

VICE-CHANCELLOR'S REVIEW

INTRODUCTION

2001 has been an eventful year, both within the University and in the wider context of the Government's national goals for tertiary education. In my review last year I expressed serious reservations about the on-going funding of universities; the ensuing 12 months have brought no relief from those concerns. Despite a hard-won funding offer in return for a fees freeze for 2002, the quality of teaching and research in this university remains in jeopardy if better and more lasting funding arrangements are not concluded. While New Zealand's leading universities are starved of funding, those tertiary institutions abroad with whom we must benchmark favourably in order to achieve and maintain a global reputation are moving ahead as their governments significantly boost funding. In particular, this university is battling difficult staff recruitment and retention problems in competition with higher-paying universities abroad, and is clearly adversely affected by a lack of government commitment to pure research in New Zealand.

The impact of the reports of the Tertiary Education Advisory Commission remains unclear in a number of key areas of tertiary education management and funding. There may be serious implications for this University in the proposals to cap numbers of students nationally in specific courses and to develop a concept of tertiary "centres of excellence."

There are clear indications that the Tertiary Education Advisory Commission is searching for the means to implement the present government's "knowledge economy" aspirations. I believe this is a concept that requires more scrutiny and debate in 2002, and the University has already identified ways to influence this nationally important matter.

I am disturbed by a proposed legislative change that will impact on autonomy by permitting government interference in the governance of the University. Intervention mechanisms proposed in the Education Amendment (No 2) Bill are both unnecessary and objectionable.

Two other issues that were of continuing concern during the year in review were the disastrous proliferation of tertiary degrees among non-university providers and the complex issue of the impact of student debt.

However, these concerns are offset by my sense of achievement at the great strides the University has made in 2001 in a number of areas. The year has been an outstanding one for applied biomedical research and commercial development, areas in which Otago has long been pre-eminent academically. I have no doubt that the growing international reputation of University of Otago researchers is playing a key role in attracting investors.

During 2001 the University's Information Services Building, the most significant capital development we have ever undertaken, became fully operative, the Centre for Innovation was all but completed, and the University's new Wellington Stadium Centre was formally opened. I take pride in the fact that with educational facilities in Auckland, Wellington, Christchurch and Dunedin, Otago is New Zealand's only national university.

ACADEMIC

The University met almost all of its targets relating to academic achievement. The total number of degrees completed was 3,268 (3,396 in 2000), comprising 2,871 undergraduate degrees (2,990 in 2000, a fall of 4.1%) and 397 postgraduate degrees (406 in 2000, a fall of 2.2%). Undergraduate certificates and diplomas totalled 296 (473 in 2000) and postgraduate diplomas and certificates 577 (399 in 2000). Of a total of 83,148 papers sat in 2001, 76,811 were passed (a pass rate of 92.4%).

Agreement was reached with the Ministry of Education to take over the Medical Radiation Therapy and Dental Technology courses formerly taught by the Central Institute of Technology. The University of Otago will thus in 2002 become the sole national provider of dental training and will offer the only degree in Radiation Therapy. Early indications are that the radiation therapy course will be fully subscribed.

A number of significant new courses and other initiatives were planned in 2001 for introduction in 2002. They include advanced professional courses to be offered in the area of Social Work and a complement of undergraduate papers in Sociology that will draw together the University's considerable expertise in a number of departments. The Christchurch School of Medicine and Health Sciences added a new postgraduate paper in Māori Health. Discussion has begun on the complex question of entry criteria to the Bachelor of Medicine and Bachelor of Surgery course.

The University Council's decision to inject a further \$2.1 million into postgraduate scholarships in 2002, bringing the total available annually to \$5.9 million, is an affirmation of commitment to retain New Zealand's best young minds.

My optimism in last year's report concerning the University's experimental launch of a Summer School was vindicated with a greater than expected attendance and a resounding call for continuation. Almost 700 people, 100 of whom were enrolled at other universities, enrolled for the 23 papers offered over six weeks in January and February. It is intended to expand the number of course offerings for 2002. Also in January more than 200 secondary school students, from all over New Zealand, attended the University's annual Hands on Science Summer School. Over 30% of those who attend this event return to study at Otago.

I am pleased to report a successful year in the University's Foundation Year course, where students achieved a pass rate which compared favourably with rates achieved by Otago's partner in the scheme, the University of New South Wales.

A new postgraduate course in natural history film-making attracted wide industry attention and praise. This is a particularly notable innovation because of its connection with the world-leading Natural History New Zealand Ltd, which is based in Dunedin.

