

2010 ANNUAL REPORT



UNIVERSITY
of
OTAGO

Te Whare Wānanga o Ōtāgo
NEW ZEALAND



2010

ANNUAL REPORT

UNIVERSITY OF OTAGO

Leith Street, Dunedin

New Zealand

Mail PO Box 56, Dunedin 9054, New Zealand

Tel 64 3 479 1100

Fax 64 3 479 8692

Email registrar@otago.ac.nz

Web www.otago.ac.nz

CHRISTCHURCH

University of Otago, Christchurch

2 Riccarton Avenue

Christchurch, New Zealand

Mail PO Box 4345, Christchurch 8140, New Zealand

Tel 64 3 364 0530

Fax 64 3 364 0525

Email csm-enquiries@otago.ac.nz

WELLINGTON

University of Otago, Wellington

Mein Street, Newtown

Wellington South, New Zealand

Mail PO Box 7343, Wellington South 6242, New Zealand

Tel 64 4 385 5541

Fax 64 4 389 5725

Email deandpt.wsmhs@otago.ac.nz

University of Otago Wellington Centre

Level 9, Revera House, 48 Mulgrave Street

Thorndon, Wellington, New Zealand

Mail PO Box 400, Wellington 6140, New Zealand

Tel 64 4 460 9800

Fax 64 4 460 9801

Email wellington.office@otago.ac.nz

AUCKLAND

University of Otago Auckland Centre

University of Otago House

385 Queen Street

Auckland, New Zealand

Mail PO Box 5543, Wellesley Street, Auckland 1141, New Zealand

Tel 64 9 373 9700

Fax 64 9 373 9701

Email auckland.centre@otago.ac.nz

SOUTHLAND

College of Education, Southland Campus

100 Nelson Street, Invercargill

New Zealand

Mail PO Box 886, Invercargill 9840, New Zealand

Tel 64 3 211 6724

Fax 64 3 216 1399

Email course.info@otago.ac.nz

VISION

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

KO TE ARONGA

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

MISSION

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

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

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University Governance

LEGAL STATUS

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

STATUTORY ROLE

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

THE UNIVERSITY COUNCIL

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

COMMITTEES OF COUNCIL

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

THE SENATE

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

UNIVERSITY AUTONOMY AND ACADEMIC FREEDOM

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

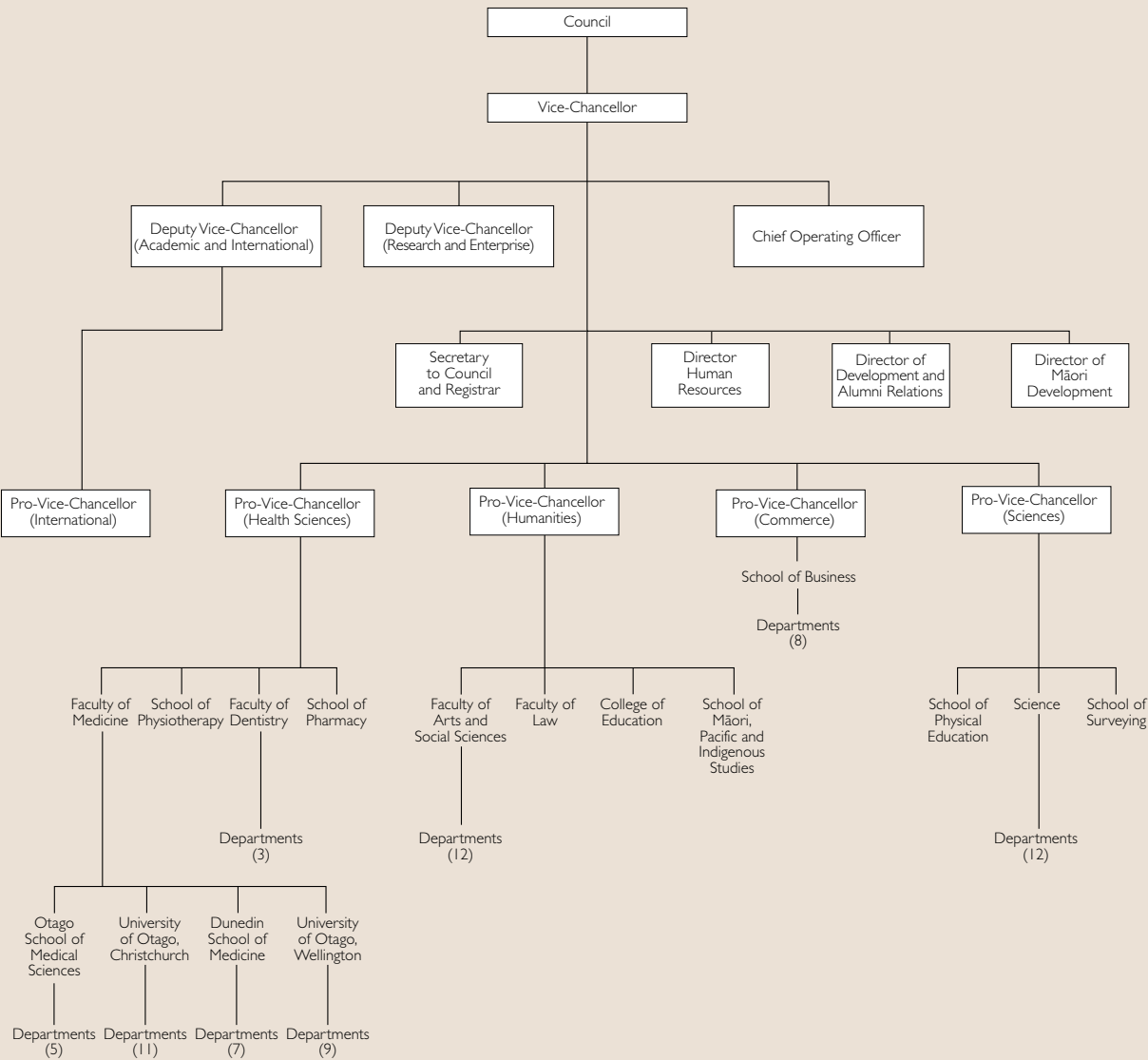
GOVERNANCE DOCUMENTS

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

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

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

Organisation Chart



The Council of the University of Otago 2010

Appointed by the Minister of Education

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

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

Ms Kereyn M Smith DipPhEd (Otago)

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

Ex Officio

Professor Sir David C G Skegg – (Vice-Chancellor)
KNZM OBE BMedSc MB ChB(Otago) DPhil(Oxf) FFPHM FAFPHM FRSNZ

Elected by the academic staff

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

Dr Marilyn J Duxson MSc (Melbourne) PhD (University College London)

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

Elected by the Court of Convocation

Judge E Oke K Blaikie LLB(Otago)

Miss Lorraine P Isaacs QSO MA(Otago & Hawaii)

Mr Michael J M Sidey BCom(Otago) ACA

Elected by the general staff

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

Appointed after consultation with the central organisation of employers

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

Appointed after consultation with the central organisation of workers

Mr Roger H Tobin BSc(Well)

Appointed by the Students' Association

Ms Harriet R Geoghegan

Ms Victoria A Nicholson BA(Hons) LLB(Otago)

Appointed by the Dunedin City Council

Mr Peter W H Chin CNZM LLB(Otago)

Co-opted

Mrs Kathleen E Grant BA LLB PGDipArts PGDipLaw(Otago)

Dr Royden J Somerville QC LLM PhD(Otago) AAMINZ



Professor D C G Skegg

Mr P W H Chin

Ms D C Matahere-Atariki

Professor J A Bennett

Dr R J Somerville

Mrs K E Grant

Dr J D Every-Palmer

Miss L P Isaacs

Mr R H Tobin

Dr M J Duxson

Vice-Chancellor

Professor Sir David C G Skegg
KNZM OBE BMedSc MB ChB(Otago) DPhil(Oxf) FFPHM FAFPHM FRSNZ

Deputy Vice-Chancellor (Academic & International)

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

Deputy Vice-Chancellor (Research & Enterprise)

Professor Harlene Hayne ONZM BA (Colorado College) MS
PhD(Rutgers) FRSNZ

Chief Operating Officer

Mr A John Patrick BCom(Otago) FCA CMA

Pro-Vice-Chancellor (Commerce)

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

Pro-Vice-Chancellor (Health Sciences)

Professor Don M Robertson MB ChB MD(Otago) FRACP FRCPA

Pro-Vice-Chancellor (Humanities)

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

Pro-Vice-Chancellor (Sciences)

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

Pro-Vice-Chancellor (International)

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

Director of Human Resources

Mr Kevin J Seales BCom(Cant) MHRINZ

Secretary to the Council, and Registrar

Ms Jan A Flood DipPhEd(Otago)



Judge E O K Blaikie

Ms V A Nicholson

Ms H R Geoghegan

Dr C J Marshall

Ms M A Morgan

Mr S J McLaughlan

Ms J A Flood

Ms K M Smith

Mr M J M Sidey

Mr J F Ward



It is my great pleasure to introduce the University of Otago Annual Report for 2010.

2010 was another excellent year for the University, with the talents and achievements of staff and students recognised both nationally and internationally. Our ongoing success in securing competitive research funds is notable. The University became a founding member of the Matariki network, a select group of eminent international universities, and launched its Campus Master Plan. This plan – the first since 1980 – provides a vision for the future development of the University across all campuses.

On a less positive note, funding continues to be an issue for Otago, as it is for all universities. Facing a growing roll and capped funding from Government, Council for the first time agreed to limit second semester enrolments and to introduce a system to manage enrolments to all undergraduate programmes from 2011. In spite of these constraints, it is very pleasing that the University's financial position remains sound. However, as the priority for more space and infrastructure becomes increasingly urgent, the University may have to increase its operating surplus to finance future projects.

These issues and more will be covered in depth by the Vice-Chancellor, Professor Sir David Skegg. This will be Professor Skegg's last Annual Report Review as it was, with regret, that Council accepted his decision to step aside from his position with effect from mid-2011. Over the past seven years Professor Skegg has provided the University with outstanding academic leadership and, in the latter months of the year, an international search began to find his successor.

One of my great pleasures as Chancellor is the opportunity to personally congratulate graduates on the completion of their studies. In 2010, 10 graduation ceremonies were held and honorary degrees were conferred on the former head of the Department of Political Studies, Emeritus Professor Jim Flynn, and former Frances Hodgkins Fellow Marilyn Webb.

During the year it was also my pleasure to formally open the new Department of Psychology Building. Named after influential US psychologist William James, the building is the first University building designed to meet national Green Star education category standards.

On behalf of Council, I wish to thank staff, students, funders, alumni and other stakeholders for their valued contributions to the University's operations and achievements during 2010. One alumnus deserves particular note – Professor Murray Brennan, who was awarded the University of Otago Medal for Outstanding Alumni Service. Professor Brennan is a foundation member of the University of Otago in America Inc and has served as its president since 2008.

Finally, thank you to my fellow members of the University Council for the time and effort they have dedicated to their duties throughout 2010. It was a busy year, with elections held for the Court of Convocation, general and academic staff representatives. Dr Royden Somerville QC was co-opted during the year and, at year's end, we farewelled Mrs Kathleen Grant, Dr Marilyn Duxson and Ms Victoria Nicholson. I thank them all for their service. I wish to particularly acknowledge the contribution made to Council by Mr Peter Chin during his terms as Dunedin mayor and welcome the city's new mayor Mr David Cull.

I am privileged to head such an enthusiastic and committed Council, bringing together diverse skills for the overall good of this University.

John Ward

CHANCELLOR



The University of Otago made excellent progress during 2010. Our staff and students recorded many achievements, despite a challenging financial environment as funding constraints experienced over two decades were compounded by the global financial crisis. A further challenge was the Canterbury earthquake on 4 September, which heralded many months of seismic activity causing major disruption at our Christchurch campus.

The Annual Report provides information about research, teaching and community service, as well as about resources and financial performance. In this review, I will use as headings the six strategic imperatives adopted by the University in 2006. For the first time, our Statement of Service Performance (the formal reporting requirement commencing on page 38) is also organised under these headings.

ACHIEVING RESEARCH EXCELLENCE

As New Zealand's most research-intensive university, we regard the advancement of knowledge as fundamental to all our activities. At the University of Otago, research underpins undergraduate and postgraduate teaching, professional training and community service. Our researchers and scholars contribute to leading international discoveries and knowledge, to new commercial applications, and to the health, social and cultural well-being of people in New Zealand and around the world. The University contributes to the economic progress of New Zealand, through innovation based on a strong platform of research.

Staff in each of our academic divisions strive for excellence in research and scholarship; their success is illustrated by the award of competitive research grants, by publications in highly esteemed journals, and by honours for distinction in research.

The Marsden Fund is New Zealand's most prestigious source of funding for fundamental research in all fields of science and the humanities. Applications are received from the eight universities, as well as Crown Research Institutes and other research organisations. Although Otago is far from being the largest university in New Zealand, 2010 was the sixth successive year in which we gained the largest share of the funding available. Altogether 19 proposals from Otago were selected, in fields ranging from atomic physics to endangered bird populations and from fertility regulation to conflict resolution in Pacific states. The Health Research Council was another agency which awarded the largest share of its funding to the University of Otago. Researchers at the Dunedin, Christchurch and Wellington campuses received a total \$33.35 million for biomedical, clinical and public health research.

In November the Royal Society of New Zealand held its research honours ceremony. Five Otago scientists received

medals or prizes, including Professor Warren Tate who was awarded the country's highest science and technology honour, the Rutherford Medal. The University awarded its own Distinguished Research Medal to Professor David Fergusson, who heads the Christchurch Health and Development Study. It was also pleasing to note the success of younger researchers in gaining competitive awards, such as Rutherford Discovery Fellowships and Sir Charles Hercus Health Research Fellowships.

While research funding continues to be severely limited in New Zealand, there was significant progress in developing scientific infrastructure in some fields. The University of Otago is the host organisation for New Zealand Genomics Limited, a collaborative partnership which is providing major equipment as well as expertise to advance genomic research capabilities in this country. Many of our researchers are involved in international collaborations. In November, for example, four biomedical research groups received funding for collaborative projects with colleagues at institutions in Singapore.

Postgraduate research students make a crucial contribution to our research efforts, while also receiving training which will support their careers in universities and research institutes, as well as in industry, health services, and community and government agencies. The number of doctoral candidates successfully completing their studies in 2010 was nearly 20% higher than in the previous year.

ACHIEVING EXCELLENCE IN RESEARCH-INFORMED TEACHING

Excellence in research and education are valued equally at the University of Otago. Furthermore, priority is given to teaching developments that involve a strong research-teaching synergy.

The quality of an Otago education is valued by both students and employers. In 2010, 90% of respondents to the annual Student and Graduate Opinion Surveys provided a positive assessment of the quality of the teaching they received. Apart from such numerical results, one is struck by gestures of appreciation such as when a lecturer in Irish History (Dr Rory Sweetman) was presented at his final lecture with a silver fob watch and a farewell card signed by his third year students.

For the first time, the Tertiary Education Commission compared universities by publishing educational performance indicators. While the validity of these measures can be questioned, it was gratifying that the University of Otago topped the rankings, being placed first for retention of students and for completion of qualifications, and first equal (with the University of Auckland) for successful completion of courses.

I had the privilege of presenting Teaching Excellence Awards to two outstanding university teachers, Mr John Harraway (from

the Department of Mathematics and Statistics) and Dr Phil Bishop (from the Department of Zoology). Dr Bishop went on to win a national Tertiary Teaching Excellence Award. Since the inception of the national scheme, only one other institution has equalled the number of awards for teaching excellence received by University of Otago staff.

The quality of our graduates is illustrated by their success in gaining competitive scholarships. While there are eight universities in New Zealand, in recent years Otago students have won seven out of 12 Rhodes Scholarships to Oxford, four out of six Rutherford Scholarships to Cambridge, five out of 12 Woolf Fisher Scholarships, and an International Fulbright Science and Technology Award.

The student roll continued to increase. In 2010 there were 22,139 students, representing 19,661 equivalent full-time students (EFTS). These were the highest numbers in the history of the University. Otago is undoubtedly New Zealand's national university: only 20% of first year students came from Dunedin, while twice as many came from the North Island. The number of international students increased for the second consecutive year. They represented exactly 100 countries, with the largest numbers coming from the USA, Malaysia, China, Germany, and Canada (in descending order).

The burgeoning student roll was one of two particular challenges we faced in delivering teaching programmes in 2010. Our strategic plan recommends maintaining (or increasing at a manageable rate) the student roll, while recruiting a higher proportion of "top calibre" entrants as well as postgraduate students, especially research students. Whereas our capital planning was based on predicted average growth of 1.5% each year, our roll actually grew by 4.6% in 2009 and by a further 3.9% in 2010. Apart from our own need to restrain growth, the Government now requires universities to manage their enrolments in an environment of capped funding. The Senate and Council had to adopt measures to limit enrolments for the second semester of 2010. Moreover, after much debate, we developed a new system for controlling enrolments to all undergraduate degree programmes from 2011. This system will complement the limitation mechanisms that have long been in place for professional degrees and many other programmes.

The other challenge we faced was the need to embark on academic restructuring, because of constrained funding. The temptation to impose cuts on a formulaic basis was resisted; instead there was an attempt to consolidate academic strengths while meeting budgetary requirements. Decisions were taken to establish a new Department of Applied Sciences, incorporating both Clothing and Textile Sciences and Design Studies; to merge the Departments of Accountancy and Finance (which had also been combined in earlier years); to establish a new Department of Sociology, Gender and Social Work; and to modify teaching programmes and administrative

structures in the College of Education. Changes of this kind are always painful, and I am grateful to the University community for ensuring that proposals were rigorously assessed and implemented in the most satisfactory ways possible.

ENSURING OUTSTANDING CAMPUS ENVIRONMENTS AND STUDENT EXPERIENCE

While academic excellence must be the highest priority of a research-led university, Otago also places great emphasis on providing a rounded education in a residential community. I am impressed by the vision of Princeton University, which "simultaneously strives to be one of the leading research universities and the most outstanding undergraduate college in the world". Apart from Medical Radiation Therapy in Wellington and a small Education programme in Invercargill, virtually all of our undergraduates spend at least the first part of their course at the Dunedin campus. With 80% of first year students coming from outside Dunedin, the campus provides a wonderful melting pot of experience for students from all over New Zealand and other parts of the world. We need to ensure that the physical and social environment at all of our campuses is conducive to sound learning and personal development.

In May 2010, the University published its first Campus Master Plan since 1980. For more than a year, an international consulting firm (DEGW) had led a major planning exercise to guide the development of our campuses in Dunedin, Christchurch and Wellington over the next 20 or 25 years. The consultants went about their task with exemplary thoroughness. Not only did they examine every building, but they also sought to understand the aspirations and goals of the University and its constituent parts. Using surveys and focus groups, they obtained the views of students and staff about the campuses as they are today, and about their vision for the future. They also met with interested parties outside the University.

There can be no doubt that a major expansion of facilities will be needed over the next two decades. The rapid increase in the student roll is only one of the reasons for this. Traditional lecture rooms do not meet all the requirements for modern approaches to teaching and learning, which involve much small group teaching, informal learning and use of advanced technologies. Moreover we have a continual need for more laboratories and other research space.

The Campus Master Plan provides a bold vision for the future. It has already been widely discussed, not only within the University but also by other interested bodies and the wider public. Clearly it would not be feasible for the present University Council or its executive to "sign up" to an entire plan which would involve the expenditure of well over a billion dollars over 20 years or more. Nevertheless, work has already started to develop a strategy for taking the first steps

to implement elements of the plan. It is proposed that the University Council will consider a Priority Development Plan, which will be a rolling five-year plan for capital developments. This will supersede our Critical Space Plan (developed during 2005), which has now largely been implemented.

Several significant capital projects were completed in 2010, including the impressive William James Building for the Department of Psychology, expanded facilities for the Dunedin School of Medicine in a converted building in Hanover Street, new clinics for the School of Physiotherapy, a simulation clinic for teaching in the School of Dentistry, clinical skills laboratories in Christchurch and Dunedin for students in Health Sciences, recladding of the Microbiology Building, and a second server room for Information Technology Services. Construction was under way on a number of other projects, including a substantial redevelopment of the Robertson Library (next to the College of Education) and a major building at the planned University Plaza next to the Forsyth Barr Stadium. This building will include space for Foundation Studies (including the Language Centre), the Unipol Gymnasium, a physiotherapy clinic, and a cafeteria open to members of the University and the general public.

The Priority Development Plan will propose further significant investment at the Wellington and Christchurch campuses. I have already referred to the Canterbury earthquake in September. This caused significant disruption at our School of Medicine and Health Sciences, although fortunately there was no serious damage in 2010. Seismic events since that time have posed far greater challenges, and I must salute and thank the staff at our Christchurch campus for their resolution in maintaining teaching programmes under extremely difficult circumstances. The tragic earthquakes in Christchurch are likely to accelerate plans for an additional building to complement our existing main building on the Christchurch Hospital site.

The quality of the campus experience for students and staff depends not only on buildings and grounds, but also on the social environment. We are proud of the pastoral care provided by the 14 residential colleges. Abbey College, which was opened during 2008 as New Zealand's first residential college devoted exclusively to postgraduate students, has continued its development into a lively academic community.

The Otago University Students' Association (OUSA) provides a remarkable range of cultural and sporting activities for students, including about 100 clubs and societies. There has always been a close working relationship between the University and OUSA, and this may become even more crucial if Parliament passes legislation requiring voluntary membership of student organisations.

In previous reviews I have commented on antisocial behaviour by a small minority of students, which was affecting the experience of other students and staff as well as the reputation of the University. There has been a steady improvement

since the adoption of a Code of Student Conduct and the introduction of a CampusWatch service in 2007. It was pleasing that the new OUSA executive decided not to proceed with earlier plans to appeal a decision of the High Court in 2009, which confirmed that the University is entitled to discipline students for off-campus behaviour that affects the reputation of the University. While most of us welcome the high-spirited behaviour which tends to be a feature of residential universities, I believe there is now an acceptance that the approach taken by the University has been both necessary and effective.

CONTRIBUTING TO THE NATIONAL GOOD AND TO INTERNATIONAL PROGRESS

In today's highly competitive environment, it is not uncommon for universities to focus on their own interests and to neglect their responsibility to the country that nurtures them, as well as international needs – particularly in the developing world. The University of Otago is committed to a role that includes contributing to the regional and national good, being active in national debate about the future direction of the country, and being fully engaged internationally.

Of course the graduates educated at the University of Otago may well be our greatest contribution to the national good and international progress, because these people will take up positions in a wide variety of professions, as well as in the business world. More than 5,200 people graduated from the University in 2010, with degrees and diplomas (of which 28% were postgraduate qualifications). Other important contributions stem from the findings of research on a wide range of topics. By 2010 several of our new research centres were already demonstrating their potential to improve the human condition. These included the Centre for International Health, the Centre for Science Communication, and the Centre for Peace and Conflict Studies.

As the demography of New Zealand changes, it is clear that the future prosperity and well-being of this country will depend on ensuring that Māori and Pacific young people can achieve their full potential through higher education. At Otago there was continued progress in implementing our Māori Strategic Framework in 2010. This document sets goals relating to leadership, partnership (with Ngāi Tahu and other iwi as appropriate), Māori research, growth and development (involving Māori students and staff), quality programmes, and language and culture.

