

UNIVERSITY OF OTAGO

# ANNUAL REPORT 2016



UNIVERSITY  
*of*  
**OTAGO**

*Te Whare Wānanga o Otāgo*  
NEW ZEALAND



UNIVERSITY OF OTAGO

# ANNUAL REPORT 2016



# UNIVERSITY OF OTAGO

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# VISION

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

*He Whare Wānanga aronui ana ki te rangahau, e rongonui ana i ngā tōpito o te ao i āna tutukinga ikeike.*

# MISSION

The University of Otago will create, advance, preserve, promote and apply knowledge, critical thinking and intellectual independence to enhance the understanding, development and well-being of individuals, society and the environment. It will achieve these goals 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 whakawhanake, he pupuri, he whakatairanga hoki i te mātauranga, i te ihomatua tātari kaupapa, i te whakaaroaro motuhake o te tangata, kia hāpai ai te mōhio, te mārama, te hiatotanga, otirā, te oranga o te tangata, o te iwi hoki. Mā te rangahau me te tika mārika o te whakaako, mā te whai wānanga ahurei, mā te whakaū ki tōna mana, me ōna toronga puta noa i te motu, i te ao hoki ēnei whāinga e tutuki.*

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# UNIVERSITY GOVERNANCE

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## 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 appointed, elected and designated members.

## COMMITTEES OF COUNCIL

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

## THE SENATE

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

## UNIVERSITY AUTONOMY AND ACADEMIC FREEDOM

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

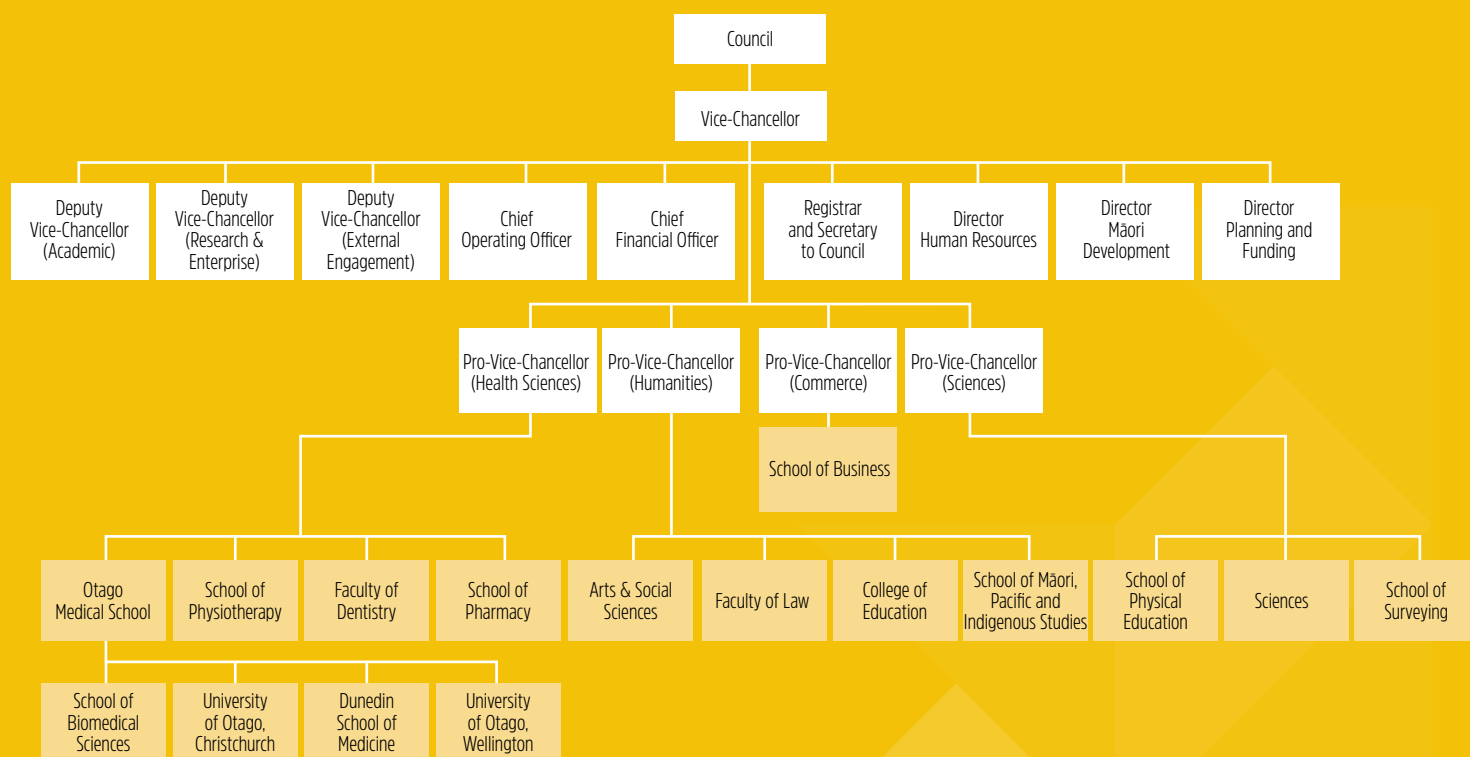
## GOVERNANCE DOCUMENTS

The University strategic plan, Strategic Direction to 2020, 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



# COUNCIL

## University of Otago 2016

### Ex Officio



Professor Harlene Hayne  
(Vice-Chancellor)  
ONZM BA HonDSc(Colorado College)  
MS PhD(Rutgers) FRSNZ

### Secretary to Council



Ms Jan A. Flood  
DipPhEd(Otago)

### Appointed by the Minister of Education



Mr John F. Ward  
(Chancellor)  
BCom(Otago) FCA CFInstD



Mr Stephen J. Higgs  
BCom(Otago) FCA



Ms Donna C. Matahaere-Atariki  
BA(Otago) MPhil(Massey)



Dr Royden J. Somerville  
QC LLM PhD(Otago) AAMINZ

### Elected by Academic Staff



Associate Professor  
Craig J. Marshall  
BSc(Hons) PhD(Otago)

### Elected by General Staff



Mr Shane A. Montague-Gallagher  
BA(Hons) PDDipLing(NUI) PDDipSLP(Edin)  
GDipSustPrac(Otago Poly)

### Elected by Students



Ms Laura M. Harris  
BA(Otago)

### Appointed by the University Council



Mr Frazer B. Barton  
BA LLB(Hons)(Otago)



Mr Martin R. Dippie  
CMinStD



Mr Mark A. Fitz-Gerald  
BCom LLB(Auckland)



Mr Stuart J. McLauchlan  
(Pro-Chancellor)  
BCom(Otago) FCA(PP) CFInstD

# EXECUTIVE GROUP

## University of Otago 2016

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### Vice-Chancellor

Professor Harlene Hayne

*ONZM BA HonDSc(Colorado College) MS PhD(Rutgers) FRSNZ*

### Deputy Vice-Chancellor (Academic)

Professor Vernon A. Squire

*Polar Medal BSc(Hons)(Wales) PhD(Camb) DSc(Wales) FRSNZ FIMA CMath FNZMS*

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

Professor Richard J. Blaikie

*BSc(Hons)(Otago) PhD(Camb) FRSNZ MIEEE MInstP CPhys*

### Deputy Vice-Chancellor (External Engagement)

Professor Helen Nicholson

*BSc(Hons) MB ChB MD(Brist)*

### Chief Operating Officer

Mr A. John Patrick (until April 8)

*BCom(Otago) FCA CMA*

Mr Stephen W. Willis (from April 11)

*MHlthSc(Qld UT) MPRM(S Qld) AdvDipPM(Southbank IT) MAIPM MInstD*

### Pro-Vice-Chancellor (Commerce)

Professor George L. Benwell (until November 30)

*BSurv PhD(Melb) MPhil(City) MNZCS MISAust*

Professor Robin D. C. Gauld (from December 1)

*BA(Hons) MA(Well) PhD(HK)*

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

Professor Peter R. Crampton

*MB ChB MPH PhD(Otago) DipObst(Auck)FAFPHM MRNZCGP*

### Pro-Vice-Chancellor (Humanities)

Professor Anthony J. Ballantyne

*BA(Hons)(Otago) PhD(Camb)FRSNZ*

### Pro-Vice-Chancellor (Sciences)

Professor Keith A. Hunter

*MSc(Auck) PhD(E Anglia) FNZIC FRSNZ*

### Director of Human Resources

Mr Kevin J. Seales

*BCom(Cant) MHRINZ*

### Chief Financial Officer

Ms Sharon A. van Turnhout

*BCom(otago) ACA*

### Director of Māori Development

Mr Tuari L. Potiki

*PGDipHealSc CCompSc(Otago) CertClinSup CertAODCouns (CIT)*

### Director of Planning and Funding

Mr David J. Thomson

*BA(Hons) MBA(Otago)*

### Registrar and Secretary to Council

Ms Jan A. Flood

*DipPhEd(Otago)*

# CHANCELLOR'S INTRODUCTION

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It is my pleasure to introduce the University of Otago's 2016 Annual Report.

As we head towards our 150th anniversary in 2019, the University continues to go from strength to strength. Our capital development programme – the largest in the University's history – is well underway; the University is performing exceptionally well in national and international rankings and ratings; our researchers are actively involved in all of the National Science Challenges; and our success in the National Tertiary Teaching Excellence Awards is second to none. These and many more good news stories are covered in the following pages of this report.

I was delighted to announce one particularly good piece of news early in the year when Vice-Chancellor Professor Harlene Hayne agreed to the extension of her contract for another five-year term. The University is in very good heart under Professor Hayne's stewardship. She engages widely and her vision and commitment to the University are apparent across all aspects of University activity. Her contract now extends through to August 2021.

The University's new-look Council was embedded in 2016 following the passing of the 2015 Education Amendment Act, which reduced Council membership from 20 to 12. We now have a number of new faces around the table, providing a good mix of skills and experience, and some fresh perspectives.

The University of Otago is a significant business. We are one of the 50 largest employers in New Zealand and one of the largest in the South Island, having an estimated impact on the New Zealand economy of about \$1.77 billion.

Good governance is essential – and we are doing very well. This was evidenced by the Tertiary Education Commission board granting three-year approval to our latest Investment Plan (rather than the usual two) reflecting a high degree of confidence in the University, its governance, leadership and strategic direction. This investment plan, approved in 2016, outlines the basis for which government funding will be received and will take the University forward to 2019.

Financially the University is in a sound position and it was very pleasing to see some growth in student numbers in 2016, particularly in first-year enrolments. However, we cannot afford to be complacent. With the capital demands of our Priority Development Plan, careful fiscal management must be maintained to ensure we fulfil our vision as a research-led university with an international reputation for excellence. We must also continue to diversify our funding base and seek out new avenues of support. The commercialisation of our intellectual property and philanthropy are two important areas of focus.

During 2016 I was fortunate to attend a number of alumni events here in New Zealand and overseas and I enjoyed – as always – the opportunity to talk to my fellow alumni, sharing in their memories of their time at Otago. The University values its relationship with former students very highly and, in recent years, we have seen a growing number choosing to give back to their alma mater. This support is enormously important. It enables us to do the things that might not otherwise be possible, things that help make this institution one of the finest universities in the world.

Another of my privileges as Chancellor is the opportunity to personally congratulate our new alumni as they graduate and leave the University to pursue new lives. The University hosted 11 graduation ceremonies in 2016, with 3,501 graduating in person and a further 1,688 in absentia.



“THE UNIVERSITY HOSTED 11 GRADUATION CEREMONIES IN 2016, WITH 3,501 GRADUATING IN PERSON AND A FURTHER 1,688 IN ABSTENTIA.”



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In conclusion, I wish to thank the members of Council for their hard work over the past year. In particular, I would like to pay a special tribute to Mr Stuart McLauchlan who stood down as Pro-Chancellor at the end of 2016. Stuart has served on Council since 2004, eight of those years as Pro-Chancellor. His experience and commitment to the University have been invaluable and I am very pleased that he continues as a Council member for 2017.

Finally, I must acknowledge and thank the Vice-Chancellor and her executive group for their dedicated work over the past 12 months. The University's strategic plan is now well embedded, and their emphasis on academic quality and minimal tolerance for anti-social behaviour is reaping rewards. We have much to look forward to in the year ahead.

J.F. WARD  
Chancellor



# VICE-CHANCELLOR'S REVIEW

2016 was a very positive year for the University of Otago. It began on a particularly high note when, just as the academic year was beginning, it was announced that our University had been awarded the highest possible international quality rating – five stars plus – from international ranking agency QS Stars. This result puts us in company with the top universities around the world. It is a mark of quality and excellence that ranks Otago as an elite destination to which the very best students and academics worldwide might aspire. Our students can be confident that their decision to study at Otago has been a good one.

In reaching this quality evaluation, QS Stars examined the University across a broad range of criteria, scoring us particularly highly for teaching, research, employability, internationalisation, facilities, innovation and inclusiveness. These ratings were reinforced by outstanding successes throughout the year, some of which I highlight here, while many more are canvassed in the following pages of this report.

Our researchers continued to push the boundaries of academic endeavour with their work attracting high levels of support from the competitive funding agencies including the Marsden Fund, the Health Research Council and the Ministry of Business, Innovation and Employment's Endeavour Fund. These successes highlight the value of Otago research and its contribution to innovation, health and well-being, and economic and environmental outcomes for this country and the rest of the world. We welcomed elements of the Government's 2016 Budget that provided increases to these key competitive research funds as well as targeted increases to teaching tuition subsidies, particularly in the sciences and undergraduate medicine.

The University's good news continued throughout 2016. Otago topped seven of the eight Tertiary Education Commission's Educational Performance Indicators and 13 subject areas were ranked in the QS World Rankings' top 100.

For the fifth successive year – and the seventh in 14 years – an Otago academic (Faculty of Law Professor Jacinta Ruru) won the Prime Minister's Supreme Prize in the National Tertiary Teaching Excellence Awards. This outstanding record is unparalleled and reflects our position at the forefront of tertiary teaching in New Zealand. Jacinta Ruru was also promoted to Professor in 2016, making her the first Māori Professor of Law in New Zealand.

One of the highlights of the year came in December when 45 Māori medical students – the largest number in New Zealand history – graduated as doctors from the University of Otago. Significantly, this was also the first time that Māori representation within the total number of Otago medical graduates equated to the proportion of Māori with the New Zealand population. As well as being a proud moment for our students, their whānau and the University, it is also the start of a major transformation that will have long-term impacts on the New Zealand health workforce. I would like to congratulate and thank the many dedicated individuals and groups who have worked to make this possible.

We are embarking on one of the largest building programmes in our history with works already underway totalling more than \$315 million. The most significant project is the \$131 million redevelopment of the Dental School. Placed 12th in the 2016-17 QS World Rankings, our Dental School is nationally and internationally significant and the new facilities will be among the most modern in the world. Other key projects that started in 2016 included substantial upgrading of Science and Commerce buildings with the aim of providing the best possible facilities for our staff and students.

Development of this magnitude has considerable downstream effects and will provide a boost to the regional economy. Figures released in 2016 estimated the direct and indirect impact of the University's activities to be around \$1.55 billion a year to the Dunedin economy alone.



“THIS RESULT PUTS US IN COMPANY WITH THE TOP UNIVERSITIES AROUND THE WORLD... OUR STUDENTS CAN BE CONFIDENT THAT THEIR DECISION TO STUDY AT OTAGO HAS BEEN A GOOD ONE.”

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Our campus has been internationally recognised at one of the most beautiful in the world. This was further enhanced in November with the very generous gift of an outstanding artwork from the Stuart Residence Halls Council to celebrate its 75th anniversary. The 3.2 metre bronze sculptures by renowned artist Dr Paul Dibble draws on Celtic, Scottish and literary elements for its inspiration and now takes pride of place in one of the busiest pedestrian areas on the campus.

Since introducing more stringent academic requirements five years ago the University has placed greater emphasis on the quality of students, rather than quantity. That point notwithstanding, it was very pleasing to record an increase in first-year domestic enrolment in 2016, especially as that growth was also accompanied by a further rise in the academic calibre of our commencing cohort. With international enrolments also higher, we recorded our first overall increase in enrolments since 2011 and our residential colleges – a key feature of life at Otago – were full.

Our new students were formally welcomed to Otago at our second annual academic convocation ceremony. It was a delight to welcome the then Deputy Prime Minister (now Prime Minister) and Otago alumnus the Rt Hon. Bill English to that ceremony. He joined me in addressing the incoming class of 2016, encouraging them to work hard, to be responsible citizens and to make the most of the many opportunities their time at Otago will afford them.

I am very proud of our Otago students. While academically gifted, they also excel in many ways outside the classroom. For example, Otago teams won the 2016 Student Development Society international business case competition and reached the grand finals of the Australasian Women's Debating Championships. The University Rowing Club continued its outstanding form winning the New Zealand Universities Rowing Championships for the 17th successive year, and we all followed with interest and pride the efforts of Otago student Jacob Philips who competed at the Rio Paralympics. Volunteerism and good citizenship are now part of our Otago experience, highlighted in April when more than 1,100 students and staff took part in the University of Otago Relay for Life, raising around \$70,000 for the Cancer Society.

The University ends the year in a sound financial position, well placed to meet any challenges ahead. But there can be no complacency. One of the more difficult decisions of 2016 was to review the Division of Humanities following a period of steady decline in enrolments. This was not a decision taken lightly, but the level of cross-subsidisation of Humanities from other areas of the University was simply not sustainable. We did not close any programmes or majors – in 2017 students taking a BA will be able to select from more than 120 first-year papers and 40 major subjects. The changes we are implementing will put the division back on track for a highly successful future.

We also continued the institution-wide Support Services Review, examining all operational and administrative tasks undertaken by general staff. The research and scoping phase of this project has now been completed. This is an important exercise for the University, helping us to do the things we do more effectively and more efficiently, while also freeing up resources to do new things as well.

In 2016 three of our key senior staff retired: Chief Operating Officer Mr John Patrick, Pro-Vice-Chancellor (Sciences) Professor Keith Hunter and Pro-Vice-Chancellor (Commerce) Professor George Benwell. These men have given decades of dedicated service to the University and we are very grateful for their hard work and foresight. Their contributions have been immeasurable.

On 15 August I marked my fifth anniversary as Vice-Chancellor and, over these years, it has become increasingly clear to me that our Otago people – staff, students and alumni – are quite remarkable. They are intelligent and ambitious. They are also warm-hearted and innovative, and willing to take risks. They make this institution the fine University it is today and has been since 1869. Thank you.

As we approach our 150th anniversary in 2019, I look forward to the years ahead.

PROFESSOR HARLENE HAYNE  
Vice-Chancellor

# SIGNIFICANT EVENTS

## Senior appointments

Professor Richard Barker as Pro-Vice-Chancellor of the Division of Sciences.

Professor Robin Gauld as Dean of the Otago Business School and Pro-Vice-Chancellor (Commerce).

Professor Carlo Marra as Dean of the School of Pharmacy.

Professor David Murdoch as Dean of the University of Otago, Christchurch.

Professor Ross Notman as Dean of the College of Education.

Mr Dave Scott, as University Proctor.

Dr Bridgette Toy-Cronin as Director of the Legal Issues Centre.

Mr Stephen Willis as Chief Operating Officer.

## Professorial promotions

The following academic staff were promoted to full professor (to be effective from 1 February 2017):

Margaret Briggs (Law); Hallie Buckley (Anatomy); Anthony Butler (Radiology, University of Otago, Christchurch); Neil Carr (Tourism); Nicholas Chandler (Oral Rehabilitation); Gerard Closs (Zoology); Alison Cree (Zoology); Gregory Dawes (Philosophy); Shelley Griffiths (Law); Janine Hayward (Politics); Jing-Bao Nie (Bioethics Centre); Ross Notman (College of Education); Susan Pullon (Primary Healthcare and General Practice, University of Otago, Wellington); John Reynolds (Anatomy).

Robert Hancox (Preventive and Social Medicine); Nigel Perry (Chemistry); Rachael Taylor (Medicine) were promoted to the position of research professor.

## Associate Professorial promotions

The following academic staff were promoted to associate professor: Barry Allan (Law); Caroline Beck (Zoology); Jonathan Broadbent (Oral Rehabilitation); Rachel Brown (Human Nutrition); Alan Carne (Biochemistry); Nicolas Cullen (Geography); Ivan Diaz-Rainey (Accountancy and Finance); Liz Dennett (Surgery and Anaesthesia, University of Otago, Wellington); Anne-Louise Heath (Human Nutrition); Chris Hepburn (Marine Science); Christopher Holmes (Theology and Religion); Rajesh Katare (Physiology); Roslyn Kemp (Microbiology and Immunology); Diane Kenwright (Pathology and Molecular Medicine, University of Otago, Wellington); William Levack (Medicine, University of Otago, Wellington); Mark Lokman (Zoology); Jevon Longdell (Physics); Eileen McKinlay (Primary Healthcare and General Practice, University of Otago, Wellington); Tony Moore (School of Surveying); Neil Pickering (Bioethics Centre); Tony Savarimuthu (Information Science); Andrew Tawse-Smith (Office of the Dean (Dentistry); Tiffany Trotman (Languages and Cultures); Greg Waite (English and Linguistics); Ros Whiting (Accountancy and Finance); Rachel Zajac (Psychology).

Bridget Robson (Public Health, University of Otago, Wellington) was promoted to the position of research associate professor.



## Emeritus Professors

Professor Brian Darlow (Department of Paediatrics, Christchurch); Professor John Evans (Obstetrics and Gynaecology); Professor David Gerrard (Dunedin School of Medicine); Professor Brendan Gray (Marketing); Professor Frank Griffin (Microbiology and Immunology); Professor Peter Joyce (Psychological Medicine, Christchurch); Professor Robert Lawson (Marketing); Professor Helen May (Education); Professor David Wharton (Zoology).