The University's teacher education programmes are likely to benefit from the signing of a memorandum of agreement with the Dunedin College of Education which should enable a building of synergies that will reflect the strengths of each institution.

RESEARCH AND SCHOLARSHIP

As one of New Zealand's two research-focused universities, Otago continued to feature strongly in research activities nationally and internationally. Notable in 2001 was the high profile of areas which are reaching towards commercial development and profitability. This reflects particularly the world-class strengths of our biomedical sciences and is a vindication of the decision taken by the Councils of the University and Dunedin City to seek a collaborative model that would enhance Dunedin's position as an incubator of new ideas and business development. The new Centre for Innovation building, at the north-western entrance to the campus, is tangible evidence of this initiative.

Many other events of the last year have highlighted the University's great strength in the biological and medical research fields. The eyes of all scientists have been on events surrounding genetically based developments, particularly in light of the likely implications of findings from the Royal Commission on Genetic Modification. While the Vice-Chancellors of all New Zealand universities supported the findings of the Commission, there is clearly concern among scientists that the voluntary moratorium on genetic experimentation could become permanent as little progress has been made towards a lifting of the ban. The University of Otago has spent more than \$1.5 million on science that relates to genetic modification in the last four years.

Among other research highlights, the announcement last year of the development of a significant commercial application of salivaracin B, a bacteriocin-like inhibitory substance (BLIS), has now been followed by the formation of a listed company, in which the University has taken a significant shareholding.

Other significant research projects in biomedical and health areas are addressing problems as diverse as the degeneration of artificial joints, the improvement of water safety practices, the contribution of sleep disorders to

road safety, injury prevention on the rugby field, kidney transplant improvement, hormone replacement therapy, disease diagnosis through breath analysis (the “supernose”) and revolutionary drug-testing technology.

A world-leading infertility research centre is being established in Dunedin, in a joint-venture between the University and British-based Wellcome Trust. Professor Allan Herbison, a graduate of Otago, will return from Britain to head the team. The University is considering a stem-cell project to grow spinal cord tissue for people with severed spinal cords.

The impending opening of High Performance Centres for the development of sporting talent was signalled in last year’s report as a clear recognition of the reputations of our Health Sciences and Human Performance researchers and practitioners. The South Island Centre has now been established in Dunedin and the Central High Performance Academy in Wellington is operating in the University’s recently opened facilities in the WestpacTrust Wellington Stadium.

The University’s research report, *He Kitenga – Research Highlights 2001*, was published during the year and illustrates graphically the enormous range and depth of the University’s research activities. Research funding, however, remains a matter of serious concern and there are areas of important research that are likely to remain incomplete unless new sources of support can be found.

INTERNATIONALISATION

After a period of development and consolidation the University has begun to reap the benefits of its policy of vigorous pursuit of internationalisation. Growth in international student numbers, which proved impossible to achieve in 2000, showed a pleasing 10.6% expansion in 2001, with the enrolment of 119 new students contributing to a new high of 1,235, up from 1,116.

The strategy of expanding exchange agreements was vigorously implemented. In 2001 there were 170 student exchange activities (121 in 2000). This enabled 72 Otago students to take the opportunity to study abroad, while the Dunedin campus was enriched by the presence of 98 in-bound exchange students.

The University continued its practice of conducting one graduation ceremony a year in Malaysia, although this popular event will be reviewed for 2002 in light of a changing mix in the countries of origin of the international student body.

Among other significant international activities this year, there were continued developments in relationships with government and educational institutions in Chile, with promising overtures also in Brazil and Mexico.

I was pleased to be able to represent New Zealand universities in Latin America as part of a government delegation led by the Prime Minister, the Rt Hon Helen Clark. This visit generated seven more agreements, including student exchange arrangements with institutions in Mexico, Chile, Brazil and Argentina.

PEOPLE

Clearly the strength of any good university lies in the qualities and reputation of its staff, and it remains of great concern to me that serious funding shortfalls do not allow the University of Otago to adequately address its on-going recruitment and retention problems. Nevertheless, the calibre of Otago staff was once again evident in many ways.

World-renowned scholars Emeritus Professor Jim Flynn (Political Studies) and Professor Charles Higham (Anthropology) were the first to receive the University’s inaugural distinguished research award. They each received medals and \$10,000 for personal scholarly development.

Dr Abigail Smith, a senior lecturer in Marine Science, was appointed to a government advisory committee on oceans policy. The Dean of the Christchurch School of Medicine and Health Sciences, Professor Andrew Hornblow, was named as head of a new statutory body to advise the government on health work force planning issues.

