals and awards were made to the following staff: Professor Neil Broom (Chemical and Materials Engineering), Professor Mark Cannell (Physiology) and Professor Russell Gray (Psychology). Distinguished Professor Ted Baker (Biological Sciences) awarded the HRC Liley Medal. The 2008 Pickering Medal was awarded to Associate Professor Ross Ihaka (Statistics).

Professor Diana Lennon (Medicine) was awarded the inaugural Dame Joan Metge Medal. Dr Maurice Curtis (Anatomy with Radiology) was awarded the Hamilton Prize.

- The following staff were made Fellows of the New Zealand Academy of the Humanities Te Matanga o te Whaingā Aronui. Professor Maureen Baker (Sociology); Distinguished Professor Brian Boyd (English); Associate Professor Manying Ip (Asian Studies); Emeritus Professor Mac Jackson (English); Professor Robert Nola (Philosophy); Professor Raylene Ramsay (French) and Professor Mike Taggart (Law).
- Other New Zealand awards and honours won included:
  - World Class New Zealand Awards won by Professor Garth Cooper (Biological Sciences) with the Biotechnology award, and Professor Margaret Brimble (Chemistry) with the Research, Science, Technology and Academic award
  - The 2008 Walters contemporary art award was won by Associate Professor Peter Robinson (Elam).

- International honours accorded members of the University included:

- Distinguished Professor Dame Anne Salmond (Māori Studies) and Professor Peter Phillips (Economics) elected Corresponding Fellows of the British Academy.
- Distinguished Professor Peter Gluckman awarded the Nuffield Medal by the Royal Society of Medicine.
- Professor Laurence Melton elected Fellow of the International Academy of Food Science and Technology.
- The Experimental Analysis of Behaviour Research Unit in the Department of Psychology was recognised for 40 years of empirical research and contributions to behaviour analysis.

The University made the following senior academic appointments:

- Professor Jane Harding as Deputy Vice-Chancellor (Research).
- Professor Greg Whittred as Dean of Business and Economics.
- Associate Professor Graeme Aitken as Dean of Education.

## Resourcing and organising for quality

### Objective 16

Safeguard the long-term viability and autonomy of The University of Auckland through excellent financial management.

Performance Indicators	2005 Actual	2006 Actual	2007 Actual	2008 Target	2008 Actual
16.1 Total revenue (\$m)	652	667	741	732	789
16.2 Operating surplus as a % of revenue	3.0	3.1	3.0	≥3.0	3.1%
16.3 Operating cash receipts as a % of operating cash payments	120	116	119	≥115	120
16.4 Revenue achieved as a % of budget	102	102	104	≥100	102

- Total University revenue increased in 2008 by 6.5% from 2007. The University's operating surplus and cash flow are well within the financial guidelines set by Council and demonstrate strong financial management.
- The increase in external research income is the major contributor to the increase in revenue and driver for revenue being above the 2008 budget target. The increases in ERI were partially off-set by lower than expected student numbers which resulted in reduced tuition fee revenue.
- The University completed its annual review of the long-term capital plan and financial projections. The accommodation strategy, aligned to the Strategic Plan, was progressed.
- Robust independent reviews of business cases for capital expenditure proposals were conducted prior to approval to proceed being given. Semestral Reviews of faculty and service division ensured actual and forecast performance were measured against budget.
- Monthly reviews of financial performance against budget and forecast were conducted by the University. Variances were investigated and appropriate actions were taken.

### Objective 17

Increase and diversify the University's revenue.

Performance Indicators	2005 Actual	2006 Actual	2007 Actual	2008 Target	2008 Actual
17.1 Teaching and learning income per EFTS (indexed to 2004)	12,200	11,700	11,576	≥12,500	11,914
17.2 Total revenue per FTE (academic)	330,110	341,077	380,108	382,000	384,901

- The University officially launched the *Leading the Way* fundraising campaign which aims to increase the University's revenue from philanthropic sources.
- The renewed Centres of Research Excellence contracts have been finalised.
- The University succeeded in increasing its revenue from external research income. \$93.4 million or 49% of the University's total external research income is from public good sources, the remaining ERI is from a variety of sources including commercial sources.
- Collaborative activities with other universities and research organisations have been entered into that offer opportunities to diversify funding streams.

## Objective 18

Provide an infrastructure that supports teaching, learning, research, and community engagement of the highest quality.

Performance Indicators	2005 Actual	2006 Actual	2007 Actual	2008 Target	2008 Actual
18.1 People costs as a % of total expenditure	57	60	57	58	60
18.2 EFTS per open access computer work stations	7.1	6.1	6.3	6.4	5.6
18.3 Space per student (AFA m <sup>2</sup> /EFTS)	7.7	9.1	9.1	10.5	9.1
18.4 Property, plant and equipment per student (assets/EFTS)	35,363	39,656	39,061	≥40,000	46,935

- The Owen G Glenn Building which was completed in 2007 was officially opened.
- The University implemented a new Human Resource Management system in 2008. The PeopleSoft HR Version 9 (HR Connect+ Programme) went live in September. The implementation programme has included significant changes to the way in which HR processes are undertaken as well as the implementation of the new software.
- A framework is being developed to manage, monitor and report on benefits realised through the HR Connect+ project and on the risk management and continuous improvement issues identified through the project.
- Approval has been given for the design and construction of the Thomas Building Extension occupied by the School of Biological Sciences. Construction is scheduled to commence in April 2009 and be completed by end of 2010.
- Preliminary design work on the major redevelopment projects for the Grafton Campus continued in 2008. A full proposal and business case is being prepared for consideration in 2009.

## Objective 19

Promote governance and management practices consistent with the mission and values of The University of Auckland.

- Management reported quarterly to Audit Committee on key issues in risk management.
- Compliance with University financial management policies is monitored on an on-going basis.
- A University Organisation Structure and policies and processes for maintaining that structure across core systems were put in place.
- An energy savings campaign was implemented across all campuses and as a result the University made significant savings in energy usage.

## Objective 20

Operate planning and review processes that drive achievement of the University's strategic objectives.

- The University and the TEC negotiated variations to its approved 2008 to 2010 Investment Plan that take into account the level of funding allocated for the 2008 to 2010 triennium.
- Faculties, Service Divisions and LSRLs submitted progress and end of year reports against their 2008 Annual Plans. 2009 Annual Plans were submitted and discussed at the annual Senior Management Team Planning Meeting.
- The Council approved the 2009 Budget and noted the Key Performance indicators that measure progress toward the Strategic Plan objectives for the University and for faculties and LSRLs.
- Progress toward the annual targets for eleven key indicators is reported to Council at each meeting. Progress toward Faculty and LSRI annual targets is reviewed at various points during the year.
- The University undertook an Administrative Function Review of Academic Services. The Report of the International Function Review was finalised. Progress on the recommendations of the Human Resources Function Review has been reported to the Review Committee.

# Statement of resources

## Buildings

	2006	2007	2008
Gross area of University buildings (m <sup>2</sup> )	422,174	488,607	486,220

### Note

- In the published University of Auckland Annual Report 2007 it was noted that the gross area of University buildings was 492,578m<sup>2</sup>. There were a number of changes that netted out to a reduction of gross floor area of 3,971m<sup>2</sup>.

Significant items included:

- Demolition of the late 1950s Interim Upper and Lower Lecture Theatre;
- Expiry of lease of 9 Mount Street;
- Demolition of Grafton Campus The Pink Cottage;
- Termination of lease of 50 Anzac Avenue.

## Land

The University is responsible for a total land area of 187.2ha. This includes 18.5ha on the City Campus, 32.4ha at the Tamaki Campus, 1.5ha at Whangarei and 122.1ha at Leigh Marine Research Laboratory and various bush reserves.

## Library Resources

	2006	2007	2008
<b>Collections</b>			
Printed books and theses	1,618,142	1,646,544	1,670,187**
Printed serials (volumes)	588,742	589,489	568,697**
<b>Total printed volumes</b>	<b>2,206,884</b>	<b>2,236,033</b>	<b>2,238,884**</b>
Electronic books	283,997	295,506	314,074
Print serial titles	5,890	5,551	5,408
Electronic serial titles	81,699	82,900	84,644
<b>Services</b>			
Loans – total	1,178,766	1,140,513	1,066,488
Library web page sessions	5,046,290	5,783,910	5,716,286
Library teaching sessions	1,865	1,590*	1,501*
Attendance at Library teaching sessions	25,081	19,966*	20,572*
Number of libraries/Information Commons	16	16	16
General Library average open hours per week	90	90	90
Information Commons average hours open per week	113	113	113
Study spaces	3,733	3,694	3,614
Study/training spaces with computer workstations	1,064	1,089	1,085
<b>Total number of study spaces</b>	<b>4,797</b>	<b>4,783</b>	<b>4,699</b>

\*Statistics from 2007/2008 do not include Law academic courses taught by the Library.

\*\*Numbers are affected by a recount of the Engineering Library which resulted in a reduction in their total figures.

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## STATEMENT OF RESPONSIBILITY

- The Council and management of The University of Auckland accept responsibility for the preparation of the Financial Statements and the judgments used in them.
- The Council and management of The University of Auckland accept responsibility for establishing and maintaining a system of internal control which has been designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
- In the opinion of the Council and management of The University of Auckland, the Financial Statements for the year ended 31 December 2008 fairly reflect the financial position and operations of The University of Auckland.
- The Council of The University of Auckland has reviewed these Financial Statements and by resolution approved these Financial statements for issue at its meeting of 15 April 2009.



Mr G Roger W France  
CHANCELLOR



Professor Stuart McCutcheon  
VICE-CHANCELLOR



Mrs Adrienne Cleland  
DIRECTOR OF ADMINISTRATION

## INCOME STATEMENT

for the year ended 31 December 2008

	Note	CONSOLIDATED			UNIVERSITY	
		2008 Actual \$'000	2008 Budget \$'000	2007 Actual \$'000	2008 Actual \$'000	2007 Actual \$'000
<b>Operating revenue</b>						
Government grants	2	319,500	314,828	301,837	319,500	301,837
Tuition fees		170,582	178,766	167,065	170,582	167,065
Research contracts		190,634	171,021	162,949	93,427	80,195
Service income		79,704	79,318	83,013	93,938	91,965
Donations		7,686	9,487	5,165	7,686	5,165
Interest received		11,066	8,793	8,665	10,501	7,452
Other revenue	3	9,743	7,546	12,145	9,715	11,949
<b>Total operating revenue</b>		<b>788,915</b>	<b>769,759</b>	<b>740,839</b>	<b>705,349</b>	<b>665,628</b>
<b>Operating expenses</b>						
People costs	4	458,966	442,897	408,796	403,654	360,320
Operating costs	5	218,254	229,520	213,198	193,696	186,159
Finance costs					3,097	2,639
Depreciation and amortisation	6	86,969	74,173	96,422	85,127	95,380
<b>Total operating expenses</b>		<b>764,189</b>	<b>746,590</b>	<b>718,416</b>	<b>685,574</b>	<b>644,498</b>
<b>Operating surplus for the year before unusual items</b>		<b>24,726</b>	<b>23,169</b>	<b>22,423</b>	<b>19,775</b>	<b>21,130</b>
<b>Unusual items</b>						
Donations for capital projects	7	195		195	195	195
<b>Net surplus</b>		<b>24,921</b>	<b>23,169</b>	<b>22,618</b>	<b>19,970</b>	<b>21,325</b>
<b>Attributable to:</b>						
Members of the parent entity		24,921	23,169	22,618	19,970	21,325

The accompanying Notes to the Financial Statements on pages 65 to 92 form part of and should be read in conjunction with these financial statements.