## Honours

A number of Otago staff were recognised with Honours in 2016.

Companion of the New Zealand Order of Merit: Professor John Broughton (for services to Māori health, theatre and the community).

Officer of the New Zealand Order of Merit: Professor Charles Higham (for services to archaeology); Professor Helen May (for services to education); Professor Kevin Pringle (for services to paediatric surgery).

Member of the New Zealand Order of Merit: Professor Judy Bellingham (for services to classical singing); Dr Garry Nixon (for services to rural health).

The Queen's Service Medal: Dr Cecilia Smith-Hamel (for services to mental health).

## Obituaries

Professor Margaret Baird, Microbiology and Immunology.

Emeritus Professor John Campbell, Medicine.

Emeritus Professor Douglas Coombs, Geology.

Emeritus Professor Brian Cox, Computer Science.

Emeritus Professor Richard Dowden, Physics.

Emeritus Professor Peter Grant, Chemistry.

Christopher Jacomb, Anthropology and Archaeology.

Emeritus Professor Richard Norris, Geology.

Emeritus Professor Brian Robinson, Chemistry.

Emeritus Professor Anne Smith, Education and Childhood Studies.









# EXCELLENCE IN RESEARCH



# EXCELLENCE IN RESEARCH

The University of Otago is internationally recognised for its research excellence, research that enhances health, social and environmental well-being here in New Zealand and around the world. The University looks to foster research collaborations, focus increasingly on areas of economic and commercial benefit, and to celebrate research success.

The University of Otago is committed to advancing research that addresses questions of national and international importance. This was reinforced in 2016 with the launch of 13 new or reconfigured research themes. These focus on strategic areas of importance and encourage interdisciplinary and collaborative research in areas in which Otago is a national and/or international leader. The themes are:

Allan Wilson at Otago

Agriculture at Otago

Asia-Pacific Biocultural Health: Past and Present

ASPIRE2025 Research for a Tobacco-Free Aotearoa

Collaboration of Ageing Research Excellence (CARE)

Integrated Catchment Management (Catchments Otago)

New Zealand Ocean Acidification Research Cluster

Otago Energy Research Centre

Pain at Otago

Performance of the Real

Polar Environments Research Theme

Poutama Ara Rau

Te Koronga: Indigenous Science.

Otago continued its role as the host of two Centres of Research Excellence: Brain Research New Zealand – Rangahau Roro Aotearoa (jointly with the University of Auckland) and the Dodd Walls Centre for Photonic and Quantum Technologies. The University is involved through collaboration or research leadership in all 11 National Science Challenges, hosting two of these – Healthier Lives and Ageing Well – and being announced as a partner in two new challenges launched in 2016: A Better Start, which aims to find better ways to predict, prevent and treat obesity, learning and mental health issues in children and teenagers; and Building Better Homes and Cities, which focuses on improving housing in New Zealand and creating smart and attractive urban environments.

Professor Jim Mann – who is the director of the Healthier Lives Challenge – was appointed head of a new New Zealand-China Non-Communicable Diseases Collaboration Centre, enabling researchers to build on existing collaborations in China and establish new ones.

The University's commitment to national and international betterment continued to define the work of Otago researchers throughout 2016. For example, the Faculty of Law and Children's

Issues Centre have been looking at the impact of the Family Disputes Resolution Act in a study funded by the New Zealand Law Foundation; University of Otago, Christchurch researchers are working to develop genetic screening tools to identify those most at risk of familial breast and ovarian cancer; and a Department of Physiology study provided positive insights into how a patient's stem cells could be used to regenerate their diseased hearts.

Findings from the Department of Pathology may pave the way for new therapies that could prevent melanoma and other cancers from spreading; Marine Science researchers used drones to document the population recovery of right whales in the sub-Antarctic Auckland Islands; and a Surveying team has worked with French collaborators to ensure a permanent digital record of the tunnels built by New Zealand engineers under the town of Arras during World War 1.

The work undertaken by Otago researchers also attracted public engagement. For example, significant media interest was generated by the findings of a University of Otago, Wellington study comparing the maternity outcomes for babies born to mothers registered with medical lead maternity carers, and those who had midwives as lead maternity carers.

A four-part television documentary about the findings from the internationally recognised Dunedin Multidisciplinary Health and Development Study, *Predict my Future – the Science of Us*, won a silver medal in the 2016 New York Festival International Television and Film Awards, and the University's annual research highlights publication – *He Kiteanga Global* – won gold in the CASE (Council for the Advancement and Support of Education) Circle of Excellence Awards.

The strength of Otago's research was recognised with an increased \$43.8 million in new funding from the Health Research Council (HRC), supporting 22 contracts, including 17 individual projects and five substantial five-year programmes – the long-running Dunedin study, the Christchurch Health and Development Study, and programmes researching Alzheimer's disease, preventive health interventions, and Māori women's and children's health. Further HRC funding was received for two Emerging Researcher First grants and four of the seven national Feasibility Study grants.

Otago researchers received more than \$13.7 million in the annual Marsden Fund round to support 23 innovative projects, ranging from an investigation of the massive 2012 Kermadec undersea volcanic eruption, to a TB bacterium protein that may provide a new target for drugs, and the use of a nanoparticle catalyst to remove nitrate from groundwater.

Another \$12 million was received from the Ministry of Business Innovation and Employment's 2016 Endeavour Fund for innovative science projects that promise benefits to the New Zealand economy, environment and society. These included a four-year project developing new technologies for the treatment of brain disorders, the development of next-generation sanitisers for the dairy industry, "smart" drug delivery through the skin and a Housing First project to end homelessness in New Zealand. Further funding was also received from the Neurological Foundation and Lotteries Health.

The excellence and global reach of Otago research was

highlighted by the University being again ranked by the *Nature Index* as first among New Zealand research institutions for the number of papers published in leading international natural science journals, weighted by authorship from each institution.

State-of-the-art equipment is needed for world-class research. New developments in 2016 included the installation of a highly-sophisticated protein crystal imager which will provide a significant boost for structural biology research at Otago. And, in a collaboration with Pacific Radiology, the University and its alumni contributed to the purchase of specialised hardware and software for MRI imaging that will provide new opportunities for brain research.

The University recognises and celebrates the successes of its researchers with a number of prestigious awards. In 2016 the University's highest honour, the Distinguished Research Medal, was presented to Professor Lisa Matisoo-Smith, an internationally regarded biological anthropologist who pioneered the use of evolutionary genetics to trace Pacific migrations.

The Carl Smith Medal and Rowheath Trust Award were presented to University of Otago, Christchurch gastroenterologist Professor Richard Gearry, and Early Career Awards for Distinction in Research were received by Dr Louise Bicknell (Pathology), Dr Peter Mace (Biochemistry), Dr Rob Middag (Chemistry), Dr Giles Newton-Howes (Psychological Medicine, Wellington), Dr Damian Scarf (Psychology) and Dr Benjamin Schonthal (Theology and Religion).

Many Otago researchers also gained national and international recognition for their work, including:

Professor Tony Ballantyne (Pro-Vice-Chancellor, Humanities) who was awarded the Humanities Aronui Medal from the Royal Society of New Zealand for his work on reshaping scholarly thought on British imperial history.

Professor Antony Braithwaite (Pathology) who received the New Zealand Association of Scientists Shorland Medal; Associate Professor Guy Jameson (Chemistry) who received the association's Beatrice Hill Tinsley Medal; and Professor Emerita Jean Fleming who was awarded the Science Communication Medal.

Professor Dave Craw (Geology), Professor Parry Guilford and Professor Tony Merriman (Biochemistry), and Professor Jacinta Ruru (Law) who were elected as Fellows of the Royal Society of New Zealand.

Professor Ewan Fordyce who was appointed Senior Editor of the *Journal of the Royal Society of New Zealand*.

Dr Roslyn Kemp (Microbiology and Immunology) who was awarded a Roche Translational Research Fellowship for her work improving treatment outcomes for patients with bowel cancer.

Dr Carla Meladandri who won the Emerging Innovator Award at the KiwiNet Research Commercialisation Awards for her work harnessing silver nanoparticles to treat and prevent dental disease.

Dr Tracy Melzer (University of Otago, Christchurch) who received a Sir Charles Hercus Health Research Fellowship for his work on Parkinson's disease.

Professors Richie Poulton and Warren Tate, Associate Professor Suetonia Palmer and Dr Emma Wyeth were presented with Celebrating Research Excellence Awards as part of the Health Research Council's 25th anniversary celebration.

Associate Professor Anthony Ritchie (Music) who received the Best Classical Album Award at the Vodafone Music Awards for the album *Fjaran*.

Professor Jeffrey Smith (College of Education) who was awarded the Gustav Theodor Fechner Award for outstanding contributions to empirical aesthetics.

Professor Hamish Spencer (Zoology) who received the Royal Society's Callaghan Medal for his work bringing ecological science into the marae and the community.

Professor Rachel Spronken-Smith (Dean, Graduate Research School) who was awarded the 2016 Tertiary Education Research in New Zealand – Higher Education Research and Development Society of Australasia medal for sustained contribution to the research environment in New Zealand.

Dr Virginia Toy (Geology) and Dr Federico Baltar (Marine Science) who were awarded Rutherford Discovery Fellowships.

## AT A GLANCE



13 NEW OR RECONFIGURED RESEARCH THEMES WERE LAUNCHED, FOCUSING ON AREAS OF STRATEGIC IMPORTANCE AND IN WHICH OTAGO HAS RESEARCH LEADERSHIP.



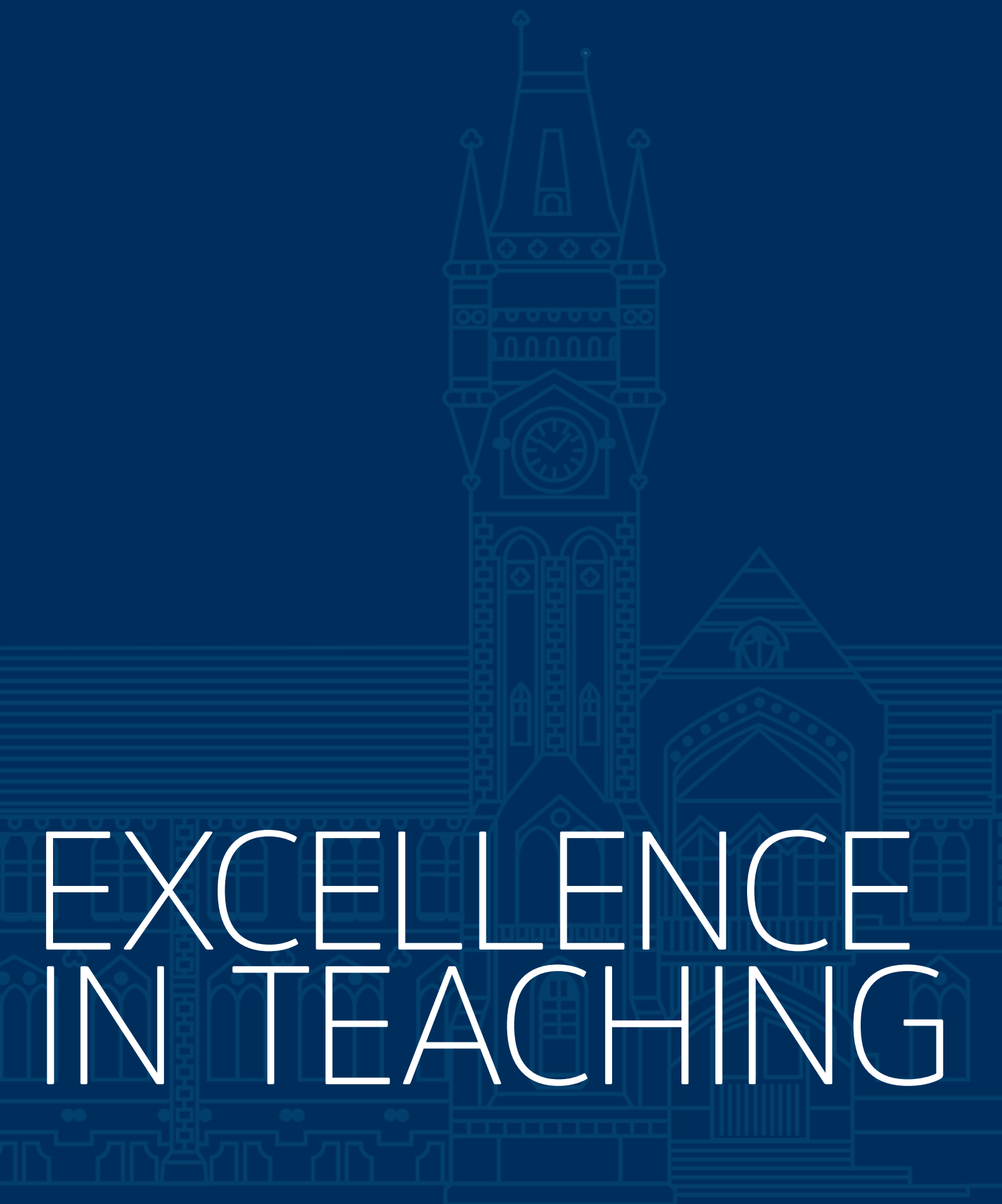
OTAGO IS INVOLVED THROUGH COLLABORATION OR LEADERSHIP IN ALL 11 NATIONAL SCIENCE CHALLENGES.

EXTERNAL RESEARCH FUNDING SUCCESSES INCLUDED \$43.8 MILLION FROM THE HRC, \$13.7 MILLION FROM THE MARSDEN FUND AND \$12 MILLION FROM MBIE.

INTERNATIONALLY-RENOWNED BIOLOGICAL ANTHROPOLOGIST PROFESSOR LISA MATISOO-SMITH RECEIVED THE UNIVERSITY'S DISTINGUISHED RESEARCH MEDAL.



NATURE INDEX RANKED OTAGO AS FIRST IN NEW ZEALAND FOR THE NUMBER OF PAPERS PUBLISHED, WEIGHTED BY AUTHORSHIP, IN LEADING INTERNATIONAL NATURAL SCIENCE JOURNALS.



# EXCELLENCE IN TEACHING



# EXCELLENCE IN TEACHING

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The high priority Otago gives to teaching excellence was highlighted in 2016 by successes in external rankings and by the outstanding performances of teaching staff.

The high calibre of teaching and the learning environment at Otago was recognised by a number of significant national and international agencies in 2016. It was a crucial factor in the University being awarded the highest possible international quality rating – five stars plus – from QS stars, an international quality evaluation system that provides an evaluation over some 50 different criteria. Otago scored particularly well for research, employability, internationalisation, facilities, innovation and inclusiveness.

The University topped all but one the Tertiary Education Commission's Educational Performance Indicators announced in 2016. Otago was placed first for student retention (90%), for completion of qualifications (85%), cohort-based qualification completion (70%), EFTS-weighted course completion (89%), progression to higher levels of study (95%) and a close second in the new first-year retention rate category (82%). These outstanding results reflect the excellence of Otago's teaching and learning environment.

A positive academic audit was also received from the Academic Quality Agency for New Zealand Universities (AQA), which focused on teaching, learning and student support. The audit validated the importance Otago places on promoting student engagement with their study and learning, the residential college experience, the pursuit of teaching excellence as well as research intensity.

The University improved its standing in the 2016–17 QS World Rankings to 169 and was placed in the top 100 universities in 13 subject areas: Archaeology, Anthropology, Business and Management Studies, Dentistry (12th), Development Studies, Earth and Marine Sciences, Education, English Language and Literature, Geography, History, Law, Performing Arts and Psychology (38th). A total of 24 subjects ranked in the world's top 200, highlighting Otago's capabilities across a range of academic disciplines.

The University was again ranked in the 201–250 band of the Times Higher Education World University Rankings – including in the top 100 for clinical, pre-clinical and health subjects – and in the 301–400 band of the Academic Ranking of World Universities (Shanghai).

The University of Otago has long recognised the value – and celebrated the successes – of its many inspiring teachers. In 2016 Otago continued its extraordinary record in the National Tertiary Teaching Awards: for the fifth successive year (and the seventh time in the last 14 years) the Prime Minister's Supreme Award for Tertiary Teaching Excellence was presented to an Otago academic – Professor Jacinta Ruru (Faculty of Law). This is the ultimate prize in the annual national Tertiary Teaching Excellence Awards that celebrate New Zealand's finest tertiary teachers as recognised by their organisations, colleagues, learners and broader communities. Three other

Otago academics received national awards for sustained excellence in tertiary teaching: Dr Judith Bateup (Microbiology and Immunology), Professor Darryl Tong (Oral Diagnostics and Surgical Sciences) and Dr Rachel Zajac (Psychology).

Associate Professor Clinton Golding (HEDC) and Professor Diana Sarfati (Public Health, University of Otago, Wellington) received University of Otago Teaching Excellence Awards, while Professor Tim Wilkinson (Medicine, University of Otago, Christchurch) received the Australian and New Zealand Association for Health Professional Educators' highest honour for his curriculum development and medical training research across the University's three medical campuses.

The student body also honoured the teaching contributions of Otago staff through the annual Otago University Students' Association (OUSA) awards. The OUSA Top Teacher award was presented to Dr Annika Bokor (Biochemistry). Dr Anne-Marie Jackson (School of Physical Education, Sport and Exercise Sciences) received the 2016 OUSA Supervisor of the Year award and Dr Allan Gamble (School of Pharmacy) won the New Supervisor of the Year award.

A number of current and former Otago students received scholarships to enable them to pursue further study. Maia Wikaira received a Fulbright-Ngā Pae o te Māramatanga Graduate Award; Henry Lane and Chantal Juntao Chen received Fulbright Science and Innovation Graduate Awards; Clara Pau and Emily Draper received Fulbright New Zealand General Graduate Awards. Sciences student Cicely Barron received one of only two scholarships awarded nationally by the Cawthron Institute and Holly Hedley was awarded a New Zealand Law Foundation Ethel Benjamin Scholarship. Todd Foundation Awards for Excellence were presented to Alaric McCarthy, Rachel Darnell and Zoe Williams.

A total of 196 undergraduate and postgraduate degree, diploma and certificate programmes were offered in 2016, including new masters' degrees in Chaplaincy, Dentistry, Economics, Oral Health, Politics, and Nursing Science, as well as a Postgraduate Diploma and Postgraduate Certificate in Chaplaincy, new endorsements for Science Communication qualifications and a Postgraduate Diploma in Bioethics and Health Law.

The University is committed to responding to the need for academic programmes that meet changing workplace needs. It is a partner in the South Island ICT graduate school (SIGNAL) launched in November, which aims to address the need for more highly-skilled graduates in this rapidly growing industry.

Also in November the first cohort of 18 students from China arrived as part of the orientation for the new Doctor of Business Administration (DBA) degree which will be offered both at Otago and Shanghai Jiao Tong University in China (see page 39). This was developed in response to the growing need for doctoral-level qualifications in business with direct and practical industry applications.

A new Master of Applied Science in Quantitative Genetics was approved to begin in 2017 offering benefits to New Zealand's primary industries, biomedical research and biosecurity interests, while the Otago Business School launched its inaugural week-long executive residency – held by alumnus

and businessman Mr John Judge – giving students and staff an opportunity to learn from his extensive national and international experience.

2016 marked the 30th anniversary of Distance Learning at Otago with a series of events in November, an exhibition and a commemorative book. While the University is predominately campus-based, it offers a range of programmes – mainly postgraduate – via Distance Learning, focusing on the needs of the working professional and in areas in which Otago has particular strengths. There were 377 papers taught in 2016, with offerings from all divisions, attracting 3,884 enrolments (2,263 individual students, 834 EFTS).

The 16th Otago Summer School held in January and February offered 56 papers and attracted 1,948 enrolments (1,629 students, 279 EFTS). Of these, 9.3% were international students and nearly 20% of students enrolled in two papers. Four additional papers were offered in the pre-Christmas Summer School during November/December, attracting 203 enrolments (28.3 EFTS, an increase in EFTS for this teaching period of 21.2%).

Overall, the University experienced enrolment growth in 2016, up 0.7% from 2015. The total of 18,547 EFTS comprised 18,287 University EFTS and a further 259 EFTS for the University's Foundation Studies subsidiary, and was generated by 20,814 individual students (see pages 118-120).

Within the University total, domestic student enrolments increased by 61 EFTS (0.4%). Strong growth in first-year numbers (up 7.5%) was offset by pipeline decline resulting from 2015's smaller commencing cohort. Approximately half of 2016's first-year growth was in the Division of Health Sciences and was due to a record intake in the Health Sciences First Year course.

International full-fee enrolments grew by 70 EFTS (5.2%) for the University and by 6 EFTS (5.6%) for Foundation Studies. This growth ended four successive years of international full-fee decline at Otago, which had been largely due to the conclusion of a number of contracts with overseas governments for professional degrees.

Other positives in the international arena included another year of significant growth in recruitment from the United States (which continues to provide the largest country enrolment by head count) and growth from several other countries including China, India and France. International first-year enrolments were also up on last year, by 16 EFTS (8.9%).

Although the University continues to attract the majority of commencing students from outside its Otago/Southland home catchment, this proportion dropped marginally to 73.8% in 2016 (2015: 74.1%). There were 1,844 Māori students enrolled, representing a record 8.9% of total enrolments (head count) and 10.4% of total domestic EFTS. Pacific enrolments were also at an all-time high with 874 students, representing 4.2% of total enrolments and 4.6% of total domestic EFTS (see pages 59-60).

The number of students recruited from Australia was 269 (2015: 241), including a commencing cohort of 50 students (2015: 41). Approximately two thirds of these commencing students were New Zealand citizens returning from Australia.