A prestigious New Zealand Pharmacy Conference gold medal was awarded to Professor Peter Coville, former dean and head of the Pharmacy Department (1991-99) for service to the profession. Professor George Benwell (Information Science) won the GJ Thornton-Smith Memorial Medal as a distinguished graduate of Melbourne University’s School of Engineering Department of Geomatics.

Professor of Economics Martin Richardson was appointed as a lay member of the High Court to assist in cases involving appeals on Commerce Commission decisions and other Commerce Act matters. Dr Jean Fleming (Anatomy and Structural Biology) played a significant role as a member of the Royal Commission of Inquiry on Genetic Modification.

It was a good year for Associate Professor Angela Pack (Department of Periodontology, Faculty of Dentistry).

As well as being named member of the New Zealand Order of Merit (MNZM) in the Queen's Birthday honours list, Professor Pack won the International Association for Dental Research's prestigious Alan Docking science award.

Prof Barry Taylor (Pediatrics, Dunedin School of Medicine) has been appointed head of the Child and Youth Mortality Review Committee, set up under the Public Health and Disability Act. Professor Nikola Kasabov (Information Science), Professor Mark Richards (Department of Medicine, Christchurch School of Medicine and Health Sciences) and Associate Professor Robert Poulin (Zoology) have been awarded Royal Society of New Zealand fellowships. Assoc Prof Poulin also received a prestigious New Zealand Association of Scientists Research Medal, awarded to scientists under the age of 40 who make an "outstanding contribution" to science.

Historian and University Orator Professor Erik Olssen was awarded the Te Rangi Hiroa Medal, acknowledging his outstanding contribution to the understanding of current issues in cultural diversity and cohesion. Associate Professor Terence Dennis (Department of Music), along with Otago music graduate Jonathan Lemalu, will perform for United States President George W Bush and other distinguished guests at the 2002 Winter Olympics in Salt Lake City, Utah.

The university was saddened by the deaths of two distinguished members of the academic staff during the year. Professor Erkin Bairam, who died at 43, was one of New Zealand's foremost academic economists and held a personal chair in recognition of his contributions to the field of econometrics. Dr Colin Wells, who drowned tragically on the last day of the year while surfing, was a Senior Lecturer in Physics and Director of the University's Energy Management programme in Applied Science. He was an innovator in his field, blending a deep concern for environmental sustainability with outstanding analytical skills in dealing with problems of energy policy and planning.

The University also noted with regret the passing of a number of former staff members who had all made distinguished contributions to the University in their own areas. They included Dr Christopher Ehrhardt (Classics, 1971-1997), Dr Fred Ansbacher (Physics 1963-85), Mr John Bovett, the first University of Otago Proctor until his retirement in 1979, Professor Alex Szakats, the second Professor of Law at Otago (1974-1980), Associate Professor John Douglas Campbell (Geology 1959-1990), Emeritus Professor William Trotter, Head of the

Department of Anatomy from 1969 to 1983, and Emeritus Professor George Rolleston CBE, foundation Dean of the Christchurch School of Medicine (1971-1981).

Appointments

Prof Keith Davids, of Manchester Metropolitan University, has been appointed Dean of the School of Physical Education following the resignation of Professor John Loy a year ago. He will take up the position in February 2002.

After nearly 90 years, the University of Otago's School of Business (formerly Commerce Division) has its first female professor with the appointment of Dr Vivienne Shaw to a Chair in Marketing.

The Hon. Dr Clive Matthewson has been appointed to a new University of Otago post as Director of Development and will take up the position early in 2002. His role will be to provide leadership in identifying new sources of funding for the university.

Darryn Russell, formerly secretary-treasurer and director of Te Runanga o Otakou Inc, has been appointed as the University's Māori adviser. Reporting directly to me, this important new position will support the University in working towards the achievement of its Treaty of Waitangi obligations.

Honorary Doctorates were conferred this year on Shona Dunlop McTavish (HonDLitt) and Ahmad Azizuddin bin Zainal Abidin (HonLLD). Ms MacTavish was honoured for a life of outstanding contribution to dance, while Tan Sri Ahmad, an Otago graduate who has remained a good friend of this University, has had a distinguished political and business career in Malaysia.

Retirements

Ten academic staff, including four professors, retired in 2001 after giving more than 25 years service to the University. Professor Wes Sandle, a former Head of the Physics Department, contributed enormously to his field and to the intellectual life of the University for over 37 years. Professor Malcolm McMillan, a member of a distinguished Dunedin family, announced his intention to leave the dental school after 34 years outstanding service as an academic and an administrator. Professor Les Williams, who retired after 31 years that included a period as Dean of the School of Physical Education, made an enormous contribution to the community through his stewardship of the Frances Hodgkins Fellowship and his patronage of the arts. The work of Professor Brian Cox,

who retired at the beginning of the year, was acknowledged in last year's Report.