## BALANCE SHEET

as at 31 December 2008

	Note	CONSOLIDATED			UNIVERSITY	
		2008 Actual \$000	2008 Budget \$000	2007 Actual \$000	2008 Actual \$000	2007 Actual \$000
<b>Current assets</b>						
Cash and cash equivalents	9	54,824	1,353	26,445	44,402	20,561
Short term investments	9	28,220	29,990	15,500	24,020	15,500
Receivables	9, 10	27,650	29,770	26,227	17,677	16,999
Research work in progress	9	12,631	13,906	12,726	3,596	4,312
Derivative financial instruments	9	327			314	
Inventories	11	837	910	770	837	770
Prepayments and other current assets		15,227	12,365	19,703	15,228	19,658
<b>Total current assets</b>		<b>139,716</b>	<b>88,294</b>	<b>101,371</b>	<b>106,074</b>	<b>77,800</b>
<b>Non current assets</b>						
Long term investments	9	17,311	22,335	20,380	16,820	18,280
Investment in subsidiaries	24				27,916	9,000
Property, plant and equipment	12	1,403,447	1,234,770	1,304,479	1,371,802	1,292,046
Intangible assets	13	14,235	4,424	7,728	13,548	6,225
<b>Total non current assets</b>		<b>1,434,993</b>	<b>1,261,529</b>	<b>1,332,587</b>	<b>1,430,086</b>	<b>1,325,551</b>
<b>Total assets</b>		<b>1,574,709</b>	<b>1,349,823</b>	<b>1,433,958</b>	<b>1,536,160</b>	<b>1,403,351</b>
<b>Current liabilities</b>						
Payables	14	186,915	174,970	170,021	122,729	109,924
Loan from subsidiary	24				37,700	37,700
Finance lease liability	18	726	726	726	726	726
Employee entitlements	15	26,992	21,757	23,167	26,125	22,637
Derivative financial instruments	9		84	83		83
Provisions	16	12,604	17,547	12,760	12,604	12,760
<b>Total current liabilities</b>		<b>227,237</b>	<b>215,084</b>	<b>206,757</b>	<b>199,884</b>	<b>183,830</b>
<b>Non current liabilities</b>						
Employee entitlements	15	36,596	29,182	28,268	36,568	28,240
Income in advance	17	12,000	12,000	12,000	12,000	12,000
Finance lease liability	18	363	1,089	1,089	363	1,089
<b>Total non current liabilities</b>		<b>48,959</b>	<b>42,271</b>	<b>41,357</b>	<b>48,931</b>	<b>41,329</b>
<b>Total Liabilities</b>		<b>276,196</b>	<b>257,355</b>	<b>248,114</b>	<b>248,815</b>	<b>225,159</b>
<b>Net assets</b>		<b>1,298,513</b>	<b>1,092,468</b>	<b>1,185,844</b>	<b>1,287,345</b>	<b>1,178,192</b>
<b>Equity</b>						
General equity	21	859,308	862,021	832,481	849,226	827,350
Reserves	22	423,236	209,064	335,321	422,165	332,982
Trust and special funds	23	15,954	21,383	17,860	15,954	17,860
<b>Parent entity interest</b>		<b>1,298,498</b>	<b>1,092,468</b>	<b>1,185,662</b>	<b>1,287,345</b>	<b>1,178,192</b>
Minority Interest		15		182		
<b>Total equity</b>		<b>1,298,513</b>	<b>1,092,468</b>	<b>1,185,844</b>	<b>1,287,345</b>	<b>1,178,192</b>

The accompanying Notes to the Financial Statements on pages 65 to 92 form part of and should be read in conjunction with these financial statements.

## STATEMENT OF RECOGNISED INCOME AND EXPENSE

for the year ended 31 December 2008

	Note	CONSOLIDATED			UNIVERSITY	
		2008 Actual \$000	2008 Budget \$000	2007 Actual \$000	2008 Actual \$000	2007 Actual \$000
Gain on works of art revaluation	22	1,252			1,252	
Gain on land and buildings revaluation	22	87,719		127,045	87,534	127,045
Gain/(loss) on valuation of available-for-sale investments taken to equity	22	(1,466)		(309)		
Gain/(loss) on cash flow hedges taken to equity	22	1,317		(748)	1,317	(748)
Net income recognised directly in equity		88,822		125,988	90,103	126,297
<b>Transfers from equity:</b>						
To income on sale of available-for-sale investments	22			(1,564)		
To initial carrying amount of non-financial hedged item on cash flow hedges	22	(907)		1,621	(920)	1,621
<b>Net surplus for the year</b>		24,921	23,169	22,618	19,970	21,325
<b>Total recognised income and expense for the year</b>		<b>112,836</b>	<b>23,169</b>	<b>148,663</b>	<b>109,153</b>	<b>149,243</b>
<b>Attributable to:</b>						
Members of the parent entity		112,836	23,169	148,663	109,153	149,243
Minority interest		(167)				

The accompanying Notes to the Financial Statements on pages 65 to 92 form part of and should be read in conjunction with these financial statements.

## CASH FLOW STATEMENT

for the year ended 31 December 2008

	Note	CONSOLIDATED			UNIVERSITY	
		2008 Actual \$000	2008 Budget \$000	2007 Actual \$000	2008 Actual \$000	2007 Actual \$000
<b>Cash flows from operating activities</b>						
Government grants		316,714	315,329	302,339	316,714	302,339
Tuition fees		181,442	185,010	174,588	181,442	174,588
Dividends received		37		120	37	120
Other operating receipts		287,135	271,060	262,625	201,229	182,859
Income in advance				12,000		12,000
Goods and services tax		298	7,916	1,301	1,023	1,157
Payments to employees		(396,692)	(380,208)	(374,785)	(353,435)	(335,942)
Other operating payments		(258,167)	(303,358)	(246,957)	(222,417)	(209,226)
Net cash provided by (used in) operating activities	8	130,767	95,749	131,231	124,593	127,895
<b>Cash flows from investing activities</b>						
Interest received		11,421	8,029	8,238	10,860	7,025
Loan to subsidiaries					(18,916)	(8,000)
Investments		(11,284)		(9,051)	(7,061)	(11,076)
Property, plant and equipment and work in progress		(101,756)	(123,067)	(116,348)	(81,769)	(107,296)
Net cash provided by (used in) investing activities		(101,619)	(115,038)	(117,161)	(96,886)	(119,347)
<b>Cash flows from financing activities</b>						
Loan from subsidiary						6,000
Interest paid					(3,097)	(2,639)
Repayment of finance lease liabilities		(726)	(725)	(726)	(726)	(726)
Net cash provided by (used in) financing activities		(726)	(725)	(726)	(3,823)	2,635
<b>Net Increase/(decrease) in cash and cash equivalents</b>						
Cash and cash equivalents at the beginning of the financial year		26,445	21,367	13,195	20,561	9,472
Effects of exchange rate changes on cash		(43)		(94)	(43)	(94)
<b>Cash and cash equivalents at the end of the financial year</b>		<b>54,824</b>	<b>1,353</b>	<b>26,445</b>	<b>44,402</b>	<b>20,561</b>

The accompanying Notes to the Financial Statements on pages 65 to 92 form part of and should be read in conjunction with these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

## 1 Statement of accounting policies

### Basis of Preparation

#### Reporting Entity

The financial statements of The University of Auckland and its subsidiaries for the year ended 31 December 2008 were authorised for issue by the Council on 15 April 2009.

The University of Auckland was established by The University of Auckland Act 1961. The principal activities of the University and its subsidiaries are the provision of teaching and research services.

The central office of the University's management is located at Alfred Nathan House, 24 Princes St, Auckland, New Zealand.

The financial statements have been prepared in accordance with the requirements of the Crown Entities Act 2004 and Section 203 of the Education Act 1989, which include the requirement to comply with generally accepted accounting practice in New Zealand.

The University of Auckland and its subsidiaries are designated as public benefit entities for financial reporting purposes.

#### Compliance with NZ IFRS

These financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

#### Historical Cost Convention

These financial statements have been prepared under the historical cost convention except the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments held for trading, financial instruments classified as available-for-sale, land and buildings, and works of art.

Works of art and land and buildings are revalued every three years and are stated at revalued amount less impairment, if any, and subsequent accumulated depreciation on buildings.

#### Judgments and Estimations

In the application of NZ IFRS and the University's accounting policies management is required to make judgments, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that management have made in the process of applying the University's accounting policies and that have the most significant effects on the amounts recognised in these financial statements:

- Useful lives of property, plant and equipment and Intangible Assets. At the end of each annual reporting period management reviews the estimated useful lives of Property Plant and Equipment and Intangible Assets.
- Valuation of the Provisions detailed in Note 16. At the end of each annual reporting period management reviews the value of these provisions and the appropriateness of their continued inclusion in the financial statements.
- Management use judgements in selecting the categories for reporting of Financial Assets and Liabilities within the financial statements.
- Certain assets have been designated as at fair value through profit and loss where the group of financial assets is managed and its performance evaluated on a fair value basis in accordance with the University's Treasury Management Policy and information is provided to key management personnel.

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

### Basis of Consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the University of Auckland and its subsidiaries. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

#### Subsidiaries

Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair values of the identifiable net assets acquired exceed the cost of acquisition, the difference is credited to the income statement. Subsequent to initial recognition, investments in subsidiaries are measured at cost in the parent entity's financial statements.

Minority interests in the net assets of consolidated entities are identified separately from the consolidated entity's equity therein. Minority interests consist of the amount of those interests at the date of the original combination and the minority's share of changes in equity since the date of combination. Losses applicable to the minority interest in excess of the minority's interest in the consolidated entity's equity are allocated against the interests of the consolidated entity except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

The interest of minority shareholders in the acquired entity is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

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## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

The consolidated financial statements include the information and results of each subsidiary from the date on which the University obtains control and until such time as the University ceases to control such entity.

### **Associates**

Associates are all entities over which the consolidated entity has significant influence but not control and that is neither a subsidiary nor an interest in a joint venture. Significant influence is generally evidenced by holdings of between 20% and 50% of the voting rights.

The results and assets and liabilities of associates are incorporated in the consolidated entity's financial statements using the equity method of accounting, from the date that significant influence commences until the date that significant influence ceases. Under the equity method, investments in associates are carried in the balance sheet at cost as adjusted for post-acquisition changes in the consolidated entity's share of the net assets of the associate, less any impairment in the value of individual investments.

Any excess of the cost of acquisition over the consolidated entity's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the consolidated entity's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the income statement.

When the consolidated entity's share of losses exceeds its interest in an associate, the consolidated entity's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent the consolidated entity has incurred legal or constructive obligations or made payments on behalf of an associate.

Investments in associates are recorded at cost in the parent entity's financial statements.

### **Transactions Eliminated on Consolidation**

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full for subsidiaries and to the extent of the consolidated entity's interest in the associate.

### **The University of Auckland Foundation**

The University of Auckland Foundation is a registered charitable trust that raises funds for a number of charitable purposes including achievement of knowledge and dissemination thereof by teaching and research, assisting students to pursue courses of study at The University of Auckland and general advancement of The University of Auckland. The University Council has received independent professional advice that the Foundation is a separate legal entity, is not under the control of The University of Auckland and determines its own financial and operating policies with the power to distribute funds to parties other than the University. Accordingly the University Council is of the view that it should not consolidate the Foundation, as to do so would overstate the financial position of the University and may give the misleading impression that the Foundation is in some way controlled by the University.

The University has not calculated the financial effect of a consolidation. The latest published financial position of the Foundation shows that it had net assets of \$43 million as at 31 December 2007. The financial statements of the Foundation for 2008 are not publicly available as they have not yet been approved by the Foundation's trustees.

### **Foreign Currency Translation**

#### **Functional and Presentation Currency**

Items included in the financial statements are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that operation ('functional currency').