The number of postgraduate students was up by 1.1% over 2015 in EFTS terms due to very strong demand for Otago's postgraduate taught programmes (up by 3.4%). Total postgraduate enrolments increased proportionally to reach 17.1% of the roll.

The University continues to look for new ways to enhance the student learning experience. In response to the changing needs of students and staff, a centralised self-service hub was created in the Central Library. The University Library physical collection contains 1,677,278 books and serial items. Electronic resources include 152,490 serials and 779,443 accessible e-books, an increase of 4.7% from 2015. *For more information see page 57.*

How students are learning also continues to change. Nearly 1.2 million lectures were downloaded or viewed online in 2016 – an increase of 42.8% on the previous year. Usage of the Zoom videoconferencing technology (introduced part way through 2015) also grew substantially to 3,366,230 minutes. *For more information see page 56.*

As part of its commitment to teaching excellence the University carries out and encourages regular teaching evaluation activities. The Evaluation, Research and Development section of the Higher Education Development Centre undertook 3,047 teaching and course evaluations in 2016. This continued a six-year trend of annual increases, up 25% since 2011.

## AT A GLANCE

OTAGO RECEIVED THE HIGHEST POSSIBLE FIVE STAR PLUS RATING FROM QS STARS.

THE UNIVERSITY TOPPED FIVE OF THE TEC'S EDUCATIONAL PERFORMANCE INDICATORS.



OTAGO IMPROVED ITS STANDING IN THE 2016-17 QS WORLD RANKINGS TO 169 AND WAS PLACED IN THE TOP 100 UNIVERSITIES IN 13 SUBJECT AREAS, INCLUDING 12TH FOR DENTISTRY.

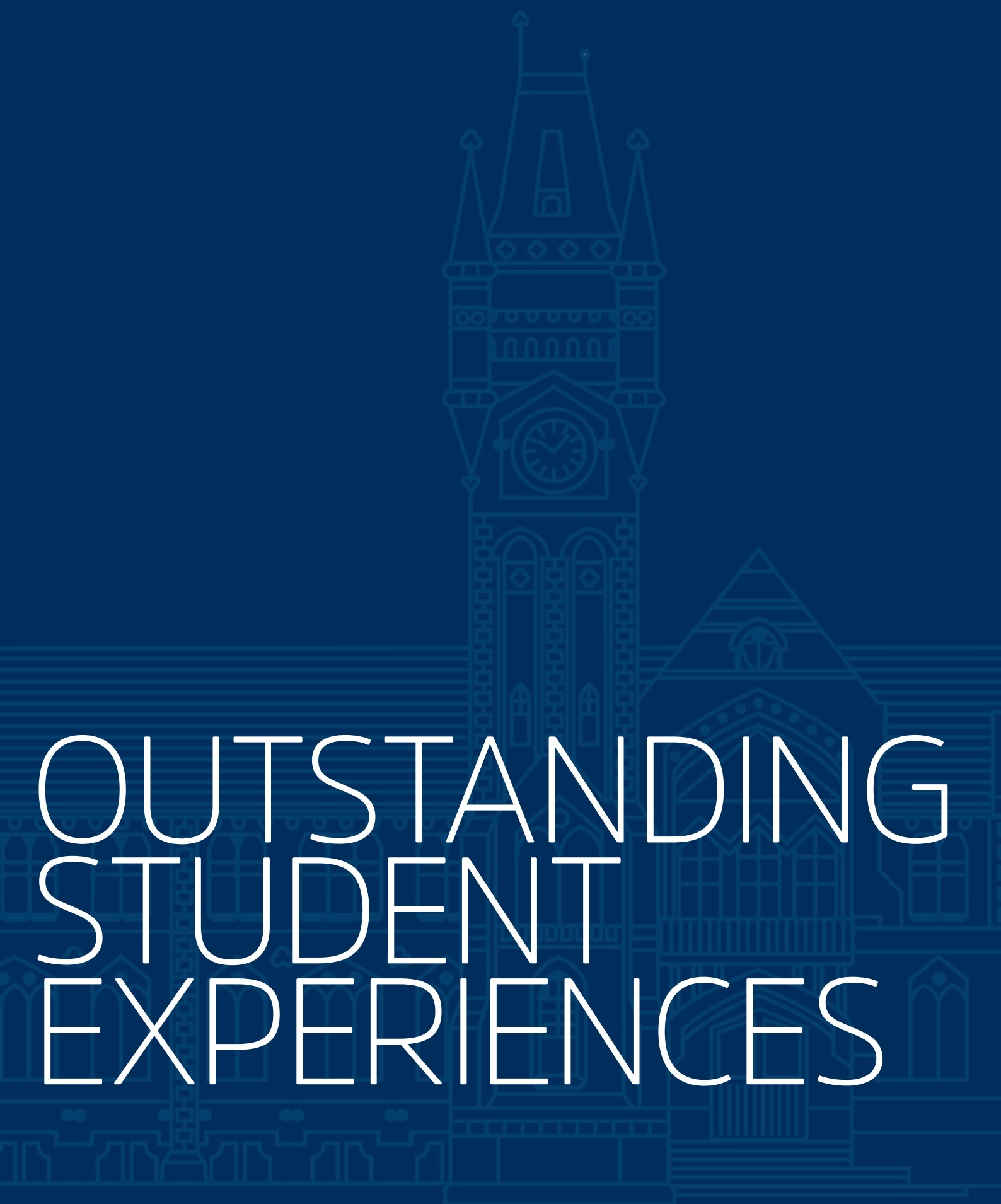
PROFESSOR JACINTA RURU (LAW) WON THE PRIME MINISTER'S SUPREME AWARD FOR TEACHING EXCELLENCE. THIS IS THE FIFTH SUCCESSIVE YEAR THIS AWARD HAS BEEN WON BY AN OTAGO ACADEMIC.



196 UNDERGRADUATE AND POSTGRADUATE DEGREE, DIPLOMA AND CERTIFICATE PROGRAMMES WERE OFFERED IN 2016.

# 20,814

20,814 STUDENTS WERE ENROLLED IN 2016 (18,547 EFTS).



# OUTSTANDING STUDENT EXPERIENCES

# OUTSTANDING STUDENT EXPERIENCES

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Otago offers a rich student experience, encompassing academic excellence, as well as social, cultural and sporting activities that help make our graduates independent, work-ready scholars and committed citizens.

With almost 85% of students coming to the University from outside Dunedin the University takes seriously its commitment to pastoral care. University expectations around a sense of community, and mutual tolerance and respect, are reflected in the Code of Student Conduct, while Campus Watch provides a 24/7 service to ensure a safe and supportive campus environment.

In February the then Deputy Prime Minister (now Prime Minister) and Otago alumnus, the Rt Hon. Bill English, addressed 3,000 new students at the second annual convocation ceremony, formally welcoming them to the University. He encouraged them to take up the many opportunities that will be offered to them during their time at Otago, enabling them to leave with “a sharper intellect, a stronger sense of purpose and a bigger heart”.

The Director of First-Year Student Experience – a position established late in 2015 to help students transition to University life – introduced a number of new initiatives. An integrated academic orientation programme was run at the start of the year, in addition to two new programmes (UNIO101 - Transition to University and UNIO102- Success at University) which were attended by more 1,100 students. A special event was also held for high-achieving first-year students to help them find out more about the opportunities available to them at the University. A First-Year Advisory Board was established and staff from across the University attended a two-day first-year experience colloquium, with a focus on new projects to further enhance the first-year experience.

The 15 residential colleges located on and around the Dunedin campus are where most students begin their Otago experience. In 2016 these were filled to capacity with a total of 3,475 students, and a further 707 in University-owned flats.

The inaugural University of Otago College Colours Awards were held in September to recognise achievements at the first inter-college sporting and cultural competition. Students from all 15 colleges, Uni Flats and the Locals programme took part: Arana College took out the sporting award and City College the cultural prize.

The Locals programme continued to grow. Its focus is to develop a sense of belonging among the local students who comprise more than 25% of the first-year cohort. More than 150 students attended a Locals welcome before Orientation and, by the end of the year, there were 500 students registered in the programme.

The University provides an extensive range of support services for students including Student Health, Recreation Services and Disability Information and Support (see page 61), as well as Te Huka Mātauraka (the Māori Centre) and the Pacific Islands Centre (see pages 59-60). Encouraging students to live healthy sustainable lives is a growing focus and, in 2016, the Unipol Recreation Centre recorded 664,770 visits.

Academic support is of particular importance to the University. In addition to tutorial services offered in the residential colleges and other targeted support programmes, the Student Learning Centre provided a range of general academic support activities. The centre reported 13,367 student contact hours in 2016, including 4,819 students attending workshops, 1,291 one-to-one consultations and 124 weekly peer-assisted study session groups (PASS). The Graduate Research School also offered a workshop programme for graduate research candidates and core workshops to distance candidates using web-based software.

The Career Development Centre provides a comprehensive career planning service, as well as advice on gaining experience and job search. In 2016, it reported an increase in demand for its services. Callers to the centre were up by 10% to 19,817 and there was also a 12% increase in the number of individual appointments, to 2,250. Four careers expos and 64 employer presentations were held.

Harnessing student altruism is another key focus. The University Volunteer Centre (UVC) and its team of 1,700 UniCrew volunteers continued to work closely with the Dunedin community, and adopted the United Nations Sustainable Development Goals as a framework for connecting students with social and environmental issues. Well-established activities continued, including the Volunteer Fair and the Dunedin Sleep Out, in which students spend a night in the Octagon to raise funds for the Dunedin Night Shelter. New initiatives included a pop-up Silent Disco in the library to diffuse exam stress and the inaugural Brock Party, which involved 70 students spending a day volunteering in the Brockville community, transforming the backyard lawns of recently settled former refugee families into vegetable gardens.

More than 1,100 students and staff took part in the 2016 University of Otago Relay for Life, raising around \$70,000 for the Cancer Society, and students also raised more than \$24,000 for women's refuge. The year ended on a high when UniCrew Volunteers was awarded a Local Hero of the Year Award for their Sleep Out efforts as part of the New Zealander of the Year Awards.

Entrepreneurial acumen is fostered at Otago. The annual Audacious competition was won by Commerce students Sam Beattie and Henry Fitz-Gerald with a digital marketplace

concept, Sorted. Sophia Cooper and Malcolm Hayes won the New Student Marketer of the Year Award for their Couch BBQ strategy and concept. An Otago team comprising Matthew Herbert, Tom Williamson, Jack Ascroft and Harry Flett won the 2016 Student Development Society International Business Case competition.

Harry Flett also won the Accounting and Finance Award at the inaugural Talent Solutions New Zealand Top Students Awards; Surveying PhD student Judy Rodda received the New Zealand Esri Young Scholar of the Year Award for her work on Hector's dolphins; and PhD student Adam Miles received the Sport Psychologist 2016 Young Researcher Award from the Association for Applied Sport Psychology Foundation.

An Otago debating team comprising Alice Sowry and Emily Williams reached the grand final of the Australasian Women's Debating Championships and the University of Otago Rowing Club continued its stellar run of successes. The club won the New Zealand Universities Rowing Championships for the 17th successive year and the women's eight maintained an outstanding winning streak of 10 years at home and four years internationally.

Student achievements were recognised in the OUSA Blues and Golds Awards. Holly Robinson (athletics) won Sportswoman of the Year, Shaun Harrison (ice hockey) Sportsman of the Year, and Sophie Morris (music/performance) received a Gold award. Two new awards were introduced, highlighting the altruistic engagement of students with the community: Abigail Clark won Outstanding Member of the University Community Award and Ann Cronin received the Outstanding Member of the Dunedin Community Award.

The 2016 Student Opinion Survey indicated an overwhelming level of satisfaction with services provided to students: 97.3% provided a positive assessment of their colleges; 92.5% expressed satisfaction with information technology and teaching facilities; 97.6% were happy with the quality of sport and recreational services; and 97.2% provided positive feedback about the University's administrative and support services.



THE 15 RESIDENTIAL COLLEGES WERE FILLED TO CAPACITY IN 2016 WITH A TOTAL OF 3,475 STUDENTS.

## AT A GLANCE

500 STUDENTS REGISTERED IN THE LOCALS PROGRAMME.

THE UNIVERSITY VOLUNTEER CENTRE HAS 1,700 UNICREW VOLUNTEERS.

THE UNIPOL RECREATION CENTRE RECORDED **664,770** VISITS.



97.3% OF STUDENTS PROVIDED A POSITIVE ASSESSMENT OF THEIR COLLEGES





Above: Then Deputy Prime Minister (now Prime Minister) the Rt Hon. Bill English addresses the 2016 convocation ceremony at Forsyth Barr Stadium.



Left: Vice-Chancellor Professor Harlene Hayne with students during Orientation 2016.

Right: Four Otago staff received Ako Aotearoa Tertiary Teaching Excellence Awards (from left): Professor Darryl Tong, Dr Rachel Zajac, Professor Jacinta Ruru (who won the Prime Minister's Supreme Award) and Dr Judith Bateup, with Vice-Chancellor Professor Harlene Hayne.





# OUTSTANDING CAMPUS ENVIRONMENTS



# OUTSTANDING CAMPUS ENVIRONMENTS

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The University of Otago is committed to providing high-quality and safe campus environments for staff and students, and a welcoming place for local communities and visitors. Every campus project reflects the University's vision for excellence, with sustainability in campus design and operation embedded as a principle against which all new projects are considered.

The University is in the midst of one of the largest building programmes in its history, with works totalling more than \$315 million underway and a number of other projects in the design and planning stages.

The Faculty of Dentistry new build and redevelopment is the most significant project. This \$131.7 million development includes the construction of a new 7,970 square metre building to house clinical services including radiography, oral surgery, paediatric dentistry, undergraduate clinics and orthodontics. The existing Walsh building will be refurbished to house laboratories for research, academic offices, student support and teaching spaces. A new 1,425 square metre atrium will link the two buildings.

Following the creation of temporary accommodation for Dental School activities, the west wing of the existing Walsh building was demolished during 2016 to make way for the new Clinical Services building. In-ground work has begun and the new building – which will be one of the most modern dental schools in the world – is expected to be completed in mid 2018. The refurbishment of the Walsh building is due to be completed in late 2019.

In addition to the upgrading of a number of research laboratories, the \$56 million redevelopment of the University's science buildings continued apace. Facilities within the Science 2 building have been refurbished and the 45-year-old Science 1 building is being substantially upgraded with a new exterior design, new windows and cladding. Student laboratories are being remodelled and refurbished to the highest standards – with more of PC1 and PC2 standard – and a “super-lab” will be housed on the ground floor. It has been named after Otago alumnus and pioneering chemist Joseph Mellor.

A \$17.7 million redevelopment of the Otago Business School building began in October. This will improve the effectiveness and efficiency of the building, ensuring a more modern learning environment and a more accessible street entrance. The atrium will be reshaped to provide collegial study spaces, a glass façade will overlook Union Street and the atrium roof will also be replaced.

The demolition of the public aquarium and teaching laboratory at Portobello – identified as being an earthquake risk – was completed in October with building work on a new 42-seat teaching laboratory, research aquarium and seawater system due for completion in 2017. The seismic assessment programme was ongoing across the University.

New premises purpose-built for the internationally recognised Dunedin Multidisciplinary Health and Development Study will be officially opened in early 2017. As study members' identities are never revealed, the building has a discreet entrance, with the ground floor dedicated to research and the first floor providing offices and meeting rooms for researchers and support staff.

Enhancing the overall aesthetic and amenity value of its campuses is central to the University's vision for excellence. A multimillion dollar landscaping, campus amenities and infrastructure project continued throughout the year and is expected to be completed in early 2017. Focusing on the northern side of campus, large areas have been repaved (with underground services upgraded), seating areas created, new gardens planted, and heritage-style railings and LED lighting installed. Designed to not only enhance the campus aesthetically, the project has also helped provide better-defined routes for pedestrians.

The Otago Regional Council's Leith River flood protection works also continued. Following completion of the Dundas Street, St David Street and Montgomery Avenue section, work began on the section of the river from Union to Leith Streets.

A major new artwork was installed in one of the busiest pedestrian areas on the campus. *Pathways*, a 3.2 metre tall bronze sculpture by internationally renowned New Zealand artist Dr Paul Dibble was gifted to the University by the Stuart Residence Halls Council to celebrate its 75th anniversary. Located at the junction of Union and Castle Walks (between the Union Lawn and the Staff Club), the sculpture comprises five figures and a cross modelled on the St Andrews Cross, and features Scottish, Celtic and literary elements.

Nearby, the University's iconic Clocktower is also being "refreshed", including checking and repointing of the stone facings and new exterior paintwork.

Old warehouses, on the former Wickliffe Press site bounded by Clyde, Albany and Forth Streets, were demolished late in the year to make way for a new car park providing 152 spaces, compensating for campus car parking that has been lost through other building projects.

The Campus Masterplan, initially developed in 2010, was reviewed in 2016. This now places a greater emphasis on quality rather than expansion over the next 20 years, cementing Otago's reputation for having one of the most beautiful campuses in the world. While this is just a framework for possible future options, the main themes that emerged from the review included a redesign of some teaching spaces, the creation of more informal learning and social spaces, boosting high-quality information services and an increased focus on the town-gown relationship.

To foster and maintain a safe and secure campus environment, Campus Watch teams are on duty 24 hours a day, seven days a week. A Safety Patrol also operates from 11pm to 3am every Wednesday to Saturday during the academic year to help keep students safe in the North Dunedin area, and the campus area in particular. In the annual Student Opinion Survey 98.2% of students reported a positive assessment of campus safety, 99.0% expressed satisfaction with the University libraries, and 94.9% were happy with the general campus environment.

## AT A GLANCE



CAPITAL WORKS  
TOTTALLING  
MORE THAN  
\$315 MILLION  
ARE UNDERWAY.



98.2% OF  
STUDENTS  
REPORTED  
A POSITIVE  
ASSESSMENT OF  
CAMPUS SAFETY.

THE \$131.7 MILLION DENTAL SCHOOL REDEVELOPMENT INCLUDES A NEW 7,970m<sup>2</sup> CLINICAL SERVICES BUILDING AND A 1,425m<sup>2</sup> ATRIUM LINKING IT TO THE REFURBISHED WALSH BUILDING.

A \$17.7 MILLION REDEVELOPMENT OF THE OTAGO BUSINESS SCHOOL BUILDING BEGAN IN OCTOBER.

A SIGNIFICANT LANDSCAPING, CAMPUS AMENITIES AND INFRASTRUCTURE PROJECT IS EXPECTED TO BE COMPLETED IN EARLY 2017.



Above: The Stuart Residence Halls Council with the sculpture *Pathways*, gifted to the University to celebrate the council's 75th anniversary.

Right: In August 2016, University of Otago Chancellor Mr John Ward turned the first sod for the School of Dentistry's new clinical services building.



Left: A delegation from Shanghai visited the University of Otago in September 2016.



A faint, light blue line-art illustration of the University of Otago's main building, featuring a central clock tower and multiple gables, serves as a background for the page.

# COMMITMENT AS A LOCAL, NATIONAL AND GLOBAL CITIZEN

# COMMITMENT AS A LOCAL, NATIONAL AND GLOBAL CITIZEN

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The University is committed to actively engaging in areas of local, national and international betterment, including strengthening links with Māori and Pacific communities, outreach and community service activities, and responding to the challenges of our changing global society.

National and international betterment – particularly in the areas of health and well-being, society and the environment – are key areas of focus for much of the research undertaken at Otago. In addition to that highlighted earlier in this report (see *pages 19-21*) the University is playing a key role in a number of other important initiatives, including a new research partnership to improve the understanding, treatment and prevention of long-term health conditions in New Zealand. The collaboration, announced in 2016, is between the Ministry of Health, the HRC and the Healthier Lives National Science Challenge led by Otago's Professor Jim Mann.

The University also contributed to a major international study looking at the health and well-being of more than 154 million indigenous and tribal peoples from 23 countries around the world. University of Otago, Wellington's Bridget Robson provided the New Zealand perspective in the report released in 2016. In another international collaboration, Professor John Crump (Centre for International Health) has received funding from the Bill & Melinda Gates Foundation to study severe typhoid fever and its impacts in northern Tanzania.

Otago was one of three New Zealand universities forming the New Zealand Institute for Pacific Research to deliver a research programme focused on Pacific development, investment and foreign policy issues. A contingent of Otago staff spent two weeks in Samoa to further strengthen the relationship between the Otago Medical School and the National University of Samoa's Faculty of Medicine, exploring their joint future in teaching, research and service.

Issues of national and international betterment were also the focus of many of the public lectures and seminars held by the University throughout 2016. The annual Winter Lecture Series, held in Wellington and Auckland in conjunction with the HRC, addressed the subject of Challenging the Status Quo in New Zealand. Otago experts spoke on subjects ranging from the Dunedin Study, to antimicrobial resistance, to power and the New Zealand CEO.

The Future Face of Healthcare public lecture series, a collaboration between the Dunedin School of Medicine and the Southern District Health Board, highlighted multidisciplinary research that is directly relevant to the health of our population. Held in Dunedin in November, this will continue in Invercargill and Wellington in 2017. The Public Health Summer School, run by the University of Otago, Wellington, marked its 20th anniversary, bringing together national and international public health experts to focus on issues affecting health, such as child obesity, tobacco control and inequality.

These activities were part of an extensive list of continuing education events offered by Otago in 2016, including public lectures; seminars; short courses – one with the Southern Sinfonia and nine in association with U3A (University of the Third Age); symposia, colloquia and conferences. There was also one documentary screening, two public science events, seven exhibitions and 110 performing arts activities.