The number of Māori students at the University grew again to 1,683, the largest number in our history. Māori students comprised 8.5% of the domestic roll, which is a higher proportion than at the University of Auckland. During the year, a report on tertiary education for Ngāi Tahu identified Otago as the most popular university for Ngāi Tahu students. The University also attracts Māori students from throughout Aotearoa, with Ngāpuhi and Ngāti Porou being

the next largest iwi groups. In addition to the University's Māori Centre (Te Huka Mātauraka), each of the academic divisions provides resources to support Māori students, and the proportion completing their qualifications at Otago is higher than at any other university. In 2010 we launched a new one-year Foundation programme called Tū Kahika, which aims to prepare Māori students for professional courses in Health Sciences. This initiative resulted from a partnership between the University, the Ministry of Health and the Tertiary Education Commission.

While Māori students and staff are distributed throughout the University, it is also noteworthy that Te Tumu has become a pre-eminent centre for education and postgraduate research on Māori, Pacific and Indigenous Studies. In 2010, Te Tumu had 55 postgraduate students, of whom 10 were enrolled for the PhD degree.

The number of Pacific students at Otago was 6.5% higher than in the previous year. The proportion of first year Pacific students who passed at least two-thirds of their academic credits increased substantially, and a record number of Pacific students completed their qualifications successfully. In nearly a third of cases, these qualifications were at the postgraduate level. Our Pacific Islands Centre continues to provide excellent support and services for Pacific students, while also being active in outreach to Pacific communities.

While New Zealand is naturally focusing on the need to support the higher education of Māori and Pacific students, other groups may also be disadvantaged at present. For some time, University of Otago scientists have been concerned that students from small, rural or provincial schools, as well as from schools in poorer areas (with a "low-decile ranking"), come to University less well prepared to study science. As a result, they often under-achieve in comparison with students from better resourced schools. Following discussions with the Minister of Education, we were pleased that the Government awarded funding to assist us in launching an innovative Advanced School Sciences Academy. This programme, which will start in 2011, involves talented Year 13 students from throughout New Zealand. A teacher development component is also included.

The University provides community service in a wide range of areas. For example, the National Poisons Centre (based in the Department of Preventive and Social Medicine) operates for 24 hours a day, 365 days a year, and received almost 36,000 enquiries during 2010.

Among numerous contributions to arts and culture, Otago's Arts Fellowships have been nationally significant since Ian Cross was appointed as the first Robert Burns Fellow in 1959. The Burns Fellowship (for writers of imaginative literature) was later supplemented by the Frances Hodgkins Fellowship (for painters and sculptors), the Mozart Fellowship (for composers of music), the Caroline Plummer Dance Fellowship, and the residency for a creative New Zealand children's writer at the

College of Education. Through the inspiration and generosity of one of our alumni, Mr James Wallace, a further University of Otago residency has now been established in Auckland. Composers, writers and other creative people will be selected to spend about three months in an attractive apartment in the newly refurbished Pah Homestead, which is the new venue for displaying an important art collection in Auckland. The first holders of this position in 2010 were Christopher Adams (the Mozart Fellow) and Catherine Chidgey (a novelist who formerly held the Robert Burns Fellowship).

STRENGTHENING EXTERNAL ENGAGEMENT

When the main campus of a university is based in a small city, there is always a risk that it might become inward looking. That risk is magnified if the city is geographically separated from the main centres of national and international decision-making. Consequently, the University of Otago has identified external engagement as one of its strategic imperatives.

A survey of a random sample of academic staff in 2010 showed that 93% are involved in community service activities. Two-thirds of staff provide services to public sector departments, statutory authorities, agencies, boards, committees or inquiries, or to non-governmental organisations. Nearly one-third of academic staff serve on government advisory boards and committees. Although national news organisations are based in Auckland or Wellington, an increasing number of Otago staff are being invited by the national media to comment on issues of the day.

Apart from activities within New Zealand, many of our academics are involved internationally in collaborative research and advisory work. The University has partnerships with a large number of universities around the world, including student exchange agreements with more than 80 universities in 33 countries. In recent years we have strengthened our links with leading Chinese universities; in 2010 agreements were signed with Tsinghua University in Beijing and Fudan University in Shanghai.

An exciting development was the establishment of the Matariki Network of Universities. The seven founding partners in this consortium are Dartmouth College (established in 1769) in the USA; Durham University (1832) in England; Queen's University (1841) in Canada; the University of Otago (1869); University of Tübingen (1477) in Germany; University of Western Australia (1911); and Uppsala University (1477) in Sweden. These are among the oldest and foremost places of learning in their respective countries. They are scholarly communities where excellence in research and education are valued equally. While all are research-intensive, they also aim to provide a rounded education and a high-quality student experience. We expect the benefits of this partnership to include enhanced student exchange, development of joint postgraduate programmes, social responsibility projects, research collaboration, visiting fellowships, staff exchange and secondments, benchmarking

and sharing of best practice, and cultural and sporting activities. One of our shared objectives is to collaborate in projects that will promote international development.

BUILDING AND SUSTAINING CAPABILITY

The University can meet its goals only if it has adequate human, financial, and material resources. The academic and general staff are our greatest asset, and I have been pleased by our ability to attract and retain staff of the highest calibre. In some fields recruitment is more difficult, especially where resources for providing major equipment are limited. The main challenge facing New Zealand universities is the relatively low level of funding, especially in relation to our closest neighbours in Australia. In 2009 the total income of the University of Otago – taking into account all sources of funding, including Government tuition subsidies, student fees, and research and commercial income – was approximately \$29,000 per EFTS. This was the highest figure for any New Zealand university, except for Lincoln (which is a very small institution). For the Group of Eight research-intensive universities in Australia, the equivalent figures ranged from NZ\$44,500 to NZ\$56,000 (except for the Australian National University, which received NZ\$87,500 per EFTS).

Not surprisingly, the global financial crisis led to further funding pressures in 2010. I have already mentioned the academic restructuring that was carried out, leading to the disestablishment of some positions. In 2009 I appointed a Task Force, which was chaired by Professor Gareth Jones, to identify other areas for potential savings. Many of the recommendations from this group were implemented in 2010, especially in the service divisions.

As a result of these and other measures, we ended 2010 in a sound financial position. The University's operating surplus for the year was \$22.0 million, slightly higher than the \$21.2 million surplus achieved in 2009. This met all the guidelines set by the Tertiary Education Commission, as well as the University's own target of a five-year moving average of at least 2% of net assets. The University Group, which includes not only the University but also our Trusts and various companies wholly or partially owned by the University, produced an operating surplus of \$34.5 million for the year (compared with \$31.1 million in 2009). It will be essential for the University to maintain or increase operating surpluses in the future, if the programme to improve buildings and other infrastructure is to be maintained.

As an entrepreneurial University, we are continually seeking diversified sources of funding. The successful commercialisation of intellectual property can generate net income, although the main benefits of commercialisation are to the wider economy – while also enhancing research support and opportunities for our staff and students.

Between 2005 and 2010, the University received an average of \$10 million each year in donations (some through the

University of Otago Foundation Trust). While this may seem a modest amount in comparison with the total income of the University (\$566.4 million in 2010), it represents a significant proportion of the reported operating surplus. Moreover, our Advancement Campaign has led to exciting academic initiatives which would not have been possible without the generosity of alumni and friends. In 2010 we announced the endowment of two new chairs: the Mackenzie Chair in Cancer Medicine (in Christchurch) and the McKinlay Chair in Global Health (in Dunedin). The University has invited its most significant donors to join a Court of Benefactors, and this group met again in 2010.

As well as securing adequate resources, we need to use and protect these resources efficiently. An Environmental Sustainability Advisory Committee chaired by Professor Carolyn Burns, is seeking ways of optimising our performance in this area.

CONCLUSION

This is my seventh and final Annual Review as Vice-Chancellor. I believe we can take pride in what the University has achieved over the last seven years, during a period of rapid growth with constrained resources. There has been particular progress in postgraduate education and research. While the total number of students at Otago increased by 17% between 2003 and 2010, the number of doctoral students nearly doubled from 723 to 1,326 over the same period.

I wish to thank all my colleagues on the academic and general staff for their loyalty and commitment to the University of Otago. I am especially indebted to members of the Executive Group for their excellent contribution. At the end of the year, we farewelled Professor Don Robertson, who has retired after an outstanding period as Pro-Vice-Chancellor (Health Sciences) and Dean of the Faculty of Medicine. Finally I must thank the Chancellor, Mr John Ward, and the other members of the University Council for their consistent guidance and support.

David Skegg

VICE-CHANCELLOR



SENIOR APPOINTMENTS

Howard Amos as University Librarian

Associate Professor Joanne Baxter as Associate Dean Māori, Division of Health Sciences

Professor Hugh Campbell to a new Chair in Sociology and as head of the new Department of Sociology, Gender and Social Work

Professor Peter Crampton as Pro-Vice-Chancellor, Division of Health Sciences and Dean of the Faculty of Medicine

Professor Stephen Duffull as Dean of the School of Pharmacy

Professor Gareth Jones as Director of the University's Bioethics Centre

Professor John McCall as the first McKenzie Professor of Clinical Science

Professor Brian Moloughney as Pro-Vice-Chancellor, Division of Humanities

Margaret Morgan as Director of the Quality Advancement Unit

Professor Bridget Robinson to the Mackenzie Chair in Cancer Medicine, University of Otago, Christchurch.

EMERITUS PROFESSORS

The following professors were awarded the status of emeritus professor:

Carolyn Burns (Zoology), Terry Crooks (College of Education), John Tagg (Microbiology and Immunology), Christine Thomson (Human Nutrition).

PROFESSORIAL PROMOTIONS

The following staff were appointed to professor:

Robert Aldred (Mathematics and Statistics), Tony Ballantyne (History), Margaret Baird (Microbiology and Immunology), Ewan Fordyce (Geology), Andrew Geddis (Law), Murray Rae (Theology and Religion), Sarah Romans (Psychological Medicine, Wellington), Richard Walter (Anthropology, Gender and Sociology), Vernon Ward (Microbiology and Immunology), Mark Weatherall (Medicine, Wellington) and Elisabeth Wells who becomes a Research Professor (Public Health and General Practice, Christchurch).

The following staff were appointed to associate professor:

Randall Allardyce (Surgery, Christchurch), Margaret Briggs (Law), Annabel Cooper (Anthropology, Gender and Sociology), John Dockerty (Preventive and Social Medicine), Steven Kerr (Pharmacology and Toxicology), Alexander McLellan (Microbiology and Immunology), Alister Neill

(Medicine, Wellington), Wendy Parkins (English), Charles Pigden (Philosophy), Michael Robertson (Law), Craig Rodger (Physics), Nancy Tayles (Anatomy and Structural Biology), Maree Thyne (Marketing), Darryl Tong (Oral Diagnostic & Surgical Sciences), Sarah Wakes (Design Studies), Lisa Warrington (Theatre Studies), Esko Wiltshire (Paediatrics and Child Health, Wellington).

Stephen Moratti (Chemistry), Robert Siebers (Medicine, Wellington) and Rachael Taylor (Medical and Surgical Sciences) were appointed research associate professors, and Nicola Austin (Paediatrics, Christchurch) was appointed clinical associate professor.

HONORARY DEGREES

Honorary degrees were conferred on the former head of the Department of Political Studies, Emeritus Professor Jim Flynn, and former Frances Hodgkins Fellow Marilyn Webb.

HONOURS

Staff and Council members awarded honours in 2010:

Member of the New Zealand Order of Merit (MNZM): Dr Michael Boyes. Companion of the Queen's Service Order (QSO): Lorraine Isaacs.

OBITUARIES

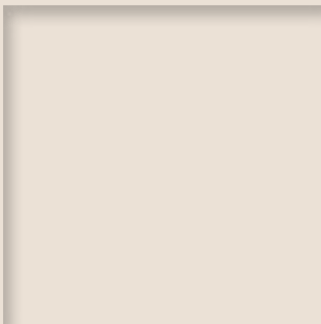
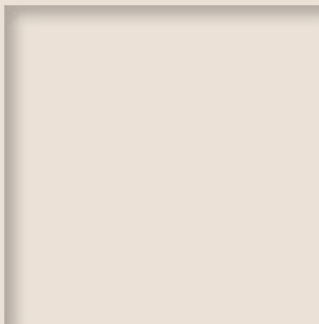
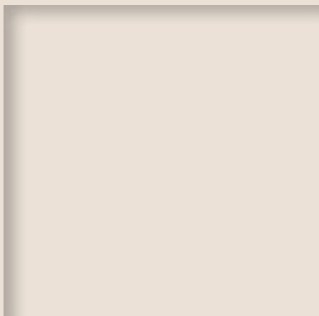
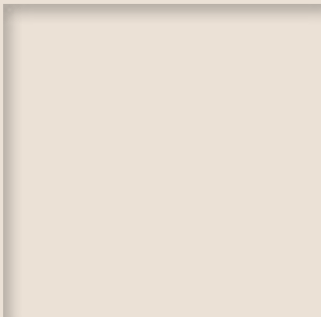
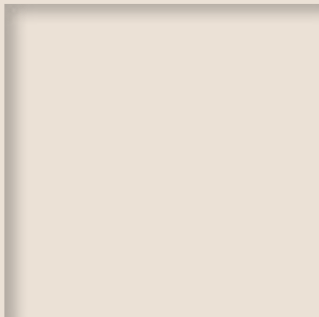
Professor George Davies (88): head of Preventive, Public Health and Children's Dentistry at Otago from 1948–1964.

Climatologist Benjamin (Ben) Garnier (93): founding head of the University's Department of Geography (1946–51).

Anatomical and forensic pathologist James Francis (Jim) Gwynne (85): a senior lecturer and later Associate Professor of Pathology at the Otago Medical School (1964–79).

Emeritus Professor Raymond (Ray) Stone (80): Professor of French (1969–85).

Emeritus Professor Henry Jeffray (Jeff) Weston (83): a former Professor of Paediatrics and Child Health at the University of Otago, Wellington, and a pioneering advocate for children's rights (1975–92).



Research underpins activity across all four of Otago's academic divisions. In 2010, the quality and depth of this research was highlighted by the widespread recognition of the achievements of Otago staff and their continued success in major external funding rounds, the official opening of new research facilities, and the ongoing outstanding work in established areas of research strength.

University of Otago Research Themes and Centres continued to feature prominently in national and international research programmes and collaborations. The Jack Dodd Centre for Quantum Technology is a crucial contributor to New Zealand's multi-million dollar optics and photonics sector and has significant research support and funding from the commercial and government sector. The New Zealand Centre for Sustainable Cities Research Centre is leading New Zealand in building knowledge about how to make cities more sustainable. There has been much international interest in the centre's work and a Chinese delegation will be visiting New Zealand to discuss collaborations.

The Webster Centre, the pre-eminent New Zealand centre for research into infectious diseases, has developed an international reputation for its work. The Centre for the Study of Agriculture, Food and the Environment is working with a large Danish research team on organic farming. The Brain Health Research Centre continues to be one of the primary centres for neuroscience and neurological research in Australasia, and includes the 2010 Rutherford Medallist and Rutherford Discovery Fellow among its members.

Otago's Centre for Bioengineering was officially launched in October. Spanning research undertaken on the Dunedin and Christchurch campuses, the centre incorporates a number of interdisciplinary research initiatives, including pharmaceutical engineering, biomedical devices, biomaterials, biomedical imaging and tissue engineering.

New Zealand Genomics Ltd (NZGL), a collaborative partnership between several New Zealand universities and AgResearch, was also launched in 2010. Some years in the planning, NZGL will provide state-of-the-art equipment and expertise to advance genomic research capabilities, ultimately benefiting economic development, particularly in the areas of medicine and agriculture.

The University of Otago College of Education Centre for Educational Leadership and Administration (CELA) was officially opened in September.

RESEARCH FUNDING

For the sixth successive year, Otago researchers won the largest share of the Marsden Fund, receiving more than \$10.67

million for 19 projects that push the boundaries of current knowledge in areas ranging from atomic physics to conflict resolution.

Otago researchers also secured more funding from the Health Research Council (HRC) than any other institution, winning more than \$33.35 million for 25 projects that will improve the health and well-being of New Zealanders. These range from basic biomedical investigations into deadly diseases, to injury prevention and alcohol misuse. Among them were two new research programmes: one focusing on the early detection and treatment of Alzheimer's disease (led by Professor Cliff Abraham) and the second evaluating New Zealand's health-care spending priorities (Professor Tony Blakely).

The HRC, together with the Agency for Science, Technology and Research (Singapore), awarded four Otago cancer research teams and their colleagues at institutions in Singapore more than \$2 million for research projects on breast, ovarian and liver cancer. Otago research to develop a better screening test for prostate cancer also received a \$30,000 grant from the Men's Health Trust New Zealand.

Significant support was gained from the Foundation for Research, Science and Technology for three projects. These focus on developing next-generation electronic materials for solar power and other technologies (Professor Keith Gordon), new therapies to slow age-related mobility loss (Associate Professor Ian McLennan) and overcoming the drench resistance of livestock parasites (Dr Kyoko Niimi).

The Lottery Grants Board awarded \$1.71 million to support the research of 28 scientists across the University's Dunedin, Christchurch and Wellington campuses working on projects as diverse as the genetics of gout to the health impacts of social policy change. A further five medical research projects received funding support from the Otago Medical Research Foundation's Laurensen Awards.

RESEARCH ACHIEVEMENTS

The outstanding achievements of Otago researchers were recognised in 2010 with a plethora of awards and fellowships.

New Zealand's highest science and technology honour, the Rutherford Medal, was awarded to internationally renowned molecular biologist Professor Warren Tate (Biochemistry) for his outstanding achievements in molecular biology and molecular neuroscience.

Professor Frank Griffin (Microbiology and Immunology) received the Royal Society's top award for achievement in technology – the Pickering Medal – for his deer disease-related research. Dunedin Multidisciplinary Health and Development Study director Professor Richie Poulton received the Dame

Joan Metge Medal for excellence and building relationships in the social science research community, and was also elected as a Fellow of the Royal Society of New Zealand.

The University's own highest research honour, the Distinguished Research Medal, was awarded to Professor David Fergusson (Psychological Medicine, Christchurch). Professor Fergusson is the director of the acclaimed Christchurch Health and Development Study, which has closely tracked the progress of more than 1,200 people born in Christchurch in 1977.

Associate Professor Richard Gearry (Department of Medicine, Christchurch) and senior lecturers Dr Simone Celine Marshall (English) and Jessica Palmer (Faculty of Law) received the University's Early Career Awards for Distinction in Research.

Others whose research excellence was recognised include:

- Drs Haxby Abbott (Surgical Sciences), Anita Dunbier (Biochemistry), Anna Pilbrow (Medicine, Christchurch) and Shieak Tzeng (Surgery and Anaesthesia, Wellington) who were awarded four-year Sir Charles Hercus Health Research Fellowships
- Dr Ashton Bradley (Physics) and Dr John Reynolds (Anatomy and Structural Biology) who gained five-year Rutherford Discovery Fellowships
- Professor Sally Brooker (Chemistry) who was awarded the Royal Society of Chemistry Australasian Lectureship, an award given in recognition of exceptional research
- Associate Professor Catherine Day (Biochemistry) who won the New Zealand Society of Biochemistry and Molecular Biology's Life Technology Award
- Professor Brett Delahunt (Pathology and Molecular Medicine, Wellington) who won the Wellington Medical Research Foundation's 50th Jubilee Medal for his distinguished achievement in medical research
- Professor Keith Gordon (Chemistry) who received the New Zealand Institute of Chemistry's Maurice Wilkins Centre Prize for Chemical Science
- Associate Professor Tony Poole (Medicine) who gained a two-year James Cook Research Fellowship to pursue his work on the role primary cilia play in health and disease
- Professor Stephen Robertson (Pathology) who received the HRC's Liley Medal for an outstanding contribution to health and medical sciences
- Emeritus Professor Brian Robinson (Chemistry) who received a Marsden Medal from the New Zealand Association of Scientists in recognition of a lifetime of outstanding service to science
- Professor Murray Thomson (Oral Sciences) who won the International Association for Dental Research's H Trendley Dean Memorial Award.

DEVELOPMENT

A further professorial position for the University's Centre for International Health was announced in 2010. The new McKinlay Chair in Global Health, endowed by Dunedin's Stuart and Marilyn McKinlay, will complement the existing McAuley Chair in International Health. The Centre for International Health, established in 2008 via the Leading Thinkers Initiative, aims to improve the health and well-being of people in developing countries through research and postgraduate training.

Other externally-funded positions appointed and filled during 2010 were:

- John McCall to the McKenzie Chair in Clinical Science (originally the McKenzie Repatriation Fellowship)
- Andrew Mercer to the Chair in Viral Pathogenesis
- Bridget Robinson to the newly-established Mackenzie Chair in Cancer Medicine in Christchurch.

At the end of 2010, only one Leading Thinkers chair remained unfilled: the TD Scott Chair in Urology. An international search continues to fill this vacancy.

A new suite of first-year student scholarships was established to encourage excellence in areas of performance including sport, culture, music and the arts. The \$5,000 performance scholarships were made possible through the support of the Callis Charitable Trust. Up to 10 scholars will be able to use the allowance to offset fees or accommodation, and will be guaranteed a place in a residential college.

COMMERCIALISATION

The proposed merger of the Ministry of Research, Science and Technology with the Foundation for Research, Science and Technology to form the Ministry of Science and Innovation signals an increasing national focus on commercialisation as an outcome of research. Otago's Deputy Vice-Chancellor (Research and Enterprise) and Deputy Chair of the Board of Otago Innovation, Professor Harlene Hayne, was appointed to the new ministry's Innovation Board, endorsing the University's commitment to commercialisation and its expertise.

Otago Innovation Ltd, the University's commercialisation company, continued to provide commercialisation support for a number of research programmes, including facilitating significant New Economy Research Fund grants for projects led by Associate Professor Ian McLennan (Drugs for Frailty), Dr Joanne Stanton and Professor David Green (Handheld Devices) and Dr Kyoko Niimi (Overcoming Drench Resistance).

The 2010 Otago Innovation Proof of Concept grant was awarded to Anthropology, Gender and Sociology's Professor Richard Walter for his Excavation Manager – or "Ex-Man" – a mobile distributed, data-gathering and analysis tool for archaeologists. The high quality of the applications meant that

several of the 12 applications have been adopted as Otago Innovation projects.

In late 2010 Otago Innovation Ltd, together with collaborating partners from Adelaide University (Adelaide Research and Innovation Ltd) and Robinson Squidgel Ltd, sold the patents for a novel polymer gel to a large US company, Medtronic. The gel – derived from crab shell and squid – was developed by researchers in the Department of Chemistry and trialled by clinicians in Wellington and Adelaide. It has been found to reduce the post-operative complications of sinus surgery and offers the potential to be adapted to other surgical procedures as well.

In 2009 it was reported that, in conjunction with Professor Warren Tate and Dr Tony Cardno, a partnership was formed with the Melbourne-based Walter and Eliza Hall Institute (WEHI) to screen for new drug candidates for a previously unexplored weakness in HIV. This patented Otago technology has now been successfully transferred to the WEHI, with initial results expected in early 2011.

Antipodean Biotechnology continued its clinical trials programme, running three human trials at hospital centres in the UK to test the efficacy of mitoQ as a treatment for patients with liver disease.

Pacific Edge Ltd launched a new diagnostic and prognostic test for bladder cancer. Based on research originally conducted with Biochemistry's Cancer Genetics Lab, CxBladder has been six years in development and determines whether a patient has superficial or invasive cancer. The company is establishing a laboratory in Dunedin for testing in New Zealand and Australia. Testing laboratories will be set up in Europe and the US with local partners.

Two Australian state governments and a number of hospitals in other states became subscribers to the TOXINZ database developed by the National Poisons Centre.