Both the functional and presentation currency of the consolidated entity and its subsidiaries is New Zealand dollars (\$).

#### **Transactions and Balances**

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the balance date are translated to New Zealand dollars at the foreign exchange rate ruling at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated to New Zealand dollars at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Foreign exchange gains and losses resulting from settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rate ruling at balance date are recognised in the income statement, except where cash flow hedge accounting is used and the resulting foreign exchange gains and losses are deferred in equity reserves.

### **Revenue**

#### **Government Grants**

Government grants are recognised as revenue upon completion of services for which the grant was made. Where obligations are attached to a government grant, a liability is recognised. Once the obligation is discharged, the government grant is recognised as revenue.

#### **Tuition Fees**

Tuition fees are recognised as revenue throughout the period of course completion.

#### **Service Income**

Service income is recognised as revenue throughout the period of delivery of the service.

#### **Donations**

Unrestricted donations are recognised as revenue upon entitlement.

Where the consolidated entity receives a donation with obligations, a liability is recognised. Once the obligation is discharged, the donation is recognised as revenue.

Donated assets are recognised at fair value.

Donations received specifically as capital contributions toward the acquisition of assets or endowments which are not available as a contribution towards operating costs are

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

accounted for as unusual items in the income statement when recognised.

### *Sponsored Research*

Revenue from a contract to provide research services is recognised by reference to the stage of completion of the contract at balance date.

### *Revenue Received while Acting as an Agent*

Where the consolidated entity collects money from contracts as an agent for a third party, the consolidated entity only recognises the commission received from the collections as revenue.

### *Sale of Goods*

Revenue from the sale of goods is recognised when the consolidated entity has transferred to the buyer the significant risks and rewards of ownership of the goods.

### *Dividend and Interest Revenue*

Dividend revenue from investments is recognised when the shareholders' rights to receive payment have been established. Interest revenue is recognised on a time-proportionate basis using the effective interest rate method.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or where appropriate a shorter period, to the net carrying amount of the financial asset.

The effective interest rate is used to calculate the amortised cost of a financial asset and to allocate interest income over the relevant period.

### *Derivative Financial Instruments*

The consolidated entity enters into foreign currency forward exchange contracts to manage foreign exchange risk on committed expenditure and highly probable forecast transactions denominated in foreign currencies.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into. Subsequent to initial recognition, derivative financial instruments are re-measured to their fair value at each reporting date.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating

to the ineffective portion or any derivative which is not designated as a hedge instrument is recognised immediately in the income statement.

Amounts deferred in equity are recycled into the income statement in the periods when the hedged item is recognised in the income statement. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in the income statement.

### *Financial Assets*

The consolidated entity holds financial assets in the following specified categories: financial assets at fair value through profit or loss, loans and receivables and available for sale financial assets. The classification depends on the purpose of the financial asset and is determined at the time of initial recognition.

### *Financial Assets at Fair Value through Profit or Loss*

The consolidated entity holds investments which have been designated as financial assets at fair value through profit or loss. In addition, derivatives held for trading are included in this category. These assets are stated at fair value. Fair value is determined in the manner described in note 9. Any resultant gain or loss is recognized in the income statement and incorporates any dividend or interest earned on the financial asset. The gain or loss is reflected as a movement in Trust and Special Equity.

The policy of the consolidated entity is to designate an asset as a financial asset at fair value through profit or loss if the asset is subject to frequent changes in fair value and the performance of the asset is evaluated

by management on a fair value basis in accordance with investment policies.

### *Loans and Receivables*

Loans and receivables include trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate.

### *Available for Sale Financial Assets*

Investments designated as available for sale financial assets comprise listed shares and redeemable preference notes that are traded on an active market. They are stated at fair value.

Gains and losses arising from changes in fair value are recognised directly in equity in the investment revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in the income statement.

Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investment revaluation reserve is included in the income statement for the period.

Dividends on available-for-sale equity instruments are recognised in the income statement when the consolidated entity's right to receive the dividends is established.

The fair value of available for sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the balance sheet date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in the income statement, and other changes are recognised in equity.

### *Impairment of Financial Assets*

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

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## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

Objective evidence of impairment could include:

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

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

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

Changes in the carrying amount of the allowance account are recognised in the income statement.

### Inventories

Inventories are valued at the lower of cost and net realisable value. The weighted average method is used to determine cost. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

### Research Work in Progress

Research grants which provide reciprocal benefits to the research funding provider can extend over balance dates. Research grants are usually subject to a contract for services which sets out the outputs expected and includes a payment schedule. Each research grant is recorded as a separate contract in the consolidated entity's financial records.

At balance date the aggregate balance of research projects for which research grant funding received exceeds costs incurred to date is recorded in the balance sheet

as a liability, being a future obligation to complete research.

At balance date the aggregate balance of research projects for which research grant funding received to date is less than costs incurred to date is recorded in the balance sheet as an asset, Research Work in Progress, to be recovered in future periods from revenue from research funding providers.

### Property, Plant and Equipment

*Land and Buildings* and *Works of Art* are revalued to fair value every three years by an independent valuer. Fair value for land is determined on its highest and best use taking into consideration restrictions over the use of the land and the likelihood of rezoning. For buildings, fair value reflects the depreciated replacement cost, and for works of art, the assessed market value.

Any revaluation increase is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrement for the same asset class previously recognised as an expense in the income statement, in which case the increase is credited to the income statement to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of land and buildings or works of art is charged as an expense in the income statement to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset class.

Depreciation on revalued buildings is charged to the income statement. On a sale or retirement of a revalued property, the attributable revaluation surplus remaining in the property's revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to the retained earnings except when an asset is derecognised.

The consolidated entity applies the public benefit entity exemption to account for revaluations by class of asset.

All items of property, plant and equipment are initially recorded at cost, with the exception of donated assets, which are initially recorded at fair value.

Land in Crown title is included in property, plant and equipment. The University has unobstructed control of this land and

derives substantial tangible benefits from its use. The University has sole and unrestricted use of buildings located on Crown land and has assumed ownership of these buildings. Although legal title has not been transferred, the University has assumed all the normal risks and rewards of ownership.

*Library collection* held as at 31 December 1991 was valued internally, based on the estimated volume of the collection and weighted average cost as at that date.

This valuation is taken as deemed cost under NZ IFRS. All subsequent acquisitions are recorded at cost less accumulated depreciation and impairment, if any. At balance date the library collection is carried at deemed cost less accumulated depreciation and impairment, if any.

All permanent withdrawals from the collection are recorded at average cost less accumulated depreciation and impairment, if any.

*Plant and Equipment* are carried at cost less accumulated depreciation and impairment, if any.

*Leasehold Improvements* are carried at cost less accumulated depreciation and impairment, if any.

*Work in Progress* is carried at cost comprising expenditure incurred and certified Gross Progress Claim Certificates up to balance date less impairment, if any. Work in progress is not depreciated.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

### Depreciation

All items of property, plant and equipment other than freehold land, works of art and work in progress are depreciated using the straight-line method (except for the asset class of Library collection - other, which uses the diminishing value method) at rates that will write off the cost or revalued amount of assets less their residual values, over their estimated remaining useful life. The depreciation rates used for each class of asset are:

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

Buildings	1 - 10%
Library collection - serials	20%
- other	8% DV
Plant and Equipment	5 - 50%
Leasehold improvements	9 - 21%

### Intangible Assets

Internally generated intangible assets are stated at cost less accumulated amortisation and impairment, if any.

Computer software that is not integral to the operation of hardware is capitalised as an intangible asset on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over estimated useful lives of 3 to 5 years on a straight line basis.

### Asset Impairment

The carrying amounts of tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment each reporting date or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is depreciated replacement cost when the future economic benefits of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the consolidated entity would, if deprived of the asset, replace its remaining future economic benefits. Where the economic benefits are deemed dependent on the assets ability to generate net cash inflows, value in use is the present value of the future cash flows expected to be derived from the asset or cash generating unit. Value in use is calculated using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimated cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying

amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised in the income statement immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrement.

The consolidated entity applies the public benefit entity exemption to account for any impairment losses by class of asset.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised in the income statement immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increment.

### Employee Entitlements

Provision is made for the University's liability for general and academic staff annual leave, long service leave, retirement gratuities and sick leave when it is probable that settlement will be required and the liabilities are capable of being measured reliably. Annual leave is calculated on an actual entitlement basis at the rates expected to apply at time of settlement. Sick leave, long service leave and retirement gratuities have been calculated on an actuarial basis which estimates the present value of amounts payable in respect of existing employees based on assumed rates of sickness, death, disablement, resignation, retirement and salary progression.

### Goods and Services Tax (GST)

GST is excluded from the financial statements except for Trade Receivables and Trade Payables which are stated inclusive of GST. The balance of GST payable to the Inland Revenue Department is included in Trade Payables.

Cashflows are included in the cashflow statement on a gross basis. The GST component of cash flows arising from investing and financing which is recoverable from or payable to the Inland Revenue

Department is classified as operating cashflow.

### Taxation

The University and its subsidiaries are exempt from the payment of income tax as it is treated by the Inland Revenue Department as a charitable organisation. Accordingly no charge for income tax is provided.

### Trust and Special Funds

The University has established Trust and Special Funds for specific purposes. The conditions for use of those funds are imposed by Council, deed of gift or by the terms of endowments and bequests. The balance of a fund is transferred to general equity when it is no longer required for a specific purpose.

### Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

*Operating lease* rentals are recognised in equal instalments over the period of the lease except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease liability.

Payments under finance leases are apportioned between finance charges and a reduction of the finance lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are charged directly against income.

Assets held under finance leases are amortised on a straight line basis over the estimated useful life of the asset or the lease term, whichever is shorter.

Where the consolidated entity is the lessor, assets leased to third parties under operating leases are included in property, plant and equipment in the balance sheet.

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## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment.

### Payables

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

### Provisions

Provisions are recognised when the consolidated entity has a present obligation as a result of a past event, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

### Statement of Cash Flows

The following are the definitions of the terms used in the cash flow statement:

*Operating activities* are the principal revenue-producing activities of the consolidated entity and generally result from the transactions and other events that are integral to the determination of the net surplus. Operating activities include all transactions and other events that are not investing or financing activities.

*Investing activities* are those activities relating to the acquisition, holding and disposal of property, plant and equipment and of investments. Investments include securities not falling within the definition of cash and cash equivalents.

*Financing activities* are those activities that result in changes to the size and

composition of the capital structure. This includes both equity and debt not falling within the definition of cash and cash equivalents.

*Interest Paid* is classified as a financing cash flow and *Interest and Dividends Received* are classified as investing cash flows.

*Cash and Cash Equivalents* comprise cash on hand, cash in banks and investments in money market instruments and other short-term, highly liquid investments with original maturities of 90 days or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents is stated net of outstanding bank overdrafts when the bank has full right of set-off against accounts which are in funds. Bank overdrafts, for which the bank has no right of set-off are shown within current liabilities in the balance sheet.

### Budget Figures

The budget figures are those approved by Council before the beginning of the 2008 financial year. They have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP) and comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

### Changes in Accounting Policy

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

Certain amounts in the financial statements and the accompanying notes have been reclassified to conform to current year's accounting practices.

### Change in Accounting Estimate

During 2008 the University library undertook a detailed review of depreciation rates for hardcopy serials at comparable institutions. The result of this review was that depreciation of hardcopy serials over a life of 5 years was considered to better reflect generally accepted practice.

Depreciation rates for this asset class have accordingly been adjusted from 10 percent

straight line to 20 percent straight line.

An additional \$8.259 million of depreciation expense in relation to these assets has been recognised in 2008. The 2009 impact of this change in depreciation rate is estimated to be a saving in depreciation of \$0.258 million.