The University has a well-established tradition of community outreach. In 2016 the long-running Hands-On Science programme was expanded to include offerings from the Humanities and Commerce Divisions, becoming Hands-On at Otago with a record 356 Year-12 and -13 students taking part. Five Science Wānanga were held, attended by 191 Year 8–11 students and 39 teachers. The Otago University Advanced School Sciences Academy (OUASSA) offered a number of new electives and seminars and was attended by 58 students from 38 schools. A further 21 teachers enrolled for the OUASSA professional development workshops.

The New Zealand Marine Studies Centre, the outreach arm of the Department of Marine Science, fosters an understanding of New Zealand's marine environment and its conservation through community engagement and education. In 2016, 5,836 school students and teachers attended curriculum-linked programmes at the centre; 3,276 people participated in group marine experiences; and a further 5,370 school students and teachers attended outreach programmes in the Nelson/Marlborough/Tasman region.

Two new projects were also announced through the government's Unlocking Curious Minds contestable fund: Lab-in-a-Box 2 to encourage the wider community engagement in science; and Making a Good Impression, a project for lower-decile Dunedin schools designed to both stimulate children's interest in science and also encourage better oral health.

Similarly, the University has a long-standing commitment to community service, with activities undertaken in 2016 estimated at \$40 million. In a survey of academic staff 91.5% of responders reported that they had dedicated time in the past year to community service and that, on average, they had dedicated 9.2% of their time to these activities. The types of service undertaken included giving lectures, talks or presentations to non-university groups (87.3%), holding a post in an organisation or association relevant to their area of expertise (73.2%) and editing or serving on the editorial boards of publications (64.8%).

Through these activities many Otago staff receive national and international recognition. In 2016 these included:

Associate Professor Donna Buckingham (Law) who has been appointed by the Governor-General as one of four New Zealand Law commissioners.

Professors Steve Dawson (Marine Science) and Liz Slooten (Zoology) who were jointly awarded the New Zealand Marine Society's inaugural John Morton Medal, recognising their outstanding contribution to the advancement of marine conservation and sustainability in New Zealand.

Associate Professor Nigel Dickson (Preventive and Social Medicine) who was made a life member of the New Zealand AIDS Foundation recognising his contribution to the prevention of HIV infection and the improvement of conditions for those affected by the disease.

Professor Elizabeth Rose (Management) who was elected as a Fellow of the Academy of International Business for her contribution to scholarly development in the field of international business and to the academy.

Associate Professor Nicola Taylor (Children's Issues Centre) who was joint winner of the 2016 president's award from the American-based Association of Family and Conciliation Courts in recognition of her work in the field of child abduction and relocation.

As the University works to extend its partnership with Māori, an updated Māori Strategic Framework was launched at the end of 2016. Designed to build on momentum and progress to date, the new framework will guide Māori development at Otago through to 2022, deepening the University's commitment to achieving equitable Māori participation and success in tertiary education, championing an environment in which scholarship and partnership will advance Māori development aspirations, and setting and pursuing goals around embedding mātauranga Māori within the University's core functions.

A significant milestone was achieved in December when the largest number of Māori medical students in New Zealand history – 45 – graduated as doctors from the University. This was also the first time that the proportion of Māori medical graduates at Otago equated to the proportion of Māori in the New Zealand population.

Another milestone in Māori public health advocacy came with Hāpai Te Hauora signing a memorandum of understanding (MOU) with Otago's tobacco control research groups ASPIRE 2025 and BODE3. This formal relationship will inform and progress tobacco control in New Zealand. The University also renewed an important MOU with Te Rūnanga o Toa Rangatira, reconfirming a 25-year relationship that has helped develop Māori-led health and social services that benefit the whole community. He Toki Reo, a new Māori language initiative, was launched with the aim to promote te reo Māori as a living language on campus.

The University's commitment to the Pacific community is formalised in the Pacific Strategic Framework. In 2016 an Otago Pacific Academic Staff caucus was formally launched to support teaching and excellence, and staying in tune with Pacific people's world views and aspirations.

*For more information on Māori and Pacific development, see pages 58–60.*

As one of New Zealand's largest employers the University of Otago makes a significant contribution to the economic well-being of the country and region. Figures released in 2016 estimated that the University injected around \$881.1 million directly into the Dunedin economy, with the downstream effects increasing this to \$1.55 billion, supporting directly and indirectly 13,902 jobs. There were also economic impacts of \$109.7 million, \$96.4 million and \$3.8 million on the Christchurch, Wellington and Invercargill economies respectively. This national economic impact (direct and indirect) is estimated at \$1.77 billion.

The University offers a number of free services that contribute to the well-being of people in New Zealand and overseas. For example, the Pharmacovigilance Centre, based in the

Department of Preventive and Social Medicine, helps ensure the safety of medicines, vaccines, herbal products and dietary supplements through the monitoring of "adverse events". The National Poisons Centre (NPC) provides a 24-hour, 365-days-a-year free phone service to the people of New Zealand. Based in Otago's Department of Preventive and Social Medicine, it is part of an integrated National Telehealth Service (linking Healthline, Quitline, Alcohol and Drug Help, Immunisation Advice, Depression and Gambling helplines as well as the NPC's Poisons Advice line). The NPC maintains a database (TOXINZ) of some 200,000 toxic substances that is extensively used in the management of poisoned patients in New Zealand hospitals as well as overseas, and continues to work towards the reduction of harm in the community from poisonings through prevention, education and surveillance programmes.

The University's library collections, documentary heritage and commitment to the arts provide further avenues of contribution to the national good. Otago's arts fellowships are of national significance and in 2016 were held by Victor Rodger (Robert Burns Fellow), Miranda Parkes (Frances Hodgkins Fellow), Chris Gendall (Mozart Fellow), Val Smith (Caroline Plummer Fellow in Community Dance) and Barbara Else (University of Otago College of Education /Creative New Zealand Children's Writer in Residence). The 50th anniversary of the Frances Hodgkins Fellowship was celebrated with an exhibition jointly hosted by the Hocken and the Dunedin Public Art gallery. *Undreamed of ... 50 years of the Frances Hodgkins Fellowship* featured works by all of the fellows, most of them represented by a work completed during the time of their residency as well as a more recent example of their art.

The Division of Humanities continued its support of the Dunedin Symphony Orchestra and the annual Shakespeare Globe Centre New Zealand (SGCNZ) University of Otago Sheilah Winn Shakespeare Festival for secondary school students. In 2016 the SGCNZ National Shakespeare Schools Production was held in Dunedin. This event was supported by the division, which also hosted the production's 48 young actors on campus.

The Hocken Collections is one of the foremost research and heritage collections in New Zealand, its pictures and photographs collection alone boasting some 1,131,493 items. In 2016 the Lance Richdale papers, documenting his contributions to ornithological knowledge and conservation, were inscribed on the UNESCO Memory of the World New Zealand heritage register (see page 57).

The Library's Special Collections hosted Sarah Smith from Matariki partner Dartmouth College as the 2016 Printer in Residence. She collaborated with poet Rhian Gallagher and artist Lynn Taylor to produce a publication on the life of a pioneering female climber titled *Freda Du Faur Southern Alps 1909-1913*. Four exhibitions were viewed by 2,789 people including *A Letterpress Legacy: The Dartmouth College Book Arts Workshop* which celebrated our Matariki partnership (see pages 39-40).

## AT A GLANCE



OUTREACH ACTIVITIES CONTINUED: THE HANDS-ON SCIENCE PROGRAMME WAS EXPANDED TO INCLUDE THE HUMANITIES AND COMMERCE, BECOMING HANDS-ON AT OTAGO. A RECORD 356 STUDENTS TOOK PART.

COMMUNITY SERVICE ACTIVITIES WERE ESTIMATED TO BE WORTH \$40 MILLION.

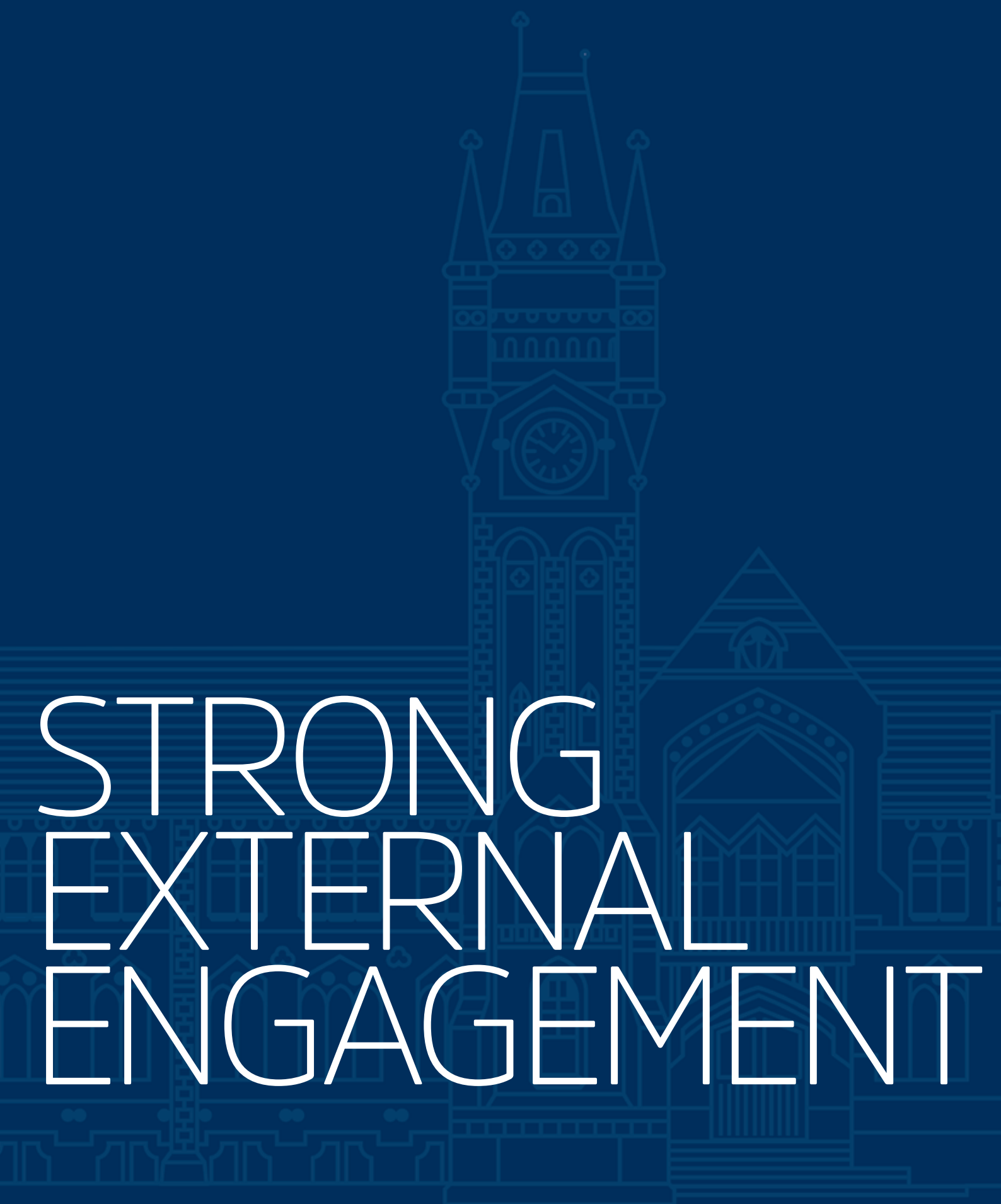
AN UPDATED MĀORI STRATEGIC FRAMEWORK WAS LAUNCHED.



THE LARGEST NUMBER OF MĀORI MEDICAL STUDENTS IN NEW ZEALAND HISTORY – 45 – GRADUATED AS DOCTORS FROM THE UNIVERSITY IN DECEMBER.

**\$1.77 BILLION**

THE UNIVERSITY'S NATIONAL ECONOMIC IMPACT (DIRECT AND INDIRECT) IS ESTIMATED AT \$1.77 BILLION.



# STRONG EXTERNAL ENGAGEMENT



# STRONG EXTERNAL ENGAGEMENT

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While geographically separated from the major centres of population, and political and economic decision-making, the University continues to build strong relationships with key external groups, in New Zealand and internationally.

In 2016 the University signed a number of important agreements that will enhance our connections and provide greater opportunities for engagement and collaboration.

A second MOU was signed in February between the seven universities of the Matariki Network of Universities (MNU), cementing a relationship that was established five years ago. The MNU has enabled research collaboration, student and staff exchange, and opportunities for sharing best practice.

In October the then Prime Minister, the Rt Hon. John Key, announced an important MOU between the University of Otago and the BSE Institute Ltd, a wholly-owned subsidiary of the Bombay Stock Exchange. This will encourage student exchange and foster stronger research links between the two institutions, initially focusing on postgraduate programmes offered by the Otago Business School.

In September a delegation of high-ranking Shanghai officials visited the University, a recognition of the strengthening research and teaching collaborations between Otago and universities in Shanghai. In addition to established programmes with Fudan University and the Shanghai University of International Business and Economics, and research collaborations via the Confucius Institute, the University announced a new Doctor of Business Administration (DBA) degree to be offered both at Otago and Shanghai Jiao Tong University (see *page 24*). And, furthering our relationship with China, a MOU was signed with the China Scholarship Council to enable up to five PhD students to take up scholarships at Otago each year.

At the national level, a MOU was signed with the Museum of New Zealand Te Papa Tongarewa creating greater opportunities for collaboration between the two institutions, strengthening joint efforts in research, scholarships, teaching and public lectures. And a new five-year MOU with the Otago Museum was also signed, re-invigorating a relationship stretching back almost 150 years.

More than 200 students participated in Otago's global exchange programme and seven new student exchange partnerships were confirmed, including with the world's oldest university, Bologna, in Italy, and our first African continent partner, the University of Cape Town. This brings the number of University exchange partners to 111.

In June, Otago successfully hosted its inaugural International School, a three-week full-credit Northern Hemisphere summer course offering papers with a New Zealand focus. Also successful, the Job Ready Programme – an initiative to help international students develop the skills to attain work in New Zealand – achieved excellent results: 87% of those placed in work were recruited in their area of expertise.

Throughout 2016 the University continued a longstanding tradition of hosting world-leading experts and national and international conferences on its campuses. These included two significant Matariki events: the MNU executive meeting in February and the inaugural Matariki Indigenous Student Mobility Programme. This brought together students from our international Matariki partners to foster cultural exchanges, research and the understanding of issues affecting indigenous communities. *For more Matariki initiatives, see page 37.*

The 51st Foreign Policy School was held in July, focusing on Global Politics: from State to Social Media. Also in July, the University hosted the biennial International Science Festival that offered more than 170 events with the theme of Be Curious. Otago's Centre for International Health hosted the Otago Global Health Institute's annual conference in November in conjunction with the Australasian Society for Infectious Diseases New Zealand annual scientific meeting. One of the more unusual events was an international conference titled New Research on Horror, hosted by the Department of Film, Media and Communication.

A Fulbright Forum on the 2016 US Presidential election was hosted by Fulbright New Zealand Chair and Otago Vice-Chancellor Professor Harlene Hayne in October. Speakers included the US Ambassador to New Zealand, His Excellency Mark Gilbert.

Other visitors on campus included international rabies expert Professor Sarah Cleveland, Swiss Space Centre Director Professor Volker Gass and internationally regarded rare book expert Dr Rick Gekoski who gave the 2016 World Book Day lecture. In May, the then Governor-General His Excellency, Lt Gen. the Rt Hon. Sir Jerry Mateparae, visited the Lab-In-a-Box, an Otago outreach project that takes science to the country to inspire those in rural areas to engage with science and technology.

Office of Māori Development Director Tuari Potiki – and chairman of the New Zealand Drug Foundation – took the University to the world's stage when he spoke at a special session of the United Nations general assembly in April,

advocating for indigenous people to have a say in the UN global anti-drug strategy.

Maintaining mutually beneficial relationships with alumni, both in New Zealand and internationally, is highly valued at the University of Otago. The University maintained contact with more than 100,000 alumni via electronic and print communications, including the *University of Otago Magazine*, which was published in March and September, and the eConnect alumni electronic newsletter in March, July, November and December.

Emails for alumni – “What's On” – were sent monthly for Dunedin, Christchurch, Wellington, Auckland and Queenstown, as well as other cities and towns where University of Otago-related events were held. Social media provided further opportunities for alumni to communicate with each other and the University.

The Development and Alumni Relations Office organised 20 alumni events in New Zealand and around the world, with more held in New Zealand in 2016 reflecting the numbers of alumni living here. Event highlights included: a film premiere, Colin Geary visiting professor lecture, and Highlanders' Captain's Run in Dunedin; the first BBQ for new graduates in Auckland; a book launch in Washington DC; an All Blacks rugby game in Chicago; dentistry updates in Asia; and a theatre tour in London.

Two new alumni chapters joined the Otago network: one in Samoa and the other in Singapore.

The Development and Alumni Relations Office increased its scholarship offerings in 2016: Annual Appeal scholarships increased to 25; the University of Otago in America supported an additional nine Academic Excellence Scholarships. Four students received Donna Rose McKay Entrance Scholarships, and a further three scholarships were funded for students studying Law. This brings the number of entrance scholarships supported by Otago alumni and friends to 62.

## AT A GLANCE



A SECOND MOU WAS SIGNED BETWEEN THE SEVEN UNIVERSITIES OF THE MATARIKI NETWORK OF UNIVERSITIES.

MOUs WERE ALSO SIGNED WITH THE BSE INSTITUTE LTD, A WHOLLY-OWNED SUBSIDIARY OF THE BOMBAY STOCK EXCHANGE; THE MUSEUM OF NEW ZEALAND TE PAPA TONGAREWA; AND THE OTAGO MUSEUM.

THE INAUGURAL INTERNATIONAL SCHOOL WAS HOSTED IN JUNE.

THE UNIVERSITY MAINTAINED CONTACT WITH MORE THAN  
**100,000**  
ALUMNI VIA ELECTRONIC & PRINT COMMUNICATIONS.



THE UNIVERSITY HAS EXCHANGE AGREEMENTS WITH 111 UNIVERSITIES AROUND THE WORLD.



Above: Some of the record 45 Māori medical students who graduated in December 2016.

Below: Signing the second Matariki Network memorandum of understanding in February 2016: Back row (from left): Dartmouth College President Philip Hanlon, Queen's University Principal and Vice-Chancellor Daniel Woolf, University of Tübingen President and Vice-Chancellor Professor Bernd Engler and Durham University Dean of Internationalisation Professor Danny Donoghue. Front row (from left): University of Western Australia Senior Deputy Vice-Chancellor Professor Dawn Freshwater, Otago Vice-Chancellor Professor Harlene Hayne and Uppsala University Vice-Chancellor Professor Eva Åkesson.







# SUSTAINING CAPABILITY

# SUSTAINING CAPABILITY

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Otago is taking a long-term approach to maintaining its capabilities as a broad-based research-led university. It will invest in staff and physical resources, look to diversify its funding base, and scrutinise activities for effectiveness and efficiency.

To support the vision of being a research-led University with an international reputation for excellence, it is important to generate sufficient resources and to target those resources effectively. As outlined in further detail in the Financial Review (see page 66) the University Group operating surplus of \$27.8 million was 34% higher than budget due to strong externally-funded research activity.

The tertiary sector continues to operate in a constrained funding environment with several years of government funding without adjustments for inflation, and flat student demand. However, costs continue to increase. While the University will start 2017 in a strong financial position, the challenges posed by this environment will require careful fiscal management if the high quality of teaching, research and community service is to be maintained and adequate funds are to be provided for the infrastructure projects on the University's Priority Development Plan.

Entrepreneurial activities and the commercialisation of intellectual property are helping the University in its drive to diversify its funding base and in providing additional resources for investment. In 2016, 42 commercial opportunities were presented to Otago Innovation Ltd (OIL), the University's commercialisation company, with several being progressed towards sale or to market.

In 2016 the University became a member of the Medical Research Commercialisation Fund, Australia's largest life science venture fund, providing dedicated investment funding and expertise to support the development of early-stage research innovations. This will provide new opportunities to develop Otago's important biomedical discoveries into technologies that can enhance health and well-being.

2016 marked the 10th anniversary of OIL's annual Proof of Concept competition which aims to encourage researchers to think about possible commercial applications of their work, with grants that can be used to progress the product to market. It attracted 16 high quality entries with the \$60,000 first prize being awarded to PhD student George Taiaroa, Associate Professor Richard Macknight and Dr Peter Mace, from the Department of Biochemistry. Their engineered enzyme offers the potential for a simple method of testing for DNA mutations in the field, rather than in a lab. Professor Alison Heather (Physiology) won the 2016 Division of Health Sciences Translational Research Grant for her work on a new diagnostic test for recurring breast cancer. *For further information see page 65.*

To sustain the University as a vibrant and diverse community, staff must be fully engaged in their academic and professional callings. During 2016 Human Resources held a total of 225 workshops, attended by 2,618 participants focusing on themes such as team work, communication skills, change management,



customer service skills and strategies to assist planning. Three Te Reo language workshops were held with 55 participants, and a trial of the Get Ahead series of professional development workshops was a success and will be repeated.

The Women in Leadership at Otago (WiLO) programme was attended by 17 participants; the three-day Essential Management programme was held twice and attended by 41 managers; and a further 21 people attended the Supervisory Skills programme (see page 61).

Just as awards for research and teaching excellence are presented each year, the University also recognises the outstanding contributions of general staff. The 2016 General Staff Award for Exceptional Performance was shared by two staff members: Kieran Columb, the laboratory supervising technician in the Department of Human Nutrition; and Fieke Neuman, the teaching laboratory manager in the Department of Anatomy.

As a publically-funded institution the University must be mindful of the need to manage risk effectively and to use resources efficiently. Following a sustained decline in student numbers in the Division of Humanities over the past six years and shifting patterns of student interest, a review of the division was undertaken in 2016. Focusing primarily on academic staffing, its aim was to protect the academic integrity of the division and improve its financial foundation. Five academic units – the Departments of Anthropology and Archaeology, English and Linguistics, and Languages and Cultures, and programmes in History and Music – underwent management of change processes as a result.