POSTGRADUATE TEACHING

In April 2010, Otago became the first New Zealand university to adopt a year-round system of allocating PhD scholarships, moving away from a single main round which had been held at the end of each year. This streamlines the admissions process, and provides doctoral candidates with greater flexibility and funding certainty.

Doctoral enrolments set another record with 1,324 candidates at the end of 2010 (2009: 1,270). This figure included 1,257 PhD candidates (2009: 1,206), 20 Doctor of Education candidates (2009: 20), 46 Doctor of Clinical Dentistry candidates (2009: 36) and one candidate for the new Doctor of Musical Arts programme.

There were 1,185 enrolments at master's level (2009: 1,119) and 1,657 in postgraduate diplomas and certificates (2009: 1,614).

An inaugural Graduate Research Month was held in August, highlighting postgraduate research through a series of workshops and presentations, information evenings and social events. The annual Three-Minute Thesis competition, held during Graduate Research Month, was won by Carol Wyvill, a PhD candidate in the Department of English, who went on to represent the University at the inaugural Australasian Three-Minute Thesis competition.

School of Physical Education senior lecturer Dr Jim Cotter was named Otago University Students' Association (OUSA) Supervisor of the Year, and Zoology senior lecturer Dr Shinichi Nakagawa was named Best New Supervisor of the Year.

2010 was another strong year of achievement for Otago students progressing to further study. Politics graduate Iona Mylek was one of three New Zealand candidates to be selected as a 2011 Rhodes Scholar at Oxford. Ross Haines (Mathematics and Statistics) and Emma Dixon (Biochemistry) will also undertake doctoral study at Oxford after gaining a Woolf Fisher Scholarship and William Georgetti Scholarship respectively.

Chemistry graduate Jake Howe and Physics student Michael Price were awarded PhD scholarships from the Rutherford Foundation to undertake study at Cambridge University. Katherine Stevens was awarded a Commonwealth Scholarship to pursue a PhD in History at Cambridge University.

Zoology master's candidate Matthew Wylie was awarded a Te Tipu Pūtaiao Fellowship from the Foundation for Research, Science and Technology. Chemistry research assistant Anthea Blackburn won a Fulbright-Ministry of Research, Science and Technology Graduate Award and Chemistry PhD candidate Samuel Lind gained a R H T Bates Scholarship from the Royal Society of New Zealand.

Dr Martin Hohmann-Marriott (Biochemistry), Dr Daniel Leduc (Marine Science), Dr William Rayment (Marine Science), Dr Geoffrey Rodgers (Orthopaedic Surgery and Musculoskeletal Medicine, Christchurch) and Dr Miriam Sharpe (Biochemistry) were awarded three-year postdoctoral fellowships by the Foundation for Research, Science and Technology.

A record number (210) of doctoral candidates successfully completed their studies in 2010 (2009: 176) including 194 PhDs, 14 DClinDents and two MDs. In 2010, 189 thesis masters' candidates finished (2009: 219).

Cost of Outputs

RESEARCH AND POSTGRADUATE TEACHING

	Commerce			Health Sciences			Humanities		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Postgraduate thesis supervision	1,920	2,263	4,298	13,913	15,533	13,879	9,064	9,532	10,805
Teaching-related research	4,657	4,994	1,095	6,935	7,263	6,669	7,296	7,233	5,000
Project-based research									
- University funded	3,944	3,970	3,868	57,388	50,307	54,194	5,733	4,803	3,432
- Externally funded	1,408	1,352	1,003	78,449	70,864	70,425	9,864	9,494	9,758
Total cost of output	11,929	12,579	10,264	156,685	143,967	145,167	31,957	31,062	28,995

	Sciences			Service Divisions			Total		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Postgraduate thesis supervision	10,401	11,569	8,787	14,095	14,720	11,789	49,393	53,617	49,558
Teaching-related research	5,397	5,843	4,855	0	0	0	24,283	25,333	17,619
Project-based research									
- University funded	16,723	15,318	19,117	46	47	85	83,834	74,445	80,696
- Externally funded	16,618	14,883	19,221	0	0	0	106,339	96,593	100,407
Total cost of output	49,139	47,613	51,980	14,141	14,767	11,874	263,851	249,988	248,280





As a teaching institution, the University of Otago continues to perform exceptionally well. In the educational performance indicators published by the Tertiary Education Commission in September, Otago topped the country for both the retention of students and the successful completion of qualifications.

In 2010, 194 undergraduate and postgraduate degree, diploma and certificate programmes were offered across the four academic divisions. Reflecting Otago's commitment to meeting the changing needs of society and students, new programmes included a Doctor of Musical Arts, Master of Design, Postgraduate Diploma and Master of Arts in Peace and Conflict Studies, Postgraduate Diploma in Surgical Anatomy, and a Forensic Analytical Science major for the Bachelor of Applied Science degree.

Facing both a burgeoning roll and capped funding from Government, the University limited enrolments for the second semester of 2010 and a new enrolment system was adopted for managing enrolments in all undergraduate degree programmes from 2011. In addition to the long-standing limitations already in place for professional degree programmes, the new system placed limitations on entry to the BA, BCom and BSc degree programmes, with two pathways for admission – preferential and competitive entry.

Consistent with its strategic focus on advanced study, the University announced the phasing out of a number of sub-degree programmes and a scaling back of the domestic student component of its Foundation Studies programme.

Changes to the Academic Progress Policy were also introduced, with students placed on conditional enrolment after failing more than half of their course in one year. A two-year suspension will then be imposed should students on conditional enrolment subsequently fail more than half of their course again.

The Distance Education Strategy 2010-2012 was approved by Senate in March, recognising the opportunities that distance education affords students. An increase in postgraduate papers offered by distance study during 2010 led to higher postgraduate distance enrolments, while undergraduate numbers remained steady. As part of work to ensure a consistent distance-teaching environment, the Distance Learning Office developed a range of support resources for distance teaching and administrative staff.

The 10th Otago Summer School offered 80 papers, of which 18 were new and 50 available only in Summer School. Most papers (69) were taught in Dunedin, two were taught in Auckland, two in Wellington, seven were distance papers and, for the first time, one was offered offshore. PUBX 731 – Applied Social and Health Research in the Pacific – was hosted

by the National University of Samoa (NUS), with a mix of Otago and NUS students. Ten papers were taught by visiting international academics especially contracted for Summer School. The percentage of students transferring from other institutions to Otago just for Summer School was 5.8%.

The Centre for Irish and Scottish Studies was officially launched in June and will provide a focus for Irish and Scottish studies in the Southern Hemisphere.

The Faculty of Medicine introduced a Pacific Immersion Programme for fourth-year medical students to enable them to experience Pacific family life in New Zealand, to gain a better appreciation of how Pacific culture affects health, and to develop skills to communicate effectively across cultures. The first cohort of Māori students completed the pilot Tū Kahika foundation programme, preparing them for health sciences study.

The Occupational and Aviation Medicine Unit (Wellington) won its second Export Education Innovation Programme Award from Education New Zealand to develop an online programme for the United States, in collaboration with the University of Washington, Seattle.

The School of Pharmacy received accreditation for five years from the Australian Pharmacy Council.

The Otago MBA programme was named as one of the top 10 "rising stars" on the website FindyourMBA.com. A new one-on-one mentoring programme was introduced for MBA students and a part-time MBA will be launched in 2011.

The School of Business also introduced a pilot internship programme for undergraduate Bachelor of Commerce students, through which they complete work-related academic assignments to gain points towards their degree.

ENROLMENT

The strong growth of recent years continued in 2010, with the University Group reaching a final total of 19,918 EFTS, comprising 19,661 University EFTS and a further 257 EFTS for its Foundation Studies subsidiary. These equivalent full-time figures were generated by 22,139 individual students.

For the University Group, this represented an overall increase of 3.9% over 2009 in EFTS terms, driven by solid increases in both domestic and international student enrolments. Due largely to recessionary effects, domestic student enrolments (which include international students with domestic status for government funding purposes) rose more sharply than anticipated, with a 3.7% increase for the year. International student enrolments grew in line with expectations, with a 7.4% increase representing a second consecutive year of growth in

the international market after a period of decline from 2006 to 2008.

There was a slight shift in the areas from which the University drew its commencing student cohort in 2010, with particularly strong growth from the South Island. The percentage of first years coming from outside Dunedin continued to be around 80%, with some two thirds coming from outside the University's home catchment of Otago/Southland, and approximately half from beyond the South Island.

In accordance with the University's strategic priorities, domestic postgraduate enrolments increased at a greater rate than undergraduate enrolments, with growth of 6.8% over 2009. Postgraduate enrolments in 2010 comprised 16.3% of domestic enrolments (up from 15.9% in 2009). Enrolments for masters' programmes (both taught and research-based) rose by 5.9% to 1,185 and there was also a solid increase in doctoral enrolments which reached a record 1,324, up 4.3% from 2009.

Undergraduate enrolments increased by 3.5%, or 557 EFTS, over 2009. Conversely, but in keeping with the University's strategic objectives, the proportion of students studying towards undergraduate diplomas and certificates declined.

The number of Māori students attending the University grew by 4.0% in 2010 to 1,683, with the percentage of Māori students within the domestic student population being 8.5%. An unbroken record of increases in Pacific student numbers stretching back more than a decade was also maintained, with Pacific student enrolments reaching 686, up 6.5% from 2009.

The number of domestic students recruited from Australia increased slightly in 2010. The University enrolled 34 first years from Australia (2009: 32), some 53% of whom were New Zealand citizens returning from Australia. The total number of enrolments from Australia was 214 (2009: 218).

INTERNATIONALISATION

The numbers of commencing international students increased by 7.2% overall with postgraduate, especially PhD, enrolments continuing to show solid growth. The US again provided the largest number of international students, with 578 students enrolled in 2010 (2009: 524). The significance of Malaysia as a sending partner for the University of Otago was also further underlined, with the first of two cohorts of Malaysian-government-sponsored BEd(TESOL) students arriving, as well as the first group of Dentistry students coming from IMU. Together, the United States and Malaysia accounted for over 38% of all international students on campus.

The Government's 2009 decision to remove domestic fees status for French and German postgraduate students did not appear to have adversely affected the number of German students opting to study here, with Germany still the fourth biggest source country (behind China in third place), although

French numbers dropped slightly. A decrease in the number of students from Canada, Japan and South Korea was offset by increases from Saudi Arabia, England, Iran, Switzerland and Brazil. The diversity of countries represented on campus continued to increase, with students from 100 different countries enrolled (2009: 98).

A number of significant developments occurred in 2010 regarding the University's international institutional connections. Otago became a founding member of the Matariki Network of Universities (MNU), together with Dartmouth College (US), Durham University (England), Queen's University (Canada), University of Western Australia, Tübingen University (Germany) and Uppsala University (Sweden). With this group of outstanding universities sharing common goals, values and characteristics, the MNU has the potential to add a different dimension and value to those which the University enjoys in its bilateral partnerships.

Relationships with top Chinese universities were also further strengthened with the signing of memoranda of understanding and student exchange agreements with Beijing's Tsinghua University and Shanghai-based Fudan University. Both are members of the C9 League, an association of nine leading Chinese universities, of which Otago now has formal links with four.

The number of Otago students taking the option of studying for one or two semesters at a partner university continued to grow, with 174 students going on exchange in 2010. This is a 26% increase from 2006 (137). In addition to the agreements with Tsinghua and Fudan Universities, a new exchange agreement was also signed with the University of Edinburgh – the University now has institutional partners in each of Dunedin's sister cities (Shanghai, Otago and Edinburgh). The number of countries in which the University of Otago has student exchange agreements remained constant at 33.

Through the generosity of the University of Otago in America Inc, new grants have been established to assist students wishing to go on exchange to an American partner institution. Also through the generosity of alumni, the inaugural University of Otago Foundation for Malaysia prize was awarded, recognising both academic achievement and the contribution to the wider University community made by a Malaysian undergraduate student.

DEVELOPING TEACHING AND LEARNING

Quality teaching is vital for the successful delivery of all academic programmes, and the University celebrates this with its annual Teaching Excellence Awards which recognise outstanding contributions in fostering learning. In 2010 awards were presented to Dr Phil Bishop (Zoology) and John Harraway (Mathematics and Statistics). Dr Bishop, who is a frog biologist, went on to win a Sustained Excellence Award at the national awards for top tertiary teachers.

Tony Zaharic (Biochemistry) won the 2010 Otago University Students' Association Teacher of the Year award, the third time he has received the honour in four years. Dr Gill Rutherford (College of Education) won the OUSA's new Most Inclusive award and Associate Professor Peter Dearden the award for Best Use of Humour.

The Higher Education Development Centre (HEDC) provided 93 professional development workshops, with 1,110 academic staff, tutors and demonstrators participating across the University's campuses. A programme for higher-degree research supervisors was extended, the new teachers' and distance teaching programmes were further developed, and work continued on virtual research environments to support research collaborations. The Postgraduate Certificate in Tertiary Teaching was again offered, attracting 18 participants; a further four undertook the Postgraduate Diploma.

A reinvigorated Women's Professional Development Programme was offered, including a Career Development Programme for general staff women. The Academic Women's Mentoring Programme had a record year with 37 staff joining and a Women in Leadership at Otago programme was run for the second year.

Educational Media introduced a lunch-time "Learning with Technology" series of monthly workshops as well as continuing to support and develop UniTube. A total of 193 students and 127 staff registered to use the pilot UniTube service. Support and expertise was provided for nine CALT (Committee for the Advancement of Learning and Teaching) Innovation in Teaching or e-Learning Enhancement Grant projects awarded in 2010.

The Student Learning Centre provided 344 workshops, including 73 on the Wellington Campus and 34 on the Christchurch Campus. There were 964 one-to-one consultations with students (Dunedin, 667; Wellington, 112; Christchurch, 185) and 112 Peer Assisted Study Session (PASS) groups were run for departments, colleges and OUSA.

The Library system provides essential information, services and expertise to enhance teaching and learning across the University. It increased its collections to a total of 3,077,860 items (2009: 3,062,249) with the most significant growth in the heavily used electronic collections (see page 45).

Following a successful trial in 2009, Otago became the first New Zealand university library to implement a demand-driven eBook-purchasing model. The number of eBooks accessible now totals 362,526 (2009: 348,633). Other new services included a suite of online, interactive tutorials on information-seeking for undergraduates and a flexible delivery service for distance students.

A stocktake, evaluation and reclassification of the Robertson Library collection was undertaken to coincide with that building's \$10 million refurbishment.

The number of seating places across the library system increased by more than 2% to 3,776.

Cost of Outputs

TEACHING, LEARNING AND ASSESSMENT

	Commerce			Health Sciences			Humanities		
	This Year	Budget	Last Year	This Year	Budget	Last Year	This Year	Budget	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Teaching and learning	20,704	22,560	19,516	69,408	78,974	75,094	38,584	41,450	40,114
Total cost of output	20,704	22,560	19,516	69,408	78,974	75,094	38,584	41,450	40,114

	Sciences			Service Divisions			Total		
	This Year	Budget	Last Year	This Year	Budget	Last Year	This Year	Budget	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Teaching and learning	37,025	40,718	34,014	3,172	3,340	3,047	168,893	187,042	171,785
Total cost of output	37,025	40,718	34,014	3,172	3,340	3,047	168,893	187,042	171,785





The University of Otago seeks to contribute to national goals and objectives, and is strongly committed to community engagement, particularly in areas where this complements academic and research developments.

This community service role includes:

- Undertaking and promoting research which is of community benefit
- Sharing the academic and professional expertise of staff
- Providing continuing education courses, hosting conferences and open lectures
- Making available to the public resources such as the University libraries, Hocken Collections, the National Poisons Centre and the New Zealand Marine Studies Centre
- Contributing to the arts through fellowships and performances
- Maintaining an ongoing relationship with Otago alumni.

While community service is difficult to fully quantify, 92.6% of academic staff surveyed in 2010 reported involvement in this activity (2009: 92.0%). It is estimated that community service typically absorbs 6 – 10% of an academic staff member's professional time (2010: 7.6%).

The value of community service by University academics in 2010 was estimated at \$22.4 million (2009: \$21.0 million).

Through these activities, many Otago staff are held in high esteem, both among their peers and in the wider community. Among those recognised in 2010 were:

- Dunedin School of Medicine Dean Dr John Adams who was appointed chair of the New Zealand Medical Council
- Professor Colin Campbell-Hunt (Management) who was appointed to the selection panel for the Prime Minister's Business Scholarships
- Associate Professor David Gerrard who received a lifetime achievement award in the 2010 New Zealand Sport and Recreation Sector Awards
- Emeritus Professor Sir Alan Mark (Botany) who received the 2010 Charles Fleming Award for Environmental Achievement
- College of Education Dean Professor Helen May who was made an Honorary Fellow of the New Zealand Educational Institute

- Health Sciences Pro-Vice-Chancellor Professor Don Robertson who was awarded the Howard Williams Medal by the Paediatrics and Child Health Division of the Royal Australasian College of Physicians
- Geology Emeritus Professor Rick Sibson who received the Wollaston Medal for 2010, the Geological Society of London's top award
- Dr Margot Skinner (School of Physiotherapy) who was awarded honorary life membership of Physiotherapy New Zealand
- Professors Glenn Summerhayes and Charles Higham (Anthropology, Gender and Sociology) who were elected to the executive of the Indo-Pacific Prehistory Association.

A large number of conferences and visitors were hosted on campus throughout the year. Among the distinguished visitors were prominent Swedish politician and former Swedish member of the European parliament Maj Britt Theorin, and the Governor-General of New Zealand, Hon Sir Anand Satyanand and Susan, Lady Satyanand, who attended the de Carle lectures given by Professor John Barclay, of Durham University.

Dr Jeffrey Wigand, whose experience as a tobacco industry whistleblower inspired the film, *The Insider*, visited the Wellington campus, and former UK Government Minister and Prime Ministerial faith envoy Rt Hon John Battle was hosted by the Centre for Theology and Public Issues, taking part in a forum "Politics, Secularism and Faith" with Dunedin politicians.

More than 100 delegates attended the Biennial Australia/New Zealand Alexander von Humboldt Conference in January, and German scholars from New Zealand and around the world gathered on-campus in September for a symposium to mark the 200th anniversary of the death of German poet, playwright and author Heinrich von Kleist.

The 37th Annual Partnership in International Management conference was hosted by the School of Business, attracting delegates from 54 business schools. The keynote address was delivered by former New Zealand Cabinet minister and now a director at the OECD, Rt Hon Simon Upton. The school also hosted an international business-case competition in Queenstown, in partnership with the New Zealand Student Development Society, attracting teams from the Netherlands, China, Australia and Singapore, as well as from New Zealand institutions.

A public symposium titled "Who cares about New Zealand's waistline" was held in Wellington in October, organised by Otago's Edgar National Centre for Diabetes and Obesity Research in conjunction with the University's Centre for

Translational Research in Chronic Diseases and the Prior Policy Centre. Speakers included experts in the fields of obesity, nutrition and Māori and public health, with representatives from the government, business, trade union, media and education sectors attending.

A series of Controversies in Health Care symposia was also initiated by the Department of General Practice.

The 45th Foreign Policy School in June focused on China's rise and future on the world stage. Titled "China's Ascent: new superpower or new global system?" it attracted participants including national and international Chinese scholars, policymakers and business people. The keynote address was given by Professor David Shambaugh of George Washington University.

A new science academy for talented senior students from provincial or rural, small and low-decile schools, was announced. This builds on more than two decades of science outreach by the University. Supported with funding from the Ministry of Education, the Otago University Advanced School Sciences Academy will host its first intake of 50 students in 2011.

A two-day science expo was held in July in conjunction with the biennial International Science Festival held in Dunedin. The annual Hands-on Science programme attracted 242 secondary school students in January. Two science wānanga were hosted for secondary school students in Southland and the North Island's east coast respectively, and discussions were begun with Ngāti Whātua for wānanga in Northland. In yet another secondary school outreach collaboration, Department of Chemistry staff worked with Dunedin secondary schools on a Health Harbour Watches project, recording environmental factors affecting the health of the Otago Harbour.

In a joint initiative between School of Business staff and the Dunedin City Council, senior accountancy students offered their services to Dunedin Community Accounting (DCA) which offers free training and advice to treasurers of not-for-profit groups.

A total of 180 open lectures were held in 2010, 12 of which comprised the Winter Lecture Series run over 11 weeks from late July to September, in Auckland and Wellington. The 2010 School of Business Distinguished Speaker was Mr Chris Mace CNZM, Chairman of NIWA. Professor Tiffany Stern, University of Oxford, gave the Annual Margaret Dalziel Lecture. Emeritus Professor Helen Leach gave the Patricia Coleman Lecture and the John Smillie Tennant Lecture was given by Associate Professor Mike Pearson, University of Auckland. The first Howard Paterson Memorial Lecture was given by Jim Wallis, author and theologian. A further 148 short courses, workshops, colloquia and seminars were offered, including 31 courses in the 14th Public Health Summer School held at University of Otago, Wellington. Three short courses were offered collaboratively with Southern

Sinfonia, and 16 were offered under a long-standing formal agreement with the University of the Third Age (U3A).

THE ARTS

The University's 2010 arts fellowships were held by Auckland novelist Michele Powles (Robert Burns Fellow), Wellington-based artist Joanna Langford (Frances Hodgkins Fellow) Auckland composer and music teacher Christopher Adams (Mozart Fellow) and Auckland performer and choreographer Suzanne Cowan (Caroline Plummer Fellow in Community Dance). The University of Otago College of Education / Creative New Zealand Children's writer in residence was Karen Trebilcock.

Continuing a long-established practice, the Department of Music and Theatre Studies staged a total of 107 performances during the year (2009: 112). The regular series of lunchtime concerts and dramatic performances makes a strong contribution to the cultural life of Dunedin, as well as providing valuable experience for students.

Department of Music staff featured at the Otago Festival of the Arts in October: Dr Anthony Ritchie's third symphony had its world premiere; Professor Terence Dennis accompanied Dame Kiri Te Kanawa in her Dunedin recital; and William Evans Executant Lecturer in Cello Helen Du Plessis also performed.

The Division of Humanities continued to sponsor the University of Otago Sheilah Winn Festival of Shakespeare in Schools.

Otago University Press published 16 books in 2010. Among them were *From Kai to Kiwi Kitchen: New Zealand Culinary Traditions and Cookbooks*, edited by Emeritus Professor Helen Leach and the result of Marsden-funded research, and *Indigenous Identity and Resistance: Researching the Diversity of Knowledge*, edited by Associate Professor Brendan Hokowhitu (Te Tumu) and others. It was a significant year for the Press's creative writing list with the appointment of a new *Landfall* editor, David Eggleton, and the publication of three poetry volumes: *Stunning Debut of the Repairing of a Life* by Leigh Davis, *The Radio Room* by Poet Laureate Cilla McQueen, and Eggleton's *Time of the Icebergs*.

LIBRARY SERVICES

The Library continued its role as a contributor to the national good with developments in its online presence. The University's research archive, OUR Archive, increased the availability of high quality research outputs to the public, largely in the form of electronic PhD theses. A new interface to the Library's Digital Collections was completed in December, ready for a 2011 launch.

Central Library Special Collections

More than 2,300 people viewed the four Special Collections exhibitions in 2010 and 269 books were issued for use in the

reading room. Two of the exhibitions were particularly popular – “Footnotes on Official History: Celebrating Dr Hocken’s Pamphlet Collection” and “Pulp Fiction”, the latter attracting great interest in local and national media.

The 2010 Printer in Residence was Canberra-based Caren Florance (the first woman to hold this position) who produced a folio of typographical poster prints of works by Australian and New Zealand poets titled *Prime*. The edition sold out.