Others to retire who have made long and significant contributions to the University include Miss Elizabeth Hoyle, an illustrator in the faculty of Dentistry who served the University for over 40 years, Dr Elizabeth Goulding (Head of French Department), Dr John Watson (English), Associate Professor Charles Landis (Geology), Dr Stuart Mitchell (Zoology), Dr John Bray (Physiology) and Associate Professor Ivan Donaldson (Christchurch School of Medicine and Health Sciences).

ADMINISTRATION

In the 2000 Annual Report I referred to major restructuring in the area of Marketing and Communications, with the goal of improving and better integrating the development, public relations and student recruitment activities of the University. The restructuring was completed during 2001.

The University of Otago Council made history when it held its July meeting at the university's new Wellington Stadium Centre at the WestpacTrust Stadium.

Mr Lindsay Brown, pro-chancellor of the University in 2001, was reappointed to the Council by the Minister of Education for a further four-year term. The Council has decided that an additional graduation ceremony will be held from 2003. It is likely that a third May graduation will be introduced, bringing to six the total number held in Dunedin each year.

An important step forward was taken in the formation of a new Senate committee, the Student Support Services Committee, which is chaired by the Deputy Vice-Chancellor (Academic) and includes six student representatives among its number. The committee is a successor to the former Student Affairs Committee, which was a committee of the University Council.

Late in the year 436 dental students and the University of Otago brought an action in the High Court seeking approximately \$15 million, including costs, from the Crown for cuts to Dental School education funding in 1994. By the end of the year Justice Goddard had not delivered her reserved decision.

The University and its near neighbour the Dunedin College of Education signed a memorandum of agreement signalling a wish to develop a co-operative strategic partnership that will give students extra course and degree options, thereby attracting more students to live and study

in Dunedin. This memorandum signals a continuation of the good relations that have prevailed over more than a century of co-operative educational ventures.

ENROLMENT

The University saw a gratifying return to growth in 2001 after a slight fall (0.2%) in head-count numbers in 2000. Overall head-count numbers rose from 17,094 in 2000 to 17,598 in 2001, an increase of 2.9%. This reflected a resurgence of first year domestic student numbers, a major achievement in a very difficult marketing climate. There was also a welcome return to growth in numbers of international students enrolling. Key features of the record student roll were an overall 13.2% first-year head-count rise and a surge in enrolments in the Division of Humanities. Of all New Zealand residents enrolled in 2001, 37.5% were from the North Island (36.2% in 2000).

Of the total enrolment of 17,598 students, 14,216 were undergraduate (13,676 in 2000) and 3,382 were postgraduate (3,418 in 2000). Postgraduate students thus made up 19.2% of the total head-count enrolment in 2001 (20.0% in 2000).

In last year's report I commented that the University would need to continue its efforts to promote its excellence to potential students. While it is too early to be clear about 2002 enrolment numbers, it is my hope that they will reflect the proactive marketing strategies we have adopted.

In recent years the University has attracted a decreasing proportion of its students from within Otago and Southland. In 2001 the trend continued, with the region contributing only 40.4% of all students (42% in 2000). The number of first year students from the region fell considerably, to 31.6% (39.6% in 2000), reflecting in particular a drop in numbers of mature students from the Dunedin area. New Zealand's demographic trends will pose a continual marketing challenge for the foreseeable future.

Māori representation remained the same as a percentage of the total student roll, at 6.2%. The University has appointed two Māori Liaison Officers based in Dunedin and Auckland.

For the fourth year in succession women comprised 55% of the total roll, although this ratio is not spread evenly across all the academic divisions.

In the Division of Humanities the decline in enrolments of previous years was halted in spectacular fashion, thanks largely to unexpected numbers enrolling for the newly introduced Spanish language classes. Overall there was

growth of 8.7% in Humanities enrolments, with undergraduate figures soaring from 3,438 to 3,769 (9.2% increase) to account for most of this growth.

The School of Business (Commerce Division) has not yet returned to its high point of enrolment in 1999. In 2001 a 1% expansion in undergraduate enrolments was offset by a drop in postgraduate numbers, leaving the Divisional total virtually unchanged from that of 2000.