The wide-ranging Support Services Review continued, examining all administrative and operational processes undertaken by general staff across the University. The research and scoping phase of the project is now complete and a business case is expected to be presented in mid 2017.

The UniForum benchmarking project was mid-way through its second three-year cycle, also providing valuable data and analysis on the University's support services, with comparisons from 18 other universities in Australia and New Zealand.

## AT A GLANCE

THE UNIVERSITY GROUP REPORTED AN OPERATING SURPLUS OF

# \$27.8 MILLION

42 COMMERCIAL OPPORTUNITIES WERE PRESENTED TO OTAGO INNOVATION LTD.

THE UNIVERSITY BECAME A MEMBER OF THE MEDICAL RESEARCH COMMERCIALISATION FUND.



HUMAN RESOURCES HELD A TOTAL OF 225 WORKSHOPS, ATTENDED BY 2,618 PARTICIPANTS.

A REVIEW OF THE HUMANITIES DIVISION WAS UNDERTAKEN IN RESPONSE TO A SUSTAINED DECLINE IN STUDENT NUMBERS AND SHIFTING PATTERNS OF STUDENT INTEREST.

THE SUPPORT SERVICES REVIEW CONTINUED.

# REPORTING BY OUTPUTS

	Actual \$000s	Total Budget \$000s	Last Year \$000s
Teaching and learning output			
Campus-based teaching and learning	194,264	209,985	201,549
Distance teaching and learning	-	-	-
<b>Total cost of outputs</b>	<b>194,264</b>	<b>209,985</b>	<b>201,549</b>
Research output			
Postgraduate thesis supervision	62,735	68,662	63,977
Teaching-related research	31,811	32,123	25,251
Project-based research			
– University funded	108,755	96,137	98,580
– Externally funded	134,111	108,642	114,549
<b>Total cost of outputs</b>	<b>337,412</b>	<b>305,564</b>	<b>302,357</b>
<b>Community service</b>	<b>30,970</b>	<b>31,023</b>	<b>31,066</b>

# STATEMENT OF SERVICE PERFORMANCE

## STRATEGIC OBJECTIVE ONE: EXCELLENCE IN RESEARCH

#	KEY PERFORMANCE INDICATORS	2014 Actual	2015 Actual	2016 Target	2016 Actual
1.1	Increasing the number of quality-assured research outputs as measured by a three-year rolling average. <sup>1</sup>	3-year rolling average 4,624	3-year rolling average of 4,592	> previous year	3-year rolling average of 4,712
1.2	Increasing research funding from outside sources as measured by a three-year rolling average.	3-year rolling average \$86.1 million	3-year rolling average of \$87.1 million	> previous year	3-year rolling average of \$97.8 million
1.3	Increasing the proportion of postgraduate research EFTS within University EFTS. <sup>2</sup>	8.8%	8.8%	> previous year	8.6%
1.4	Increasing the number of research degree completions as measured by a three-year rolling average.	3-year rolling average 554	3-year rolling average 568	> previous year	3-year rolling average 554
1.5	At least 90% of research degree respondents to the Graduate Opinion Survey reporting overall satisfaction with the quality of supervision.	89.5%	89.7%	≥ 90.0%	96.2%
1.6	At least maintaining the number of academic staff undertaking research and study leave as measured by a three-year rolling average.	3-year rolling average 146	3-year rolling average 127	≥ previous year	3-year rolling average 140
1.7	Maintaining Otago's position as New Zealand's top university in the citation components of the annual Academic Ranking of World Universities (ARWU) and the QS World University Rankings.	Outright first in both rankings	First in ARWU, second in QS Rankings	First equal or outright first in both rankings	Third equal in ARWU, third in QS Rankings

The University achieved four of seven performance targets relating to this strategic objective.

The increase in the three-year average of quality-assured research outputs reflects an intensification of research activity as academic staff prepare for the 2018 PBRF round. The average is likely to increase over the next two years. The University had a strong year with external research income in 2016, and this is reflected in the \$10.7 million (12.3%) increase in the three-year rolling average.

Postgraduate research EFTS comprised 8.6% of University EFTS. This was a slight decrease from 2015, likely influenced by a strong job market and a shift in student choice away from masters' research (thesis) programmes towards professional masters' programmes. These factors were also at play in the small overall drop in postgraduate research degree completions, as were a number of transfers from masters' research programmes into doctoral study.

Satisfaction with the quality of research degree supervision improved in 2016 to reach its highest level yet. This is the first time the University has achieved this performance target, and consistently achieving satisfaction levels in excess of 90% will be a priority moving forward.

The overall increase in the number of academic staff undertaking research and study leave was driven by increases in the Divisions of Humanities and Health Sciences.

The drop to third position in the citation components of the annual Academic Ranking of World Universities (ARWU) and the QS World University Rankings reflected recent changes made by ARWU and QS to the methodologies underpinning these indicators.<sup>3</sup>

<sup>1</sup> Due to the time required to collate and vet research output data, the outputs reported for this measure are always a year in arrears (i.e. outputs reported against 2016 are those published in 2015, etc.). Research outputs are only included once evidence of their quality-assured status has been obtained. The definition of quality-assured research outputs employed for this measure is consistent with that specified by the Tertiary Education Commission for PBRF reporting purposes.

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

<sup>3</sup> Since this performance target was set the citations methodology for each ranking has been modified in a way that has adversely impacted Otago's score. ARWU has moved from measuring citations over several years to measuring the top 1% of citations by field and year indexed in the Web of Science – which is generally the year of publication. The previous methodology rewarded the cumulative influence of influential older research, and Otago did very well in this respect; while the current methodology favours the impact of newer research in each year of publication. QS, responding to criticism about the heavy influence of Life Sciences and Medicine on its citations per faculty data, has implemented a new citations model that equalises the influence of all faculty areas on the overall outcome of the citations per faculty measure.

## STRATEGIC OBJECTIVE TWO: EXCELLENCE IN TEACHING

#	KEY PERFORMANCE INDICATORS	2014 Actual	2015 Actual	2016 Target	2016 Actual
2.1	Increasing the proportion of postgraduate EFTS within University EFTS.	16.1%	17.0%	> previous year	17.1%
2.2	At least 90% of undergraduate degree-level commencing students admitted with NCEA Level 3 or an equivalent qualification.	91.1%	93.4%	≥ 90.0%	94.9%
2.3	At least 80% of commencing students passing at least two thirds of their academic credits in their first year of study.	78.6%	80.2%	≥ 80.0%	82.2%
2.4	Maintaining an average pass rate for papers within 2% of the average for the previous three years.	89.5% (3-year average 89.8%)	90.3% (3-year average 89.8%)	+/- 2.0% of rolling average	90.8% (3-year average 90.2%)
2.5	Increasing the number of students successfully completing qualifications at both undergraduate and postgraduate levels.	3,527 (UG) 1,630 (PG)	3,462 (UG) 1,814 (PG)	> previous year	3,410 (UG) 1,936 (PG)
2.6	At least 90% of respondents to the annual Student and Graduate Opinion Surveys <sup>4</sup> providing a positive assessment of the quality of teaching.	84.0%	84.5%	≥ 90.0%	86.2%
2.7	At least 90% of respondents to the Graduate Opinion Survey <sup>5</sup> reporting some, moderate or extensive development of the following attributes:				
	A willingness to learn;	96.8%	96.3%	≥ 90.0%	96.6%
	Teamwork skills;	87.3%	83.6%	≥ 90.0%	86.1%
	Communication skills;	93.0%	92.1%	≥ 90.0%	92.3%
	The skills to plan my own work;	94.9%	94.7%	≥ 90.0%	94.6%
	The ability to solve problems;	95.2%	95.0%	≥ 90.0%	94.4%
	Independent judgement;	94.8%	95.0%	≥ 90.0%	95.7%
	Academic rigour;	93.7%	93.9%	≥ 90.0%	94.5%
	A multidisciplinary perspective;	90.3%	89.7%	≥ 90.0%	91.2%
	Analytical skills;	95.5%	96.0%	≥ 90.0%	96.1%
	Flexibility and adaptability;	92.7%	91.5%	≥ 90.0%	93.8%
	An awareness of ethical issues;	92.7%	89.8%	≥ 90.0%	91.1%
	A global perspective;	86.5%	86.0%	≥ 90.0%	88.6%
	Cultural understanding;	84.7%	83.0%	≥ 90.0%	85.2%
	Environmental literacy;	79.7%	77.4%	≥ 90.0%	79.5%
	Research skills;	93.8%	94.8%	≥ 90.0%	94.5%
	Information literacy.	95.5%	95.1%	≥ 90.0%	95.6%
2.8	At least 90% of respondents to the Graduate Opinion Survey reporting progression to employment or further study following completion of their qualification, as measured by a three-year rolling average.	3-year rolling average 93.6%	3-year rolling average 93.2%	≥ 90.0%	3-year rolling average 94.2%

<sup>4</sup> Please refer to footnotes 5 and 6 below for discussion of these surveys and their response rates.

<sup>5</sup> The annual Graduate Opinion Survey invites feedback from graduates on their experiences at Otago, particularly in terms of their learning experiences, 18 to 24 months after graduation. In 2016, 4,465 students were invited to complete the survey and there were 2,225 respondents (a 49.8% response rate). (2015: 5,204 surveyed; 2,345 respondents; 45.1% response rate.)

Eighteen of the 24 performance targets relating to this strategic objective were achieved. Of those not achieved, five showed improvement against 2015. The increased proportion of undergraduate degree-level commencing students admitted with NCEA Level 3 (or equivalent) reflects the drive to recruit more high-calibre school leavers. The proportion of commencing students passing at least two thirds of their academic credits in their first year of study increased for the second year in a row, as did the number of students successfully completing postgraduate qualifications – reflecting modest growth in the number of international enrolments in postgraduate taught programmes. The number of undergraduate qualification completions decreased slightly from 2015, and this is an effect of increased numbers of students enrolled in longer undergraduate degrees such as those in Health Sciences.

The percentage of respondents positively assessing the quality of teaching at the University improved slightly from 2015 and 2014, though again remained below target. Improved performance against this measure remains a priority. Results for the Graduate Opinion Survey were similar to previous years, with minor variations, and employment outcomes remain strong.



## STRATEGIC OBJECTIVE THREE: OUTSTANDING STUDENT EXPERIENCES

#	KEY PERFORMANCE INDICATORS	2014 Actual	2015 Actual	2016 Target	2016 Actual
3.1	At least 90% of residential college respondents to the annual Student Opinion Survey <sup>6</sup> providing a positive assessment of their colleges.	93.4%	96.2%	≥ 90.0%	97.3%
3.2	At least 90% of respondents to the annual Student Opinion Survey providing a positive assessment of:				
	Administrative services and support services;	94.4%	95.9%	≥ 90.0%	97.2%
	The Student Learning Centre;	99.0%	96.7%	≥ 90.0%	98.0%
	The helpfulness of staff;	90.5%	88.9%	≥ 90.0%	92.5%
	Student health and counselling services;	92.1%	91.5%	≥ 90.0%	90.4%
	The University's careers advisory service;	91.8%	94.9%	≥ 90.0%	94.9%
	Support from the Otago University Students' Association.	94.9%	96.1%	≥ 90.0%	96.9%
3.3	Enrolling a diversified international student population <sup>7</sup> constituting up to:				
	15% of total University EFTS;	11.1%	11.2%	≤15.0%	11.6%
	25% of the international cohort from one country.	20.1%	19.8%	≤ 25.0%	20.7%

The University achieved all nine of the targets relating to this strategic objective. As a residential university, the high satisfaction ratings from residential college respondents were especially noteworthy; affirming the value of our focus in this area. The proportion of international EFTS increased to 11.6%. A second year of strong growth from the United States (an increase of 65 students or 9.9% from 2015) and China (30 students; 6.6%) were key drivers for this.

<sup>6</sup> The annual Student Opinion Survey elicits comprehensive feedback from students on both the academic and wide pastoral support aspects of their study at Otago. Each year, students in approximately a quarter of the University's programmes are invited to participate (so that all departments and programmes are covered in a four-year cycle). In 2016, 4,078 students were invited to complete the Academic Experience component of the survey and there were 2,137 respondents (a 52.4% response rate). (2015: 6,443 surveyed; 3,155 respondents; 49.0% response rate.) 3,500 students were invited to complete the Support Services component of the survey. There were 1,930 respondents (a 55.1% response rate). (2015: 3,500 surveyed; 1,597 respondents; 45.6% response rate.)

<sup>7</sup> Including both full-fee international students and international doctoral students granted domestic student status for fees and funding purposes.

## STRATEGIC OBJECTIVE FOUR: OUTSTANDING CAMPUS ENVIRONMENTS

#	KEY PERFORMANCE INDICATORS	2014 Actual	2015 Actual	2016 Target	2016 Actual
4.1	At least 90% of respondents to the annual Student Opinion Survey providing a positive assessment of:				
	The general campus environment;	96.2%	96.1%	≥ 90.0%	94.9%
	Personal safety on campus;	99.0%	98.6%	≥ 90.0%	98.2%
	University libraries;	96.0%	93.4%	≥ 90.0%	99.0%
	University information technology and teaching facilities;	91.9%	91.9%	≥ 90.0%	92.5%
	The quality of sport and recreational facilities;	97.7%	97.5%	≥ 90.0%	97.6%
	University Union, including food and beverage service;	89.4%	92.5%	≥ 90.0%	91.7%
	Living accommodation provided by the University.	94.0%	95.7%	≥ 90.0%	96.6%
4.2	Providing learning assistance and/or access to special equipment for at least 450 students with a disability affecting study.	546	669	≥ 450	656
4.3	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, extraordinary items and capital injections to group companies).	Funding ≥ depreciation + adjusted surplus	Funding ≥ depreciation + adjusted surplus	Funding ≥ depreciation + adjusted surplus	Funding ≥ depreciation + adjusted surplus

The University achieved all nine of the targets relating to this strategic objective, with the Student Opinion Survey again confirming very high levels of student satisfaction with the campus environment, personal safety, libraries, ITS facilities and University Union services. The University's Disability Information and Support team continued its broad programme of support for students with a disability affecting study.

## STRATEGIC OBJECTIVE FIVE: COMMITMENT AS A LOCAL, NATIONAL AND GLOBAL CITIZEN

#	KEY PERFORMANCE INDICATORS	2014 Actual	2015 Actual	2016 Target	2016 Actual
5.1	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;	1,776 enrolments, 9.7% of EFTS	1,759 enrolments, 9.9% of EFTS	> previous year	1,844 enrolments, 10.4% of EFTS
	Increasing the course completion rates for first year Māori students;	73.9%	80.4%	> previous year	79.2%
	Increasing the number of Māori students completing qualifications at both undergraduate and postgraduate levels.	299 (UG) 93 (PG)	257 (UG) 96 (PG)	> previous year	276 (UG) 122 (PG)
5.2	Raising Pacific student participation and achievement by:				
	Increasing the number of Pacific students enrolled and domestic Pacific EFTS as a percentage of total domestic student EFTS;	751 enrolments, 3.9% of EFTS	804 enrolments, 4.2% of EFTS	> previous year	874 enrolments, 4.6% of EFTS
	Increasing the course completion rates for first year Pacific students;	63.0%	70.3%	> previous year	69.3%
	Increasing the number of Pacific students completing qualifications at both undergraduate and postgraduate levels.	102 (UG) 40 (PG)	82 (UG) 38 (PG)	> previous year	94 (UG) 52 (PG)
5.3	Increasing the number of research projects being undertaken in consultation with Māori as measured by a three-year rolling average. <sup>8</sup>	3-year rolling average 687	3-year rolling average 634	> previous year	3-year rolling average 678
5.4	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, as measured by a three-year rolling average.	3-year rolling average 2,171	3-year rolling average 2,165	≥ previous year	3-year rolling average 2,656 <sup>9</sup>
5.5	At least 80% of University academic staff involved in community service activities.	94.6%	92.1%	≥ 80.0%	91.5%
5.6	Holding at least 400 open lectures, public seminars, and adult and community education courses per annum.	644	591	≥ 400	633
5.7	Providing at least 100 performing arts activities open to the public per annum.	129	123	≥ 100	110
5.8	Maintaining the University's status as a Fair Trade university.	Fair Trade status maintained	Fair Trade status maintained	Maintain Fair Trade status	Fair Trade status maintained
5.9	Increasing the proportion of students undertaking volunteer work while studying at the University.	49.0%	49.2%	> previous year	51.8%

<sup>8</sup> This KPI captures the number of research projects appropriately engaging with consultation procedures outlined in the University's Research Consultation with Māori Policy.

<sup>9</sup> The number of media articles featuring comment by University of Otago academic staff increased sharply in 2016 (by 22.7% from 2015). The primary driver for this was a change in the University's media monitoring service in September 2016, with the new monitoring agency capturing on-line media, which the previous service did not capture.

The University performed well in meeting its ambitious commitments as a local, national and international citizen, achieving 15 of 17 performance targets against this strategic objective.

The number of Māori student enrolments and Māori EFTS as a proportion of total domestic EFTS were at all-time highs. Māori first-year course completion rates were down slightly from 2015, but were higher than in 2014 and earlier years. Māori undergraduate qualification completions were up from 2015; indicating that the pipeline effect of the lower intake of Māori first-year students in 2012 may have passed through the system. Māori postgraduate qualification completions were at an all-time high.

Pacific student enrolments and Pacific EFTS as a proportion of total domestic EFTS were also at all-time highs. Pacific first-year course completion rates were down slightly from 2015, though higher than in 2014 and earlier years. Pacific undergraduate qualification completions were up from 2015, and Pacific postgraduate qualification completions were at their second highest level ever (2013: 54 postgraduate qualification completions).

The ongoing improvements in Māori and Pacific student participation, retention and completion are very encouraging. Maintaining this momentum is a high priority for the University.

The University remained committed to robust, appropriate research consultation with Māori, and this was managed through the University's Research Consultation with Maori Policy. 678 (3-year rolling average) research projects were reviewed through this process in 2016; a 6.9% increase from 2015.

The University has worked hard to encourage civic engagement and leadership among its staff and students. In 2016, the high level of academic staff involvement in community service activities was maintained, as was the University's commitment to providing open lectures, public seminars, and adult and community education courses, and to providing performing arts activities to the public. The proportion of students undertaking volunteer work exceeded 50% for the first time since the University began collecting data against this performance measure.

## STRATEGIC OBJECTIVE SIX: STRONG EXTERNAL ENGAGEMENT

#	KEY PERFORMANCE INDICATORS	2014 Actual	2015 Actual	2016 Target	2016 Actual
6.1	Hosting at least 650 academic visitors to the University per annum.	800	687	≥ 650	975
6.2	At least 25% of academic staff serving on government advisory boards and committees.	34.8%	27.0%	≥ 25.0%	33.8%
6.3	At least 50% of academic staff providing services to public sector departments, statutory authorities, agencies, boards, committees or inquiries, or to non-governmental organisations.	73.9%	74.2%	≥ 50.0%	74.6%
6.4	At least 50% of academic staff holding posts in an organisation or association relevant to their area of professional expertise.	68.5%	67.4%	≥ 50.0%	73.2%
6.5	Increasing the number of students studying abroad on outbound student exchange.	211	224	> previous year	210

The University performed well against this strategic objective, achieving four of its five performance targets. Underpinning this were high levels of academic staff service on public and private sector boards, committee and other organisational structures.

The overall increase in academic visitors to the University occurred via increases in the Divisions of Humanities and Health Sciences. The decrease in the number of students studying abroad on outbound student exchange is most likely a pipeline consequence of the smaller intake of first-year students in 2015 (3,738 first-year students in 2015, compared with over 4,000 in each of 2016, 2014 and 2013).<sup>10</sup>

<sup>10</sup> Outbound student exchange normally takes place in a student's second year of study at Otago.



## STRATEGIC OBJECTIVE SEVEN: SUSTAINING CAPABILITY

#	KEY PERFORMANCE INDICATORS	2014 Actual	2015 Actual	2016 Target	2016 Actual
7.1	Achieving or exceeding the following University and University Group EFTS enrolment targets. <sup>11</sup>	18,570 & 18,830	18,156 & 18,421	18,156 & 18,435	18,287 & 18,547
7.2	Achieving an operating surplus such that the moving five-year average is at least 2% of net assets (excluding extraordinary items).	1.9% of net assets	1.7% of net assets	≥ 2.0% of net assets	1.6% of net assets
7.3	Maintaining a liquid ratio of no worse than 1:1.	2.3:1	2.7:1	≥ 1:1	2.6:1
7.4	Ensuring that net interest paid is no greater than one third of the operating surplus.	1.6%	1.2%	≤ 33.3%	1.1%
7.5	Maintaining at least 50% of University income from diverse sources other than Government Grant funding.	55.4%	55.6%	≥ 50.0%	56.6%
7.6	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.	3-year rolling average \$72.8 million (102.5%)	3-year rolling average \$75.5 million (103.6%)	≥ 105.0% of 2015	3-year rolling average \$77.3 million (102.4%)
7.7	Reducing energy use per m <sup>2</sup> of floor space as measured by a three-year rolling average. <sup>12</sup>	3-year rolling average of 214.2 kWh/m <sup>2</sup>	3-year rolling average of 211.2 kWh/m <sup>2</sup>	< previous year	3-year rolling average of 211.7 kWh/m <sup>2</sup>
7.8	Increasing the percentage of waste recycled.	16.2%	22.7%	> previous year	25.1%

The University performed well against its capability imperative, achieving six of the nine performance targets and narrowly missing another. The upturn in EFTS, driven by growth in domestic undergraduate and international postgraduate EFTS, was welcome after several years of decline. The \$1.8 million (2.4%) increase in consulting, commercial and intellectual property income fell short of the 5.0% growth target, though continued the run of solid year-on-year increases.