Hocken Collections, Uare Taoka o Hākena

31 March 2010 marked 100 years since the Hocken Library opened to the public. An online exhibition of Dr Hocken’s original pictures collection was added to the Library’s Digital Collections website and Dr Peter Simpson repeated his 2009 Hocken Lecture to 60 invited guests in Auckland.

The Hocken Collections were well used during the year with 11,060 researchers using almost 30,000 collection items; 2,200 remote enquiries were answered and 2,037 images were supplied. Hocken resources were used in 167 new publications in 2010. Material was lent to other institutions with 70 pictorial works loaned for 12 exhibitions and 79 items lent from archives.

The photographs catalogue, previously only accessible by staff, was launched online making information about the photograph collections accessible to researchers around the world. In a related project, 33,000 copy prints in the reader access file were digitised.

Five exhibitions were held in the Hocken Gallery, including “100 Up: A Snapshot of Dunedin Life 1910 & 2010” which compared life in 1910 Dunedin with contemporary life in the city.

NEW ZEALAND MARINE STUDIES CENTRE

The New Zealand Marine Studies Centre (NZMSC), incorporating the Westpac Aquarium, offers a variety of community programmes, including school visits and a gifted and talented programme, teacher professional development, and travelling exhibits and workshops for special interest groups.

In 2010, 29,290 people visited the facility, comprising:

- 19,062 casual visitors to the aquarium
- 6,801 school students and teachers attending curriculum-linked educational programmes from more than 110 schools
- 3,427 people participating in group marine experiences, tours and workshops.

A further 3,261 people participated in programmes run by NZMSC staff in other locations in Dunedin and Nelson/Marlborough. Activities were also run in conjunction with the International Year of Biodiversity, Seaweed, International Science Festival, Conservation Week, Dunedin Chocolate

Festival and the Rhododendron Festival.

The NZMSC won the Ethics Award of the 2010 Otago Business Excellence Awards (OBIZ) and was a finalist in the Research and Innovation category. The centre achieved Enviro-Gold level in the Qualmark tourism standards.

NATIONAL POISONS CENTRE

The National Poisons Centre (NPC) is a service unit with the Department of Preventive and Social Medicine, operating 24 hours a day, 365 days a year. During the year it received almost 36,000 enquiries concerning acute poisoning and the toxic effects of chemicals. The centre’s TOXINZ database received about 45,000 enquiries from registered users and its website (www.poisons.co.nz) attracted around 10,000 visitors.

ALUMNI

Otago values its relationship with more than 80,000 alumni around the world and, in 2010, maintained contact via the *University of Otago Magazine*, published in February, June and October. The Office of Development and Alumni Relations organised 15 alumni social events at venues in New Zealand and around the world – in Queenstown, Invercargill, Auckland, Wellington, Christchurch, Shanghai, Kuala Lumpur, Kuching, Sydney, Melbourne, Washington, Toronto, Cologne and London, plus two new events, a Māori alumni reception in Dunedin and an event held in Parliament Buildings for MPs, heads of government departments and staff members who are Otago alumni.

The office also assisted with events hosted by several residential colleges, medical and dental group reunions, and the celebrations in Nelson to mark the 100th birthday of Emeritus Professor John Mackie, the former Dean of the Otago School of Mines and the School of Surveying.

The administration of the Alumni Annual Appeal and the award of 17 Alumni Scholarships were also notable activities. Otago’s alumni chapters abroad continue to provide invaluable support to the University, with several new initiatives being established in 2010 which have resulted in funding for new prizes, scholarships and research activities.

The University’s connection with its alumni community continues to be enhanced by Your Otago Link, the secure website that enables alumni to communicate directly with the University and each other.

Cost of Outputs

COMMUNITY SERVICE

	Commerce			Health Sciences			Humanities		
	This Year	Budget	Last Year	This Year	Budget	Last Year	This Year	Budget	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Total cost of output	2,244	2,422	1,912	8,621	8,856	8,524	6,218	6,003	5,897

	Sciences			Service Divisions			Total		
	This Year	Budget	Last Year	This Year	Budget	Last Year	This Year	Budget	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Total cost of output	5,281	5,693	4,681	0	0	0	22,364	22,974	21,014



Statement of Service Performance

for the year ended 31 December 2010

STRATEGIC OBJECTIVE ONE: **ACHIEVING RESEARCH EXCELLENCE**

KEY POINTS OF FOCUS:

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

#	KEY PERFORMANCE INDICATORS:	2008 Actual	2009 Actual	2010 Target	2010 Actual
I.1	Increasing the number of quality-assured research outputs as measured by a three-year rolling average ¹ .	3,641 (3-year average 3,553)	4,047 (3-year average 3,694)	> previous year	4,168 (3-year average 3,736)
I.2	Increasing research funding from outside sources by at least 5% per annum as measured by a three-year rolling average.	\$86.8 million	3-year rolling average of \$81.9 million (108.5%)	≥ 105.0% of 2009	3-year rolling average of \$88.4 million (107.9%)
I.3	Increasing the proportion of postgraduate research EFTS within University EFTS ² .	7.5%	8.0%	> previous year	8.3%
I.4	Increasing the number of research degree completions.	388	418	> previous year	423
I.5	At least 90% of research degree respondents to the Graduate Opinion Survey reporting overall satisfaction with the quality of supervision.	92.3%	88.5%	≥ 90.0%	88.6%
I.6	At least maintaining the number of staff attending conferences of national and international standing.	970	1,184	≥ previous year	1,095

The University met its performance targets for four of six indicators relating to this imperative, with the increases in research outputs and external research funding, and a further increase in the proportion of postgraduate enrolments being especially pleasing. While below target, performance in one of the remaining two areas – satisfaction with postgraduate supervision – was close to target and an improvement on 2009. Consistent with the University's focus on higher degrees, within the slight increase in the number of research degree completions, there was a significant 15.7% rise in the proportion of completions at the doctoral level. Coming after a record result in the previous year, the drop in the number of academic staff attending conferences of national and international standing reflected a more cautious approach being taken to expenditure in a constrained fiscal and economic environment.

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

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

KEY POINTS OF FOCUS:

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

#	KEY PERFORMANCE INDICATORS:	2008 Actual	2009 Actual	2010 Target	2010 Actual
2.1	Increasing the proportion of postgraduate EFTS within University EFTS.	15.9%	16.0%	> previous year	16.4%
2.2	Increasing the proportion of undergraduate degree-level commencing students admitted with NCEA Level 3 or an equivalent qualification.	84.3%	83.8%	> previous year	84.9%
2.3	At least 80% of commencing students passing at least two thirds of their academic credits in their first year of study.	80.8%	80.3%	> 80%	81.6%
2.4	Maintaining an average pass rate for papers within 2% of the average for the previous three years.	88.1% (3-year average 88.0%)	87.7% (3-year average 88.1%)	+/- 2.0% of rolling average	88.4% (3-year average 88.0%)
2.5	Increasing the number of students successfully completing qualifications at both undergraduate and postgraduate levels.	3,436 (UG) 1,302 (PG)	3,458 (UG) 1,321 (PG)	> previous year	3,485 (UG) 1,476 (PG)
2.6	At least 90% of respondents to the annual Student and Graduate Opinion Surveys providing a positive assessment of the quality of teaching.	89.0%	87.4%	≥ 90.0%	90.2%
2.7	Enrolling a diversified international student population ³ constituting no more than:				
	12% of total University EFTS	10.4%	10.3%	≤ 12.0%	10.6%
	25% of the international cohort from one country.	15.4%	16.5%	≤ 25.0%	19.4%

The University met all of its performance targets relating to excellence in research-informed teaching, with the 2010 actuals representing an improvement on the previous year in every case. It is particularly pleasing that pass rates, completions, and student and graduate satisfaction with the quality of teaching have remained high – and that the calibre of the commencing student cohort has increased – at a time when the University is absorbing significant growth in student numbers. The University gained further confidence around its performance in this area during 2010 when the Tertiary Education Commission published its first educational performance indicators; these saw Otago rank first-equal amongst the universities for course completion, and first for qualification completion and student retention.

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

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

KEY POINTS OF FOCUS:

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

#	KEY PERFORMANCE INDICATORS:	2008 Actual	2009 Actual	2010 Target	2010 Actual
3.1	At least 90% of respondents to the annual Student Opinion Survey providing a positive assessment of:				
	The general campus environment	98.6%	99.1%	≥ 90.0%	98.2%
	University libraries, information technology and teaching facilities	95.5%	96.9%	≥ 90.0%	95.1%
	Administrative services and support services.	95.4%	96.6%	≥ 90.0%	96.1%
3.2	At least 90% of residential college respondents to the annual Student Opinion Survey providing a positive assessment of their colleges.	96.1%	96.6%	≥ 90.0%	93.1%
3.3	At least 90% of respondents to the Graduate Opinion Survey reporting some, moderate or extensive development of the following attributes:				
	Written communication skills	96.2%	95.3%	≥ 90.0%	95.5%
	Oral communication skills	89.9%	88.5%	≥ 90.0%	88.6%
	Teamwork	82.3%	82.4%	≥ 90.0%	84.5%
	A willingness to learn	96.6%	97.3%	≥ 90.0%	98.4%
	Independent judgement	95.2%	95.5%	≥ 90.0%	95.4%
	Self-confidence	90.6%	89.8%	≥ 90.0%	89.9%
	Flexibility and adaptability.	93.0%	91.6%	≥ 90.0%	92.7%
3.4	Providing learning assistance and/or access to special equipment for at least 450 students with a disability affecting study.	533	527	≥ 450	503
3.5	Providing annual funding for capital expenditure no less than the sum of depreciation and the adjusted surplus (i.e. the surplus adjusted for carry forwards and extraordinary items).	Funding > depreciation + adjusted surplus	Funding > depreciation + adjusted surplus	Funding > depreciation + adjusted surplus	Funding > depreciation + adjusted surplus

Student satisfaction with the campus lifestyle and key campus administration and support services reached extremely high levels, with the targeted level of performance reached in 10 of 13 key areas, and missed by less than 2% in two further areas. While student satisfaction with the residential college experience exceeded the target level, priority will be given to investigating the slight decline recorded in 2010.

KEY POINTS OF FOCUS:

- To participate actively in national and international debate
- To extend our partnership with Māori and support the increased recruitment, retention and achievement of Māori students
- To strengthen links with Pacific communities and encourage the recruitment, retention and achievement of Pacific students
- To act in an environmentally responsible manner⁴.

#	KEY PERFORMANCE INDICATORS:	2008 Actual	2009 Actual	2010 Target	2010 Actual
4.1	Maintaining or increasing the number of national print, radio and television media articles featuring comment by University of Otago academic staff on matters relating to their professional expertise.	n/a	1,280	≥ previous year	1,453
4.2	Hosting at least 500 academic visitors to the University per annum.	658	752	≥ 500	680
4.3	Increasing the number of research projects being undertaken in association with Māori.	532	509	> previous year	600
4.4	Raising Māori student participation and achievement by:				
	Increasing the number of Māori students enrolled and Māori EFTS as a percentage of total domestic student EFTS	1,524 enrolments, 8.3% of EFTS	1,619 enrolments, 8.5% of EFTS	> previous year	1,683 enrolments, 8.5% of EFTS
	Increasing the percentage of first year Māori students passing at least two thirds of their academic credits	68.0%	66.6%	> previous year	75.5%
	Increasing the number of Māori students completing qualifications at both undergraduate and postgraduate levels.	267 (UG) 75 (PG)	276 (UG) 79 (PG)	> previous year	287 (UG) 91 (PG)
4.5	Raising the participation and achievement of Pacific students in the tertiary sector by:				
	Increasing the number of Pacific students enrolled and domestic Pacific EFTS as a percentage of total domestic student EFTS	589 enrolments, 2.8% of EFTS	644 enrolments, 3.2% of EFTS	> previous year	686 enrolments, 3.3% of EFTS
	Increasing the percentage of first-year Pacific students passing at least two thirds of their academic credits	50.0%	50.4%	> previous year	64.7%
	Increasing the number of Pacific students completing qualifications at both undergraduate and postgraduate levels.	77 (UG) 49 (PG)	98 (UG) 37 (PG)	> previous year	107 (UG) 42 (PG)

The University has continued to make significant progress in its efforts to become a strongly connected and effective contributor to the advancement of the national good and international progress, meeting all of its performance targets in this critical area. The significantly improved academic performance of the University's Māori and Pacific student cohorts was an especially pleasing result. This has been achieved through paying close attention to the support needs of these student groups, with a particular focus in 2010 being the implementation of new early-intervention strategies that seek to identify and engage with students who appear to be struggling as early as possible in the academic year.

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

STRATEGIC OBJECTIVE FIVE: **STRENGTHENING EXTERNAL ENGAGEMENT****KEY POINTS OF FOCUS:**

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

#	KEY PERFORMANCE INDICATORS:	2008 Actual	2009 Actual	2010 Target	2010 Actual
5.1	At least 80% of University academic staff involved in community service activities.	94.9%	92.0%	≥ 80.0%	92.6%
5.2	Holding at least 300 open lectures, public seminars, and adult and community education courses per annum.	307	317	≥ 300	328
5.3	Providing at least 100 performing arts activities open to the public per annum.	138	112	≥ 100	107
5.4	Maintaining appropriate formal agreements for collaboration with other organisations for joint research and/or teaching and for the commercialisation of research.	212 agreements in place	386 agreements in place	Existing agreements reviewed, new agreements entered into as appropriate	402 agreements in place
5.5	At least 20% of academic staff serving on government advisory boards and committees.	25.5%	24.0%	≥ 20.0%	28.4%
5.6	At least 50% of academic staff providing services to public sector departments, statutory authorities, agencies, boards, committees or inquiries, or to non-governmental organisations.	73.0%	73.6%	≥ 50.0%	67.4%

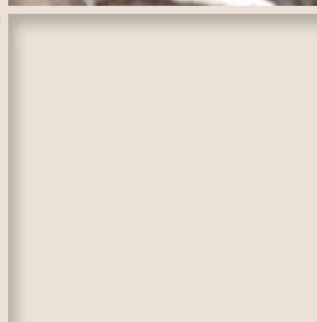
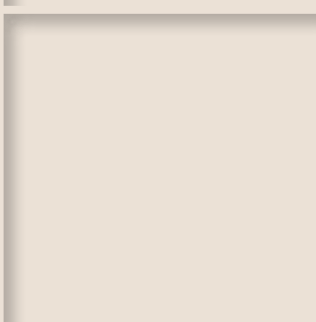
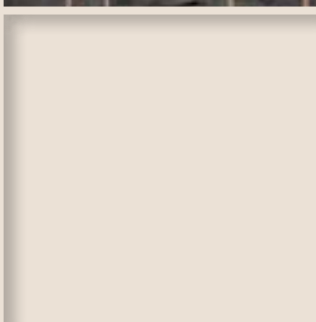
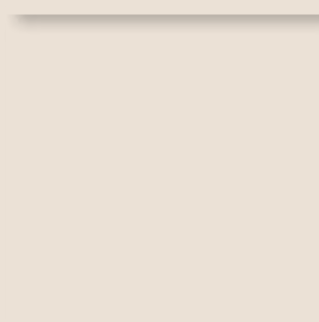
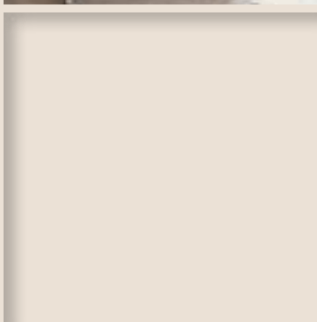
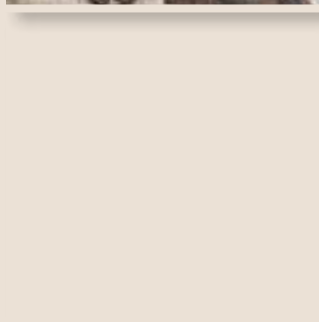
The University met all of its performance targets relating to strengthened external engagement. The measure for staff involvement in community service is derived from an annual survey of a sample of staff and is therefore subject to some natural year-to-year variance.

KEY POINTS OF FOCUS:

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

#	KEY PERFORMANCE INDICATORS:	2008 Actual	2009 Actual	2010 Target	2010 Actual
6.1	Achieving or exceeding the following University EFTS enrolment targets:	18,195	18,903	19,336	19,661
6.2	Achieving an operating surplus such that the moving five-year average is at least 2% of net assets (excluding extraordinary items).	2.3% of net assets	2.3% of net assets	≥ 2.0% of net assets	2.2% of net assets
6.3	Maintaining a liquid ratio of no worse than 1:1.	2.3:1	1.7:1	≥ 1:1	1.9:1
6.4	Ensuring that net interest paid is no greater than one third of the operating surplus.	1.2%	0.8%	≤ 33.3%	0.7%
6.5	Maintaining at least 50% of University income from diverse sources other than Government Grant funding.	55.0%	55.1%	≥ 50.0%	54.4%
6.6	Increasing the consulting, commercial and intellectual property income of the University Group by at least 5% per annum as measured by a three-year rolling average.	\$55.1 million	\$56.6 million	≥ 105.0% of 2009	\$62.3 million (110.9%)
6.7	Providing at least 2.0% of the University salary budget for staff training and development.	2.3%	2.1%	≥ 2.0%	1.2%
6.8	At least maintaining the number of academic staff undertaking research and study leave.	109	115	≥ previous year	132

The University was pleased to meet seven of its eight performance targets in this area, with a further year of strong financial performance being a particularly positive result in the current economic environment. The reduction in budget provision for staff training and development reflected, in part, greater care being taken across all units of the University to set training and development budgets that reflect likely actual expenditure. It should be noted that this indicator does not take account of the many training and development courses provided free-of-charge to University staff.



LAND, BUILDINGS AND CAPITAL DEVELOPMENT

The key contributor to a 2.4 hectare increase in University-owned land were acquisitions associated with the University development being undertaken in conjunction with the Forsyth Barr Stadium on the eastern edge of the Dunedin campus.

A major project was carried out during 2010 to update and review all University land holdings and to enter the updated details on a new database. This resulted in an increase to reported land held in Crown title for the University and a substantial decrease in endowment land let on long-term leases. This endowment leasehold land is high-country pastoral land in the central South Island and the reduction in reported holdings (from 25,585 hectares to 22,279 hectares) reflects adjustments made to account for land that was previously transferred out of University control for hydro-electric power generation purposes.

The key capital projects undertaken in 2010 were the \$10 million redevelopment of the Robertson Library on the College of Education site and work on the new University facility abutting the Forsyth Barr Stadium. Phase one of this latter project has a budget of just over \$50 million and is timetabled to meet the stadium's requirement to be operational for the 2011 Rugby World Cup¹.

The University's net assignable floor space increased by 3,850m² (1.8%) in 2010 to reach 215,233m². The largest increases in floor space were for sciences and humanities, and for administration and other purposes.

Following the engagement of a team of local and international consultants in 2009, a Campus Master Plan for the University was completed in May 2010. Covering the University's Dunedin, Christchurch and Wellington campuses, the plan provides a strategic framework to guide the future long-term evolution of the campuses. The plan establishes a cohesive vision to guide new initiatives and future development of the University's campuses.

A Campus Master Plan Implementation Group has been established to prioritise the development proposals and oversee the general implementation of the Master Plan.

LIBRARY RESOURCES

The library system continued to operate as an essential source of information and expertise for the University and the wider community, providing extensive collections, access services, instruction and infrastructure in support of scholarship, creativity and learning. Collaboration between academic and library staff underpinned the further development of both physical and online collections.

During 2010 the library's on-site collections increased by 15,611 items and the on-site collections comprised a total of 3,077,860 items with 6,210 print subscriptions.

The University community also enjoyed desktop access to an increasing component of the library's collections. As well as growing to 174,844 electronic serials (a massive 56.2% increase), online collections benefited from a further expansion in the number of e-books, which reached 362,526 (up by 4.0%). Over 96.6% of serials are now received in electronic rather than print form, compared to just 71.5% eight years ago.

University staff and students continued to make good use of the on-site collections with 478,491 items loaned during the year. Databases, e-journals, eBooks and other electronic materials were heavily used both on-campus and off-campus, with access available 24 hours a day, seven days a week.

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

The number of seating places across the library system increased by 2.1% to reach 3,776, despite the redevelopment of the College of Education's Robertson Library, which required both the library's collections and services to be decanted into temporary facilities.

INFORMATION TECHNOLOGY

The rapid growth of electronic communications seen in recent years continued in 2010. The volume of off-campus computer and telecommunications network traffic almost doubled (44.8%) from 291,223 gigabytes in 2009 to 421,692 gigabytes in 2010.

An ongoing push to update the University's hardware and storage infrastructure continued in 2010, with a key milestone being the completion of a second centre to house the University's central IT hardware (servers, storage and networking). This facility minimises the significant risk the University was previously exposed to through having all of its central ICT services housed in one location.

The rollout of wireless across the University continued. This project has an overall aim of extending the existing wireless network across all campuses of the University and, in conjunction with local authorities, establishing a comprehensive wireless network for the North Dunedin residential precinct.

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

¹ This building will provide a new home for the University's Foundation Studies programmes (freeing up vital space in the central campus area), and a new Unipol sports and recreation centre.

Other developments included the launches of the Otago Online Shop, a mobile portal for handheld devices to provide students with information on a range of matters, and a desktop video conferencing service for staff.

Major technology upgrades were undertaken in several large lecture theatres, and the real-time delivery of streamed video lectures was introduced at the University's Southland campus and Auckland Centre.

HUMAN RESOURCES

The total number of staff employed by the University in 2010 increased by 1.9% to total 3,751 in full-time equivalent (FTE) terms (2009: 3,683).

Within the academic ranks, the number of professors grew by 2.9%, while associate professors increased by 17.7%, and the number of research-only staff on academic contracts rose by

4.9%. There was a 2.7% increase in the number of general staff employed, with the majority of this increase in areas related to student support and student services.

The recruitment environment has mirrored national trends and continued to improve during 2010. As is usual in a time of recession, an above-average number of applications were received for the majority of roles, the exception being a small number of professional skills positions. As in previous years, some skills shortages were experienced within the specialised academic recruitment market.

The 2009 adoption of enhanced provisions for parental leave were cemented during 2010. The policy aims to provide greater flexibility and has been positively received. An enhanced Relocation Policy was introduced in 2010, together with improved website information, providing for greater appointee support during the overall recruitment and settlement period.

Summary Staff Profile	2010	2009	2008	2007	2006
Full-time Equivalent (FTE) Teaching & Research Staff					
Females	487	476	485	458	391
Males	680	699	695	687	653
Total	1,167	1,175	1,180	1,145	1,044
Full-time Equivalent (FTE) Research-Only Staff (excludes general research-only staff)					
Females	264	240	228	206	341
Males	169	172	179	164	216
Total	432	412	407	370	557
Full-time Equivalent (FTE) General Staff					
Females	1,411	1,373	1,414	1,331	1,043
Males	741	723	736	697	606
Total	2,152	2,096	2,150	2,028	1,649
Total Staff (FTE)	3,751	3,683	3,737	3,543	3,250

EQUAL OPPORTUNITIES

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

The University contributes to the achievements of tangata whenua through a Treaty-based partnership, primarily with Ngāi Tahu. The partnership is underpinned by a memorandum of understanding (MoU) and recognises Ngāi Tahu rangatiratanga and mana within the takiwā of Ngāi Tahu. Additional agreements are also in place with Ngāti Whātua, Ngāti Porou Hauora, Ngāti Toa and – through the Tipu Ora Trust – Te Arawa. Ongoing dialogue is also being maintained with Te Atiawa over a potential future agreement.