### Standards and Interpretations In Issue Not Yet Adopted

At the date of authorisation of the financial statements, a number of standards and interpretations were in issue but not yet effective.

Initial application of the following standard will not affect any of the amounts recognised in the financial statements, but may change the presentation and disclosures presently made in relation to the University's and consolidated entity's financial statements:

#### NZ IAS-1 Presentation of Financial Statements – revised standard

Effective for annual reporting periods beginning on or after 1 January 2009.

Expected to be initially applied in the financial year ending 31 December 2009.

The revised NZ IAS-1 requires the presentation of all recognised income and expenses in one statement (a statement of comprehensive income) or in two statements (an income statement and a statement of comprehensive income), separately from changes in equity. The revised standard also includes other minor changes to presentation and disclosure requirements.

Following a review of the remaining standards and interpretations which are in issue but not yet effective, it has been determined that initial application will not have a material impact on the University and consolidated entity financial statements. Accordingly, all have been early adopted with the exception of NZ IFRS-3 Business Combinations (revised 2008) and NZ IAS-27 Consolidated and Separate Financial Statements (revised 2008). NZ IFRS-3 and NZ IAS-27 are effective for annual reporting periods beginning on or after 1 July 2009, and are expected to be initially applied in the financial year ending 31 December 2010.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

### 2 Government grants

	CONSOLIDATED/UNIVERSITY		
	2008 Actual \$000	2008 Budget \$000	2007 Actual \$000
Student component funding	243,775	244,386	226,912
Clinical Training Agency grants	1,849	1,729	1,919
Other Government grants	4,925	2,571	5,214
Performance Based Research Funding	68,951	66,142	67,792
<b>Total Government grants</b>	<b>319,500</b>	<b>314,828</b>	<b>301,837</b>

### 3 Other revenue

	CONSOLIDATED			UNIVERSITY	
	2008 Actual \$000	2008 Budget \$000	2007 Actual \$000	2008 Actual \$000	2007 Actual \$000
Other revenue includes the following specific revenue:					
Change in fair value of financial assets designated as fair value through profit and loss			356		356

### 4 People costs

	CONSOLIDATED			UNIVERSITY	
	2008 Actual \$000	2008 Budget \$000	2007 Actual \$000	2008 Actual \$000	2007 Actual \$000
Academic salaries	216,205	206,676	204,065	198,465	185,007
General salaries	176,533	187,711	161,283	150,669	141,305
Defined contribution expense	9,387	8,607	8,103	9,387	8,103
Contracts for service	29,125	24,816	25,299	17,779	16,184
Other people costs	27,716	15,087	10,046	27,354	9,721
<b>Total people costs</b>	<b>458,966</b>	<b>442,897</b>	<b>408,796</b>	<b>403,654</b>	<b>360,320</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

### 5 Operating costs

	CONSOLIDATED			UNIVERSITY	
	2008 Actual \$000	2008 Budget \$000	2007 Actual \$000	2008 Actual \$000	2007 Actual \$000
Operating costs include the specific expenses:					
<b>Losses</b>					
Loss on disposal of property, plant and equipment	1,597	400	909	1,597	909
Net foreign currency loss	43		94	43	94
<b>Conferences, travel and accommodation</b>	24,784	24,712	22,854	18,891	17,279
<b>Consumable supplies</b>	17,709	17,756	16,391	14,555	14,447
<b>Prizes and scholarships</b>	19,907	23,006	19,722	19,907	19,719
<b>Repairs and maintenance</b>	19,114	15,859	18,175	18,674	17,932
<b>Operating leases</b>					
Properties	8,245	8,517	8,692	8,245	8,692
Equipment	6,325	9,069	6,942	6,320	6,911
Total operating lease costs	14,570	17,586	15,634	14,565	15,603
<b>Auditor remuneration</b>					
Audit services	274	274	268	236	229
Payroll related services	45	35	37	45	29
Total auditor's remuneration	319	309	305	281	258

### 6 Depreciation and amortisation

	CONSOLIDATED			UNIVERSITY	
	2008 Actual \$000	2008 Budget \$000	2007 Actual \$000	2008 Actual \$000	2007 Actual \$000
<b>Depreciation</b>					
Buildings	38,420	34,236	31,777	38,214	31,743
Leasehold improvements	1,227	749	1,485	1,104	1,342
Library collection	20,036	10,041	36,985	20,036	36,985
Plant and equipment	22,939	26,315	22,620	22,230	21,945
Leased plant and equipment	726	741	726	726	726
Total depreciation	83,348	72,082	93,593	82,310	92,741
<b>Amortisation</b>					
Software	3,621	2,091	2,829	2,817	2,639
<b>Total depreciation and amortisation</b>	<b>86,969</b>	<b>74,173</b>	<b>96,422</b>	<b>85,127</b>	<b>95,380</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

### 7 Unusual items

	CONSOLIDATED/UNIVERSITY		
	2008 Actual \$000	2008 Budget \$000	2007 Actual \$000
Donations for capital projects	195		195
<b>Total unusual items</b>	<b>195</b>		<b>195</b>

### 8 Reconciliation of operating surplus and net cash flows from operating activities

	CONSOLIDATED			UNIVERSITY	
	2008 Actual \$000	2008 Budget \$000	2007 Actual \$000	2008 Actual \$000	2007 Actual \$000
Net surplus for the year	24,921	23,169	22,618	19,970	21,325
<b>Add/(less) non-cash items:</b>					
Depreciation and amortisation	86,969	74,173	96,422	85,127	95,380
Writedown of investment			(356)		(356)
Donated assets	(2,924)	(1,246)	(1,686)	(2,924)	(1,686)
Foreign exchange fluctuation	43		94	43	94
Other non-cash items			7		7
	84,088	72,927	94,481	82,246	93,439
<b>Changes in net assets and liabilities:</b>					
Decrease/(Increase) in receivables	(1,423)	(3,543)	2,901	(678)	1,221
Decrease/(Increase) in prepayments and other current assets	4,477	2,336	(8,387)	4,434	(16,343)
Decrease/(Increase) in inventories	(67)	(140)	150	(67)	150
Decrease/(Increase) in research work in progress	95	3,887	(4,668)	715	(2,122)
Increase in payables and provisions	16,739	2,343	24,919	12,649	25,427
Increase in employee entitlements	12,153	1,660	3,108	11,817	2,915
	31,974	6,543	18,023	28,870	11,248
<b>Add/(less) items classed as investing activities:</b>					
Interest income	(11,063)	(8,029)	(8,665)	(10,501)	(7,452)
Loss on disposal of property, plant and equipment	1,597	400	909	1,597	909
Movements in working capital	(750)	739	3,865	(686)	5,787
	(10,216)	(6,890)	(3,891)	(9,590)	(756)
<b>Add/(less) items classed as financing activities:</b>					
Finance costs				3,097	2,639
<b>Net cash flow from operating activities</b>	<b>130,767</b>	<b>95,749</b>	<b>131,231</b>	<b>124,593</b>	<b>127,895</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

## 9 Financial instruments

### Financial risk management practices

Exposure to credit, interest rate and currency risks arise in the normal course of the University's operations. To manage and limit the effects of those financial risks, the Council has approved policy guidelines and authorised the use of various financial instruments. The University does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

### Currency risk

Currency risk arises from movements in foreign exchange rates and can impact cash flows. The University has exposure to currency risk from off shore transactions with suppliers. This exposure is mitigated through the use of forward foreign exchange contracts which are utilised in accordance with Treasury Management Policy. The following table details the forward foreign currency toward contracts outstanding as at reporting date.

### Cash flow hedges

	CONSOLIDATED							
	Average exchange rate		Foreign currency		Contract value		Fair value	
	2008	2007	2008 FC'000	2007 FC'000	2008 NZ\$000	2007 NZ\$000	2008 NZ\$000	2007 NZ\$000
<b>Buy US Dollars</b>								
Less than 6 months	0.6369	0.7589	2,465	2,215	3,870	2,919	406	2
6 to 12 months	0.5415	0.7272	400	993	739	1,366	(38)	(14)
<b>Buy Australian Dollars</b>								
Less than 6 months	0.8352	0.8580	545	469	652	538	6	(7)
6 to 12 months	0.8369		252		300		5	
12 to 18 months	0.8514		44		52		2	
<b>Buy British Pounds</b>								
Less than 6 months	0.3624	0.3646	150	250	414	686	(35)	(30)
6 to 12 months	0.3581	0.3636	50	195	140	536	(12)	(14)
<b>Buy Euros</b>								
Less than 6 months	0.4069	0.5106	200	439	491	860	(9)	(19)
6 to 12 months		0.5040		125		248		(1)
<b>Buy Japanese Yen</b>								
Less than 6 months		84.6870		3,070		36		
<b>Sell Japanese Yen</b>								
6 to 12 months	48.7900		2,500		51		2	
					<b>6,709</b>	<b>7,189</b>	<b>327</b>	<b>(83)</b>

As at the reporting date the consolidated entity had aggregate unrealised gains under forward exchange contracts in relation to anticipated future transactions of \$0.327million (2007: unrealised loss of \$0.083million). These unrealised gains and losses have been deferred in the hedging reserve as the hedges are effective.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

	UNIVERSITY							
	Average exchange rate		Foreign currency		Contract value		Fair value	
	2008	2007	2008 FC'000	2007 FC'000	2008 NZ\$000	2007 NZ\$000	2008 NZ\$000	2007 NZ\$000
<b>Buy US Dollars</b>								
Less than 6 months	0.6369	0.7589	2,465	2,215	3,870	2,919	406	2
6 to 12 months	0.5415	0.7272	400	993	739	1,366	(38)	(14)
<b>Buy Australian Dollars</b>								
Less than 6 months	0.8341	0.8580	298	469	357	538	3	(7)
6 to 12 months	0.8209		120		146		(1)	
<b>Buy British Pounds</b>								
Less than 6 months	0.3624	0.3646	150	250	414	686	(35)	(30)
6 to 12 months	0.3581	0.3636	50	195	140	536	(12)	(14)
<b>Buy Euros</b>								
Less than 6 months	0.4069	0.5106	200	439	491	860	(9)	(19)
6 to 12 months		0.5040		125		248		(1)
<b>Buy Japanese Yen</b>								
Less than 6 months		84.6870		3,070		36		
					<b>6,157</b>	<b>7,189</b>	<b>314</b>	<b>(83)</b>

As at reporting date the University had aggregate unrealised gains under forward exchange contracts in relation to anticipated future transactions of \$0.314 million (2007: unrealised loss of \$0.083 million). These unrealised gains and losses have been deferred in the hedging reserve as the hedges are effective.

The consolidated entity and the University have entered into a number of contracts to purchase capital equipment priced in foreign currencies.

The consolidated entity and the University have entered into forward exchange contracts for terms not exceeding 12 months to hedge the exchange rate risk arising from these contractual commitments. As at 31 December 2008 the aggregate amount of unrealised losses under forward exchange contracts deferred in the hedging reserve relating to the exposure on these contractual commitments is \$0.020 million (2007: \$NIL).

The consolidated entity and the University has an active programme of acquiring library books and continued access to electronic databases at costs expressed in foreign currency. The consolidated entity and the University have entered into forward exchange contracts for terms not exceeding 12 months to hedge the exchange risk arising from these anticipated future transactions.

As at 31 December 2008 the aggregate amount of unrealised gains under forward exchange contracts deferred in the hedging reserve relating to the exposure on these future anticipated transactions is \$0.335 million (2007: unrealised loss \$0.087 million).

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

### Interest Rate Risk

The consolidated entity and the University receive interest income on surplus funds invested for periods from overnight up to 12 months at rates fixed for the term of each individual investment. The consolidated entity and the University invests surplus funds to meet future cash requirements.