Energy use per m<sup>2</sup> has increased slightly from 2015, though remains well below 2014 and earlier. The University has steadily improved its waste recycling processes and now diverts more than one quarter of its general waste through recycling.

<sup>11</sup> University Group EFTS include those generated by Foundation Programmes operated by the University's wholly-owned Foundation Studies subsidiary.

<sup>12</sup> Floor space measured by gross area (Dunedin campus only).



# STATEMENT OF RESOURCES 2016

## Health and safety

Formal monitoring and review of health and safety performance at the University in 2016 was facilitated through monthly reports from the Health and Safety Compliance Office to the Vice-Chancellor's Advisory Group, the University's Health and Safety and Ethics Compliance Committee and to the University Council.

Vault, the University's online health and safety management system, now has 500 users across all campuses. More than 2,000 contractors received on-site Health and Safety Team inductions in 2016, up from approximately 1,000 in 2015. This increase was due primarily to the increased amount of construction work on campus. The Health and Safety Team has also been extensively involved in the design of new builds and refurbishments.

Otago continued to operate as an accredited employer under the ACC partnership programme. External and internal auditing programmes continued throughout 2016 with minor corrective actions identified. Health and safety policies, codes and guidelines were updated to reflect legislative changes. Influenza vaccinations continued to be offered free to all staff: a total of 2,300 vaccines were administered in 2016, a slight increase from the previous year (2015: 2,000).

## Human resources

The number of staff employed by the University increased slightly in 2016 to total 3,862 in full-time equivalent (FTE) terms (2015: 3,803).

Within the academic ranks, the number of professors increased by 20 FTE to 228 (9.7%) and the number of associate professors increased by 10 FTE to 189 (5.7%). The number of senior lecturers decreased by 9 FTE (2.5%) to 348, while the number of lecturers decreased by seven FTE (4.5%) to 157. The number of research-only staff on academic contracts decreased by 93 FTE (21.7%) to 336. This decline reflects a reclassification of several categories of research support staff as general staff (a change which, in turn, increased the number of staff categorised as general staff).

## Summary staff profile

## Information technology

In September 2016 the University's IT Services celebrated 50 years of operation at the University of Otago.

The volume of off-campus computer and telecommunications network traffic increased from 692,959 gigabytes in 2015 to 5,078,486 gigabytes in 2016. This growth was primarily due to the exponential growth in research data transfers and increased access to online media content.

1,107 seating places were provided in student computer laboratories in 2016 (2015: 1,190) and 49,725 enquiries were processed through the Information Technology Services service desk (2015: 52,481).

The University Network Upgrade Project and the University Wireless Network Expansion Project continued in 2016. Of a total 2,100km of fibre planned for installation in the ground, 1,792km (85.3%) was installed by 31 December 2016 – including a total of 158km installed in buildings. 2,127 wireless access points had been installed on campus by the end of 2016, representing 77.3% of the planned total 2,750 to be installed.

Through increased use of the University's two central data centres, the number of virtual systems increased by 43.0% throughout 2016 and the unit costs of hosting services decreased. High Capacity Storage volume consumption for 2016 was 3.781 petabytes (2015: 1.443 petabytes).

Zoom<sup>1</sup> service usage in 2016 totalled 3,366,230 minutes.

There were 2,808 Syncplicity Sync & Share<sup>2</sup> users in 2016 (2015: 2,033), and the total file storage consumed was 39 TB in 2016 (2015: 20 TB). 1,184,958 podcasts were viewed in 2016 using Otago Capture, the University's lecture recording system – an increase of 55.7% from 2015 (761,286 podcast views).

The University's e-Waste and e-Cycle Centre received 3,102 items in 2016, of which 44.7% (1,388) were re-used by departments or donated to schools and community groups. Approximately 500 million email messages were blocked or

	2016	2015	2014	2013	2012
<b>Full time Equivalent (FTE) Teaching &amp; Research Staff</b>					
Females	535	522	512	509	496
Males	662	668	676	670	666
<b>Total</b>	<b>1,196</b>	<b>1,190</b>	<b>1,188</b>	<b>1,179</b>	<b>1,162</b>
<b>Full time Equivalent (FTE) Research-Only Staff (excludes general research-only staff)</b>					
Females	181	246	240	243	244
Males	155	182	183	178	170
<b>Total</b>	<b>336</b>	<b>429</b>	<b>423</b>	<b>420</b>	<b>414</b>
<b>Full time Equivalent (FTE) General Staff</b>					
Females	1,489	1,403	1,407	1,402	1,409
Males	841	781	770	750	771
<b>Total</b>	<b>2,330</b>	<b>2,184</b>	<b>2,177</b>	<b>2,152</b>	<b>2,180</b>
<b>Total Staff</b>	<b>3,862</b>	<b>3,803</b>	<b>3,788</b>	<b>3,752</b>	<b>3,755</b>



quarantined in 2016 and approximately 32 million messages were delivered on to mailboxes (2015: 140 million suspicious emails were blocked and 45 million email messages were sent on for delivery).

The University continued its usage of the NeSI (New Zealand eScience Infrastructure) high-performance computing infrastructure and support system in 2016, with researcher use of NeSI's computer resources increasing by approximately 450% over 2015.

### Land, buildings and capital development

The land owned by, or held in Crown title for, the University increased by 2,323m<sup>2</sup> during the year due to the acquisition of three properties adjacent to the central campus. These sites will be used in planned future development.

The University's net assignable floor space decreased by 4,305m<sup>2</sup> (1.9%) in 2016 to 220,408 m<sup>2</sup>. The decrease was mainly due to the demolition of seven buildings on the former Wickliffe Press property.

Work progressed throughout the year on an update of the 2010 Campus Master Plan, reflecting changes in demand and the completion of various projects in recent years. The update is scheduled for completion in 2017.

The Campus Master Plan was supported by a Priority Development Plan, which details a programme of major capital projects. A number of these projects were under way in 2016, including a new clinical services wing for the Faculty of Dentistry, refurbishment of the Science I building, a major upgrade of the Dunedin central campus landscaping and infrastructure, an upgrade of lower levels of the School of Business building, and improvements to Marine Studies' facilities at Portobello. Work also neared completion on a permanent home for the Dunedin Study (see pages 31-32).

### Library resources

The University of Otago Library continued to evolve as an essential source of information and expertise for the University and the wider community, providing extensive collections, access services, instruction and infrastructure in support of research, teaching and learning. Collaboration between academic and library staff continued to underpin further development of both the physical and online collections.

In 2016, the Library's printed collection contained 1,677,278 books and serial items (2015: 1,683,271). Electronic resources included 152,490 serials (2015: 171,199) and 779,443 accessible ebooks (2015: 744,321). There were 4,392 seating places across the library system, a slight increase on 2015 (4,388).

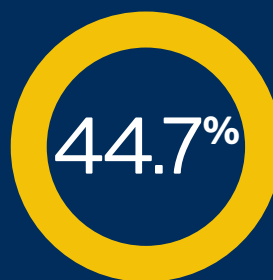
The University of Otago Library continued its strong commitment to the arts through the Hocken Collections, one of the foremost research and heritage collections in New Zealand. The Pictures and Photographs Collection alone includes 1,131,493 items. In 2016, more than 5,700 researchers visited Hocken to access more than 24,000 collection items and over 2,000 image reproductions were completed. Many of these images appeared in publications, exhibitions and displays, brochures, websites and theses. *For further information on exhibitions, see page 37.*

## AT A GLANCE

# 2,000

2,000 CONTRACTORS RECEIVED HEALTH AND SAFETY INDUCTIONS.

OFF-CAMPUS COMPUTER AND TELECOMMUNICATIONS NETWORK TRAFFIC:  
5,078,486 GIGABYTES.



44.7% OF ITEMS RECEIVED BY THE UNIVERSITY'S E-WASTE AND E-CYCLE CENTRE WERE RE-USED.

LAND OWNED INCREASED BY 2,323M<sup>2</sup>.

# 1,677,278

1,677,278 ITEMS IN THE LIBRARY'S PRINTED COLLECTION.

THE CAMPUS MASTER PLAN IS BEING UPDATED.

<sup>1</sup> Zoom is the University's online meeting and desktop videoconferencing system. Zoom was introduced halfway through 2015, thus a year-on-year comparison is not included.

<sup>2</sup> Syncplicity Sync & Share is a file synchronisation and sharing service that allows access to files on multiple client devices.

# EQUAL OPPORTUNITIES REPORT 2016

Equity in educational opportunity and equity in employment are core values of the University.

Strong relationships with iwi and Māori providers are integral to the success of Māori at Otago. The high value placed on these relationships is exemplified by the University's cornerstone memorandum of understanding with Te Rūnanga o Ngāi Tahu, and its formal relationships with Waikato-Tainui and Ngāti Toa Rangatira. The University also has a number of memoranda of agreement with other iwi, rūnanga and associated providers throughout New Zealand.

The Office of Māori Development has an overall leadership role in implementing initiatives that foster the success of Māori at Otago. This role includes working closely with other key groups such as Te Poutama Māori, Te Huka Mātauraka (the Māori Centre), the Māori Health Development Workforce Unit, as well as the network of associate deans Māori.

A new iteration of the University of Otago's Māori Strategic Framework was adopted in 2016 after widespread consultation. Looking out to 2022, this document outlines

the University's commitment to Māori advancement through goals and strategies to increase Māori student and staff participation and success at Otago.

The Māori component of Tertiary Education Commission Equity Funding was allocated to support University-wide initiatives that contribute to the recruitment, retention and success of Māori students. Projects supported in 2016 included the Tū Kahika Foundation Year scholarship programme in Health Sciences, the Science Wānanga programme, the Te Manawa Titi: Inspiring Māori Students programme in Commerce and the Building Māori Law Leaders programme in Humanities.

The University is committed to broad, ongoing engagement with Pacific communities. The University of Otago Pacific Strategic Framework 2013-2020 formalises this commitment and articulates the University's goals with regard to improving academic and development outcomes for Pacific students and staff. This work is co-ordinated by the Office of the Director of Pacific Development and supported by associate deans Pacific and other representatives in the academic and service divisions.

## Iwi to which students affiliated

Affiliation	2016		2015		2014		2013		2012	
	first	all	first	all	first	all	first	all	first	all
Ngāi Tahu / Kāi Tahu	397	466	382	442	396	455	386	439	394	453
Ngāpuhi	217	297	211	280	216	285	207	277	177	242
Ngāti Porou	143	225	139	218	147	226	117	177	125	178
Tainui	84	145	69	124	84	137	85	139	71	118
Ngāti Maniapoto	54	100	50	84	44	74	57	83	56	77
Ngāti Tūwharetoa	51	106	50	90	52	90	41	75	41	75
Don't know	48	55	53	58	56	62	44	48	33	35
Ngāti Kahungunu ki Te Wairoa	44	76	45	76	47	81	32	69	34	66
Ngāti Awa	36	52	35	52	28	51	30	50	30	53
Ngāti Kahungunu, region unspecified	36	55	35	52	32	52	29	45	33	48
Te Atiawa (Taranaki)	32	59	34	59	31	58	39	67	44	72
Ngāti Kahungunu ki Heretaunga	30	38	31	44	29	44	28	43	25	39
Ngāti Kahungunu ki Wairarapa	30	48	27	38	23	38	21	35	24	37
Te Rarawa	30	54	27	55	24	61	26	57	22	45
Te Arawa	28	55	31	44	29	44	28	43	25	39
Tūhoe	28	72	28	64	26	62	22	61	23	67
Te Ati Haunui-a-Pāpārangi	26	37	18	26	18	29	14	27	17	31
Ngāti Raukawa	24	35	22	33	17	28	18	22	9	17
Ngāti Raukawa (Horowhenua/Manawatū)	24	39	25	38	32	46	34	51	34	52
Ngāti Ruanui	24	44	15	31	17	34	13	24	12	24
Ngāti Whātua	23	38	20	37	23	38	14	29	11	25
Taranaki	21	36	22	34	20	31	20	27	15	20
Ngaiterangi	20	33	17	29	21	40	15	29	19	35
Te Atiawa	20	27	20	30	11	18	10	16	7	9
Waikato	20	32	15	27	17	32	13	35	13	31
Other	354	836	338	812	336	827	339	783	364	794
<b>Total</b>	<b>1,844</b>	<b>n/a</b>	<b>1,759</b>	<b>n/a</b>	<b>1,776</b>	<b>n/a</b>	<b>1,682</b>	<b>n/a</b>	<b>1,658</b>	<b>n/a</b>



The Pacific Staff Academic Caucus became a formalised group and was launched by the Vice-Chancellor in July 2016. The caucus will support teaching and research excellence while staying in tune with Pacific world views and aspirations.

The University of Otago was part of a consortium that secured a \$7.5 million Government research grant to establish and develop the New Zealand Institute for Pacific Research (see page 35). The University of Otago Samoan Alumni Chapter was launched in Apia in October, 2016. This followed a visit to Samoa in July by a Division of Health Sciences delegation (see page 35).

The Pacific component of Tertiary Education Commission Equity Funding was awarded to a variety of initiatives in support of Pacific student success. The Graduate Research School offered a new Indigenous Pacific Peoples Student Conference Assistance Grant in 2016; enabling Pacific postgraduate students and researchers to present their research.

## Equal educational opportunities

The University is committed to supporting the educational aspirations and progress of all students and recognises the importance of identifying and eliminating barriers to entry and successful progress through University of Otago study. Key elements of the University's strategy in this area are support and recruitment initiatives for students from groups where there are recognised educational inequities, particularly Māori students, Pasifika students and students with disabilities.

The University's package of targeted scholarships and awards was continued in 2016, with 126 students commencing their study on Māori and Pacific Island Entrance Scholarships (up from 97 scholarships in 2015), and many more Māori and Pacific students securing other Otago entrance scholarships.

## Māori

As is noted elsewhere in this Annual Report, the number of equivalent full-time Māori students enrolled at Otago increased from 1,759 in 2015 to 1,844 in 2016. As a proportion of the University's total domestic student EFTS, Māori student EFTS increased to 10.4% (from 9.9% in 2015), an all-time high.

In 2016, the course pass rate for Māori was 86.9% (2015: 86.1%), which was the highest for Māori at Otago since systematic pass rate data by ethnicity started being compiled.

398 Māori students successfully completed qualifications in 2016, a 12.7% increase from 2015 (353). This growth occurred in both undergraduate and postgraduate completions.

Te Huka Mātauraka, the Māori Centre, provided wide-ranging support for Māori students at the University in 2016. Alongside general academic and cultural support, key initiatives included: Turaka Hou, a comprehensive academic orientation programme for first-year Māori students; Kaituitui Mātauraka, the centre's academic tutorial programme (for which attendance was up by 6.5% from 2015); the SeeTheSolutions online tutorial programme (enrolments were up by 40.5% to 163 students); and the Kā Rikarika ā Tāne programme, with senior student (tuākana) volunteers mentoring first-year students.

Each of the University's four academic divisions also provided tailored support for Māori students in 2016.

Otago Business School initiatives included: Biz4Taiohi: Inspiring Māori Student Futures, which introduced Year-12 and -13 Māori students to business and innovation from a kaupapa Māori perspective; the Early Intervention Programme providing targeted assistance, especially for those in their first year of study; the He Manawa Titi, Inspiring Māori Future Business Leaders programme; and papers with a Māori business focus, including He Kākano: Indigenous Innovation and Entrepreneurship, a kaupapa Māori enterprise course.

Māori student numbers have continued to grow across the Division of Health Sciences under the leadership of the Māori Health Workforce Development Unit (MHWDU).

In 2016 there were 147 Māori students in Health Sciences First Year, more than 300 studying in undergraduate health professional degrees, over 160 in other undergraduate Health Sciences degrees and over 100 in Health Sciences postgraduate study. Māori students now comprise 11.2% of students in health professional programmes (a 100% increase over six years), and population parity has been achieved in admissions to programmes such as Medicine.

The Te Ara Hauora programme continued developing pathways into Health Sciences through recruitment, outreach and engagement activity. Successful initiatives included the Year 13 student programme REACH (Realising Educational Aspirations for Careers in Health), which brought 25 Māori students from across New Zealand to Otago for three days. In addition, 25 Year-9 to Year-11 Māori students attended the Te Rauawa o Te Pahī Science Enrichment and Extension programme that was run in partnership with Ōtākou Marae, Marine Studies and the MHWDU.

The 18 students in Tū Kahika – a two-semester Health Sciences programme run within Foundation Year – excelled academically and all are expected to advance to degree-level University study in 2017. Tū Taura Hauora, the fourth Division of Health Sciences support programme, promotes the achievement, retention and professional development of Māori students in Health Sciences professional programmes and degrees. Retention and completion rates for Māori students within Tū Taura Hauora were around 96.0%.

The Division of Humanities continued running an early intervention project to assist new Māori students and continued its support of the Humanities Māori Students' Association Rōpū. Students were also supported by divisional and departmental kaiāwhina Māori, and through various hui and workshops. The division awarded bridging scholarships and summer student bursaries for Māori students transitioning from undergraduate to postgraduate study.

The Division of Sciences supported the implementation of the Māori Strategic Framework through the Office of Te Manutaki Tuarua Māori (the Associate Dean Māori). The division also used a network of departmental kaiāwhina to offer support for its Māori students. Three kaiāwhina hui were held in 2016, focusing on the support of outreach activities with Māori communities, retention of Māori undergraduate students, continuing improvements in Māori student achievement and Māori postgraduate student support.

The division's Science Wānanga Programme was delivered to five communities in collaboration with the Dodds-Wall Centre. Physics topics featured at all wānanga along with programmes from Chemistry, Environmental Sciences, Human Nutrition, Geology and Marine Science.

Te Rōpū Pouātaiao, the Māori Sciences Students' Association, was resourced to provide academic support and social activities for Māori science students. The division also supported Māori students into postgraduate study by providing matched funding for summer studentships.

## Pacific Peoples

Another strong intake of first-year Pacific enrolments pushed total Pacific enrolments at Otago to an all-time high of 874 students (2015: 804). Proportionally, Pacific students increased to another all-time high, at 4.6% of total domestic student EFTS (2015: 4.2%).

146 Pacific students successfully completed qualifications in 2016, up from 120 completions in 2015. The increase occurred across both undergraduate and postgraduate completions.

In 2016, the course pass rate for Pacific students was 78.8% (2015: 77.4%), which was the highest for Pacific students at Otago since systematic pass rate data by ethnicity started being compiled. Considerable work must still be done to achieve parity with non-Pacific peers and this is a priority for the University.

Our Pacific Islands Centre continued an extensive programme of academic and pastoral support work. Performance data (see table) shows the centre increased its provision of support across most activities in 2016.

Alongside general support, key initiatives worthy of specific mention included: the Taimane one-on-one academic mentoring programme; the Pacific Postgraduate Reference Group – which provided postgraduate seminars and symposia; supervised study nights; and the Dare to Succeed secondary school homework programme.

The Fofoa Accommodation Scheme ran again in 2016, providing supported flatting accommodation for Pacific students near the Dunedin campus.

Each of the University's four academic divisions also provided tailored support for Pacific students in 2016. This support complemented the work of the Pacific Islands Centre, providing course-relevant and responsive support around academic pathways and outcomes.

The Divisions of Humanities and Commerce further developed their early intervention programme for first-year Pacific

students in 2016, in conjunction with the Pasifika Numeracy and Literacy Pilot Project, which has students completing a TEC numeracy and literacy diagnostic online assessment to identify those "at risk". Marked improvement in the academic performance of first-year Pacific students in both divisions was secured.

Pacific student numbers continued to grow across the Division of Health Sciences under the leadership of the Office of the Associate Dean (Pacific) in Health Sciences. This office – which works closely with Associate Deans (Pacific) in the Dunedin School of Medicine and at the University's Wellington and Christchurch campuses – also hosts Health Sciences' Pacific Islands Research and Student Support Unit (PIRSSU). PIRSSU operates a comprehensive support programme to assist Pacific students in their transition to Health Sciences study and also supports senior Pacific students across the division.

In 2016 there were 98 Pacific students in Health Sciences First Year, over 120 studying in undergraduate health professional degrees and over 60 in Health Sciences postgraduate study. In 2016, the proportion of Pacific students admitted into medicine (8.3%) mirrored the percentage of Pacific people in the New Zealand population.

The Pacific Foundation Programme, which operates through the University's Foundation Studies subsidiary, ran for its fifth year in 2016. Development of a new division-wide Pacific health curriculum also commenced, and a new major in Pacific and Global Health is also under development. The division has collaborative engagements with a number of Pacific nations, including Samoa and the Cook Islands, supporting capacity building in the Pacific region through the training of health professional staff.

The Division of Sciences appointed its inaugural Associate Dean (Pacific) in 2016 following the establishment of a Pacific student support role in 2015. The Associate Dean (Pacific) provides oversight of the implementation of the Pacific Strategic Framework within the division.

Sciences has implemented an early intervention programme to support Pacific students commencing their degree in the division, or transferring into the division from elsewhere. The division has also remained very active with early engagement of Pacific peoples, and its outreach models have been emulated by other divisions<sup>1</sup>.