A link between the aspirations expressed in memoranda and agreements with Ngāi Tahu and other iwi, and the overall strategic goals and objectives of the University, is provided by its Māori Strategic Framework. Excellent progress continued to be made towards the implementation of the Māori Strategic Framework in 2010, guided by the Te Kohanga o Te Kahu – a leadership group comprising representatives across the University's academic and service departments.

The University also recognises a commitment to Pacific peoples, which extends both to those who are resident in New Zealand and to those in the wider Pacific. The Pacific People's Reference Group, a joint University-community group which was formed in 2006 to advise on developments in this area, continued to meet and provide guidance to the University in 2010.

Equal educational opportunities

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

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

Māori

The number of Māori students enrolled at Otago increased, from 1,619 to 1,683 in 2010, and represents the highest Māori student roll in the history of the University. Māori students now comprise 8.5% of the University's domestic student population.

The University's package of targeted scholarships and awards was further extended, with a record number of Māori and Pacific Island Entrance Scholarships awarded for 2010 commencing students and a further increase approved for 2011.

In 2010, 75.5% of Māori at the University passed at least two thirds of the academic credits for which they had enrolled, up from 66.6% in 2009. Otago currently ranks first amongst New Zealand universities for Māori student qualification completion and a record number of Māori students – 378 – successfully completed qualifications in 2010.

The University continued to give special recognition to the academic achievement of its Māori students by way of regular pre-graduation ceremonies and by holding a full marae-based graduation for those completing the bilingual teacher education programme delivered at the University's Southland campus.

Several initiatives have been undertaken over the past 12 months with the aim of supporting increased Māori student enrolment and success in the sciences and health sciences, with the Division of Sciences' long-established outreach programme and the office for the new position of Associate Dean (Māori) in the Division of Health Sciences playing key roles in the implementation of these initiatives. One such initiative, the Tū Kahika programme, saw its first cohort of students admitted in 2010. The new one-year foundation programme, a partnership between the University, the Ministry of Health and the Tertiary Education Commission, aims to prepare Māori students for the highly competitive Health Sciences First Year programme. The programme achieved 100% student retention and completion rates.

The community wānanga programme, which is aimed at increasing the number of Māori leaving school with the necessary academic background to study in the sciences and health sciences, continued to expand in 2010. The programme was initially piloted in partnership with Ngāti Porou and schools in the Tolaga Bay area, and over the past year has been extended to operate in partnership with Ngāi Tahu rūnanga in Murihiku (Southland) and Ngāti Porou in Te Araroa (East Coast). Partnerships for further wānanga are progressing with the Waitemata District Health Board and Te Runanga o Ngāti Whātua.

Pacific peoples

2010 was the 12th successive year of growth in Pacific student numbers at Otago, with the 686 Pacific students enrolled representing an increase of 6.5% over 2009. A record number of Pacific students – 149 – also successfully completed qualifications.

Iwi to which Students Affiliated	2010			2009			2008			2007			2006		
	First Affiliation	Any Affiliation		First Affiliation	Any Affiliation		First Affiliation	Any Affiliation		First Affiliation	Any Affiliation		First Affiliation	Any Affiliation	
Ngāi Tahu / Kai Tahu	362	419		357	416		321	376		329	383		286	335	
Ngāpuhi	207	289		197	272		203	271		179	235		154	216	
Ngāti Porou	126	164		119	167		113	165		124	172		118	153	
Tainui	62	94		48	76		34	66		33	55		31	46	
Ngāti Maniapoto	54	73		53	73		45	67		48	67		40	52	
Te Ahiwa (Taranaki)	49	68		48	64		48	69		45	68		31	50	
Ngāti Raukawa (Horowhenua – Manawatu)	41	62		44	65		31	48		34	52		35	49	
Ngāti Tuwharetoa	36	74		40	74		38	80		38	76		34	63	
Ngāti Kahungunu ki Heretaunga	34	42		37	44		33	43		30	38		31	41	
Ngāti Awa	33	50		38	54		37	50		39	54		38	48	
Ngāti Kahungunu (region unspecified)	32	55		27	50		25	41		22	39		26	37	
Te Rarawa	32	59		25	48		23	47		27	46		23	40	
Not stated	31	32		43	44		44	45		62	63		75	75	
Ngāti Kahungunu ki Te Wairoa	31	62		33	69		26	53		35	65		31	56	
Don't know	27	27		24	25		13	13		19	21		13	14	
Ngāti Kahungunu ki Wairarapa	27	39		23	31		20	28		19	25		15	21	
Tuhoe	21	56		26	53		28	54		28	54		28	48	
Ngāti Raukawa (Waikato)	20	40		20	40		16	32		14	22		11	21	
Waikato	18	35		20	34		22	38		25	43		12	26	
Taranaki	18	25		17	22		18	23		11	16		8	12	
Ngāi Te Rangi	17	32		19	31		19	34		14	29		11	22	
Te Arawa	17	34		14	25		12	20		9	16		7	13	
Ngāti Whakaue (Te Arawa)	13	28		13	30		13	39		15	36		16	34	
Ngāti Whātua	13	31		13	28		13	27		13	28		17	30	
Te Whānau-a-Apanui	13	40		12	37		9	29		7	26		4	16	
Kāti Māmoe	13	44		10	40		10	50		10	53		10	49	
Ngāti Kahu	13	20		9	19		7	12		7	14		4	11	
Ngāti Pikiao (Te Arawa)	13	23		8	20		11	26		11	23		11	24	
Other	310	675		282	648		292	636		288	633		246	536	
Total	1,683	n/a		1,619	n/a		1,524	n/a		1,535	n/a		1,366	n/a	

As noted above, the University increased its scholarship support for commencing Pacific students in 2010 and committed to a further increase for 2011.

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

A full-time Pacific community liaison officer continued to increase the greater community focus of the University's Pacific student recruitment, and a package of targeted scholarships also played an ongoing role in supporting

Pacific student recruitment. Acting on the advice of its Pacific Peoples' Reference Group, the University continued to offer achievement awards, recognising the top Pacific first-year student and top Pacific final-year student in each academic division.

Progress, albeit at a slower rate than expected, was made on developing an inaugural Pacific Strategic Framework for the University. Following the appointment of an inaugural Associate Dean (Pacific) for the Division of Health Sciences in late-2009, considerable work was undertaken implementing enhanced student support, mentoring and recruitment initiatives for Pacific students in the health sciences.

Services Provided by the Pacific Islands Centre	2010	2009	2008	2007	2006
Registered with the centre	681	645	430	360	360
Extra tutorials	75	65	47	42	34
Career Advisory Services seminar	6	12	5	4	4
Students receiving course advice	285	420	370	250	230
Pacific postgraduate seminars	11	12	28	24	16
Student gatherings	39	24	18	14	14
Community meetings/consultation	26	25	22	17	12
Community functions attended	45	92	102	87	24
Students receiving counselling	394	85	85	80	125

Disabilities support

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

In 2010, the University enrolled 852 students with a disability affecting study, a slight decrease on the 881 enrolled in 2009. Provision of support in the form of learning assistance and/or special equipment requiring a specific financial commitment was provided to 503 students with disabilities in 2010 (2009:

527). Learning support was provided to 620 students in the form of note-taking, assistance with examinations, tutoring, transcription or typing (2009: 701). The University purchased five "Front Row to Go" units to allow improved sound delivery in lecture theatres for students with hearing impairments.

During the year a University working party undertook work examining the requirements to implement Kia Ōrite Achieving Equity: the New Zealand Code of Practice for an Inclusive Tertiary Education Environment for Students with Impairments. The recommendations of this group were being finalised at the end of 2010, for consideration in 2011.

Learning Assistance Support for Students With Disabilities	2010	2009	2008	2007	2006
Note-taking	212	296	210	223	265
Tutoring	126	131	127	112	94
Transcription/typing	5	3	5	4	3
Reader	3	0	4	0	0
Assistant	0	0	7	0	11
Examination arrangements	277	271	282	276	274
Scanning	0	0	0	0	1
Other	120	129	116	94	0

Equal employment opportunities

In 2010 the number of women in senior academic positions (senior lecturer and above) increased by 9.3% to 245 FTE staff. Women now comprise 34.3% of staff at these levels, compared to 32.3% in 2009, and 24.7% as recently as 2005.

Overall, women comprised 47.0% of all academic and research staff in 2010, compared to 45.1% in 2009. While the majority of general staff are female, women continue to be under-represented at the senior levels within the general and management staff.

The University continued to support the national universities' Women in Leadership Programme by sending six senior women to the programme. The internal Women in Leadership programme continued in 2010 to meet the needs of both general and academic staff women. The mentoring programme for academic women continued to grow and the workshop and Women in Leadership programmes involved nine events with 287 participants. Mentoring and peer-learning groups continued for general staff women during the year with six formal mentoring opportunities and 27 individual career counselling sessions undertaken. A senior female academic was appointed to the new 0.2 FTE position of Chair of the Gender Equity Committee.

The University continued to provide both the Treaty of Waitangi Education Programme and introductory Te Reo classes for staff in 2010. The success of the Te Reo classes led to the introduction of a further language workshop, with the combined language programmes in 2010 resulting in a 47.5% increase in staff participation compared to 2009. A framework of competencies supporting the University's Māori Strategic Framework was developed in conjunction with the Office of Māori Development. This framework is currently being piloted in the University for use in the staff performance development review process. The Pacific Peoples' Culture Awareness course continued in 2010.

A diversity and inclusivity workshop was piloted and introduced during the year and was well attended by staff. It is intended to expand this programme.

The University continues to address the gap in respect of staff equity information by requesting updates to the equity form on staff online profiles. Furthermore, an effective means of collecting equity data has been incorporated into the new University online recruitment system, which will ensure that equity data are gathered during the initial recruitment process.

Other staff support initiatives

The Employee Assistance Programme (EAP) continued in 2010, providing confidential, short-term counselling at no cost to individuals. The rate of use of the programme remains consistent with nearly 3% of staff accessing the service. Additional support mechanisms were offered to Christchurch staff through the EAP programme to assist with issues related to the earthquake and ongoing aftershocks. The EAP report for this period is not available at the time of generating this report so it is not known if overall use increased during this period.

Occupational Health and Safety training continues and additional courses have been offered based on the needs identified. The Health and Safety office received funding for 25 Automatic External Defibrillators (AED) to be installed throughout all campuses. Along with installation, training is being offered to all building occupants on the use of the AEDs.

The University regained tertiary level accreditation for the ACC Partnership Programme during 2010, which increases the level of discount on the standard ACC levy rates. The work-related ACC claim numbers remain static.

Support for childcare continued to be provided through the Otago University Childcare Association, with the University covering the rental cost of premises for the Association's four pre-school care facilities and delivering further support via an annual lump-sum grant. The Association, which celebrated 40 years of operation in 2009, provided childcare for approximately 120 University families, but lengthy waiting lists indicated considerable unmet demand for childcare services around the University. The University commenced work with the Association on securing additional facilities in close proximity to the main campus to address this.

The University and its controlled entities achieved a good financial outcome in 2010.

The University's operating surplus for the year was \$22.0 million, a return of 3.9% on revenue of \$566.4 million and 1.9% on net assets of \$1.2 billion. The surplus was \$3.1 million (16.4%) above the budget of \$18.9 million and \$803k (3.8%) greater than the \$21.2 million surplus achieved in 2009.

The surplus was comfortably above the Tertiary Education Commission's guidelines of a minimum of 3.0% on revenue and 1.2% of net assets. The surplus also met the University's own surplus target of a five-year moving average of at least 2% of net assets, with an average of 2.2% achieved from 2006 to 2010.

The University continued to invest heavily in fixed assets in 2010. Capital expenditure was \$72.8 million for the year, although this was well below the budget of \$95.1 million, largely due to timing with major building projects, and also down on the \$92.5 million invested in 2009.

The University Group, which includes the University of Otago, the University of Otago Foundation Trust, the Dunedin City Accommodation Trust and University of Otago Holdings Limited, produced an operating surplus of \$34.5 million for the year.

This surplus was \$12.2 million better than the budget and \$3.4 million higher than the 2009 result.

The Trusts collectively provided an operating surplus of \$12.1 million for the year. This was \$8.0 million better than the budget and \$1.0 million better than last year. The better-than-budget result was mainly caused by the decision of the Foundation Trust to suspend distributions to the University to prevent erosion of the capital base of the individual Trust funds, due to lower investment returns caused by continued uncertainty in global equity markets. The net return on investments for the year, including unrealised gains and losses, was 7.3%, compared with the return of 9.3% in 2009. The average net return on Trust investments over the last 10 years has been 7.7%.

The companies owned by University of Otago Holdings Limited produced a deficit of \$41k for the year. This was \$669k better than budget which was largely due to an improved result from Otago Innovation Limited, the University's commercialisation company.

Total cash flow for the Group was an inflow of \$679k, which was significantly better than the budgeted outflow of \$6.8 million. The improved result was due to strong net cash inflows from operating, partially offset by greater than budgeted cash outflows from investing activities. This is a good outcome given that the University's capital expenditure remains close to record high levels, due to the five-year plan to deal with critical space issues and upgrade space.

The Group's equity is now \$1.4 billion, which is 89.5% of the total assets of \$1.6 billion. This shows the current low level of debt and demonstrates that the Group is in a strong financial position. During the year the University revalued land and buildings which increased equity by \$41.420 million.

Conclusion

The operating result for the year was satisfying, with both the University and the Group exceeding the minimum financial performance guidelines provided by the Tertiary Education Commission.

The Group's operating cash flow was strong and total cash flow was positive for the year. The University's financial position at year-end was solid, with a satisfactory level of cash on hand and no borrowings.

Work in progress from the Critical Space Plan and the commencement of the first of the key projects from the recently-completed Campus Master Plan will result in a continuation of the high levels of capital investment seen over the last four years. This will place heavy demands on the University's cash reserves in the immediate future so it will be essential to keep the operating surplus at close to the targeted levels. This will be a challenge in an environment of constrained public expenditure as the Government deals with the economic implications of the Christchurch earthquake disaster.

John Patrick

CHIEF OPERATING OFFICER

Statement of Responsibility

2010 FINANCIAL STATEMENTS

The Council and management of the University of Otago accept responsibility for the preparation of the annual financial statements and the Statement of Service Performance and the judgements used in them;

The Council and management of the University of Otago accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting; and

In the opinion of the Council and management of the University of Otago, the annual financial statements and the Statement of Service Performance for the financial year ended 31 December 2010 fairly reflect the financial position and operations of the University of Otago.

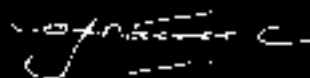
Chancellor



Vice-Chancellor



Chief Operating Officer



29 April, 2011

THE REPORTING ENTITY

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

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

The Group Associate and Subsidiary companies are:

- ~ University of Otago Holdings Limited. Holding company. 100% owned by the University.
- ~ Otago Innovation Limited. Company to hold and develop the commercial interests of the University. 100% owned by University of Otago Holdings Limited.
- ~ University of Otago Foundation Studies Limited. Operates the Foundation Year programme and an English language school. 100% owned by University of Otago Holdings Limited.
- ~ New Zealand Genomics Limited. 100% owned by University of Otago Holdings Limited – was set up in collaboration with the University of Auckland, Massey University and AgResearch with the objective of creating a national infrastructure for making advanced genomics technologies accessible and affordable for New Zealand scientists, while also being accessible to commercial organisations. 2010 is the first year of operation.
- ~ University Union Limited. Owner of the University Union building. 50% owned by University of Otago Holdings Limited.
- ~ New Zealand Centre for Reproductive Medicine Limited. No longer trading – business assets sold. 50% owned by University of Otago Holdings Limited.
- ~ Unihealth Limited. Not trading. 50% owned by University of Otago Holdings Limited.
- ~ LCo New Zealand Limited. Owns and operates a software system for libraries serving four universities. 31% owned by University of Otago Holdings Limited.
- ~ Unipol Recreation Limited. Provides gymnasium and recreational services to University of Otago and Otago Polytechnic students and staff. 40% owned by University of Otago Holdings Limited.
- ~ BPAC NZ Limited. This company works with the Division of Health Sciences to provide best practice advocacy services to primary, secondary and tertiary health providers in the area of medication prescribing. 20% owned by University of Otago Holdings Limited.
- ~ Upstart Incubation Trustee Company Limited. 33% owned by University of Otago Holdings Limited. Non operational – has no assets or liabilities.
- ~ Immune Solutions Limited. This company is working with the Department of Microbiology to develop oral vaccines for the treatment of tuberculosis in animals, particularly possums. 100% owned by Otago Innovation Limited.
- ~ Delta S Technology Limited. Developer of heat pump technology for industrial uses. 44.7% owned by Otago Innovation Limited.
- ~ Photonic Innovations Limited. Developer of revolutionary laser technology. 50% owned by Otago Innovation Limited.
- ~ Comone Limited (not trading). 40% owned by Otago Innovation Limited.

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

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

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

The Financial Statements of the University and Group are for the year ended 31 December 2010. The Financial Statements were authorised for issue by Council on 29 April 2011.

The University is organised into divisions.

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

BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

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

The Financial Statements include:

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

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

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

ACCOUNTING POLICIES

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

1. REVENUES

Government Grants and Student Fees

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

Research Funds

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

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

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

Other

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

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

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

2. BUDGETS

The budgets reported in these Financial Statements are those approved by University Council on 8 December 2009.

3. FOREIGN CURRENCIES

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

4. TRADE AND OTHER RECEIVABLES

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

5. PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. INTANGIBLE ASSETS

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

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

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

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

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

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

Computer software	3 to 25 years	4% to 33.3%.
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7. INVENTORY

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

8. GOODS AND SERVICES TAX (GST)

The Financial Statements are prepared on a basis which excludes GST. Accounts receivable and accounts payable are GST inclusive. GST owing to the Inland Revenue Department as at 31 December 2010 is included in accounts payable.

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

Commitments and contingencies are disclosed exclusive of GST.

9. EMPLOYEE ENTITLEMENTS

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

- ~ Long-service leave which has vested to the employee (an entitlement has been established) has been measured at nominal value using remuneration rates current at reporting date. This is included as a Current Liability.
- ~ Retirement gratuities which have vested to the employee (an entitlement has been established) have been measured at nominal value using remuneration rates current at the time of entitlement. This is included as a Current Liability.
- ~ Retirement gratuities and long-service leave which have not yet vested in the employee (no entitlement has been established) have been measured using the present value measurement basis which discounts expected future cash outflows. This is treated as a Non-Current Liability.
- ~ Sick leave has been measured using the present value measurement basis which discounts expected future cash outflows. This is treated as a Non-Current Liability.
- ~ Employee entitlements relating to the sale of intellectual property have been valued using the value of the intellectual property at balance date as the basis for the entitlement.

10. FINANCE LEASES

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

11. OPERATING LEASES

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

12. OTHER FINANCIAL ASSETS

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

Financial Assets at Fair Value through the Statement of Financial Performance

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

Loans and Receivables

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

Held to Maturity Investments

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

Available for Sale Assets

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

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

13. ACCOUNTING FOR DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

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

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

14. STATEMENT OF CASH FLOWS

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

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

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

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

15. TAXATION

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

16. ACC PARTNERSHIP PROGRAMME

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

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

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

17. SUPERANNUATION SCHEMES

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

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

Further information on this scheme is disclosed in Note 12.

18. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

CHANGES IN ACCOUNTING POLICIES

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

Statement of Financial Performance

for the year ended 31 December 2010

		Consolidated			University		
	Note	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
INCOME							
Government Grants	1	207,847	203,339	196,585	206,881	202,426	195,710
Domestic Tuition Fees		90,360	89,446	83,096	89,927	89,000	82,681
International Tuition Fees		42,169	43,057	37,645	37,342	38,152	32,528
Investment Income	2	15,487	13,087	17,267	4,919	2,955	6,685
Externally Funded Research		92,145	83,844	86,426	91,991	83,699	86,219
Performance Based Research Funding		51,611	53,092	50,923	51,611	53,092	50,923
Distributions from Trust Funds					127	5,411	3,421
Consulting and Commercial Income		66,695	63,945	64,877	67,173	64,391	65,384
Sale of Intellectual Property		109	492	230	34	116	205
Trust Donations		3,019	120	3,577			
Other Income		16,941	13,174	16,873	16,401	12,751	15,171
Total Income		586,383	563,596	557,499	566,406	551,993	538,927
EXPENDITURE							
Salaries – Academic		185,242	186,313	178,291	182,123	183,331	175,105
Salaries – General		132,372	132,488	128,407	130,070	130,269	126,360
Staff Related Costs		23,996	17,422	15,898	23,880	17,335	15,803
Consumables and General		98,976	93,001	93,786	97,103	98,242	90,532
Depreciation & Amortisation	3	49,440	48,081	47,897	49,320	47,958	47,775
Occupancy Costs		37,354	39,569	41,280	37,343	31,457	41,280
Scholarships		24,528	24,472	20,842	24,528	24,472	20,836
Total Expenditure	3	551,908	541,346	526,401	544,367	533,064	517,691
Net Surplus for the Year		34,475	22,250	31,098	22,039	18,929	21,236

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

Statement of Comprehensive Income

for the year ended 31 December 2010

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	Note	Consolidated			University		
		This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Net Surplus for the Year		34,475	22,250	31,098	22,039	18,929	21,236
Other Comprehensive Income							
Revaluation of Fixed Assets	8	41,420			41,420		
Total Other Comprehensive Income		41,420			41,420		
Total Comprehensive Income		75,895	22,250	31,098	63,459	18,929	21,236

Statement of Changes in Equity

for the year ended 31 December 2010

	Note	Consolidated			University		
		This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Opening Equity Balance		1,310,885	1,290,789	1,279,787	1,088,028	1,078,800	1,066,792
Total Comprehensive Income for the Year		75,895	22,250	31,098	63,459	18,929	21,236
Crown Equity Injection	14	5,000	5,000		5,000	5,000	
Adjustments		1					
Closing Equity Balance		1,391,781	1,318,039	1,310,885	1,156,487	1,102,729	1,088,028

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

Statement of Financial Position

as at 31 December 2010

		Consolidated			University		
	Note	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
ASSETS							
Current Assets							
Cash and Cash Equivalents	4	26,619	11,860	25,940	13,710	5,000	12,895
Other Financial Assets	5	72,531	38,628	49,042	69,723	43,306	52,726
Trade & Other Receivables and Prepayments	6	24,266	32,445	28,590	22,789	30,749	26,309
Inventory		694	982	793	694	982	793
Total Current Assets		124,110	83,915	104,365	106,916	80,037	92,723
Non-Current Assets							
Investments in Associates	7	4,870	4,761	4,388			
Other Financial Assets	5	124,984	119,963	112,076	16,053	16,318	16,847
Property, Plant & Equipment	8	1,290,024	1,255,151	1,225,058	1,173,299	1,147,984	1,109,909
Intangible Assets – Internally Generated	9	1,870	24	2,208	1,870		2,208
Intangible Assets – Externally Generated	9	9,725		9,223	9,649		9,179
Total Non-Current Assets		1,431,473	1,379,899	1,352,953	1,200,871	1,164,302	1,138,143
TOTAL ASSETS		1,555,583	1,463,814	1,457,318	1,307,787	1,244,339	1,230,866
LIABILITIES							
Current Liabilities							
Trade & Other Payables and Accruals	10	46,206	41,741	40,803	44,654	40,781	40,015
Funds Received in Advance	11	45,787	36,330	40,842	35,621	33,973	38,849
Employee Entitlements	12	36,658	35,805	35,098	36,520	35,628	34,916
Total Current Liabilities		128,651	113,876	116,743	116,795	110,382	113,780
Non-Current Liabilities							
Loans and Leases	13	646	671	632			
Employee Entitlements	12	34,505	31,228	29,058	34,505	31,228	29,058
Total Non-Current Liabilities		35,151	31,899	29,690	34,505	31,228	29,058
EQUITY							
General Reserve	14	793,479	751,009	753,293	558,185	535,699	530,436
Property Revaluation Reserve	14	598,302	567,030	557,592	598,302	567,030	557,592
Total Equity		1,391,781	1,318,039	1,310,885	1,156,487	1,102,729	1,088,028
TOTAL LIABILITIES & EQUITY		1,555,583	1,463,814	1,457,318	1,307,787	1,244,339	1,230,866