The University's loan from subsidiary has no fixed term. Interest payments are set using a combination of the Reserve Bank of New Zealand Overnight Cash Rate and the 90 day Bank Bill Rate.

The following table details the consolidated entity's exposure to interest rate risk as at 31 December 2008:

	CONSOLIDATED						Total \$000
	Weighted average interest rate%	Variable interest rate \$000	Fixed maturity dates		Non interest bearing		
			Mature within one year \$000	Mature in one to two years \$000	Mature within one year \$000	Mature after one year \$000	
<b>Loans and receivables</b>							
Cash and cash equivalents	4.87%	11,334	43,490				54,824
Short term investments	5.23%		28,220				28,220
Receivables						27,650	27,650
Long term investments - other investments						2,096	2,096
Research work in progress						12,631	12,631
<b>Available-for-sale financial assets</b>							
Long term investments - share portfolio						341	341
<b>Financial assets designated as at fair value through profit or loss</b>							
Long term investments - externally managed equities portfolio						5,644	5,644
Long term investments - externally managed bonds and cash portfolio						9,230	9,230
Derivative financial instruments						327	327
<b>Financial liabilities at amortised cost</b>							
Payables						(85,446)	(85,446)
Finance Lease Liability						(726)	(1,089)
Employee entitlements						(26,992)	(63,588)
<b>Total financial instruments - consolidated entity</b>		<b>11,334</b>	<b>71,710</b>			<b>(72,556)</b>	<b>(19,648)</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

The following table details the consolidated entity's exposure to interest rate risk as at 31 December 2007:

	Weighted average interest rate%	Variable interest rate \$000	Fixed maturity dates		Non interest bearing		Total \$000
			Mature within one year \$000	Mature in one to two years \$000	Mature within one year \$000	Mature after one year \$000	
<b>Loans and receivables</b>							
Cash and cash equivalents	8.48%	5,485	20,960				26,445
Short term investments	8.73%		15,500				15,500
Receivables					26,227		26,227
Long term investments – other investments						2,020	2,020
Research work in progress					12,726		12,726
<b>Available-for-sale financial assets</b>							
Long term investments – share portfolio						1,881	1,881
<b>Financial assets at fair value through profit or loss</b>							
Long term investments – externally managed equities portfolio						8,176	8,176
Long term investments – externally managed bonds and cash portfolio						8,303	8,303
<b>Financial liabilities at amortised cost</b>							
Payables					(75,564)		(75,564)
Finance lease liability					(726)	(1,089)	(1,815)
Employee entitlements					(23,167)	(28,268)	(51,435)
Derivative financial instruments					(83)		(83)
<b>Total financial instruments – consolidated entity</b>		<b>5,485</b>	<b>36,460</b>		<b>(60,587)</b>	<b>(8,977)</b>	<b>(27,619)</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

The following table details the University's exposure to interest rate risk as at 31 December 2008:

	UNIVERSITY						Total \$000
	Weighted average interest rate%	Variable interest rate \$000	Fixed maturity dates		Non interest bearing		
			Mature within one year \$000	Mature in one to two years \$000	Mature within one year \$000	Mature after one year \$000	
<b>Loans and receivables</b>							
Cash and cash equivalents	5.40%	6,102	38,300				44,402
Short term investments	5.14%		24,020				24,020
Investment in subsidiaries – loans to subsidiaries						26,916	26,916
Receivables					17,677		17,677
Long term investments - Other investments						1,946	1,946
Research work in progress					3,596		3,596
<b>Financial assets designated as at fair value through profit or loss</b>							
Long term investments – externally managed equities portfolio						5,644	5,644
Long term investments – externally managed bonds and cash portfolio						9,230	9,230
Derivative financial instruments					314		314
<b>Financial liabilities at amortised cost</b>							
Payables					(69,240)		(69,240)
Finance Lease Liability					(726)	(363)	(1,089)
Employee entitlements					(26,125)	(36,568)	(62,693)
Loan from subsidiary	6.81%		(37,700)				(37,700)
<b>Total financial instruments – University</b>		<b>6,102</b>	<b>24,620</b>		<b>(74,504)</b>	<b>6,805</b>	<b>(36,977)</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

The following table details the University's exposure to interest rate risk as at 31 December 2007:

	UNIVERSITY						Total \$000
	Weighted average interest rate%	Variable interest rate \$000	Fixed maturity dates		Non interest bearing		
			Mature within one year \$000	Mature in one to two years \$000	Mature within one year \$000	Mature after one year \$000	
<b>Loans and receivables</b>							
Cash and cash equivalents	8.51%	1,561	19,000				20,561
Short term investments	8.73%		15,500				15,500
Investment in subsidiaries – loans to subsidiaries						8,000	8,000
Receivables					16,999		16,999
Long term investments – other investments						1,801	1,801
Research work in progress					4,312		4,312
<b>Financial assets designated as at fair value through profit or loss</b>							
Long term investments – externally managed equities portfolio						8,176	8,176
Long term investments – externally managed bonds and cash portfolio						8,303	8,303
<b>Financial liabilities at amortised cost</b>							
Payables						(59,073)	(59,073)
Finance Lease Liability						(726)	(1,089)
Employee entitlements						(22,637)	(28,240)
Derivative financial instruments						(83)	(83)
Loan from subsidiary	8.10%		(37,700)				(37,700)
<b>Total financial instruments – University</b>		<b>1,561</b>	<b>(3,200)</b>			<b>(61,208)</b>	<b>(3,049)</b>
							<b>(65,896)</b>

### Fair values of Financial Assets and Liabilities

The following assumptions have been used to estimate the fair value of each class of financial instrument.

#### Short term investments, Receivables and Payables

Short term investments comprise deposits with registered banks for a period greater than 90 days and less than 1 year.

The carrying amounts of these balances are equivalent to their fair value because of their short maturity.

#### Derivative Financial Instruments

Forward exchange contracts are marked to market on current market values.

#### Long term investment – Share Portfolio

Shares are held at fair value which is based on current listed market prices

#### Long term investments – externally managed equities portfolio, Long term investments – externally managed bonds and cash portfolio

The fair value of these investments is based on current market prices and share prices as advised by independent investment managers.

#### Investment in subsidiaries – loans to subsidiaries, Loan from subsidiary

The carrying amounts of these loans are equivalent to their fair value because of the University's 100% ownership of the subsidiaries.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

The following table details the fair values of financial assets and financial liabilities of the consolidated entity:

	CONSOLIDATED			
	2008		2007	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Cash and cash equivalents	54,824	54,824	26,445	26,445
Short term investments	28,220	28,220	15,500	15,500
Receivables	27,650	27,650	26,227	26,227
Derivative financial instruments	327	327		
Long term investments – share portfolio	341	341	1,881	1,881
Long term investments – other investments	2,096	2,096	2,020	2,020
Long term investments – externally managed equities portfolio	5,644	5,644	8,176	8,176
Long term investments – externally managed bonds and cash portfolio	9,230	9,230	8,303	8,303
Payables	(85,446)	(85,446)	(75,564)	(75,564)
Finance lease liability	(1,089)	(1,089)	(1,815)	(1,815)
Employee entitlements	(63,588)	(63,588)	(51,435)	(51,435)
Derivative financial instruments			(83)	(83)
	<b>(21,971)</b>	<b>(21,971)</b>	<b>(40,345)</b>	<b>(40,345)</b>

The following table details the fair values of Financial Assets and Financial Liabilities of the University:

	UNIVERSITY			
	2008		2007	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Cash and cash equivalents	44,402	44,402	20,561	20,561
Short term investments	24,020	24,020	15,500	15,500
Investment in subsidiaries – loans to subsidiaries	26,916	26,916	8,000	8,000
Receivables	17,677	17,677	16,999	16,999
Derivative financial instruments	314	314		
Long term investments – other investments	1,946	1,946	1,801	1,801
Long term investments – externally managed equities portfolio	5,644	5,644	8,176	8,176
Long term investments – externally managed bonds and cash portfolio	9,230	9,230	8,303	8,303
Loan from subsidiary	(37,700)	(37,700)	(37,700)	(37,700)
Payables	(69,240)	(69,240)	(59,073)	(59,073)
Finance lease liability	(1,089)	(1,089)	(1,815)	(1,815)
Employee entitlements	(62,693)	(62,693)	(50,877)	(50,877)
Derivative financial instruments			(83)	(83)
	<b>(40,573)</b>	<b>(40,573)</b>	<b>(70,208)</b>	<b>(70,208)</b>

### Interest Rate Sensitivity

For the year ended 31 December 2008 if interest rates on cash and cash equivalents, loans and investments had fluctuated up or down by 100 basis points, the surplus for the consolidated entity would have been \$0.830 million higher/lower (2007: \$0.419 million higher/lower). For the University the surplus would have been \$0.307 million higher/lower (2007: \$0.016 million lower/higher).

The sensitivity analysis has been calculated by applying the sensitivity factor of 100 basis points to the financial instruments held at balance date.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

### Credit Risk

Credit risk is the risk of the failure of a debtor or counter party to honour its contractual obligation.

Financial assets, which potentially subject the University to concentrations of credit risk, consist of cash and cash equivalents, short term investments, loans to subsidiaries, receivables and derivative financial instruments. The maximum credit risk as at 31 December 2008 is the gross amount of the financial assets less impairment. The University manages this risk by placing cash and cash equivalents, short term investments and derivative financial instruments with institutions which have a high credit rating and by limiting the amount that can be invested in any one institution.

There is no concentration of credit risk in Trade Receivables due to the relatively low value of individual amounts due.

### Capital and liquidity risk management

The University and its subsidiaries manage their funds so as to ensure all entities will be able to continue as going concerns. The capital structure of the consolidated entity consists of cash and cash equivalents and general equity, reserves and trust and special funds as disclosed in Notes 21, 22, 23 respectively. The consolidated entity does not have any share capital on issue. The University manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cashflows and matching the maturity profiles of financial assets and liabilities. The University has an unsecured Fluctuating Committed Cash Advance Facility with a maximum limit of \$50 million (2007: \$40 million), and an expiry date of 31 March 2009. As at 31 December 2008, the University had not drawn down against this facility.