## Services provided by the Pacific Islands Centre

	2016	2015	2014	2013	2012
Registered with the centre	859	792	742	667	661
Extra tutorials	82	88	79	64	58
Career advisory services seminar	17	9	11	9	4
Students receiving course advice	1,240	4,100	3,084	1,795	739
Pacific postgraduate seminars	9	11	12	15	13
Student gatherings	165	181	177	141	92
Community meetings/consultation	245	148	124	55	54
Community functions attended	45	83	76	98	74
Students receiving counselling	2,502	1,094	983	588	391

## Disabilities support

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

In 2016, the University enrolled 1,306 students who identified as having a disability affecting study (2015: 1,203). Support in the form of learning assistance and/or specialised equipment requiring a specific financial commitment was provided to 656 students with disabilities in 2016 (2015: 669). 1,434 instances of support were provided in the form of note-taking, assistance with examinations, tutoring, transcription or typing (2015: 1,340), along with many hours of individual consultations provided by a team of trained advisors. The number of student contacts totalled 22,548 in 2016, an increase of 5% over 2015 (21,416).

DI&S staff attended various conferences and hosted workshops in 2016 (including the ACHIEVE conference<sup>2</sup>), and participated in a number of teaching initiatives and disability awareness-raising events, including the DI&S Appreciation Awards Ceremony, the OUSA Teaching Awards ceremony (at which the Inclusive Teaching Award was presented), and the selection processes for the NG Stewart Scholarship and the Donna-Rose McKay Disability Support Scholarship.

The DI&S team completed several enhancements and improvements to its processes and systems, including implementing the Peer Note-Taking service via the University Blog and further enhancements to the DI&S database. DI&S also provided expert input into the new Campus Design for Access and Mobility Policy.

## Equal employment opportunities

In 2016, the number of women in senior academic positions (senior lecturer and above) increased by 6 FTE (2.2%) to 287 FTE staff. Women comprised 37.1% of all staff at this level. Despite being down slightly from 2015 (37.4%), a 1.8% increase is evident across the past five years (2012, 35.3%).

The number of women professors increased from 42 in 2015 to 50 in 2016. Women now comprise 21.9% of the University's professors, compared with 15.6% in 2012. There were 72 women associate professors in 2016 (2015: 71). Women now comprise 38.1% of our associate professors, compared to 31.6% in 2012.

Women comprise 63.9% of the University's FTE general staff in 2016, a slight decrease from 2015 (64.2%).

The University's Professional Development Programme promoted diversity and inclusivity through a range of workshops, including: Creating an Inclusive Environment; Cross-cultural Awareness; Diversity: raising awareness; International Students: cultural differences and their impact; Mental Health: face to face with student issues; Pacific Awareness; Te Reo Māori: He Timatanga; and Te Reo Māori: Te Waharoa. The Higher Education Development Centre also offered Treaty of Waitangi, Māori Culture, and Research Consultation with Māori workshops.

Diversity topics were included in the two main programmes delivered by Professional Development: The Essential Management Programme and Supervisory Skills, and were threaded through customised and programmed training around communication and conflict resolution skills. Three Planning for Promotion workshops were provided for academic women.

## Other staff support initiatives

Support for childcare continued through the Otago University Childcare Association, with the University providing a grant to support the association's early childhood education facilities. Collectively, the five centres provided education and care for 180 children, of which 87% are children of University staff or students. After building up numbers since moving into the new and significantly expanded centres in 2014, all centres – including the bilingual centre – are now full, with waiting lists.

## Learning assistance support for students with disabilities

	2016	2015	2014	2013	2012
Note-taking	550	506	497	342	290
Tutoring	274	341	310	255	182
Transcription/typing	1	3	3	1	1
Reader	1	1	1	0	0
Assistant	2	3	3	1	0
Examination arrangements	606	486	524	614	335
Scanning	0	0	0	0	0
Other	274	238	292	273	156

1 Hands-On at Otago, for example, developed out of the Division of Sciences' Hands-On Science programme. Hands-On at Otago drew 355 students in 2016, 36 of whom identified as Pacific Islands students – 10% of the total cohort.

2 ACHIEVE is a national network established to ensure equal opportunity and access to post-secondary education and training for people with impairments.











# GROUP ENTITIES REPORT

This report has been prepared to provide, within the overall Annual Report, further information on the activities and performance of the most significant entities that comprise part of the University Group, but sit outside the University parent.

A full list of Group subsidiary entities and associates, of which there are 16 in all, appears in the Statement of Accounting Policies on page 73 of this Annual Report. The following have been identified as the most significant of these entities for reporting purposes and are covered individually below:

The University of Otago Foundation Trust

University of Otago Foundation Studies Limited

Otago Innovation Limited

New Zealand Genomics Limited.

## The University of Otago Foundation Trust

### Overview

The University of Otago Foundation Trust (the Trust) was established in 2002. It is a registered charitable trust that receives and administers donations, bequests and sponsorship monies for University and academic priorities.

The Trust is an umbrella trust consisting of 373 individual trust funds. Each fund has specific terms and conditions stating the purpose for which the funds can be distributed to the University.

The investments are managed by the Board of Trustees, which is made up of Council members, senior University staff and investment professionals. The board holds regular meetings to evaluate the investment performance of the fund and to ensure that the investment objectives are being met. The risks and exposure to individual investments and sectors are regularly monitored and reviewed. The board receives advice from a board-appointed independent external investment advisor who reviews and endorses investment decisions and offers advice on purchases and sales for the portfolio.

All monies received by the Trust are combined for investment purposes, enabling investment risk to be managed through a diversified portfolio. Investments are spread in a balanced portfolio which includes shares, property, bonds and cash. A detailed investment policy provides guidelines on asset allocation and social responsibility issues, and is regularly reviewed by the board.

The investment objectives of the Trust are to ensure that, where appropriate, capital is preserved and increased by an amount at least equal to the rate of inflation, and that an income return of 4.5% is achieved.

The fund value has increased substantially over the last decade, with the largest increase being in 2005 when the University partnered with the government and private donors to fund the Leading Thinkers Initiative.

The investments managed by the Trust have achieved an average return of 6.2% per annum over the last 10 years. Although the global financial crisis has affected returns in several of these years, the impact was less than that suffered by other similar funds.

### 2016 achievements

The net investment return for the 2016 year was 5.7% (2015: 8.0%). The total fund value as at 31 December 2016 was \$196.7 million (2015: \$192.7 million).

## University of Otago Foundation Studies Limited

### Overview

Incorporated in 1996, University of Otago Foundation Studies Limited (FSL) provides transition pathways to degree-level study at the University of Otago.

FSL comprises two distinct functional areas: Foundation Year and the Language Centre. The Foundation Year prepares students for degree-level study at the University. While originally conceived as a programme primarily for international students, Foundation Year has become increasingly important as a transition pathway for New Zealand students as well. It includes the Tū Kahika Programme for Māori students wishing to prepare for study in the health sciences, and its Pacific equivalent, the Pacific Foundation Programme. The Language Centre provides English language tuition to both groups and individuals, almost exclusively from overseas or of recent resident status. In many cases, that tuition develops students' English language ability so they can proceed to study at Foundation Year and at the University.

### 2016 Achievements

In 2016, the Foundation Year provided academic tuition to 292 individual domestic and international students, generating 259.3 EFTS enrolments. This was 2.2 % (5.7 EFTS) lower than for 2015 (265 EFTS). The small drop was centred upon domestic enrolments, which decreased from 162 EFTS (2015) to 150.4 EFTS (2016) – a decline of 11.6 EFTS or 7.2%. This decrease was, however, offset by an increase in international EFTS, which rose from 103 EFTS (2015) to 108.9 EFTS (2016) – a gain of 5.9 EFTS or 5.7%.

The Language Centre had 124 EFTS in 2015, a 3.3% increase from 2015 (120 EFTS). Contributing to this increase were new Omani scholarship students.

FSL generated an overall operating surplus of \$460k for the year, which was 135.9% higher than 2015 (a surplus of \$195k). The increase in the surplus reflected reduced operating overheads and increased international EFTS.

## Otago Innovation Limited

### Overview

Otago Innovation Limited (Otago Innovation) was established in 1996. It is a wholly-owned subsidiary of the University that has responsibility for the commercialisation of intellectual property arising from research within the University. Much of Otago Innovation's commercialisation activity is centred upon medical research and biotechnology innovation. A particular focus is bringing emerging technology to the market, including novel gene therapies, drug delivery systems, software, measurement devices and vaccines.

Otago Innovation provides business partners, industry and investors with information about current University of Otago projects, their practical applications, their patent status and market potential. Otago Innovation's commercialisation managers assist with the preparation and implementation of business and marketing plans, assist the commercialisation process, and ensure key proof of concept targets are managed and met.

Otago Innovation has been involved in a number of company formations based on University of Otago research. Otago Innovation also runs an annual Otago Innovation Proof of Concept Grant competition with a \$60,000 research grant awarded to the winning University of Otago application. The competition is designed to encourage researchers to think about the possible commercial applications of their research, including what an end product or service might look like and who would buy it. A second competition, called the Translational Research Grant [\$50,000] is open to Division of Health Sciences staff and achieves a similar purpose.

### 2016 Achievements

Forty-two commercial opportunities were presented to Otago Innovation in 2016 (2015: 41). The company joined the Medical Research Commercialisation Fund during the year. This is a A\$200 million membership-based venture capital fund that will enhance Otago's ability to secure investment and access to market. Several spin-out companies have enjoyed a productive year's growth and have successfully raised capital. A number of licences were agreed with pharmaceutical and other companies worldwide, though often under conditions of confidentiality.

## New Zealand Genomics Limited

### Overview

Genomics underpins economic development in New Zealand's biological economy through horticultural, agricultural, environmental and human health research endeavour. Examples of application include human health research, the dairy, sheep and seafood industries, and environmental and conservation research.

New Zealand Genomics Limited (NZGL) seeks to have a significant, positive and wide-reaching impact on New Zealand's national genomics capability, by ensuring New Zealand researchers have access to large-scale genomics infrastructure, including specialist equipment, a framework

for co-ordinating cross sector, multi-disciplinary projects, analytical and bioinformatics support, and provisioning of custom technology platforms.

NZGL's genomics technologies and bioinformatics services have allowed faster progress to be made in the study of health and agricultural problems specific to New Zealand.

A key focus for NZGL is developing genomic human capital to ensure New Zealand is well positioned to attract and retain the talent required to support the science system and maintain its international viability as a genomics contributor.

Over the past five years, NZGL, in collaboration with the University of Otago, Massey University and the University of Auckland, has extended New Zealand's expertise in next-generation sequencing (NGS) and bioinformatics. Its sequencing facilities, expertise and BioIT platforms underpin the collaborative approach between the partner universities and NZGL. These platforms are enabled through significant Crown funding and co-investment from collaborating universities, including the University of Otago. The University of Otago's point of difference within the collaboration is its high throughput sequencing and end-to-end services for researchers at all stages of their projects. The Otago service hosts high-throughput NGS instruments, providing a Nanostring nCounter service as part of NZGL's national arrangement.

NZGL is accountable for expenditure of Crown funds by way of the NZGL board and reports on this expenditure to the Ministry of Business, Innovation and Employment.

### 2016 achievements

In 2016, NZGL responded to one client enquiry every 2.7 hours and agreed 320 service agreements with clients from across New Zealand. This compares with 277 service agreements in 2015. NZGL made available a genomics infrastructure worth \$5.9 million to the community, and services valued at \$4.8 million were contracted (2015: \$5.8 million; \$4.7 million). The total billed amount to clients was \$2.4 million (2015: \$2.8 million).

NZGL encourages continual professional growth among New Zealand's genomics community. NZGL offers seminars, workshops and conferences for researchers at various levels of understanding, and supports researchers in grant applications and in reaching publication. NZGL's scale allows institutional access to simplified and affordable genomics expertise. By being involved at the experimental design stage, NZGL's expertise builds clients' understanding of current and future requirements and fosters working relationships for the future. In 2016, NZGL's purpose-built BioIT system provided 5,884 hours of support as well as access to a secure, purpose built platform designed to run bioinformatics applications.

Notable projects included contributing to the discovery of a virus affecting endangered kiwi, and collaborating in the Kakapo 125 genome project which aims to make the kakapo the first species where every individual of the population is sequenced. NZGL's outreach included co-sponsoring the "gene genie" RNZ panel discussions chaired by Dr Adam Rutherford, presenter of the BBC4 *Inside Science* programmes.

# FINANCIAL REVIEW 2016

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The University Group, which includes the University of Otago, University of Otago Holdings Limited, the University of Otago Foundation Trust and the Dunedin City Tertiary Accommodation Trust, achieved an operating surplus of \$27.8 million for the year, \$7.1 million (34%) higher than the budget. The surplus was \$3.6 million lower than last year's Group surplus of \$31.4 million. This surplus represented a return of 4.1% on revenue of \$682.5 million and 1.6% on equity of \$1.8 billion. These results were above the Tertiary Education Commission's guidelines of 3.0% and 1.2% respectively.

The University's operating surplus for the year was \$22.9 million which was \$8.0 million (54%) higher than budget. The favourable result against budget was mostly as a result of very strong performance in externally-funded research. Capital expenditure was significantly higher than 2015 reflecting projects moving to the construction phase.

The University of Otago Foundation Trust achieved an operating surplus of \$3.0 million for the year, which was \$2.8 million (47%) lower than budget. It was a difficult year for investment returns leading to a lower income than budgeted. The net return on investment for the year was 6% and the average net return over the last 10 years was also 6%.

Other Group entities produced a surplus of \$1.9 million for the year, which was \$0.5 million lower than budget mainly due to lower income received by Group subsidiaries.

Total cash flow for the Group for the year was a net outflow of \$0.5 million, which was very close to the budgeted outflow of \$1.2 million.

The Group continued to invest heavily in fixed assets, although the cash outflow for capital expenditure of \$102.4 million for the year was \$37.8 million lower than budget. Capital expenditure was \$41.2 million higher than 2015 as several capital projects have entered the construction phase.

To fund these projects the University has intentionally accumulated cash over several years and now has \$130.0 million in hand at year end. This is a planned strategy to limit borrowing during the construction period.

Total assets for the Group were \$2.0 billion for the year, an increase of \$26.45 million over 2015 mainly due to an increase in fixed assets.

The strong financial performance by the University was underpinned by significant growth in externally-funded research income – a welcome return to enrolment growth for the first time since 2011 – and targeted Government funding increases. Concerted efforts to reduce expenditure following a five-year period of constrained government funding and flat student enrolments also continued to play an important part.

An important focus for the next several years will be the funding requirements of the significant capital development projects requiring the University to safeguard operating cash flow as a key component of capital funding. To achieve this, it is important for the University surplus to lift back to the Council target of 2% of equity.

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SHARON VAN TURNHOUT  
Chief Financial Officer

# STATEMENT OF RESPONSIBILITY

As at 31 December 2016

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## 2016 Financial Statements

1. The Council and management of the University of Otago accept responsibility for the preparation of the annual financial statements and the Statement of Service Performance and the judgements used in them;
2. The Council and management of the University of Otago accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the financial reporting; and
3. In the opinion of the Council and management of the University of Otago, the annual financial statements and the Statement of Service Performance for the year ended 31 December 2016 fairly reflect the financial position and operations of the University of Otago.



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J. F. Ward  
Chancellor

11 April 2017



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V. H. Hayne  
Vice-Chancellor

11 April 2017

# STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 31 December 2016

	Note	Actual 2016 \$000	Consolidated Budget 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	University Budget 2016 \$000	Actual 2015 \$000
<b>REVENUE</b>							
Government grants	5	230,530	230,893	224,580	229,207	229,504	223,107
Tuition fees		153,010	152,594	146,999	148,026	146,770	141,980
Trust donations		2,637	-	3,037	-	-	-
Investment revenue	7	20,207	20,878	24,701	7,988	5,993	8,684
Externally-funded research		111,156	89,931	92,130	110,758	88,974	91,353
Performance-Based Research Funding	4	60,191	60,525	58,035	60,191	60,525	58,035
Distributions from trust funds		-	-	-	9,736	9,981	8,361
Consulting and commercial revenue	4	81,476	80,865	82,147	78,924	76,981	77,828
Sale of intellectual property		463	567	491	66	183	244
Other revenue		22,831	20,931	22,800	22,203	20,280	23,203
<b>Total revenue</b>	<b>4</b>	<b>682,501</b>	<b>657,184</b>	<b>654,920</b>	<b>667,099</b>	<b>639,191</b>	<b>632,795</b>
<b>EXPENDITURE</b>							
Salaries – academic		205,836	204,577	205,852	203,857	202,535	204,093
Salaries – general		153,376	158,805	155,125	149,618	155,438	151,642
Staff-related costs		23,927	22,613	23,437	23,722	22,368	23,232
Consumables and general		130,350	113,966	110,029	126,103	107,798	103,722
Depreciation and amortisation expense	6,13,14	60,681	61,118	60,656	60,508	60,927	60,444
Occupancy costs		42,209	39,556	36,563	42,223	39,556	36,443
Scholarships		37,539	35,835	31,251	37,539	35,713	31,272
Finance costs	7	226	-	62	240	-	251
Other expenses	6	584	-	588	390	-	319
<b>Total operating expenditure</b>		<b>654,728</b>	<b>636,470</b>	<b>623,563</b>	<b>644,200</b>	<b>624,335</b>	<b>611,418</b>
<b>Surplus/(deficit)</b>		<b>27,773</b>	<b>20,714</b>	<b>31,357</b>	<b>22,899</b>	<b>14,856</b>	<b>21,377</b>
<b>Total comprehensive revenue and expenses attributable to:</b>							
University of Otago Group		28,138	20,714	31,369	22,899	14,856	21,377
Non-controlling interest		(365)	-	(12)	-	-	-
		<b>27,773</b>	<b>20,714</b>	<b>31,357</b>	<b>22,899</b>	<b>14,856</b>	<b>21,377</b>

Summary of significant accounting policies and the accompanying notes form part of these financial statements.



# STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	Note	Actual 2016 \$000	Consolidated Budget 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	University Budget 2016 \$000	Actual 2015 \$000
<b>ASSETS</b>							
<b>Current assets</b>							
Cash and cash equivalents	8	14,340	7,207	14,882	7,487	5,000	6,251
Trade and other receivables and prepayments	10	37,321	39,075	39,741	37,946	39,138	37,772
Other financial assets	11	150,448	70,515	137,860	122,859	68,032	116,370
Inventories	9	933	807	910	931	807	907
<b>Total current assets</b>		<b>203,042</b>	<b>117,604</b>	<b>193,393</b>	<b>169,223</b>	<b>112,977</b>	<b>161,300</b>
<b>Non-current assets</b>							
Investments accounted for using the equity method	24	2,755	2,360	2,904	-	-	-
Share in subsidiaries	12	-	-	-	7,786	7,786	7,786
Other financial assets	12	188,360	203,727	206,456	41,842	26,505	57,658
Property, plant and equipment	13	1,531,045	1,606,936	1,492,621	1,408,073	1,482,899	1,370,568
Intangible assets	14	25,555	-	28,906	25,176	-	28,788
<b>Total non-current assets</b>		<b>1,747,715</b>	<b>1,813,023</b>	<b>1,730,887</b>	<b>1,482,877</b>	<b>1,517,190</b>	<b>1,464,800</b>
<b>Total assets</b>		<b>1,950,757</b>	<b>1,930,627</b>	<b>1,924,280</b>	<b>1,652,100</b>	<b>1,630,167</b>	<b>1,626,100</b>
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Trade and other payables and accruals	15	48,760	54,818	54,132	51,203	56,733	55,086
Employee entitlements	16	48,263	47,158	46,359	48,053	46,941	46,158
Deferred revenue	17	48,971	33,279	49,379	45,618	31,520	41,994
<b>Total current liabilities</b>		<b>145,994</b>	<b>135,255</b>	<b>149,870</b>	<b>144,874</b>	<b>135,194</b>	<b>143,238</b>
<b>Non-current liabilities</b>							
Employee entitlements	18	37,631	39,342	36,167	37,631	39,342	36,167
Loans	19	1,160	712	700	-	-	-
<b>Total non-current liabilities</b>		<b>38,791</b>	<b>40,054</b>	<b>36,867</b>	<b>37,631</b>	<b>39,342</b>	<b>36,167</b>
<b>Total liabilities</b>		<b>184,785</b>	<b>175,309</b>	<b>186,737</b>	<b>182,505</b>	<b>174,536</b>	<b>179,405</b>
<b>Net assets</b>		<b>1,765,972</b>	<b>1,755,318</b>	<b>1,737,543</b>	<b>1,469,595</b>	<b>1,455,631</b>	<b>1,446,695</b>
<b>EQUITY</b>							
Accumulated funds	20	991,694	972,031	963,556	695,746	672,344	672,846
Other reserves	20	773,849	783,287	773,849	773,849	783,287	773,849
Total equity attributable to the University		<b>1,765,543</b>	<b>1,755,318</b>	<b>1,737,405</b>	<b>1,469,595</b>	<b>1,455,631</b>	<b>1,446,695</b>
Minority interest		429	-	138	-	-	-
<b>Total equity</b>		<b>1,765,972</b>	<b>1,755,318</b>	<b>1,737,543</b>	<b>1,469,595</b>	<b>1,455,631</b>	<b>1,446,695</b>

Summary of significant accounting policies and the accompanying notes form part of these financial statements.

# STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2016

	Note	Actual 2016 \$000	Consolidated Budget 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	University Budget 2016 \$000	Actual 2015 \$000
<b>Balance at 1 January</b>		<b>1,737,543</b>	<b>1,734,604</b>	1,706,036	<b>1,446,695</b>	<b>1,440,775</b>	1,425,318
Total comprehensive revenue and expenses previously reported		<b>27,773</b>	<b>20,714</b>	31,357	<b>22,899</b>	<b>14,856</b>	21,377
Capital injection from non-controlling interest		<b>656</b>	-	150	-	-	-
<b>Balance at 31 December</b>	<b>20</b>	<b>1,765,972</b>	<b>1,755,318</b>	<b>1,737,543</b>	<b>1,469,595</b>	<b>1,455,631</b>	<b>1,446,695</b>
University of Otago Group		<b>28,138</b>	<b>20,714</b>	31,369	<b>22,899</b>	<b>20,714</b>	21,377
Non-controlling interest		<b>(365)</b>	-	(12)	-	-	-
<b>Total comprehensive revenue</b>		<b>27,773</b>	<b>20,714</b>	<b>31,357</b>	<b>22,899</b>	<b>20,714</b>	<b>21,377</b>

Summary of significant accounting policies and the accompanying notes form part of these financial statements.