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

Statement of Cash Flows

for the year ended 31 December 2010

	Consolidated			University		
Note	This Year \$'000	Budget \$'000	Last Year \$'000	This Year \$'000	Budget \$'000	Last Year \$'000
OPERATING ACTIVITIES						
<i>Cash was provided from:</i>						
Government Grant	258,753	256,635	248,208	257,780	255,722	247,317
Revenue from Fees	132,856	132,637	121,905	127,299	127,287	116,143
Revenue from Services	187,594	159,564	179,184	177,275	162,617	179,887
Investment Income	13,128	9,468	12,890	4,411	2,957	5,415
	592,331	558,304	562,187	566,765	548,583	548,762
<i>Cash was applied to:</i>						
Employees and Suppliers	489,374	483,533	470,130	482,406	475,359	461,977
	489,374	483,533	470,130	482,406	475,359	461,977
Net Cash Flows from Operating Activities	102,957	74,771	92,057	84,359	73,224	86,785
INVESTING ACTIVITIES						
<i>Cash was provided from:</i>						
Investments	8,269	9,464	21,196		9,464	4,000
Investments – Subsidiaries & Associates	63			225		156
Sale of Property, Plant & Equipment			40			
	8,332	9,464	21,236	225	9,464	4,156
<i>Cash was applied to:</i>						
Investments	44,621	9,545	25,605	17,000	2,047	
Investments – Subsidiaries & Associates			182	900		1,942
Property, Plant & Equipment Acquired	71,312	86,392	89,399	71,222	86,335	89,263
	115,933	95,937	115,186	89,122	88,382	91,205
Net Cash Flows from Investing Activities	(107,601)	(86,473)	(93,950)	(88,897)	(78,918)	(87,049)
FINANCING ACTIVITIES						
<i>Cash was provided from:</i>						
Loans raised	353		350	353		350
Equity Injection	5,000	5,000		5,000	5,000	
	5,353	5,000	350	5,353	5,000	350
<i>Cash was applied to:</i>						
Reduce liabilities	30	51	738			710
	30	51	738			710
Net Cash Flows from Financing Activities	5,323	4,949	(388)	5,353	5,000	(360)
Total Cash Flows	679	(6,753)	(2,281)	815	(694)	(624)
Opening Balance	25,940	18,613	28,221	12,895	5,694	13,519
Closing Balance	26,619	11,860	25,940	13,710	5,000	12,895
Represented by:						
Cash and Cash Equivalents	4 26,619	11,860	25,940	13,710	5,000	12,895
Total	26,619	11,860	25,940	13,710	5,000	12,895

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

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

Reconciliation of the Net Surplus

with the Net Cash Flows from Operating Activities

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Net Surplus	34,475	22,250	31,098	22,039	18,929	21,236
<i>Plus (Less) Non Cash Items</i>						
Adjustment to Staff Entitlements	5,447	997	(576)	5,447	997	(576)
Adjustment to Investments	(2,128)	(3,476)	(5,777)	(463)		(2,125)
Dunedin City Tertiary Accommodation Trust	(424)	(408)	(379)			
Increase (Decrease) in Loans from External Trust Funds	43	51	53			
Non Cash Donations	(614)	2,025	636			
Share of Associates Surpluses	(422)	(282)	(124)			
Depreciation and Property, Plant & Equipment Written Off	49,440	48,081	47,897	49,320	47,958	47,775
Gain/(Loss) on Disposal of Property, Plant & Equipment	259	(4)	(498)	259	(4)	(498)
Other Non-Cash Items			(296)			(295)
Total Non-Cash Items	51,601	46,984	40,936	54,563	48,951	44,281
<i>Plus (less) movements in other working capital items:</i>						
Decrease (Increase) in Trade & Other Receivables	3,388	(5,678)	5,495	3,801	(5,834)	5,880
Decrease (Increase) in Prepayments	485	(765)	369	485	(765)	369
Decrease (Increase) in Inventory	99	(23)	11	99	(23)	11
Increase (Decrease) in Trade & Other Payables	6,403	8,223	4,609	4,995	8,488	5,714
Increase (Decrease) in Employee Entitlements	1,560	1,054	2,970	1,604	1,054	2,922
Increase (Decrease) in Funds Received in Advance	4,946	2,726	6,569	(3,227)	2,424	6,372
Total Movements in Other Working Capital Items	16,881	5,537	20,023	7,757	5,344	21,268
Net Cash Flows from Operating Activities	102,957	74,771	92,057	84,359	73,224	86,785

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

Statement of Commitments and Contingencies
as at 31 December 2010

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	University and Consolidated	
	This Year \$'000	Last Year \$'000
COMMITMENTS		
As at 31 December 2010, \$27.465 million of capital works and equipment were committed:		
Capital Works	26,227	16,307
Equipment and Other	1,238	1,942
	27,465	18,249
Non cancellable property operating leases		
Not later than one year	3,111	2,890
Later than one year and not later than two years	2,503	2,542
Later than two years and not later than five years	3,338	4,604
Later than five years	3,408	3,902
Total Commitment	12,360	13,938
Total Commitments	39,825	32,187

	University and Consolidated	
	This Year \$'000	Last Year \$'000
CONTINGENT LIABILITIES		
The University provided a guarantee to the Bank of New Zealand for a bond given by the bank to the Dunedin City Council, over the siting of some temporary buildings.		
	50	50
There were several personal grievance claims by employees against the University.		
	14	35
The University has a contingent liability with respect to the suspensory loans it has received from the Crown.		
These suspensory loans have been recognised as a Crown contribution within equity on receipt. In the event of the University not achieving the required objectives, the loans are repayable to the Crown.		
The balance that is still subject to achieving required objectives for the Leading Thinkers loan is		
		25,000
The balance that is still subject to achieving required objectives for the College of Education merger loan is		
		1,200
There are no Contingent Assets.		

Notes to and Forming Part of the Financial Statements

for the year ended 31 December 2010

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Note 1 GOVERNMENT GRANTS						
Vote Education	205,616	201,667	194,633	204,650	200,754	193,758
Vote Health	2,231	1,672	1,952	2,231	1,672	1,952
Total Government Grants	207,847	203,339	196,585	206,881	202,426	195,710

Vote Education includes funding received from Government by way of the tertiary education institution base investment and the student achievement component (the latter is based on forecast equivalent full-time student (EFTS) numbers and the funding category values of these EFTS). Vote Health is EFTS funding for health education that is clinically based and is funded by the Ministry of Health, through the Clinical Training Agency.

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Note 2 INVESTMENT INCOME						
Interest from Bank Term Deposits	5,115	3,019	4,814	4,456	2,620	3,962
<i>Loans and Receivables</i>						
Interest from Government and Public Stock	1,106	1,026	1,130			
Interest from Corporate Bonds and Notes	3,483	3,253	3,953			
Income from Associate Companies	452	315	314			
Dividends from New Zealand Company Equities	1,872	2,326	1,386		335	303
Dividends from Australian & Global Company Equities	1,034	1,358	551			
Realised Gains/(Losses) on Sale of Equities	239		(379)	63		
Realised Foreign Exchange Gains	240		207			
Unrealised Gains on Revaluations of Investments	1,829	1,790	4,967	400		2,125
Unrealised Foreign Exchange Gains	117		324			295
Total Investment Income	15,487	13,087	17,267	4,919	2,955	6,685

Note 3 **REQUIRED DISCLOSURES**

Statement of Financial Performance

Total Expenditure includes:

Fees to Principal Auditor (Audit NZ)

- Audit fees for Financial Statement audit	272	215	225	193	152	150
- Fees for other services * I	11	15	11	11	15	11

Total Fees to Principal Auditor	283	230	236	204	167	161
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Fees paid to Lay Council Members (see below)	90	108	97	90	108	97
Interest Expense	151	116	107	148	116	130
Bad Debts Written Off	169	90	114	154	90	106
Directors Remuneration	126	72	80			

Depreciation/Amortisation

Depn – Property Plant & Equipment (see Note 8)	47,656	46,143	45,974	47,550	46,032	45,870
Amortisation – Intangible Assets (see Note 9)	1,784	1,938	1,923	1,770	1,926	1,905

Total Depreciation/Amortisation	49,440	48,081	47,897	49,320	47,958	47,775
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Loss on Disposal of Fixed Assets	259	(4)	(498)	259	(4)	(498)
Lease Payments	5,633	5,971	5,593	5,633	5,971	5,593

* I Relates to the audit of the Vice-Chancellor's declaration on the Performance-Based Research Fund External Research Income component.

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

Council Member	This Year	Last Year
	\$	\$
E O K Blaikie	3,520	3,200
P W H Chin	3,520	3,520
D C Cull	640	
E J S Darlow		5,760
E W Ellison		2,560
J D Every-Palmer	1,600	1,600
H R Geoghegan	6,080	
K E Grant	9,920	12,800
L P Isaacs	10,880	9,600
S J McLauchlan	7,600	13,200
D C Matahaere-Atariki	2,880	
V A Nicholson	3,520	
M J M Sidey	4,480	5,120
K M Smith	3,520	4,480
R J Somerville	1,600	
R H Tobin	4,800	5,760
J F Ward	25,350	25,350
S S Wilson		4,480

Total Earned	89,910	97,430
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Note: Council members who are also employees do not receive attendance fees.

The following Directors' fees were earned by members of the Council who are directors of companies in the group:

Council Member	This Year	Last Year
	\$	\$
S J McLauchlan	6,000	6,000
J F Ward	15,000	3,247

Total Earned	21,000	9,247
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Note 4 **CASH AND CASH EQUIVALENTS**

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Cash at bank and in hand	3,604	347	4,156	3,520		4,030
Bank on call deposits	8,765	9,013	16,034	5,190	5,000	8,865
Short term deposits maturing 3 months or less from date of acquisition	14,250	2,500	5,750	5,000		
Total Cash and Cash Equivalents	26,619	11,860	25,940	13,710	5,000	12,895

Note 5 **OTHER FINANCIAL ASSETS**

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Current Portion						
<i>Loans and Receivables</i>						
Loans to Subsidiaries				370	370	370
Loans to Associates	370	370	370			
Other loans	353	356	356	353	356	356
Loan from University to Foundation Trust				25,000	25,000	25,000
Pledged donations	1,170	950	1,620			
<i>Fair value through Statement of Financial Performance</i>						
Short term deposits with maturities of greater than 3 months from date of acquisition	57,025	20,080	37,258	44,000	17,580	27,000
Govt, LA & SOE Stock & Corporate Bonds	13,613	16,872	9,438			
Total Current Portion	72,531	38,628	49,042	69,723	43,306	52,726
Non Current Portion						
<i>Loans and receivables</i>						
Loans to Subsidiaries				2,920	2,835	3,684
Loans to Associates			35			
Other loans	4,363	4,362	4,713	4,363	4,362	4,713
Pledged donations	3,040	1,715	3,190			
<i>Fair value through Statement of Financial Performance</i>						
Govt, LA & SOE Stock & Corporate Bonds	45,430	42,702	49,712			
Shares in listed equities	71,783	70,353	54,000	1,044	580	1,624
Shares in other companies	368	831	426			
<i>Shares in Subsidiary</i>						
Shares in Subsidiary				7,726	8,541	6,826
Total Non Current Portion	124,984	119,963	112,076	16,053	16,318	16,847
Total Other Financial Assets	197,515	158,591	161,118	85,776	59,624	69,573

The maturity profile for other investments is as follows:

	Consolidated			University		
	Weighted avg effective interest rate			Weighted avg effective interest rate		
	This Year \$000		Last Year \$000	This Year \$000		Last Year \$000
Less than 1 Year						
<i>Loans and Receivables</i>						
Loans to Subsidiaries				370	0.00%	370
Loans to Associates	370	0.00%	370			
Other loans	353	0.00%	356	353	0.00%	356
Loan from University to Foundation Trust				25,000	0.00%	25,000
Pledged Donations	1,170	0.00%	1,620			
<i>Fair value through Statement of Financial Performance</i>						
Short term deposits with maturities of greater than 3 months from date of acquisition (average maturity 92 days)	57,025	5.03%	37,258	44,000	4.95%	27,000
Corporate Bonds, LA & SOE Stock	13,613	7.56%	9,438			
Total Current Portion	72,531		49,042	69,723		52,726
1 to 5 years						
<i>Loans and Receivables</i>						
Loans to Associates		0.00%	35			
Other loans	1,415	0.00%	1,387	1,415	0.00%	1,387
Pledged Donations	2,460	0.00%	2,680			
<i>Fair value through Statement of Financial Performance</i>						
Short term deposits						
Corporate Bonds, LA & SOE Stock	29,417	7.77%	42,506			
More than 5 years						
<i>Loans and Receivables</i>						
Loans to Subsidiaries				2,920	0.00%	3,684
Other loans	2,948	0.00%	3,326	2,948	0.00%	3,326
Shares in Subsidiary				7,726	0.00%	6,826
Pledged Donations	580	0.00%	510			
<i>Fair value through Statement of Financial Performance</i>						
Corporate Bonds, LA & SOE Stock	16,013	6.82%	7,206			
Shares in Other Companies – carried at fair value through Statement of Financial Performance	368	0.00%	426		0.00%	
Shares in Listed Companies – carried at fair value through Statement of Financial Performance	71,783	0.00%	54,000	1,044	0.00%	1,624
Total Term Portion	124,984		112,076	16,053		16,847
Total Loans and Receivables	197,515		161,118	85,776		69,573

Investments

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

The Group owns 6,700,000 shares in BLIS Technologies Limited (BLIS). At 31 December 2010 the carrying amount was adjusted from the 31 December 2009 market price of \$0.12 per share to the market price at 31 December 2010 of \$0.095 per share, resulting in a write-down in fair value of \$167,500 (2009: write-up \$448,886).

The Group owns 10,206,777 shares in Pacific Edge Limited. At 31 December 2010, the carrying amount was adjusted from the 31 December 2009 market price of \$0.28 per share to the market price of \$0.18 per share, resulting in a write-down in fair value of \$1,020,678 (2009: write-up of \$1,943,755).

The Group owns 4,641,200 shares in listed company Syft Technologies Limited. At 31 December 2010 the carrying amount was unchanged from the 31 December 2009 market price of \$nil per share, resulting in no adjustment to fair value (2009: write-down \$464,120).

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Note 6 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS						
Trade Receivables	12,904	17,468	14,666	12,285	16,627	14,200
Other Receivables	7,572	11,713	9,357	6,720	10,891	7,545
Prepayments	3,790	3,264	4,567	3,784	3,231	4,564
Total Trade & Other Receivables and Prepayments	24,266	32,445	28,590	22,789	30,749	26,309

	Consolidated		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
TRADE & OTHER RECEIVABLES				
Current	14,629	15,113	13,603	12,933
2 to 3 months	3,376	6,145	3,249	6,094
> 3 months	2,471	2,765	2,153	2,718
Carrying Amount	20,476	24,023	19,005	21,745

Note 7 INVESTMENTS IN ASSOCIATES

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Unipol Recreation Limited						
Investment at Deemed Cost	905	905	905			
Share of Increase (decrease) in the net assets	691	533	389			
Total Investment	1,596	1,438	1,294			
Unihealth Limited						
Investment at Deemed Cost	3	3	3			
Share of Increase (decrease) in the net assets						
Total Investment	3	3	3			
University Union Limited						
Investment at Deemed Cost	1,992	1,992	1,992			
Share of Increase (decrease) in the net assets	329	358	220			
Total Investment	2,321	2,350	2,212			
New Zealand Centre for Reproductive Medicine Limited						
Investment at Deemed Cost	310	310	310			
Share of Increase (decrease) in the net assets	(223)	(226)	(213)			
Total Investment	87	84	97			
LCoNZ Limited						
Investment at Deemed Cost	792	792	792			
Share of Increase (decrease) in the net assets	33	5	(10)			
Total Investment	825	797	782			
BPAC NZ Limited						
Investment at Deemed Cost						
Share of Increase (decrease) in the net assets						
Total Investment						

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Photonic Innovations Limited						
Investment at Deemed Cost	59	200				
Share of Increase (decrease) in the net assets	(21)	(146)				
Total Investment	38	54				
Harmonic Aotearoa Limited						
Investment at Deemed Cost		290				
Share of Increase (decrease) in the net assets		(255)				
Total Investment		35				
Delta S Technologies Limited						
Unlisted ordinary shares		48				
Share of Increase (decrease) in the net assets		(48)				
Total Investment						
Total Investments in Associates	4,870	4,761	4,388			

Note 8

PROPERTY, PLANT AND EQUIPMENT**PARENT****Cost***Balance at 1 January 2009*

Items at cost

Items at valuation

Revaluations

Additions

Disposals

Transfers between categories

Other adjustments

Balance at 31 December 2009*Balance at 1 January 2010*

Items at cost

Items at valuation

Revaluations

Additions

Disposals

Transfers between categories

Transfers intangible assets

Other adjustments

Balance at 31 December 2010

	Land	Buildings	Computers	Furniture	Artworks	Library Books	Hocken Collections	Rare Books	Equipment	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<i>Balance at 1 January 2009</i>										
Items at cost	29,582	132,536	67,610	17,015	9,728	88,497	2,537	9,345	160,231	517,081
Items at valuation	147,753	684,867								832,620
	177,335	817,403	67,610	17,015	9,728	88,497	2,537	9,345	160,231	1,349,701
Revaluations										
Additions	9,851	53,665	5,674	1,531	27	6,250	160	12	13,824	90,994
Disposals	(65)	(1,088)	(6,307)	(4)					(1,008)	(8,472)
Transfers between categories	(308)	(2,813)	(39)	1,450	40	(5)		6	1,669	
Other adjustments	(10)	(553)	102		1	(1)			(147)	(608)
Balance at 31 December 2009	186,803	866,614	67,040	19,992	9,796	94,741	2,697	9,363	174,569	1,431,615
<i>Balance at 1 January 2010</i>										
Items at cost	39,050	181,747	67,040	19,992	9,796	94,741	2,697	9,363	174,569	598,995
Items at valuation	147,753	684,867								832,620
	186,803	866,614	67,040	19,992	9,796	94,741	2,697	9,363	174,569	1,431,615
Revaluations	15,849	(60,540)								(44,691)
Additions	2,089	40,260	9,214	1,595	70	4,580	200	51	13,094	71,153
Disposals	(220)	(954)	(1,477)						(596)	(3,247)
Transfers between categories		(4,437)	101	1,095	47				3,194	
Transfers intangible assets		(507)								(507)
Other adjustments		(390)	(2)						(11)	(403)
Balance at 31 December 2010	204,521	840,046	74,876	22,682	9,913	99,321	2,897	9,414	190,250	1,453,920

**PROPERTY, PLANT AND EQUIPMENT
PARENT (continued)**

	Land	Buildings	Computers	Furniture	Artworks	Library Books	Hocken Collections	Rare Books	Equipment	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Accumulated Depreciation and Impairment Losses										
<i>Balance at 1 January 2009</i>		42,079	55,497	10,161		69,709			105,431	282,877
Depreciation		21,909	5,877	1,310		5,427			11,437	45,960
Disposals		(68)	(6,260)	4					(787)	(7,111)
Transfers between categories			(11)						11	
Other adjustments		1	2	(17)		(1)			(5)	(20)

Balance at 31 December 2009 **63,921** **55,105** **11,458** **75,135** **116,087** **321,706**

<i>Balance at 1 January 2010</i>		63,921	55,105	11,458		75,135			116,087	321,706
Revaluations		(86,111)								(86,111)
Depreciation		22,881	6,080	1,623		4,502			12,464	47,550
Disposals		(692)	(1,426)						(407)	(2,525)
Other adjustments		1	1	1					(2)	1

Balance at 31 December 2010 **59,760** **13,082** **79,637** **128,142** **280,621**

Carrying Amounts

At 1 January 2009	177,335	775,324	12,113	6,854	9,728	18,788	2,537	9,345	54,800	1,066,824
At 31 December 2009 & 1 January 2010	186,803	802,693	11,935	8,534	9,796	19,606	2,697	9,363	58,482	1,109,909
At 31 December 2010	204,521	840,046	15,116	9,600	9,913	19,684	2,897	9,414	62,108	1,173,299

**PROPERTY, PLANT AND EQUIPMENT
CONSOLIDATED**

Cost

Balance at 1 January 2009

Items at cost

Items at valuation

Additions

Disposals

Transfers between categories

Other adjustments

Balance at 31 December 2009

Balance at 1 January 2010

Items at cost

Items at valuation

Revaluations

Additions

Disposals

Transfers between categories

Transfers intangible assets

Other adjustments

Balance at 31 December 2010

	Land	Buildings	Computers	Furniture	Artworks	Library Books	Hocken Collections	Rare Books	Equipment	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<i>Balance at 1 January 2009</i>										
Items at cost	31,637	137,038	68,586	17,460	9,728	88,680	109,068	9,345	160,666	632,208
Items at valuation	147,753	684,867								832,620
	179,390	821,905	68,586	17,460	9,728	88,680	109,068	9,345	160,666	1,464,828
Additions	9,967	53,916	5,737	1,534	27	6,250	1,429	12	13,855	92,727
Disposals	(65)	(1,088)	(6,339)	(25)					(1,008)	(8,525)
Transfers between categories	(308)	(2,813)	(183)	1,450	40	(5)		6	1,813	
Other adjustments	(10)	(553)	102		1	(1)			(141)	(602)
Balance at 31 December 2009	188,974	871,367	67,903	20,419	9,796	94,924	110,497	9,363	175,185	1,548,428
<i>Balance at 1 January 2010</i>										
Items at cost	188,974	871,367	67,903	20,419	9,796	94,924	110,497	9,363	175,185	1,548,428
Items at valuation										
	188,974	871,367	67,903	20,419	9,796	94,924	110,497	9,363	175,185	1,548,428
Revaluations	15,849	(60,540)								(44,691)
Additions	2,219	40,541	9,257	1,597	70	4,580	1,414	51	13,106	72,835
Disposals	(220)	(954)	(1,483)	(4)					(596)	(3,257)
Transfers between categories		(4,437)	101	1,095	47				3,194	
Transfers intangible assets		(507)								(507)
Other adjustments		(390)	(2)						(11)	(403)
Balance at 31 December 2010	206,822	845,080	75,776	23,107	9,913	99,504	111,911	9,414	190,878	1,572,405

**PROPERTY, PLANT AND EQUIPMENT
CONSOLIDATED (continued)**

	Land	Buildings	Computers	Furniture	Artworks	Library Books	Hocken Collections	Rare Books	Equipment	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Accumulated Depreciation & Impairment Losses										
<i>Balance at 1 January 2009</i>		42,142	56,269	10,485		69,892			105,696	284,484
Depreciation		21,911	5,953	1,322		5,427			11,451	46,064
Disposals		(68)	(6,292)	(17)					(787)	(7,164)
Transfers between categories			(91)						91	
Other adjustments		1	2	(17)		(1)			1	(14)

Balance at 31 December 2009		63,986	55,841	11,773		75,318			116,452	323,370
Balance at 1 January 2010		63,986	55,841	11,773		75,318			116,452	323,370
Revaluations		(86,111)								(86,111)
Depreciation		22,883	6,156	1,636		4,502			12,479	47,656
Disposals		(692)	(1,432)	(4)					(407)	(2,535)
Other adjustments		1	1	1					(2)	1

Balance at 31 December 2010		67	60,566	13,406		79,820			128,522	282,381
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Carrying Amounts

At 1 January 2009	179,390	779,763	12,317	6,975	9,728	18,788	109,068	9,345	54,970	1,180,344
At 31 December 2009 & 1 January 2010	188,974	807,381	12,062	8,646	9,796	19,606	110,497	9,363	58,733	1,225,058
At 31 December 2010	206,822	845,013	15,210	9,701	9,913	19,684	111,911	9,414	62,356	1,290,024

Buildings at Cost includes Work in Progress \$34.122 million (2009: \$72.662 million).