## 10 Receivables

	Note	CONSOLIDATED		UNIVERSITY	
		2008 Actual \$000	2007 Actual \$000	2008 Actual \$000	2007 Actual \$000
Trade receivables		30,096	28,488	15,771	14,862
Less provision for doubtful debts		(2,446)	(2,261)	(1,711)	(1,801)
<b>Net receivables</b>	9	<b>27,650</b>	<b>26,227</b>	<b>14,060</b>	<b>13,061</b>
Related company receivables	9, 24			3,617	3,938
<b>Total receivables</b>		<b>27,650</b>	<b>26,227</b>	<b>17,677</b>	<b>16,999</b>

### Movements of the provision for doubtful debts are as follows

	CONSOLIDATED		UNIVERSITY	
	2008 Actual \$000	2007 Actual \$000	2008 Actual \$000	2007 Actual \$000
Balance at 1 January	2,261	2,313	1,801	1,188
Provision for receivables impairment	741	1,034	266	812
Receivables written off during the year as uncollectable	(506)	(1,086)	(306)	(199)
Unused amounts reversed	(50)		(50)	
<b>Balance at 31 December</b>	<b>2,446</b>	<b>2,261</b>	<b>1,711</b>	<b>1,801</b>

## 11 Inventories

	CONSOLIDATED		UNIVERSITY	
	2008 Actual \$000	2007 Actual \$000	2008 Actual \$000	2007 Actual \$000
Raw materials	40	242	40	242
Work in progress	5	2	5	2
Finished goods	792	526	792	526
<b>Total inventories</b>	<b>837</b>	<b>770</b>	<b>837</b>	<b>770</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

### 12 Property, plant and equipment

	CONSOLIDATED								Total
	Assets in use							Assets under construction	
	Freehold land at cost/valuation	Buildings at cost/valuation	Leasehold improvements at cost	Library collection at cost/valuation	Works of art at cost/valuation	Plant and equipment at cost	Plant and equipment under finance lease at cost	Capital work in progress at cost	
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
<b>Gross carrying amount</b>									
Balance as at 1 January 2007	163,817	711,313	20,615	189,303	13,095	226,741	3,631	116,583	1,445,098
Additions	7,000	4,109	149	14,506	252	18,760		65,471	110,247
Disposals		(300)		(763)		(3,872)			(4,935)
Transfers		167,214				2,375		(169,615)	(26)
Net revaluation increments/(decrements)	43,183	(2,861)							40,322
<b>Balance as at 1 January 2008</b>	<b>214,000</b>	<b>879,475</b>	<b>20,764</b>	<b>203,046</b>	<b>13,347</b>	<b>244,004</b>	<b>3,631</b>	<b>12,439</b>	<b>1,590,706</b>
Additions	17,562	4,972	341	15,401	487	20,283		35,835	94,881
Disposals		(1,356)	(334)	(2,330)		(22,506)			(26,526)
Transfers		9,161	767			3,600		(13,528)	
Net revaluation increments/(decrements)	68,764	20,234			1,252				90,250
<b>Balance as at 31 December 2008</b>	<b>300,326</b>	<b>912,486</b>	<b>21,538</b>	<b>216,117</b>	<b>15,086</b>	<b>245,381</b>	<b>3,631</b>	<b>34,746</b>	<b>1,749,311</b>
<b>Accumulated depreciation</b>									
Balance as at 1 January 2007		55,390	12,614	75,954		138,648	1,089		283,695
Disposals		(255)		(298)		(3,787)			(4,340)
Transfers		(4)				6			2
Depreciation expense		31,777	1,485	36,985		22,620	726		93,593
Revaluation decrement		(86,723)							(86,723)
<b>Balance as at 1 January 2008</b>		<b>185</b>	<b>14,099</b>	<b>112,641</b>		<b>157,487</b>	<b>1,815</b>		<b>286,227</b>
Disposals		(185)	(195)	(1,695)		(22,915)			(24,990)
Depreciation expense		38,420	1,227	20,036		22,939	726		83,348
Revaluation decrement		1,279							1,279
<b>Balance as at 31 December 2008</b>		<b>39,699</b>	<b>15,131</b>	<b>130,982</b>		<b>157,511</b>	<b>2,541</b>		<b>345,864</b>
<b>Net book value</b>									
<b>As at 1 January 2007</b>	<b>163,817</b>	<b>655,923</b>	<b>8,001</b>	<b>113,349</b>	<b>13,095</b>	<b>88,093</b>	<b>2,542</b>	<b>116,583</b>	<b>1,161,403</b>
<b>As at 31 December 2007</b>	<b>214,000</b>	<b>879,290</b>	<b>6,665</b>	<b>90,405</b>	<b>13,347</b>	<b>86,517</b>	<b>1,816</b>	<b>12,439</b>	<b>1,304,479</b>
<b>As at 31 December 2008</b>	<b>300,326</b>	<b>872,787</b>	<b>6,407</b>	<b>85,135</b>	<b>15,086</b>	<b>87,870</b>	<b>1,090</b>	<b>34,746</b>	<b>1,403,447</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

	UNIVERSITY								Total
	Assets in use							Assets under construction	
	Freehold land at cost/valuation	Buildings at cost/valuation	Leasehold improvements at cost	Library collection at cost/valuation	Works of art at cost/valuation	Plant and equipment at cost	Plant and equipment under finance lease at cost	Capital work in progress at cost	
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
<b>Gross carrying amount</b>									
Balance as at 1 January 2007	163,155	710,864	18,751	189,303	13,095	220,875	3,631	116,582	1,436,256
Additions		3,109	149	14,506	252	18,578		65,471	102,065
Disposals		(300)		(763)		(3,872)			(4,935)
Transfers		167,214				2,400		(169,614)	
Net revaluation increments/(decrements)	43,183	(2,861)							40,322
<b>Balance as at 1 January 2008</b>	<b>206,338</b>	<b>878,026</b>	<b>18,900</b>	<b>203,046</b>	<b>13,347</b>	<b>237,981</b>	<b>3,631</b>	<b>12,439</b>	<b>1,573,708</b>
Additions	855	3,183	332	15,401	487	19,859		35,835	75,952
Disposals		(1,356)	(334)	(2,330)		(22,506)			(26,526)
Transfers		9,161	767			3,600		(13,528)	
Net revaluation increments/(decrements)	71,276	17,633			1,252				90,161
<b>Balance as at 31 December 2008</b>	<b>278,469</b>	<b>906,647</b>	<b>19,665</b>	<b>216,117</b>	<b>15,086</b>	<b>238,934</b>	<b>3,631</b>	<b>34,746</b>	<b>1,713,295</b>
<b>Accumulated depreciation</b>									
Balance as at 1 January 2007		55,322	11,810	75,954		135,777	1,089		279,952
Disposals		(255)		(298)		(3,755)			(4,308)
Transfers		(4)				4			
Depreciation expense		31,743	1,342	36,985		21,945	726		92,741
Revaluation decrement		(86,723)							(86,723)
<b>Balance as at 1 January 2008</b>		<b>83</b>	<b>13,152</b>	<b>112,641</b>		<b>153,971</b>	<b>1,815</b>		<b>281,662</b>
Disposals		(184)	(195)	(1,695)		(21,780)			(23,854)
Depreciation expense		38,214	1,104	20,036		22,230	726		82,310
Revaluation decrements		1,375							1,375
<b>Balance as at 31 December 2008</b>		<b>39,488</b>	<b>14,061</b>	<b>130,982</b>		<b>154,421</b>	<b>2,541</b>		<b>341,493</b>
<b>Net book value</b>									
<b>As at 1 January 2007</b>	<b>163,155</b>	<b>655,542</b>	<b>6,941</b>	<b>113,349</b>	<b>13,095</b>	<b>85,098</b>	<b>2,542</b>	<b>116,582</b>	<b>1,156,304</b>
<b>As at 31 December 2007</b>	<b>206,338</b>	<b>877,943</b>	<b>5,748</b>	<b>90,405</b>	<b>13,347</b>	<b>84,010</b>	<b>1,816</b>	<b>12,439</b>	<b>1,292,046</b>
<b>As at 31 December 2008</b>	<b>278,469</b>	<b>867,159</b>	<b>5,604</b>	<b>85,135</b>	<b>15,086</b>	<b>84,513</b>	<b>1,090</b>	<b>34,746</b>	<b>1,371,802</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

Aggregate depreciation allocated during the year is recognised as an expense and disclosed in note 6 to the financial statements.

During the year the interim independent valuation performed by DTZ New Zealand for all land and buildings occupied by the University as at 31 December 2007 was completed. The completed valuation incorporated additional market sales information up to the date of revaluation after the interim valuation was undertaken. This additional information resulted in an increase of \$18.955 million to the optimised depreciated replacement cost of buildings for the consolidated entity (University: \$16.258 million) and an increase to the fair value of land recorded in the financial statements for the consolidated entity of \$68.764 million (University: \$71.276 million) at 31 December 2007. The increase in valuations has been incorporated into the 2008 financial statements as a change in accounting estimate by additional revaluation increments/(decrements) in the current year.

All land is valued on a market basis. Buildings on separate titles and with an identifiable market have been valued on a market basis. Buildings located on the main campus have, in general, been considered as being specialised and are valued at optimised depreciated replacement cost. The fair value of land and buildings valued by DTZ New Zealand is \$1,168.3 million.

Works of art held by the University as at 31 December 2008 have been revalued as at that date. An independent valuation was performed by Art + Object, Valuers and Auctioneers. The valuation basis is assessed at market value. The fair value of works of art valued by Art + Object is \$15.086 million.

Crown land with a value of \$148.848 million is included in property, plant and equipment. Further details about Crown land have been outlined in the accounting policies.

### 13 Intangible assets

	CONSOLIDATED			UNIVERSITY		
	Software at cost \$000	Capital work in progress at cost \$000	Total \$000	Software at cost \$000	Capital work in progress at cost \$000	Total \$000
<b>Gross carrying amount</b>						
Balance as at 1 January 2007	30,266	534	30,800	29,433	330	29,763
Additions	977	3,778	4,755	219	3,778	3,997
Disposals	(2,673)		(2,673)	(2,673)		(2,673)
Transfers	963	(937)	26	745	(745)	
<b>Balance as at 1 January 2008</b>	<b>29,533</b>	<b>3,375</b>	<b>32,908</b>	<b>27,724</b>	<b>3,363</b>	<b>31,087</b>
Additions	655	9,498	10,153	655	9,498	10,153
Disposals	(5,498)	(12)	(5,510)	(5,498)		(5,498)
Transfers	9,333	(9,333)		9,333	(9,333)	
<b>Balance as at 31 December 2008</b>	<b>34,023</b>	<b>3,528</b>	<b>37,551</b>	<b>32,214</b>	<b>3,528</b>	<b>35,742</b>
<b>Accumulated amortisation and impairment</b>						
Balance as at 1 January 2007	24,303		24,303	24,173		24,173
Disposals	(1,950)		(1,950)	(1,950)		(1,950)
Amortisation expense	2,829		2,829	2,639		2,639
Transfers	(2)		(2)			
<b>Balance as at 1 January 2008</b>	<b>25,180</b>		<b>25,180</b>	<b>24,862</b>		<b>24,862</b>
Disposals	(5,485)		(5,485)	(5,485)		(5,485)
Amortisation expense	3,621		3,621	2,817		2,817
<b>Balance as at 31 December 2008</b>	<b>23,316</b>		<b>23,316</b>	<b>22,194</b>		<b>22,194</b>
<b>Net book value</b>						
<b>As at 1 January 2007</b>	<b>5,963</b>	<b>534</b>	<b>6,497</b>	<b>5,260</b>	<b>330</b>	<b>5,590</b>
<b>As at 31 December 2007</b>	<b>4,353</b>	<b>3,375</b>	<b>7,728</b>	<b>2,862</b>	<b>3,363</b>	<b>6,225</b>
<b>As at 31 December 2008</b>	<b>10,707</b>	<b>3,528</b>	<b>14,235</b>	<b>10,020</b>	<b>3,528</b>	<b>13,548</b>

Aggregate amortisation expensed during the year is recognised as an expense and disclosed in note 6 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

### 14 Payables

	Note	CONSOLIDATED		UNIVERSITY	
		2008 Actual \$000	2007 Actual \$000	2008 Actual \$000	2007 Actual \$000
Trade payables	9	85,446	75,564	66,357	57,928
Related company payables	9, 24			2,883	1,145
Revenue received in advance		15,754	18,106	15,754	18,070
Research contract obligations		85,715	76,351	37,735	32,781
<b>Total payables</b>		<b>186,915</b>	<b>170,021</b>	<b>122,729</b>	<b>109,924</b>

### 15 Employee entitlements

	CONSOLIDATED		UNIVERSITY	
	2008 Actual \$000	2007 Actual \$000	2008 Actual \$000	2007 Actual \$000
<b>Current liabilities</b>				
Accumulated annual leave	18,502	15,998	17,635	15,468
Retirement allowance	7,857	6,579	7,857	6,579
Long service leave	633	590	633	590
<b>Total employee entitlements – current</b>	<b>26,992</b>	<b>23,167</b>	<b>26,125</b>	<b>22,637</b>
<b>Non current liabilities</b>				
Sick leave	2,087	2,245	2,059	2,217
Retirement allowance	33,033	24,752	33,033	24,752
Long service leave	1,476	1,271	1,476	1,271
<b>Total employee entitlements – non current</b>	<b>36,596</b>	<b>28,268</b>	<b>36,568</b>	<b>28,240</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

### 16 Provisions

	CONSOLIDATED/UNIVERSITY			Total 2008 Actual
	Faculty Research Development Fund	Vice Chancellor's Strategic Development Fund	Academic Support Fund	
	\$000	\$000	\$000	\$000
<b>2008</b>				
Balance at beginning of financial year	7,469	5,185	106	12,760
Increase to provision	4,944	1,221	681	6,846
Amounts incurred against provision	(4,947)	(1,287)	(768)	(7,002)
<b>Balance at end of financial year</b>	<b>7,466</b>	<b>5,119</b>	<b>19</b>	<b>12,604</b>

	CONSOLIDATED/UNIVERSITY				Total 2007 Actual
	Restructuring provision	Faculty Research Development Fund	Vice Chancellor's Strategic Development Fund	Academic Support Fund	
	\$000	\$000	\$000	\$000	\$000
<b>2007</b>					
Balance at beginning of financial year	4,517		4,782	60	9,359
Increase to provision		8,167	3,414	401	11,982
Amounts incurred against provision	(4,517)	(698)	(3,011)	(355)	(8,581)
<b>Balance at end of financial year</b>	<b>-</b>	<b>7,469</b>	<b>5,185</b>	<b>106</b>	<b>12,760</b>

#### Faculty Research Development Fund

The fund is to enable Faculty Research Committees to fund specific research activities. These costs are expected to be incurred in the next financial year.