Health Sciences experienced growth of 1%, spread across both undergraduate and graduate courses, while the Division of Sciences saw a continuation of the decline experienced in 2000. Its 2001 enrolment figure, at 4,172, was a 1.6% decline on the 2000 total of 4,261, although more than 70 students enrolled for the Bachelor's and Master's degree programmes in Applied Science, offered for the first time in 2001.

While it is pleasing to observe that overall the University did succeed in showing growth in 2001, it is clearly of ongoing concern that this increase is not spread evenly across the academic divisions. It is tempting to attribute this growth to the introduction of Spanish in 2001. This would, however, be a simplistic conclusion, since it is not known whether those students who enrolled for Spanish would have still come to Otago had we not introduced the new subject. The University continues to refine its marketing strategies and during 2001 undertook a major research project to understand better the motivations behind students' choice of university.

The quality of Otago students is frequently acknowledged by the award of prestigious scholarships. In 2001 a Freyberg scholarship, to the value of \$20,000, was awarded to Scott Sheeran, who was capped LLB(Hons) and BCom(Hons) in May. Mr Sheeran will be undertaking postgraduate legal studies at Cambridge University.

Once again a number of Otago students received Bright Future awards, and to crown a successful year two of New Zealand's three Rhodes Scholars for 2001 were Otago students. Rachel Carrell and Christopher Curran will take up their posts at Oxford University in 2002. It is interesting to note that of the 33 Rhodes Scholarships awarded in the last decade Otago has won 11, which is top for New Zealand.

FUNDING

Once again I feel compelled to comment that the funding of tertiary education in New Zealand remains a critical issue for the whole nation. I have noted elsewhere in this report that the implications of underfunding have already been felt by this University in serious and very tangible ways.

The excellent financial outcome for 2001 reflects great credit on all sections of the University, but is by no means an indication that funding is adequate for future needs. Under immense pressure in 2001, the University reviewed its budgets and made extensive cuts. Capital project spending was also placed on hold on all but absolutely essential items.

A serious consequence of this remorseless pressure is that staff, both academic and general, are dealing with higher levels of stress as a result of ever-growing workloads. It is inevitable that there will be a continuing impact on the quality of teaching, research and community service in this university if there is not some urgent government response to the crisis. The University has made massive gains in efficiencies over the last eight years, and has also hugely increased the inflow of funding from non-governmental sources, but there is no room for further cost-cutting without damage to standards.

CAPITAL DEVELOPMENT

The highlight of the year's campus development has undoubtedly been the completion of the Information Services Building. It has been eight years since the need for a new facility was first identified. I am delighted with the outcome and believe that the University has built a magnificent, world-leading facility that reflects careful planning, wide-ranging and well-placed consultation and considerable vision and courage.

I regret having to report that the much-anticipated opening of the building by Her Majesty Queen Elizabeth II did not take place, owing to the cancellation of the Commonwealth Heads of Government Meeting. However, in a stirring ceremony led by runanga the building was blessed and is now fully commissioned.

A second major project was all but completed by year's end. The Centre for Innovation, which will have cost \$8.2 million when fully operational, already has some tenants, with interest having been expressed in about 70% of available space. This facility is designed to encourage synergy between the University's research strengths and industry, and it is expected to play an important role in curbing the exodus of young talent from the city.

A long-running dispute over the ownership of the \$3.5 million Student Union Building was resolved, with agreement that the Students' Association and the University will be joint owners.

A new \$100,000 clinical skills laboratory, jointly established and shared by the University, Otago Polytechnic and Otago District Health Board is the biggest of its type in New Zealand.

We were honoured to have the Prime Minister, the Rt Hon. Helen Clark, to open the University's \$2m Wellington Stadium Centre, located in the WestpacTrust Wellington Stadium. About 250 dignitaries and other friends of the University attended the opening. The Centre is already giving the University of Otago a strong, highly visible presence in the capital city.

The University Council renamed the School of Dentistry building after a former Dean of the school, Sir John Walsh. Sir John, who was Dean from 1946-1971, was a highly distinguished academic who played an enormous part in establishing the on-going reputation of dental education, research and training in Otago.

The University has made a commitment to the building of a multimillion dollar Zoology laboratory building. The new building will be a wing that will link with the existing Zoology building and is expected to be completed early in 2003. The cost will be approximately \$7 million.

OUTLOOK

While I continue to believe that the University of Otago is performing outstandingly in many respects, and is clearly taking strong measures to ensure that its place as New Zealand's leading research-based university is preserved, I am increasingly concerned that chronic underfunding, along with needless interference by central agencies, is undermining the very nature of the university itself. We are rapidly approaching the point where it will be impossible to recover the ground that is being eroded year by year.