INTANGIBLE ASSETS - PARENT

	Externally Generated \$000	Internally Generated \$000	Total \$000
COST			
<i>Balance at 1 January 2009</i>	16,193	3,515	19,708
Additions	1,537		1,537
Disposals	(115)		(115)
Other adjustments	(26)		(26)

Balance at 31 December 2009	17,589	3,515	21,104
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<i>Balance at 1 January 2010</i>	17,589	3,515	21,104
Additions	1,623		1,623
Disposals	(26)		(26)
Transfers Property Plant & Equipment	507		507
Other adjustments	(229)		(229)

Balance at 31 December 2010	19,464	3,515	22,979
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Accumulated Depreciation & Impairment Losses

<i>Balance at 1 January 2009</i>	6,910	981	7,891
Depreciation	1,579	326	1,905
Disposals	(78)		(78)
Other adjustments	(1)		(1)

Balance at 31 December 2009	8,410	1,307	9,717
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<i>Balance at 1 January 2010</i>	8,410	1,307	9,717
Depreciation	1,432	338	1,770
Disposals	(26)		(26)
Other adjustments	(1)		(1)

Balance at 31 December 2010	9,815	1,645	11,460
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Carrying Amounts

At 1 January 2009	9,283	2,534	11,817
At 31 December 2009 & 1 January 2010	9,179	2,208	11,387
At 31 December 2010	9,649	1,870	11,519

INTANGIBLE ASSETS - CONSOLIDATED

79

	Externally Generated \$000	Internally Generated \$000	Total \$000
COST			
<i>Balance at 1 January 2009</i>	16,329	3,515	19,844
Additions	1,588		1,588
Disposals	(120)		(120)
Other adjustments	(26)		(26)
Balance at 31 December 2009	17,771	3,515	21,286
<i>Balance at 1 January 2010</i>	17,771	3,515	21,286
Additions	1,669		1,669
Disposals	(52)		(52)
Transfers Property Plant & Equipment	507		507
Other adjustments	(229)		(229)
Balance at 31 December 2010	19,666	3,515	23,181
Accumulated Depreciation & Impairment Losses			
<i>Balance at 1 January 2009</i>	7,035	981	8,016
Depreciation	1,597	326	1,923
Disposals	(83)		(83)
Other adjustments	(1)		(1)
Balance at 31 December 2009	8,548	1,307	9,855
<i>Balance at 1 January 2010</i>	8,548	1,307	9,855
Depreciation	1,446	338	1,784
Disposals	(52)		(52)
Other adjustments	(1)		(1)
Balance at 31 December 2010	9,941	1,645	11,586
Carrying Amounts			
At 1 January 2009	9,294	2,534	11,828
At 31 December 2009 & 1 January 2010	9,223	2,208	11,431
At 31 December 2010	9,725	1,870	11,595

Note 10

TRADE & OTHER PAYABLES AND ACCRUALS

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Trade Payables	16,820	12,105	13,132	16,657	11,537	12,975
Other Payables	17,163	19,947	18,409	16,615	19,563	18,011
Accruals	12,223	9,689	9,262	11,382	9,681	9,029

Total Trade & Other Payables and Accruals	46,206	41,741	40,803	44,654	40,781	40,015
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Consolidated**University**

	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
TRADE AND OTHER PAYABLES				
Current	29,364	25,544	28,653	24,989
2 to 3 months	4,465	5,753	4,465	5,753
> 3 months	154	244	154	244

Carrying Amount	33,983	31,541	33,272	30,986
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Consolidated**University**

	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
FUNDS RECEIVED IN ADVANCE						
Research Funding	27,491	26,966	29,289	27,491	26,966	29,289
Student Fees	7,968	7,074	7,553	5,929	4,793	5,560
Other	10,328	2,290	4,000	2,201	2,214	4,000

Total Funds Received in Advance	45,787	36,330	40,842	35,621	33,973	38,849
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Note 11

Note 12 **EMPLOYEE ENTITLEMENTS**

Current Portion of Employee Entitlements:

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Annual Leave	26,535	26,073	25,208	26,397	25,896	25,026
Long-Service Leave	543	973	754	543	973	754
Retirement Gratuities	8,860	8,350	8,016	8,860	8,350	8,016
Staff Intellectual Property Entitlements	720	409	1,120	720	409	1,120

Total Current Portion	36,658	35,805	35,098	36,520	35,628	34,916
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Non-Current Portion of the Employee Entitlements:

Long-Service Leave	907	1,258	902	907	1,258	902
Retirement Gratuities	32,252	28,937	27,000	32,252	28,937	27,000
Sick Leave	1,346	1,033	1,156	1,346	1,033	1,156

Total Non Current Portion	34,505	31,228	29,058	34,505	31,228	29,058
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Calculation of Sick Leave, Long-Service Leave and Retirement Gratuities

An actuarial assessment of the accrued sick leave, long-service leave and retirement gratuities of the University of Otago in respect of current employees was carried out as at 31 December 2010. A range of discount rates from 3.59% to 6.10% (2009: 4.05% to 6.94%) and a salary growth rate of 2.75% (2009: 2.75%) have been applied in the calculation of the non-current sick leave, long-service leave and retirement gratuity entitlements. Discount rates are those assessed as the interest rates (before tax) attaching to Government Stock with terms to maturity that match, as closely as possible, the terms of the related liabilities. The salary growth rate is based on the projected long-term annual rate of inflation.

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

	Consolidated		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Employer Contributions to Multi-Employer Defined Benefit Plans	3,666	2,581	3,666	2,581

Consolidated**University**

This Year	Budget	Last Year	This Year	Budget	Last Year
\$000	\$000	\$000	\$000	\$000	\$000

Note 13 **LOANS AND LEASES**

Non-Current Loans & Leases	646	671	632
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Total Loans and Leases	646	671	632
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Non-Current Loans represent funds held on behalf of two external trusts where the University of Otago is not the sole beneficiary. The funds from these trusts have been invested in the University of Otago Foundation Trust and investment income is allocated to these funds monthly.

Consolidated**University**

This Year	Budget	Last Year	This Year	Budget	Last Year
\$000	\$000	\$000	\$000	\$000	\$000

Non-Current

Maturity Analysis

1 to 5 Years

>5 Years	646	671	632
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Total Loans	646	671	632
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The weighted average effective interest rate of all loans is 0%.

The carrying amount (fair value) of the above loans has been estimated to be the face value of the loans.

Note 14 EQUITY

	Consolidated		University	
	This Year \$'000	Last Year \$'000	This Year \$'000	Last Year \$'000
General Reserve				
<i>As at 1 January</i>	753,293	722,195	530,436	509,200
Surplus for Year	34,475	31,098	22,039	21,236
Crown Equity Injection	5,000		5,000	
Revaluation Movement in Asset Disposal	710		710	
Adjustment	1			
As at 31 December	793,479	753,293	558,185	530,436
Property Revaluation Reserve				
<i>As at 1 January</i>	557,592	557,592	557,592	557,592
Revaluation Fixed Assets	41,420		41,420	
Revaluation Movement in Asset Disposal	(710)		(710)	
As at 31 December	598,302	557,592	598,302	557,592
Total Equity	1,391,781	1,310,885	1,156,487	1,088,028

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

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

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

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
	Fair Value	Fair Value	Fair Value	Fair Value
Forward foreign exchange contracts	9,499	8,831	9,499	8,831

Foreign Exchange Risk

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

At 31 December 2010, the University held the following amounts of foreign currency within its current and call deposit accounts:

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Currency				
Expressed in original currency value				
US Dollars	1,939	5,694	1,849	2,790
Australian Dollars	614	68	38	14
Euro	395	2	395	2
Great Britain Pounds	236	179	236	179
Swiss Franc	3		3	

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

Sensitivity Analysis

At 31 December 2010, if the NZD had weakened / strengthened by 5% against the US dollar, Australian dollar, Euro, GB pounds or Swiss Franc, with all other variables held constant, the surplus / deficit for the year would have been \$301,223 / \$349,501 (2009: \$556,364 / \$643,191) higher / lower. This movement is attributable to the foreign exchange gains on translation of foreign denominated bank accounts held in the group.

At 31 December 2010, if the NZD had weakened / strengthened by 5% against the Australian dollar, or US Dollar with all other variables held constant, the surplus / deficit for the year would have been \$2,128,695 / \$2,427,909 (2009: \$1,200,713 / \$1,359,060) higher / lower. This movement is attributable to the foreign exchange gains on translation of foreign equities held in the Group.

Credit Risk

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

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

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

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

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

Interest Rate Risk

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

Sensitivity Analysis

At 31 December 2010, if interest rates on investments had weakened / strengthened by plus or minus 0.5%, the surplus for the year would have been \$507,800 / \$507,800 (2009: \$900,441) higher / lower. This movement is attributable to interest earning deposits held.

Price Risk

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

Sensitivity Analysis

If the NZX50 and the ASX100 index and the global index at 31 December 2010 had fluctuated by plus or minus 5% and equity instruments moved proportionately, the effect would have been to increase/decrease the fair value by \$3,651,591 / \$3,532,626 (2009: \$3,055,132 / \$2,395,135).

Liquidity Risk

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

Management of Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Flexibility in funding is maintained by keeping committed credit lines available. The University and the Group have a maximum amount that can be drawn down against its overdraft facility of \$30 million (2009: \$30 million). There are no restrictions on the use of this facility.

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

Note 16 RARE BOOKS AND SPECIAL LIBRARY COLLECTIONS

The University holds a number of gifted collections of books, manuscripts, and artworks within the Central, Medical and Dental Libraries. The collections were valued at 31 December 1994, based on net current value, by expert University staff following the generally accepted methodology employed by the Alexander Turnbull Library. The total valuation of the Rare Books and Special Collections is \$9.414 million (2009: \$9.363 million). Additions at cost in 2010 were \$51k (2009: \$18k) (see Note 8).

Consolidated

University

This Year
\$000Last Year
\$000This Year
\$000Last Year
\$000Note 17 **HOCKEN COLLECTIONS**

Opening Balance	110,497	109,068	2,697	2,537
Donated Hocken Additions	1,414	1,429	200	160

Total	111,911	110,497	2,897	2,697
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being:

Assets held in Trust	109,014	107,800		
Assets owned by the University	2,897	2,697	2,897	2,697

Total	111,911	110,497	2,897	2,697
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The University holds in Trust a national archival collection of books and artworks known as the Hocken Collections. Items included in the collections are acquired by gift, bequest and purchase. Items are also accepted on deposit where ownership is retained by the depositor:

The University has included the valuation of the owned and deposited items in the total above as it believes that the Hocken Library is in-substance the owner of all items in the collection. The total collections include deposited items valued at \$24.266 million (2009: \$23.942 million).

Crown / Government

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

Inter-Group

- a. During the year term loans to UOHL from the University of Otago decreased by \$0.719 million (2009: increase of \$1.080 million). It has been agreed that the movement in these loans are to match the movement in the value of OIL's shareholdings in BLIS and PEBL (which were revalued down by \$0.459 and sales in shares held). The purpose of the term loans is to fund UOHL's ownership of various investments. Term loan balances at year end for UOHL were \$2.920 million (2009: \$3.639 million).
- b. During the year the current loan to UOHL from the University of Otago did not change. This loan has been used to fund a shareholder advance to Unipol Recreation Limited. This loan balance at year end was \$370k (2009: \$370k).
- c. During the year, the University of Otago provided additional equity funding for UOHL of \$900k (2009: \$Nil).
- d. UOHL paid the University of Otago \$26k for accounting and secretarial services (2009: \$25k).
- e. UOHL has a current account with the University of Otago. Since 1 January 2008 this account has been interest-bearing, with interest charged to the University at the average rate achieved by the University on its bank call and term deposits. Interest received on this current account amounted to \$3k (2009: \$23k). The balance at year end was \$28k (2009: \$36k).

University of Otago Foundation Studies Limited (FSL)

- a. FSL enters into transactions with the University of Otago, which are made on normal commercial terms and conditions. During the year FSL purchased goods and services from the University to the value of \$1.055 million (2009: \$1.123 million), including building rentals. At year end the amount owing to the University was \$389k (2009: \$91k).
- b. FSL provided goods and services to the University of Otago to the value of \$1.201 million (2009: \$1.045 million). This included payments of Vote Education funding of \$966k (2009: \$875k) and commissions associated with student recruitment of \$216k (2009: \$149k). At year end the amount owing by the University was \$4k (2009: \$3k).

Otago Innovation Limited (OIL)

- a. OIL enters into transactions with the University of Otago, which are made on normal commercial terms and conditions. During the year OIL purchased goods and services from the University to the value of \$135k (2009: \$223k). At year end the amount owing to the University was \$14k (2009: \$13k).
- b. During the year Otago Innovation Limited supplied services to the University to the value of \$484k (2009: \$Nil). At year end the amount owing by the University was \$46k (2009: \$Nil).
- c. During the year the loan to OIL from the University decreased by \$45k (2009: \$232k). This loan was used to finance 50% of OIL's investment in Syft Technologies Limited. It has been agreed that the movement in the loan should match the relative movement in the value of OIL's shareholdings in SYFT. The loan balance at year end for OIL was \$Nil (2009: \$45k).
- d. Immune Solutions Limited enters into transactions with the University of Otago, which are made on normal commercial terms and conditions. During the year Immune Solutions Limited purchased goods and services from the University to the value of \$25k (2009: \$30k). At year end the amount owing to the University was \$3k (2009: \$2k).

New Zealand Genomics Limited (NZGL)

- a. NZGL enters into transactions with the University of Otago, which are made on normal commercial terms and conditions. During the year NZGL purchased goods and services from the University to the value of \$118k (2009: \$Nil), including building rental. At year end the amount owing to the University was \$58k (2009: \$Nil).

Unipol Recreation Limited (URL)

- a. The University of Otago manages the Unipol recreation facility under terms specified in a Management Agreement between itself and URL. The current agreement is for a period of five years commencing 1 January 2009. As part of the agreement any operating surplus generated by the operation of the Recreation Centre shall be paid to URL at year end. Correspondingly, if at the end of the financial year it is determined that the Recreation Centre has generated an operating deficit, that deficit shall be paid by URL to the University of Otago. The surplus transferred for the year was \$820k (2009: \$662k).

- b. The University of Otago carried out secretarial and accounting services for URL and received a fee of \$7k (2009: \$7k) for this work.
- c. The University of Otago leases space in the Unipol building at an annual rental of \$25k (2009: \$36k). The lease is for three years commencing 1 January 2007. The lease allows for two renewals of three years each.
- d. The University of Otago invests URL's cash reserves in trading bank call and term deposits. Interest paid to URL for the year was \$136k (2009: \$106k). The balance held at year end was \$3.452 million (2009: \$2.664 million).
- e. University of Otago Holdings Limited has made a shareholder's advance to URL. At year end the balance was \$370k (2009: \$370k). This advance is interest-free and repayable on demand.

University Union Limited (UUL)

- a. During the year the University entered into transactions with UUL, an associate company of University of Otago Holdings Limited. The transactions were made on commercial terms and conditions. The University paid UUL \$240k for rent (2009: \$362k). UUL paid the University of Otago ground rent of \$99k (2009: \$99k).

University of Otago Trusts

- a. During the year, the University entered into transactions with its Trusts. These were made on commercial terms and conditions. The University received investment management fees of \$487k (2009: \$454k) and received distributions of \$127k (2009: \$3.421 million). The University has a current account with the trusts. The balance at year end was \$252k (2009: \$5k) and a current loan of \$25 million (2009: \$25 million).

Key Management Personnel

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

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

	Consolidated		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Key Management Remuneration:				
Salary and Short Term Benefits	3,541	3,224	2,311	2,181
Superannuation	184	122	174	116
University Council fees	90	97	97	97
Directors' Remuneration	132	80		
Total	3,947	3,523	2,582	2,394

Councillors

Year: 2010

Year: 2009

	Purchased by University during year	Purchased from University during year	Owed by University at Balance Date	Owed to University at Balance Date	Purchased by University during year	Purchased from University during year	Owed by University at Balance Date	Owed to University at Balance Date
	Value of Transactions (GST Inclusive)				Value of Transactions (GST Inclusive)			
Professor J A Bennett								
University of Otago (Council Member)								
Judge E O K Blaikie								
University of Otago (Council Member)								
Mr P W H Chin (term completed Oct 2010)								
Dunedin City Council (Mayor of Dunedin)	2,166,164	109,654	N/a	N/a	2,986,357	212,751	42,158	4,124
University of Otago (Council Member)								
Mr D C Cull (term commenced Oct 2010)								
Dunedin City Council (Mayor of Dunedin)	746,626	34,501	96,795	17,207	N/a	N/a	N/a	N/a
University of Otago (Council Member)								
Dr M J Duxson								
Maori Point Vineyard Ltd (D)	4,915		1,248		1,565			
University of Otago (Council Member)								
Dr J D Every-Palmer								
Russell McVeagh (Partner)		81			251			
University of Otago (Council Member)								
University of Otago Holdings Ltd (D)*	See intergroup note above				See intergroup note above			
Ms H R Geoghegan								
Otago University Students Association (President)	3,166,454	241,883	53,819	10,809	N/a	N/a	N/a	N/a
Planet Media Dunedin Ltd (D)	89,292	21,399	3,450	2,329	N/a	N/a	N/a	N/a
Student Job Search (National Councillor)		1,549		381	N/a	N/a	N/a	N/a
Unipol Recreation Ltd (D)	See intergroup note above				See intergroup note above			
University of Otago (Council Member)								
University Union Limited (D)	See intergroup note above				See intergroup note above			

Councillors

(continued)

Year: 2010**Year: 2009**

	Purchased by University during year	Purchased from University during year	Owed by University at Balance Date	Owed to University at Balance Date	Purchased by University during year	Purchased from University during year	Owed by University at Balance Date	Owed to University at Balance Date
	Value of Transactions (GST Inclusive)				Value of Transactions (GST Inclusive)			
Mrs K E Grant								
Dunedin International Airport Ltd (D)	8,670				6,716			
Gallaway Cook Allan (Associate)	276,265	563	6,275		280,663	1,096		
Otago Polytechnic (Chair of Council)	239,407	2,025,345	58,708	239,611	123,346	1,547,958	3,596	499,499
Sport Otago (Trustee)	5,318					160		
University of Otago (Council Member)								
Miss L P Isaacs								
Aoraki Polytech – Dunedin campus (Advisory Committee for Television & Radio)	731	371				636		
Hills Radio Trust (Trustee)	296		25		371			
University of Otago (Council Member)								
University of Otago Foundation Trust (Trustee)	See intergroup note above				See intergroup note above			
Dr C J Marshall								
Tertiary Education Union Otago (Committee Member)		12,435		5,583				
University of Otago (Council Member)								
Mr S J McLauchlan								
AD Instruments PTY Limited (D)	306,302	174	(3,057)		202,757	754		
Aurora Energy Ltd (D)	28,247	1,874		1,874				
Cargill Hotel 2002 Ltd (C)	52,642		11,628		13,134			
Citibus Ltd (D)	16,015		2,663		13,534		1,519	
Delta Ltd (D)	126,647	8,813	32,369		71,966			
Dunedin International Airport Ltd (D)	8,670				6,716			
Lund South Ltd (D)	302,613				2,760,198			
Otago Community Hospice Trust (C)	4,105				7,710			
Otago Festival of the Arts (Trustee)	12,038							
Otago Southland Employers Assn (Trustee)	6,461	10,268	1,144	1,035	2,700		52	
Scenic Circle Hotels Ltd (D)	6,467				593			
Southern DHB (Crown Monitor)	1,845,884	7,631,837	210,886	1,581,438				
University of Otago Foundation Studies Ltd (D) *	See intergroup note above				See intergroup note above			
University of Otago (Pro-Chancellor)								
University of Otago Rugby Club (Committee)	368	16,552			281	10,093		8,754

Councillors

(continued)

Year: 2010**Year: 2009**

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	Purchased by University during year	Purchased from University during year	Owed by University at Balance Date	Owed to University at Balance Date	Purchased by University during year	Purchased from University during year	Owed by University at Balance Date	Owed to University at Balance Date
	Value of Transactions (GST Inclusive)				Value of Transactions (GST Inclusive)			
Ms D C Matahaere-Atariki								
Brockville Primary School Dunedin (Trustee)		1,496			N/a	N/a	N/a	N/a
NZ Council of Legal Education (Council Member)	1,208	680	1,208		N/a	N/a	N/a	N/a
University of Otago (Council Member)								
Ms M A Morgan								
University of Otago (Council Member)								
Ms V Nicholson								
Dunedin Community Law Centre (Management Committee Member; Education)	338	1,496			N/a	N/a	N/a	N/a
University of Otago (Council Member)								
Mr M J M Sidey								
Forsyth Barr Ltd (Vice-Chairman) (S)	26,563	225	1,472		29,289	200		
NZ Academy of Sport-South Island (D)	3,288	94,938	1,104	(18)	5,040	121,056		
St Andrew's College Foundation (Trustee)	2,682	1,965						
University of Otago (Council Member)								
University of Otago Holdings Ltd (D)*		See intergroup note above			See intergroup note above			
Professor D C G Skegg								
New Zealand Food Safety Academy (Member)		28,644		232		52,053		2,365
University of Otago (Vice-Chancellor)								
University of Otago Foundation Trust (Trustee)		See intergroup note above			See intergroup note above			
University of Otago Holdings Ltd (D)*		See intergroup note above			See intergroup note above			
Ms K M Smith								
NZ Academy of Sport – South Island (CEO)	3,288	94,938	1,104	(18)	5,040	121,056		
University of Otago (Council Member)								
Dr R J Somerville (term commenced July 2010)								
Knox College and Salmond College Council Inc. (C)	74,275	6,532		3,157	N/a	N/a	N/a	N/a
Otago Foundation Trust Board (Trustee)	313,970	140,625	212		N/a	N/a	N/a	N/a
University of Otago (Council Member)								

Councillors

(continued)

Year: 2010**Year: 2009**

	Purchased by University during year	Purchased from University during year	Owed by University at Balance Date	Owed to University at Balance Date	Purchased by University during year	Purchased from University during year	Owed by University at Balance Date	Owed to University at Balance Date
	Value of Transactions (GST Inclusive)				Value of Transactions (GST Inclusive)			
Mr R H Tobin								
Logan Park High School (Deputy Principal)	7,676	5,245		1,137	6,520	6,174		1,392
University of Otago (Council Member)								
Mr J F Ward								
H & J Smith Holdings Ltd (C)	49							
Otago Innovation Limited (D)		See intergroup note above			See intergroup note above			
Simner Investments Limited (C) (S)	18,925							
University of Otago (Chancellor)								
University of Otago Foundation Trust (C)		See intergroup note above			See intergroup note above			
University of Otago Holdings Ltd (C)*		See intergroup note above			See intergroup note above			

C = Chairman; D = Director; S = Shareholder

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

Note 19 PLEDGED DONATIONS

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

Total pledged donations outstanding are \$4.210 million (2009: \$4.810 million). The Net Present Value of these pledges at an interest rate of 5% (2009: 5%) is \$3.722 million (2009: \$4.320 million).