#### Vice-Chancellor's Strategic Development Fund

The fund is to enable the Vice-Chancellor to meet agreed strategic development opportunities that arise during the course of the year and which require immediate funding. These costs are expected to be incurred in the next financial year.

#### Academic Support Fund

The fund is to provide support for distinguished academics engaged in research. These costs are expected to be incurred in the next financial year.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

### 17 Income in advance

In 2007 the University received \$12 million from the Crown for Partnerships for Excellence funding in the form of suspensory loans. The loans are to be forgiven when key milestones have been achieved. The income from meeting the milestones is to be recognised when the Crown agrees that the milestones have been met and the loans are forgiven.

The list below details the maximum amount of funding that may be forgiven in future years should the milestones be achieved:

	CONSOLIDATED/UNIVERSITY	
	2008 \$000	2007 \$000
2010	\$1,500	\$1,500
2011	\$2,750	\$2,750
2012	\$2,750	\$2,750
2013	\$2,750	\$2,750
2014	\$2,250	\$2,250
<b>Total</b>	<b>\$12,000</b>	<b>\$12,000</b>

If certain key contractual milestones are not met, up to \$7.0 million is repayable on 30 June 2015 and up to \$5.0 million is repayable on 30 June 2016.

### 18 Leases

#### Finance lease liabilities

Finance leases relate to equipment with a lease term of 5 years (refer to Note 12).

Liabilities included in the accounts for finance leases are as follows.

	CONSOLIDATED/UNIVERSITY	
	2008 Actual \$000	2007 Actual \$000
Within 1 year	726	726
Later than 1 year and not later than 5 years	363	1,089
Later than 5 years		
	<b>1,089</b>	<b>1,815</b>
<b>Disclosed in the Balance Sheet as:</b>		
Current liabilities	726	726
Non current liabilities	363	1,089
<b>Total finance lease liabilities</b>	<b>1,089</b>	<b>1,815</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

### Operating lease commitments

The University and its subsidiaries lease various offices, premises and equipment under non-cancellable operating leases. The leases have various terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

	CONSOLIDATED		UNIVERSITY	
	2008 Actual \$000	2007 Actual \$000	2008 Actual \$000	2007 Actual \$000
<b>Non-cancellable operating leases</b>				
Commitments for non-cancellable operating leases are payable as follows:				
Within 1 year	18,344	14,850	16,968	13,816
Later than 1 year and not later than 5 years	34,644	27,198	32,475	25,612
Later than 5 years	12,603	1,773	12,603	1,773
<b>Total operating lease commitments</b>	<b>65,591</b>	<b>43,821</b>	<b>62,046</b>	<b>41,201</b>
<b>Operating lease commitments by type</b>				
Properties	54,762	31,798	51,533	29,309
Equipment	10,829	12,023	10,513	11,892
<b>Total operating lease commitments by type</b>	<b>65,591</b>	<b>43,821</b>	<b>62,046</b>	<b>41,201</b>

### Operating lease receivables

Operating leases relate to property held by the University that is leased to external parties to provide additional services to students. The properties are not investment properties as they are not held for the purposes of investment return or future capital gain. The lease terms range from 2 to 6 years. All operating lease contracts contain market review clauses in the event the entity exercises its option to renew. There is no option to purchase the property at the expiry of the lease period.

	CONSOLIDATED/UNIVERSITY	
	2008 Actual \$000	2007 Actual \$000
Within 1 year	1,679	1,779
Later than 1 year and not later than 5 years	1,726	2,400
Later than 5 years		
<b>Total operating lease receivables</b>	<b>3,405</b>	<b>4,179</b>

## 19 Capital commitments

Capital expenditure contracted for at reporting date but not recognised as liabilities is as follows:

	CONSOLIDATED/UNIVERSITY	
	2008 Actual \$000	2007 Actual \$000
Property Services projects	26,312	36,224
Other capital expenditure	2,250	2,129
<b>Total capital commitments</b>	<b>28,562</b>	<b>38,353</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

### 20 Contingent liabilities

No contingent liabilities have been identified as at 31 December 2008 (2007: Nil)

### 21 General equity

	CONSOLIDATED		UNIVERSITY	
	2008 Actual \$000	2007 Actual \$000	2008 Actual \$000	2007 Actual \$000
Balance at beginning of financial year	832,481	811,051	827,350	807,213
Net surplus	24,921	22,618	19,970	21,325
less net surplus transferred to trust and special funds	1,906	(1,188)	1,906	(1,188)
<b>Balance at end of financial year</b>	<b>859,308</b>	<b>832,481</b>	<b>849,226</b>	<b>827,350</b>

The University and consolidated entity does not have any share capital on issue.

### 22 Reserves

	CONSOLIDATED		UNIVERSITY	
	2008 Actual \$000	2007 Actual \$000	2008 Actual \$000	2007 Actual \$000
Asset revaluation	422,710	333,739	421,851	333,065
Investment revaluation	199	1,665		
Hedging	327	(83)	314	(83)
<b>Balance at end of financial year</b>	<b>423,236</b>	<b>335,321</b>	<b>422,165</b>	<b>332,982</b>
<b>Asset revaluation reserve</b>				
<b>Land and buildings</b>				
Balance at beginning of financial year	326,122	199,077	325,448	198,403
Revaluation increments	87,719	127,045	87,534	127,045
<b>Balance at end of financial year</b>	<b>413,841</b>	<b>326,122</b>	<b>412,982</b>	<b>325,448</b>
<b>Works of art</b>				
Balance at beginning of financial year	7,617	7,617	7,617	7,617
Revaluation increments	1,252		1,252	
<b>Balance at end of financial year</b>	<b>8,869</b>	<b>7,617</b>	<b>8,869</b>	<b>7,617</b>
<b>Total asset revaluation reserve</b>	<b>422,710</b>	<b>333,739</b>	<b>421,851</b>	<b>333,065</b>

The asset revaluation reserve arises on the revaluation of land and buildings and works of art. Where a revalued land or building or work of art is sold that portion of the asset revaluation reserve which relates to that asset, is effectively realised, and is transferred directly to general equity.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

	CONSOLIDATED	
	2008 Actual \$000	2007 Actual \$000
<b>Investment revaluation</b>		
Balance at beginning of financial year	1,665	3,538
Revaluation increase/(decrease)	(1,466)	(309)
Sale of investment		(1,564)
<b>Balance at end of financial year</b>	<b>199</b>	<b>1,665</b>

The investment revaluation reserve arises on the revaluation of available for sale financial assets. Where a revalued financial asset is sold that portion of the reserve which relates to that financial asset is effectively realised and is recognised in the income statement. Where a revalued financial asset is impaired that portion of the reserve which relates to that financial asset is recognised in the income statement.

	CONSOLIDATED		UNIVERSITY	
	2008 Actual \$000	2007 Actual \$000	2008 Actual \$000	2007 Actual \$000
<b>Hedging reserve</b>				
Balance at beginning of financial year	(83)	(956)	(83)	(956)
Gain/(loss) recognised	1,317	(748)	1,317	(748)
Transferred to initial carrying amount of hedged item	(907)	1,621	(920)	1,621
<b>Balance at the end of financial year</b>	<b>327</b>	<b>(83)</b>	<b>314</b>	<b>(83)</b>

The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges in relation to forward exchange contracts. The cumulative deferred gain or loss on the hedge is recognised in the income statement when the hedged transaction impacts the income statement, or is included as a basis adjustment to the non-financial hedged item, as per the University's hedging policy.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

### 23 Trust and special funds

	CONSOLIDATED/UNIVERSITY			
	Special Funds \$000	Endowment Funds \$000	Scholarships \$000	Total \$000
<b>2008</b>				
Balance at beginning of financial year	1,913	5,498	10,449	17,860
Income	3,371	1,377	382	5,130
Less expenditure	(3,235)	(3,437)	(364)	(7,036)
Net surplus (deficit)	136	(2,060)	18	(1,906)
<b>Balance at end of financial year</b>	<b>2,049</b>	<b>3,438</b>	<b>10,467</b>	<b>15,954</b>
<b>2007</b>				
Balance at beginning of financial year	2,021	5,661	8,990	16,672
Income	3,172	2,136	1,798	7,106
Less expenditure	(3,280)	(2,299)	(339)	(5,918)
Net surplus (deficit)	(108)	(163)	1,459	1,188
<b>Balance at end of financial year</b>	<b>1,913</b>	<b>5,498</b>	<b>10,449</b>	<b>17,860</b>

The University has established Trust and Special Funds for specific purposes. The conditions for use of these funds are imposed by Council, deed of gift or by the terms of endowments and bequests.

### 24 Related parties

The University enters into transactions with government departments and Crown agencies. These are not considered to be related party transactions.

#### Auckland UniServices Limited

The University pays some of the salaries of Auckland UniServices Limited administrative staff and other administration costs which it recharges to the company. The University also charges Auckland UniServices Limited for costs incurred by departments and student scholarship costs against the company's projects.

The amount of transactions charged by the University to Auckland UniServices Limited during 2008 was \$26.9 million (2007: \$19.2 million).

Auckland UniServices Limited pays some salary costs and sundry expenses on behalf of the University and recharges these to the University. The amount of transactions charged by Auckland UniServices Limited to the University during 2008 was \$10.5 million (2007: \$5.8 million). Interest charged by Auckland UniServices Limited to the University throughout the year was \$3.1 million (2007: \$2.6 million).

Balances outstanding at 31 December 2008 are:

1. Receivables	\$3,616,791	(2007: \$3,937,557)
2. Payables	\$2,882,556	(2007: \$984,207)
3. Loan from subsidiary	\$37,700,000	(2007: \$37,700,000)

Receivables are amounts owing to University departments for scholarship charges and sundry expenses paid on behalf of Auckland UniServices Limited. They are settled on normal commercial terms.

Payables are amounts owed by University departments for salaries, travel expenses and other charges paid on their behalf by Auckland UniServices Limited. They are settled on normal commercial terms.

The loan from subsidiary represents advances by Auckland UniServices Limited to the University. The loan is on demand and the University pays a market-related rate of interest for this loan.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

### Uni-Accommodation Limited

Uni-Accommodation Limited is a wholly owned subsidiary of the University, which leases student accommodation from investors in the Railway Campus and rents rooms to students. The University provides value added services including telephone and laundry services to the students on its own account. The University provides management and accounting services to Uni-Accommodation Limited free of charge, and receives and pays money on behalf of Uni-Accommodation Limited. The balance owed by the University to Uni-Accommodation Limited at 31 December 2008 is \$66,721 (2007: \$161,018). This is repayable on demand.

### Eversdale Holdings Limited

Eversdale Holdings Limited is a wholly owned subsidiary of the University which holds property for University use. The balance owed by Eversdale Holdings Limited to the University as at 31 December 2008 is \$8,000,000 (2007: \$8,000,000). The amount owing by Eversdale Holdings Limited is repayable on demand and at zero interest. There were no other intercompany transactions during the year.

### Telsar Investments Limited

Telsar Investments Limited is a wholly owned subsidiary of the University which holds property for University use. The balance owed by Telsar Investments Limited to the University as at 31 December 2008 is \$18,916,040 (2007: \$Nil). The amount owing by Telsar Investments Limited is repayable on demand and at zero interest. There were no other intercompany transactions during the year.

Investment in subsidiaries of \$27.916 million (2007: \$9.0 million) comprises

	UNIVERSITY	
	2008 \$000	2007 \$000
Loan to Eversdale Holdings Limited	8,000	8,000
Loan to Telsar Investments Limited	18,916	
Shares in Auckland UniServices Limited	1,000	1,000
<b>Total Investment in subsidiaries</b>	<b>27,916</b>	<b>9,000</b>

The University is the holding entity for the consolidated group. The subsidiaries as at 31 December 2008 are:

Name	Interest 2008	Interest 2007	Principal activities	Balance date
Auckland UniServices Limited	100%	100%	Commercial research	31 December
Uni-Accommodation Limited	100%	100%	Student accommodation	31 December
Eversdale Holdings Limited	100%	100%	Property Holdings	31 December
Telsar Investments Limited	100%		Property Holdings	31 December
via Auckland UniServices Limited the following subsidiaries also form part of the consolidated entity:				
NeuronZ Limited	89%	89%	Research	31 December
New Zealand Seed Fund Partnership Limited	100%	100%	Non-trading	31 December
New Zealand Seed Fund Management Limited	100%	100%	Non-trading	31 December

### Key management personnel compensation

Compensation of the key management personnel of the consolidated entity and the University is set out below:

	CONSOLIDATED/UNIVERSITY	
	2008 Actual \$000	2007 Actual \$000
Short-term employee benefits	7,267	5,784
Post-employment benefits	831	783
<b>Total employee benefits</b>	<b>8,098</b>	<b>6,567</b>

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## REPORT OF THE AUDITOR-GENERAL

for the year ended 31 December 2008



TO THE READERS OF  
THE UNIVERSITY OF AUCKLAND AND GROUP'S  
FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2008

The Auditor-General is the auditor of The University of Auckland ('the University') and group. The Auditor-General has appointed me, Nick Main, using the staff and resources of Deloitte, to carry out the audit of the financial statements and statement of service performance of the University and group, on his behalf, for the year ended 31 December 2008.

### Unqualified Opinion

In our opinion:

- the financial statements of the University and group on pages 60 to 92:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the University and group's financial position as at 31 December 2008; and
    - the results of operations and cash flows for the year ended on that date.
- the performance information of the University and group on pages 46 to 57 fairly reflects its service performance achievements measured against the performance targets adopted for the year ended on that date.

The audit was completed on 15 April 2009, and is the date at which our opinion is expressed.

The basis of our opinion, which refers to the treatment of capital contributions from the Crown, is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

### Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and statement of service performance did not have material misstatements whether caused by fraud or error.

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.

The audit involved performing procedures to test the information presented in the financial statements and statement of service performance. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Council;

- 
- confirming year-end balances;
  - determining whether accounting policies are appropriate and consistently applied; and
  - determining whether all financial statement disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance.

We evaluated the overall adequacy of the presentation of information in the financial statements and statement of service performance. We obtained all the information and explanations we required to support our opinion above.

### Capital contributions from the Crown:

In forming our unqualified opinion, we considered the recognition, presentation and disclosure of income in advance in the balance sheet and note 17. In our view, the substance of the transaction relating to the Partnerships for Excellence funding is equity in nature given the Crown has appropriated the funds as a capital appropriation in order to increase the capability of the University.

Also, in forming our unqualified opinion, we considered the recognition of some research contract funding as revenue and as a payable. An amount of \$1.7 million has been recognised as revenue and an amount of \$4.3 million as a payable. In our view, the substance of the transaction, totalling \$6 million, is equity in nature given the Crown has appropriated the funds as a capital appropriation in order to increase the capability of the University.

Based on the substance of the transactions, in our view:

- the Partnerships for Excellence funding should have been recognised as a capital contribution from the Crown in 2007 rather than as income in advance; and
- the relevant research contract funding should have been recognised as a capital contribution from the Crown in 2008 rather than partly as revenue and partly a payable.

However, the amounts involved are not material to the financial statements as a whole.

### Responsibilities of the Council and the Auditor

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the University and group as at 31 December 2008. They must also fairly reflect the results of operations and cash flows for the year ended on that date. The Council is also responsible for preparing performance information that fairly reflects the service performance achievements for the year ended 31 December 2008. The Council's responsibilities arise from the Education Act 1989 and the Crown Entities Act 2004.

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you. This 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 Institute of Chartered Accountants of New Zealand.

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



**NICK MAIN**  
Deloitte

On behalf of the Auditor-General  
Auckland, New Zealand

This audit report relates to the financial statements of The University of Auckland and group for the year ended 31 December 2008 included on The University of Auckland and group's website. The University of Auckland and group's Council is responsible for the maintenance and integrity of The University of Auckland and group's website. We have not been engaged to report on the integrity of The University of Auckland and group's website. We accept no responsibility for any changes that may have occurred to the financial statements and performance information 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/from these financial statements and performance information. 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 performance information and related audit report dated 15 April 2009 to confirm the information included in the audited financial statements and performance information presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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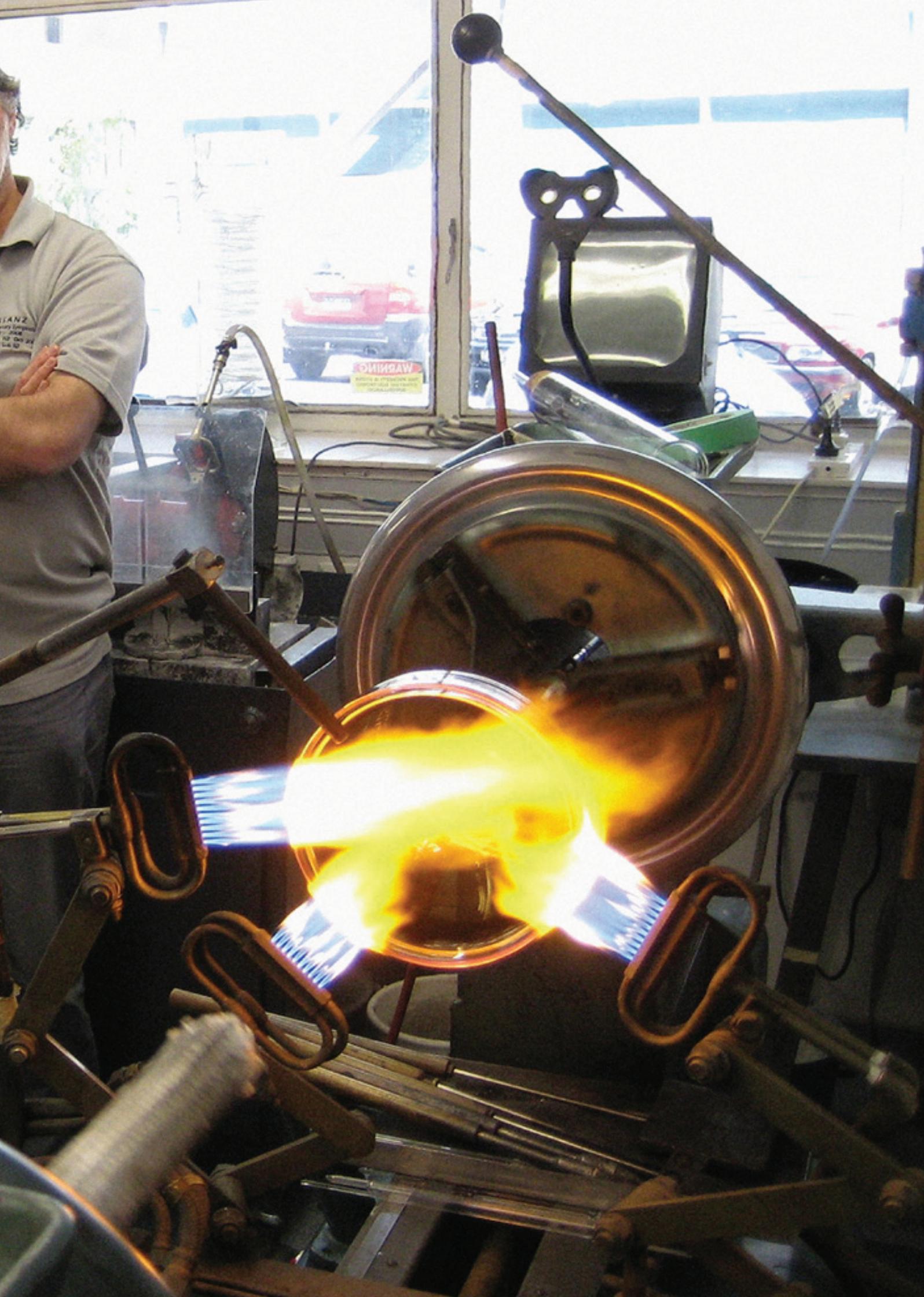
## GLOSSARY

Acronym	Expanded meaning
AIC	Auckland Innovation Centre
BeSTGRID	Broadband enabled Science and Technology GRID
CECIL	The University of Auckland's Learning Management System
CoRE	Centre of Research Excellence
CRI	Crown Research Institute
DHB	District Health Board
EEdO	Equal Educational Opportunities
EFR	Externally Funded Research
EFTS	Equivalent Full Time Students
FMHS	Faculty of Medical and Health Sciences
FRST	Foundation for Research Science Technology
FTE	Full Time Equivalent
GPE	Grade Point Equivalent
HRC	Health Research Council
IESE	Institute of Earth Science and Engineering
KAREN	Kiwi Advanced Research and Education Network
KPI	Key Performance Indicator
LSRI	Large Scale Research Institute
MANU-AO	Māori Academic Network across Universities in Aotearoa
MAPAS	Māori and Pacific Admission Scheme
MIT	Manukau Institute of Technology
MoRST	Ministry of Research Science and Technology
nDeva	The student administration system
NICAI	National Institute of Creative Arts and Industries (also referred to as Faculty of)
NIWA	National Institute of Water and Atmospheric Research Ltd.
NRCGD	National Research Centre for Growth and Development
PBRF	Performance Based Research Fund
PfX	Partnerships for Excellence
R&D	Research and Development
RIMS	Research Information Management System
SBS	School of Biological Sciences
SGGES	School of Geography, Geology and Environmental Science



The necrodegradometer at the international symposium of glassblowing, hosted by the Department of Chemistry. The necrodegradometer contained heart tissue in the central enclosure, was kept warm by a waterjacket, and the heart was slowly decomposed using a variety of chemical solutions while it was being filmed by a mini camera down the centre.

The University of Auckland





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