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Analysis of Pledged Donations:						
Less than 1 Year	1,170	950	1,620			
More than 1 Year but Less than 5 Years	2,460	1,715	2,680			
Greater than 5 Years	580		510			
Total Pledged Donations	4,210	2,665	4,810			

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

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

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

Note 21 STANDARDS OR INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

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

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

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

Note 22 EVENTS AFTER THE BALANCE SHEET DATE

The University sustained damage to a major building on its Christchurch campus as a result of the 22 February 2011 Canterbury earthquake. The University has yet to complete a full assessment of the damage and its implications on the University's Financial Statements for the year ending 31 December 2011.

Apart from this event, there were no other significant events after balance date.

Independent Auditor's Report

TO THE READERS OF THE UNIVERSITY OF OTAGO AND GROUP'S FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2010

The Auditor-General is the auditor of University of Otago (the University) and group. The Auditor-General has appointed me, Julian Tan, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the University and group on her behalf.

We have audited:

- the financial statements of the University and group on pages 53 to 93, that comprise the statement of financial position as at 31 December 2010, the statement of financial performance, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the University and group on pages 38 to 43.

OPINION

In our opinion:

- the financial statements of the University and group on pages 53 to 93:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the University and group's:
 - financial position as at 31 December 2010; and
 - financial performance and cash flows for the year ended on that date;
- the statement of service performance of the University and group on pages 38 to 43:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the University and group's service performance achievements measured against the performance targets adopted for the year ended 31 December 2010.

Our audit was completed on 29 April 2011. This is the date at which our opinion is expressed.

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

BASIS OF OPINION

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

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

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the University and group's preparation of the financial statements and statement of service performance that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the University and group's internal control.

An audit also involves evaluating:

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

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

RESPONSIBILITIES OF THE COUNCIL

The Council is responsible for preparing financial statements and a statement of service performance that:

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

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

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

RESPONSIBILITIES OF THE AUDITOR

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

INDEPENDENCE

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

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

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

Julian Tan

Audit New Zealand

On behalf of the Auditor-General

Dunedin, New Zealand



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

This audit report relates to the financial statements and statement of service performance of University of Otago (the University) and group for the year ended 31 December 2010 included on the University's website. The University's Council is responsible for the maintenance and integrity of the website. We have not been engaged to report on the integrity of the University's website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and performance information named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance as well as the related audit report dated 29 April 2011 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

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

Summary Facts and Figures

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

STUDENT ENROLMENTS

	2010	2009	2008	2007	2006
Equivalent Full-time Students (EFTS)					
Commerce	3,526	3,586	3,471	3,406	3,568
Health Sciences	5,620	5,310	5,150	5,122	4,690
Humanities	5,971	5,646	5,449	5,481	4,918
Sciences	4,490	4,318	4,094	4,085	4,241
Other University*	55	43	31	64	32

Subtotal	19,661	18,903	18,195	18,158	17,449
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Other Group EFTS**	257	269	134	129	131
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Total	19,918	19,172	18,330	18,287	17,580
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* Other University EFTS comprise continuing education EFTS not allocated to departments within the four academic divisions.

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

** Prior to 2009 the Foundation Studies programme figure was for domestic EFTS only. In 2010 international Foundation Studies EFTS of 143 were included.

EFTS by Funding Type (University Only)

Domestic	18,130	17,477	16,306	16,108	15,247
International	1,531	1,426	1,889	2,050	2,202

Total	19,661	18,903	18,195	18,158	17,449
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Enrolment By Qualification Type

Doctoral	1,324	1,270	1,158	1,074	935
Masters	1,185	1,119	1,056	1,048	1,052
Bachelors Honours	777	774	723	750	736
Bachelors Ordinary	14,076	13,774	13,347	13,136	12,868
Postgraduate Diplomas and Certificates	1,657	1,614	1,566	1,435	1,507
Graduate Diplomas and Certificates	440	358	317	494	204
Undergraduate Diplomas and Certificates	106	126	133	265	216
Intermediates	1,027	953	981	1,084	965
Miscellaneous	1,283	1,240	1,334	1,246	1,235
Sub-degree	264	279	137	133	135

Total	22,139	21,507	20,752	20,665	19,853
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	2010	2009	2008	2007	2006
Full-time & Part-time Students					
Full-time	16,077	15,394	14,574	14,481	13,936
Part-time	6,062	6,113	6,178	6,184	5,917
Total	22,139	21,507	20,752	20,665	19,853
Female & Male Students					
Female	12,623	12,197	11,810	11,886	11,154
Male	9,516	9,310	8,942	8,779	8,699
Total	22,139	21,507	20,752	20,665	19,853
First Year & Returning Students					
First Year	4,458	4,453	4,167	4,371	3,812
Returning	17,681	17,054	16,585	16,294	16,041
Total	22,139	21,507	20,752	20,665	19,853
Ethnicity of Students					
European/Pakeha	75.6%	75.7%	76.8%	73.6%	73.4%
Māori	7.6%	7.5%	7.3%	7.4%	6.9%
Asian	17.2%	16.9%	16.0%	16.8%	17.7%
Pacific Islanders	3.1%	3.0%	2.8%	2.8%	2.8%
Middle Eastern/Latin American/African	3.1%	2.8%	2.2%	n/a	n/a
Other / Unknown	2.5%	2.5%	2.2%	7.0%	6.7%
Students who reported more than one ethnic group are counted once in each group reported. This means that the total number of responses for all ethnic groups can be greater than the total number of students who stated their ethnicities. Therefore, totals may be greater than 100%.					
Home Area of Students					
Dunedin	5,486	5,380	5,214	5,218	4,915
Otago/Southland	2,216	2,162	2,123	2,195	1,910
Remainder of South Island	3,567	3,380	3,322	3,295	3,101
North Island	7,891	7,667	7,480	7,293	7,146
Overseas (including NZ Citizens Overseas)	2,791	2,674	2,446	2,658	2,768
Unknown	188	244	167	6	13
Total	22,139	21,507	20,752	20,665	19,853

Note: The majority of NZ Citizens Overseas included (107 in 2010) listed their home area as Australia. Conversely, 210 of the 297 Australian Citizens who enrolled in 2010 were normally resident in New Zealand prior to commencing University study, and so listed a New Zealand home area.

	2010	2009	2008	2007	2006
International Students					
Undergraduate	1,873	1,829	1,764	2,019	2,272
Postgraduate	776	643	588	527	387
Total	2,649	2,472	2,352	2,546	2,660
International Students by Home Country					
USA	578	524	487	549	561
Malaysia	473	383	303	279	239
China	232	237	301	436	625
Germany	127	138	161	161	174
Canada	99	112	94	79	73
Saudi Arabia	90	63	62	60	59
India	74	69	53	42	29
Korea (South)	70	86	96	89	82
England	69	44	46	48	46
Brunei	63	60	59	46	43
Japan	60	82	84	97	85
Hong Kong	58	57	50	65	72
France	45	49	47	46	49
Thailand	37	36	35	39	43
Singapore	33	35	39	54	53
Oman	28	25	19	17	11
Vietnam	25	22	21	23	19
Taiwan	22	26	26	30	34
Iran	20	12	9	9	7
Brazil	19	8	7	11	6
Netherlands	19	18	17	9	11
Fiji	19	24	28	28	27
Bahrain	18	17	3	11	12
Norway	17	15	12	21	24
Mexico	16	5	4	13	15
Other	338	325	289	284	261
Total	2,649	2,472	2,352	2,546	2,660

Note: Australian, Tokeluan and Cook Islands' students – whether resident in their home country or New Zealand prior to commencing study – are not counted as international students, and so are not included in the above figures.

	2010	2009	2008	2007	2006
Students' Accommodation Status					
Own home (including renting)	3,302	3,128	3,185	3,231	2,950
At parents' home	1,459	1,385	1,422	1,409	1,282
Residential College	3,265	3,240	3,201	3,012	3,022
Private board	307	326	283	330	287
Sharing (flatting)	12,120	11,741	11,430	11,456	11,067
Other	576	546	553	558	499
Unknown	1,110	1,141	678	669	743
Total	22,139	21,507	20,752	20,665	19,853
Home Area of First Year Students					
Dunedin	901	891	873	920	767
Otago/Southland	577	549	556	695	435
Remainder of South Island	808	758	768	803	644
North Island	1,772	1,780	1,726	1,672	1,647
Overseas (including NZ Citizens Overseas)	355	424	227	281	319
Unknown	45	51	17	0	0
Total	4,458	4,453	4,167	4,371	3,812

Note: The majority of first year NZ Citizens Overseas (18 in 2010) listed their home area as Australia. Conversely, 38 of the 56 first year Australian Citizens who enrolled in 2010 were normally resident in New Zealand prior to commencing University study, and so listed a New Zealand home area.

ACADEMIC ATTAINMENT

	2010	2009	2008	2007	2006
Number of Graduates					
- undergraduate diplomas & certificates	397	312	328	325	249
- undergraduate degrees	3,369	3,411	3,383	3,593	3,481
- postgraduate diplomas & certificates	977	851	806	787	737
- postgraduate degrees	515	480	436	425	417

Total University	5,258	5,054	4,953	5,130	4,884
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- Commerce Graduates	794	724	814	854	928
- Health Sciences Graduates	1,581	1,379	1,325	1,283	1,222
- Humanities Graduates	1,462	1,518	1,457	1,512	1,254
- Sciences Graduates	1,262	1,292	1,204	1,347	1,307
- Interdivisional Graduates	159	141	153	134	173

Total University	5,258	5,054	4,953	5,130	4,884
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Degrees, Diploma and Certificates Completed per 100 EFTS Enrolled

Commerce	22.5	20.2	23.5	25.1	26.0
Health Sciences	28.1	26.0	25.7	25.0	26.1
Humanities	24.5	26.9	26.7	27.6	25.5
Sciences	28.1	29.9	29.4	33.0	30.8

Total	26.7	26.7	27.2	27.6	27.8
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Examination Pass Rates

Commerce	85.7%	85.0%	85.4%	85.9%	85.7%
Health Sciences	90.7%	90.6%	91.3%	90.6%	91.0%
Humanities	89.7%	88.9%	88.9%	89.0%	88.4%
Sciences	87.6%	86.8%	86.3%	86.4%	86.9%
Other (Foundation Studies)	77.5%	77.3%	70.4%	69.4%	77.1%

Total Pass Rate	88.4%	87.7%	88.1%	88.1%	88.0%
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STAFF PROFILE

	2010	2009	2008	2007	2006
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Full-time Equivalent (FTE) Teaching and Research Staff**Female**

Vice-Chancellor/Senior Academic Managers	3	3	2	1	0
Professors	23	21	19	21	20
Readers/Associate Professors	44	31	24	17	13
Senior Lecturers	175	169	168	157	133
Lecturers	102	118	130	114	107
Other Teaching & Teaching/Research staff	140	134	142	148	118
Research-only staff	264	240	228	206	195

Total Females	751	716	713	664	586
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Male

Vice-Chancellor/Senior Academic Managers	5	5	6	7	7
Professors	152	149	137	131	124
Readers/Associate Professors	112	102	99	95	91
Senior Lecturers	201	213	221	222	241
Lecturers	97	109	121	122	122
Other Teaching & Teaching/Research staff	113	121	112	110	74
Research-only staff	169	172	179	164	162

Total Males	848	871	874	851	821
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Total Academic & Research-Only Staff	1,599	1,587	1,588	1,515	1,407
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Full-time Equivalent (FTE) General Staff**Female**

Senior Managers	8	10	12	3	1
General Services, Student and Community staff	1,003	987	986	922	764
Librarians & Library Assistants	99	94	95	105	89
Research Support staff and Technicians	301	283	322	301	335

Total Females	1,411	1,373	1,414	1,331	1,189
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	2010	2009	2008	2007	2006
Male					
Senior Managers	24	23	19	13	12
General Services, Student and Community staff	515	504	500	473	451
Librarians & Library Assistants	15	17	21	24	24
Research Support staff and Technicians	187	179	195	187	167
Total Males	741	723	736	697	654
Total General Staff	2,152	2,096	2,150	2,028	1,843
Total Staff	3,751	3,683	3,737	3,543	3,250

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

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

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

Student-Academic Staff Ratios

Commerce	28.4	27.1	26.1	24.7	24.5
Health Sciences	12.0	11.5	11.7	10.1	10.5
Humanities	18.6	17.0	16.6	16.5	21.5
Sciences	17.7	16.5	15.4	15.3	16.2
Overall	16.8	15.9	15.5	14.6	16.1

RESEARCH ACTIVITIES (revised for previous years)

Research Outputs Produced

Commerce	284	259	284	292	371
Health Sciences	2,172	2,109	1,869	1,607	1,655
Humanities	840	804	740	707	625
Sciences	864	914	792	823	819
Other	8	4	2	3	1

Total Publications	4,168	4,090	3,687	3,432	3,471
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Note: Publications are shown in the year they are reported in the University's Research Outputs Report. Actual date of publication or dissemination may differ.

Figures for the current year are provisional, subject to final vetting. Figures for previous years are updated as appropriate to account for the impact of vetting.

LAND & BUILDINGS

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	2010	2009	2008	2007	2006
Land (hectares)					
Land owned by the University	32.9	30.5	28.6	26.1	22.9
Land in Crown title for the University	11.0	8.5	8.5	8.5	8.5
Endowment Leasehold	22235.2	25585.3	25585.3	25585.3	25585.3

Total Land Controlled by the University	22279.0	25624.3	25622.4	25619.9	25616.7
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Notes: Endowment land is tied up in long-term pastoral lease. Reduction in endowment land in 2010 is due to confirmation of previous changes in land use.

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

Commerce	8,870	9,079	9,021	9,019	9,056
Health Sciences	65,904	66,229	65,902	64,485	61,243
Humanities	20,600	19,773	21,167	21,903	14,094
Science	42,020	39,013	38,046	37,627	37,626
Administration & Other	59,013	58,416	50,494	49,387	42,936
Corporate	3,033	2,923	4,439	4,492	4,446
Information Services	15,793	15,950	16,479	16,320	12,065

Total	215,233	211,383	205,548	203,233	181,466
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Notes: University-owned flats and Residential Colleges total a further 56,190sqm, Unipol and Clubs & Societies 5658 sq m (approx).

LIBRARY

Library Collection

Books (volumes)	1,096,807	1,094,165	1,091,174	975,752	958,607
Serials (volumes)	526,937	525,512	517,738	502,252	494,732
Microfilms	232,546	224,052	229,582	230,947	227,476
Non-book materials	1,221,570	1,218,520	1,215,442	1,196,244	1,190,299

Total	3,077,860	3,062,249	3,053,936	2,905,195	2,871,114
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Print Serials received	6,210	6,813	7,143	6,964	7,234
Electronic Serials received	174,844	111,919	73,359	72,224	70,536

Total	181,054	118,732	80,502	79,188	77,770
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	2010	2009	2008	2007	2006
eBooks received	362,526	348,633	n/a	n/a	n/a
Space					
Seating places available	3,776	3,698	3,681	3,553	3,403

Note: From 2008 Library collection figures include the Bill Robertson Library.

INFORMATION TECHNOLOGY SERVICES

Volume of Computer and Telecommunications Traffic

Off-campus network traffic (Megabytes)	421,690,487	291,222,821	154,474,845	109,357,140	42,432,129
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ITS Training and Support Services

Enquiries received by ITS Helpdesk	45,256	60,502	51,500	47,889	39,870
Seating places in student computer laboratories	749	702	615	713	443

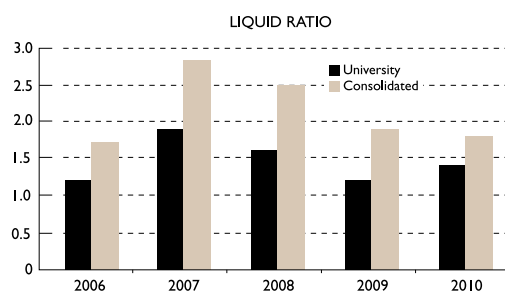
KEY FINANCIAL INDICATORS

Value of Output per EFTS

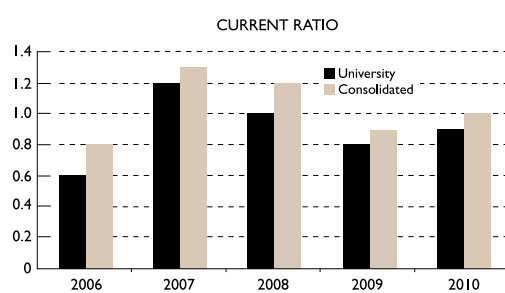
Teaching, Learning & Assessment	\$8,590	\$9,088	\$9,049	\$8,068	\$11,067
Research & Postgraduate Teaching	\$13,420	\$13,134	\$12,772	\$12,119	\$8,103
Community Service	\$1,137	\$1,112	\$969	\$1,284	\$1,354

Financial Indicators

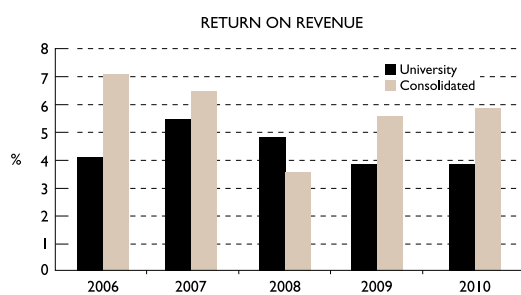
	2010 Consolidated	2009 Consolidated	2008 Consolidated	2007 Consolidated	2006 Consolidated
Current Ratio (Current Assets: Current Liabilities)	1.0	0.9	1.2	1.3	0.8
Liquid Ratio (Current Assets which will result in cashflow: Current Liabilities which will result in cashflow)	1.8	1.9	2.6	2.9	1.7
Level of Debt (Debt to Equity)	2.5%	2.3%	2.3%	1.7%	3.5%
Increase in Net Assets	2.3%	2.4%	2.0%	12.0%	22.3%
Return on Total Assets	2.2%	2.1%	1.3%	2.3%	2.5%
Return on Revenue	5.9%	5.5%	3.6%	6.5%	7.1%



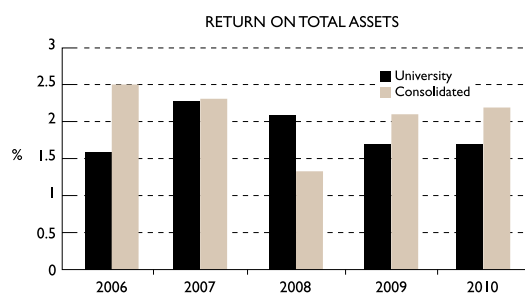
Current assets which will result in cashflow: current liabilities which will result in cashflow



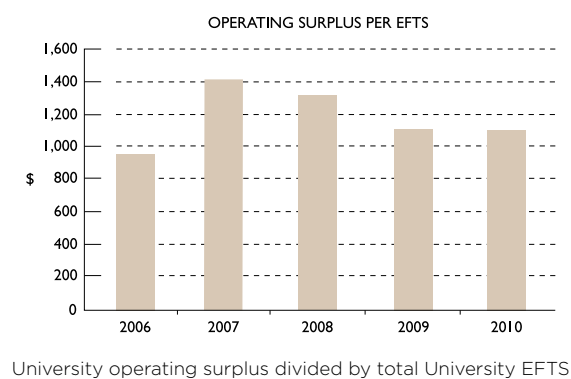
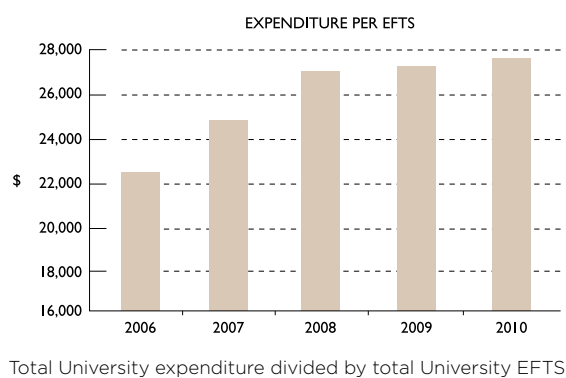
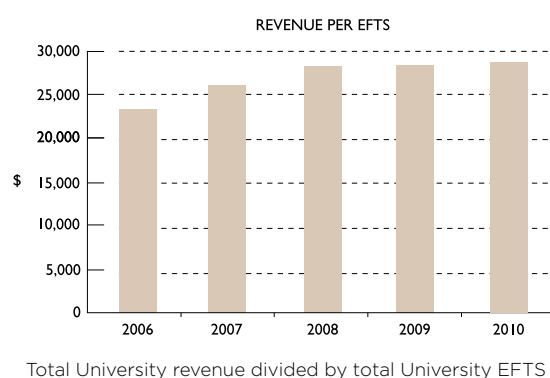
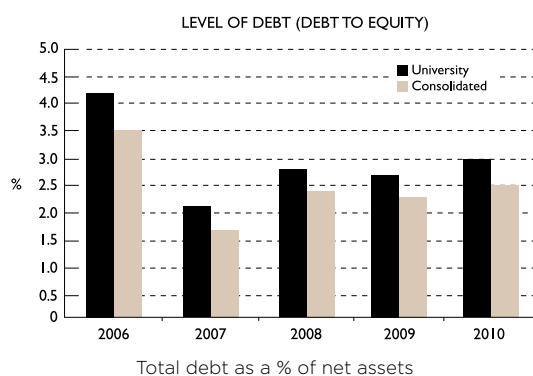
Current assets: current liabilities

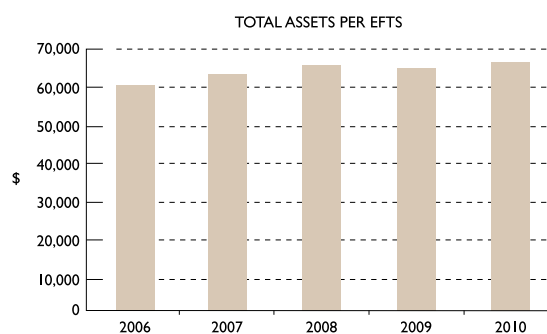


Operating surplus as a % of total income

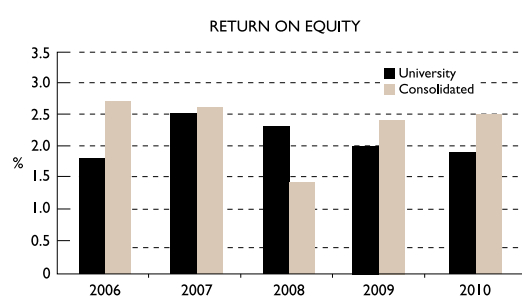


Operating surplus as a % of total assets

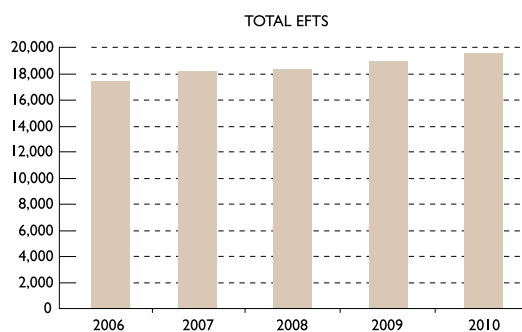




Total University assets divided by total University EFTS



Operating surplus as a % of total equity



Total domestic and international EFTS



UNIVERSITY
of
OTAGO
Te Whare Wānanga o Otāgo
NEW ZEALAND