# STATEMENT OF CASH FLOWS

For the year ended 31 December 2016

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## Accounting policy

Included in the Statement of Cash Flows is the year-end balance - bank and deposits and bank overdraft which consists of cash on hand, bank account balances plus call deposits or call loans that form part of the day-to-day cash management of the University.

The cash flows are classified into three sources:

### Operating activities

Includes cash received from all income sources of the University and cash payments made for the supply of goods and services. Agency transactions are recognised as receipts and payments in the statements of cash flows given that they flow through the University's main bank account.

### Investing activities

The sources and uses of cash in this category include the sale and purchase of long-term investments and purchases of land and buildings and other operational property, plant and equipment. Cash received from the sale of surplus and used assets is also recorded under this heading. Infrastructural assets include new assets and major work undertaken that improves the value of the asset from the depreciated replacement cost recorded in the statement of financial position.

### Financing activities

Under this category the cash received from new loans raised and the repayment of maturing debt is recorded. Short-term borrowings are loans with a fixed term of less than one year i.e. not repayable at call.

# STATEMENT OF CASH FLOWS

For the year ended 31 December 2016

	Note	Actual 2016 \$000	Consolidated Budget 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	University Budget 2016 \$000	Actual 2015 \$000
<b>Cash flows from operating activities</b>							
Subsidies and grants received		290,721	291,449	282,531	289,398	290,029	281,142
Fees and charges received		167,373	164,009	159,973	161,258	157,985	154,450
Interest received		16,768	12,785	14,346	8,988	6,700	7,536
Receipts from other revenue		204,435	174,702	197,447	212,332	183,304	200,509
		679,297	642,945	654,297	671,976	638,018	643,637
Payments to suppliers and employees		591,080	573,293	566,443	582,616	561,285	551,333
<b>Net cash flow from operating activities</b>	27	88,217	69,652	87,854	89,360	76,733	92,304
<b>Cash flows from investing activities</b>							
Receipts from sale of property, plant and equipment		209	86	119	209	86	119
Receipts from sale of investments		30,686	82,029	27,515	9,405	59,663	859
		30,895	82,115	27,634	9,614	59,749	978
Purchase of property, plant and equipment		98,959	136,564	61,156	97,738	136,482	61,711
Acquisition of investments		21,775	16,406	53,977	-	-	29,503
<b>Net cash flow from investing activities</b>		(89,839)	(70,855)	(87,499)	(88,124)	(76,733)	(90,236)
<b>Cash flows from financing activities</b>							
Proceeds from borrowings		424	-	-	-	-	-
Investment by minority Interest		656	-	150	-	-	-
<b>Net cash flow from financing activities</b>		1,080	-	150	-	-	-
<b>Net (decrease)/increase in cash, cash equivalents and bank overdrafts</b>		(542)	(1,203)	505	1,236	-	2,068
Cash, cash equivalents, and bank overdrafts at the beginning of the year		14,882	8,410	14,377	6,251	5,000	4,183
<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>	8	14,340	7,207	14,882	7,487	5,000	6,251

Summary of significant accounting policies and the accompanying notes form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

## 1. Statement of accounting policies for the year ended 31 December 2016

### 1.1 Reporting entity

The financial statements of University of Otago Group and its subsidiaries for the year ended 31 December 2016 were authorised for issue by Council on 11 April 2017.

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 University is a Tertiary Education Institution governed by the Crown Entities Act 2004 and the Education Act 1989.

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

The Group subsidiary and associate 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. Was set up in collaboration with the University of Auckland and Massey University 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. 100% owned by University of Otago Holdings Limited.
- Unipol Recreation Limited. Previously owned a building in Anzac Avenue. 100% owned by University of Otago Holdings Limited.
- University Union Limited. Owner of the University Union building. 50% owned by University of Otago Holdings Limited.
- Unihealth Limited. Not trading. 50% owned by University of Otago Holdings Limited.
- LCO New Zealand Limited. Previously owned and operated a software system for libraries serving four Universities. 28% owned by University of Otago Holdings Limited. Wound up in December 2015.
- 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. 17% owned by University of Otago Holdings Limited.
- Upstart Incubation Trustee Company Limited. Non operational, has no assets or liabilities. 33% owned by University of Otago Holdings Limited.
- 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.
- Upstream Medical Technologies Limited. Commercialisation of heart health research. 59.82% owned by Otago Innovation Limited.
- Disease Research Limited. Diagnostics of health and disease in ruminants, located at Invermay. 100% owned by Otago Innovation Limited.
- Otakou Health Limited. 33% owned by University of Otago Holdings Limited. Owns former Caversham primary school.

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 financial reporting.

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



# NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2016

## 2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the opening balance sheets and reporting period to 31 December 2016, unless otherwise stated.

### 2.1 Basis of preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

#### Measurement base

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 and some other financial assets have been shown at fair value.

The financial statements have been prepared in accordance with tier 1 PBE accounting standards. These financial statements comply with PBE accounting standards.

#### Functional and presentation currency

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 and its subsidiaries and associates is New Zealand dollars.

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 Comprehensive Revenue and Expenses.

#### Budget figures

The budget figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by the University for the preparation of the financial statements.

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted.

#### *Other amendments*

While there are other amendments issued and not yet effective, the University and Group does not consider these to be relevant and therefore no information has been disclosed about these amendments.

### 2.2 Basis of consolidation

The consolidated financial statements are prepared adding together like items of assets, liabilities, equity, revenue and expenses on a line-by-line basis. All significant intragroup balances, transactions, revenue and expenses are eliminated on consolidation.

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

### 2.3 Income tax and Goods and Services Tax

The University Group is exempt from income tax. Accordingly, no provision has been made for income tax.

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 2016 is included in accounts payable.

### 2.4 ACC Partnership Programme

The University belongs to the ACC Partnership Programme at the secondary level whereby the University accepts the management of workplace injuries through rehabilitation, case management, injury prevention and work safety management practices. Under the ACC Partnership Programme, the University is effectively providing accident insurance to employees. The value of this liability represents the expected future payments in relation to accidents and illnesses occurring up to the balance 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 enough 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. The value of the liability includes a risk margin that represents the inherent uncertainty of the present value of the expected future payments. No allowance has been made in the financial statements for an ACC liability, as it is deemed to be immaterial.

### 3. Financial instruments

The Group's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The University and Group have a series of policies to manage the risks associated with financial instruments.

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 University of Otago Foundation Trust or the Foreign Exchange Risk Management Committee.

#### (a) Financial instrument categories

The accounting policies for financial instruments have been applied to the line items below:

	Consolidated		University	
	2016	2015	2016	2015
	\$000	\$000	\$000	\$000
<b>FINANCIAL ASSETS</b>				
<b>Fair value through surplus or deficit – held for trading</b>				
Listed shares	137,233	134,613	670	1,654
<b>Total fair value through surplus or deficit – held for trading</b>	<b>137,233</b>	<b>134,613</b>	<b>670</b>	<b>1,654</b>
<b>Loans and receivables</b>				
Cash and cash equivalents	14,340	14,882	7,487	6,251
Receivables	27,716	31,478	28,436	29,635
Other financial assets:				
- Term deposits	144,257	151,552	127,000	134,500
- Loans	12,031	12,874	12,031	12,874
- Corporate bonds	43,652	44,659	-	-
- Shares in subsidiaries	-	-	7,786	7,786
- Investment in in-substance subsidiary	-	-	25,000	25,000
- Investments in associates	2,755	2,904	-	-
<b>Total loans and receivables</b>	<b>244,751</b>	<b>258,349</b>	<b>207,740</b>	<b>216,046</b>
<b>Fair value through other comprehensive revenue and expense</b>				
- Unlisted shares	1,635	618	-	-
<b>Total fair value through other comprehensive revenue and expense</b>	<b>1,635</b>	<b>618</b>	<b>-</b>	<b>-</b>
<b>FINANCIAL LIABILITIES</b>				
<b>Financial liabilities at amortised cost</b>				
Payables	48,760	54,132	51,203	55,086
Loans and leases	1,160	700	-	-
<b>Total financial liabilities at amortised cost</b>	<b>49,920</b>	<b>54,832</b>	<b>51,203</b>	<b>55,086</b>

# NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2016

## (b) Market risk

### Foreign exchange risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The University purchases goods and services from overseas which exposes it to currency risk. The University of Otago Foundation Trust's investment portfolio invests in shares and bonds denominated in foreign currency, which also exposes it to currency risk.

The University and Group manages currency risks associated with the purchase of goods and services from overseas that are above specified amounts by entering into forward foreign exchange contracts. This allows the University and Group to fix the New Zealand dollar amount payable prior to the payment date. 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.

The University of Otago Foundation Trust's investment portfolio's exposure to currency risk is mitigated to an extent through diversification of investments across different currencies in accordance with the investment policy.

The Group's exposure to foreign currency risk at the reporting date was as follows:

	2016		2015	
	USD \$000	AUD \$000	USD \$000	AUD \$000
Cash and cash equivalents foreign bank accounts	27	617	5	2,137
Equities	5,865	52,805	6,357	47,447

### Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Equity securities price risk arises on listed share investments, which are classified as available for sale investments.

The price sensitivity impact on the surplus is based on a 5% movement in each of the following indexes with all other variables held constant.

Consolidated Index	Impact on the surplus		Impact on equity	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
ASX 200	2,738	2,528	2,738	2,528
NZX50	3,702	3,733	3,702	3,733
NYSE International 100	422	465	422	465

### Interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Investments issued at fixed rates of interest create exposure to fair value interest rate risk. The University and Group do not actively manage their exposure to fair value interest rate risk.

Movement in interest rate	Surplus after tax (the Group)		Equity (the Group)	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
0.5% (50 basis points) higher for the year				
Interest received	562	624	562	624

### Explanation of interest rate risk sensitivity

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease in 50 bps is equivalent to a decrease in interest rates of 0.5%.

### (c) Credit risk

The University and Group have no significant concentrations of credit risk. Credit risk is the risk that a third party will default on its obligation to the University and Group, causing the University and Group to incur a deficit. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, credit exposures to receivables and other debtors as well as derivative financial instruments.

In the normal course of business, the University and Group are exposed to credit risk from cash and term deposits with banks, debtors and other receivables, corporate bonds, listed shares, other loans and pledged donations. For each of these, the maximum credit exposure is best represented by the carrying amount in the Statement of Financial Position.

The University and Group control the amount of credit exposure to any one financial institution for cash and term deposits by limiting the maximum funds that can be placed on deposit. The maximum deposit that can be held in any single registered bank, where the bank has a Standard and Poor's credit rating of at least AA-, is 33% of the value of deposits. This reduces to 5% where the bank has a Standard and Poor's credit rating of at least BBB.

The University and Group hold no collateral or other credit enhancements for financial instruments that give rise to credit risk.

#### Maximum exposure to credit risk

The University and Group's maximum credit exposures for each class of financial instruments are as follows:

	Consolidated		University	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Cash at bank and term deposits	158,597	166,434	134,487	140,751
Receivables	27,716	31,478	28,436	29,635
Loans	12,031	12,874	12,031	12,874
Corporate bonds	43,652	44,659	-	-
<b>Total credit risk</b>	<b>241,996</b>	<b>255,445</b>	<b>174,954</b>	<b>183,260</b>

#### Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates.

Impairment of a loan or receivable is established when there is objective evidence that the University and Group will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of a provision account and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written off against the provision account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due). For other financial assets, impairment losses are recognised directly against the instrument's carrying amount.

	Consolidated		University	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
<b>Counter-parties with credit ratings</b>				
<b>Cash at bank and term bank deposits</b>				
AA-	133,020	150,256	117,478	128,751
A+	18,508	11,100	15,000	10,000
BBB	7,069	5,078	2,009	2,000
<b>Total cash at bank and term deposits</b>	<b>158,597</b>	<b>166,434</b>	<b>134,487</b>	<b>140,751</b>

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2016

	Consolidated		University	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
<b>Corporate bonds</b>				
AA	1,477	3,038	-	-
AA-	14,346	16,512	-	-
A+	2,034	2,041	-	-
A	5,367	1,503	-	-
A-	1,833	1,843	-	-
BBB+	9,067	9,282	-	-
BBB	2,046	2,082	-	-
BB-	874	874	-	-
Not rated	6,608	7,484	-	-
<b>Total corporate bonds</b>	<b>43,652</b>	<b>44,659</b>	<b>-</b>	<b>-</b>
<b>Counterparties without credit ratings</b>				
Debtors and other receivables	27,716	31,478	28,436	29,635
Existing counterparty with no defaults in the past	12,031	12,874	12,031	12,874
<b>Total community and related party loans</b>	<b>39,747</b>	<b>44,352</b>	<b>40,467</b>	<b>42,509</b>

**(d) Liquidity risk**

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

Prudent liquidity risk management implies maintaining sufficient cash and liquid assets, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

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

**Contractual maturity analysis of financial liabilities**

The table below analyses financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

	Less than 1 year \$000	Between 1 and 2 years \$000	Between 2 and 5 years \$000	Over 5 years \$000	Total contractual cash flows \$000	Carrying amount (assets)/ liabilities \$000
<b>CONSOLIDATED 2016</b>						
<b>Financial assets</b>						
Cash and cash equivalents	14,340	-	-	-	14,340	14,340
Bank term deposits	134,144	9,031	1,082	-	144,257	144,257
Receivables	27,716	-	-	-	27,716	27,716
Corporate bonds	15,445	8,395	14,515	5,297	43,652	43,652
Loans	859	862	2,192	8,118	12,031	12,031
<b>Total financial assets</b>	<b>192,504</b>	<b>18,288</b>	<b>17,789</b>	<b>13,415</b>	<b>241,996</b>	<b>241,996</b>



	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets)/ liabilities \$000
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Financial liabilities</b>						
Payables and accruals	48,760	-	-	-	48,760	48,760
Loans	-	-	-	1,160	1,160	1,160
<b>Total financial liabilities</b>	<b>48,760</b>	<b>-</b>	<b>-</b>	<b>1,160</b>	<b>49,920</b>	<b>49,920</b>
<b>CONSOLIDATED 2015</b>						
Cash and cash equivalents	14,882	-	-	-	14,882	14,882
Bank term deposits	129,513	22,039	-	-	151,552	151,552
Receivables	31,478	-	-	-	31,478	31,478
Corporate bonds	7,478	14,192	17,232	5,757	44,659	44,659
Loans	870	857	2,472	8,675	12,874	12,874
<b>Total financial assets</b>	<b>184,221</b>	<b>37,088</b>	<b>19,704</b>	<b>14,432</b>	<b>255,445</b>	<b>255,445</b>
<b>Financial liabilities</b>						
Payables and accruals	54,132	-	-	-	54,132	54,132
Loans	-	-	-	700	700	700
<b>Total financial liabilities</b>	<b>54,132</b>	<b>-</b>	<b>-</b>	<b>700</b>	<b>54,832</b>	<b>54,832</b>
<b>UNIVERSITY 2016</b>						
<b>Financial assets</b>						
Cash and cash equivalents	7,487	-	-	-	7,487	7,487
Bank term deposits	122,000	5,000	-	-	127,000	127,000
Receivables	28,436	-	-	-	28,436	28,436
Loans	859	862	2,192	8,118	12,031	12,031
<b>Total financial assets</b>	<b>158,782</b>	<b>5,862</b>	<b>2,192</b>	<b>8,118</b>	<b>174,954</b>	<b>174,954</b>
<b>Financial liabilities</b>						
Payables and accruals	51,203	-	-	-	51,203	51,203
<b>Total financial liabilities</b>	<b>51,203</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51,203</b>	<b>51,203</b>
<b>UNIVERSITY 2015</b>						
<b>Financial assets</b>						
Cash and cash equivalents	6,251	-	-	-	6,251	6,251
Bank term deposits	115,500	19,000	-	-	134,500	134,500
Receivables	29,635	-	-	-	29,635	29,635
Loans	870	857	2,472	8,675	12,874	12,874
<b>Total financial assets</b>	<b>152,256</b>	<b>19,857</b>	<b>2,472</b>	<b>8,675</b>	<b>183,260</b>	<b>183,260</b>
<b>Financial liabilities</b>						
Payables and accruals	55,086	-	-	-	55,086	55,086
<b>Total financial liabilities</b>	<b>55,086</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55,086</b>	<b>55,086</b>

# NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2016

The table below analyses the Group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 month \$000	Between 1 and 3 months \$000	Between 3 and 12 months \$000	Between 1 and 2 years \$000	Total \$000	Carrying amount liabilities \$000
<b>CONSOLIDATED - ACTUAL 2016</b>						
Forward foreign exchange contracts	3,098	1,921	7,830	3,644	16,493	16,493
	Less than 1 month \$000	Between 1 and 3 months \$000	Between 3 and 12 months \$000	Between 1 and 2 years \$000	Total \$000	Carrying amount liabilities \$000
<b>CONSOLIDATED - ACTUAL 2015</b>						
Forward foreign exchange contracts	541	1,182	9,746	2,821	14,290	14,290
	Less than 1 month \$000	Between 1 and 3 months \$000	Between 3 and 12 months \$000	Between 1 and 2 years \$000	Total \$000	Carrying amount liabilities \$000
<b>UNIVERSITY - ACTUAL 2016</b>						
Forward foreign exchange contracts	3,098	1,921	7,830	3,644	16,493	16,493
	Less than 1 month \$000	Between 1 and 3 months \$000	Between 3 and 12 months \$000	Between 1 and 2 years \$000	Total \$000	Carrying amount liabilities \$000
<b>UNIVERSITY - ACTUAL 2015</b>						
Forward foreign exchange contracts	541	1,182	9,746	2,821	14,290	14,290

### (e) Fair value estimation

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) – financial instruments with quoted prices for identical instruments in active markets.
- Valuation techniques using observable inputs (level 2) – financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) – financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the Statement of Financial Position:

	Total	Quoted market price	Observable inputs	Significant non-observable inputs
<b>31 DECEMBER 2016 - CONSOLIDATED</b>				
<b>Financial assets</b>				
Cash and cash equivalents	14,340	14,340	-	-
Bank term deposits	144,257	144,257	-	-
Corporate bonds	43,652	43,652	-	-
Listed shares	137,233	137,233	-	-
Investments in associates	2,755	-	2,755	-
Shares in unlisted companies	1,635	-	-	1,635
Loans	12,031	-	12,031	-
<b>Total financial assets</b>	<b>355,903</b>	<b>339,482</b>	<b>14,786</b>	<b>1,635</b>
	Total	Quoted market price	Observable inputs	Significant non-observable inputs
<b>31 DECEMBER 2015 - CONSOLIDATED</b>				
<b>Financial assets</b>				
Cash and cash equivalents	14,882	14,882	-	-
Bank term deposits	151,552	151,552	-	-
Corporate bonds	44,659	44,659	-	-
Listed shares	134,613	134,613	-	-
Investments in associates	2,904	-	2,904	-
Shares in unlisted companies	618	-	14	604
Loans	12,874	-	12,874	-
<b>Total financial assets</b>	<b>362,102</b>	<b>345,706</b>	<b>15,792</b>	<b>604</b>

## NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2016

	Total	Quoted market price	Observable inputs	Significant non-observable inputs
<b>31 DECEMBER 2016 - UNIVERSITY</b>				
<b>Financial assets</b>				
Cash and cash equivalents	7,487	7,487	-	-
Bank term deposits	127,000	127,000	-	-
Listed shares	670	670	-	-
Shares in subsidiaries	7,786	-	7,786	-
Investment in in-substance subsidiary	25,000	-	25,000	-
Loans	12,031	-	12,031	-
<b>Total financial assets</b>	<b>179,974</b>	<b>135,157</b>	<b>44,817</b>	<b>-</b>

	Total	Quoted market price	Observable inputs	Significant non-observable inputs
<b>31 DECEMBER 2015 - UNIVERSITY</b>				
<b>Financial assets</b>				
Cash and cash equivalents	6,251	6,251	-	-
Bank term deposits	134,500	134,500	-	-
Listed shares	1,654	1,654	-	-
Shares in subsidiaries	7,786	-	7,786	-
Investment in in-substance subsidiary	25,000	-	25,000	-
Loans	12,874	-	12,874	-
<b>Total financial assets</b>	<b>188,065</b>	<b>142,405</b>	<b>45,660</b>	<b>-</b>

## 4 Revenue summary

### Accounting policy

#### Government grants

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

#### Student Achievement Component (SAC) funding

SAC funding is the University's main source of operational funding from the Tertiary Education Commission (TEC). The University considers SAC funding to be non-exchange and recognises SAC funding as revenue when the course withdrawal date has passed, based on the number of eligible students enrolled in the course at that date and the value of the course.

#### Tuition fees

Domestic student tuition fees are subsidised by government funding and are considered non-exchange. Revenue is recognised when the course withdrawal date has passed, which is when a student is no longer entitled to a refund for withdrawing from the course.

International student tuition fees are accounted for as exchange transactions and recognised as revenue on a course percentage-of-completion basis. The percentage of completion is measured by reference to the days of the course completed as a proportion of the total course days.

#### Service revenue

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

#### Donations

Unrestricted donations are recognised as revenue upon receipt.

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

Donated assets are recognised at fair value.

Donations and bequests are recognised as revenue when the right to receive the fund or asset has been established, unless there is an obligation in substance to return the funds if conditions of the donation or bequest are not met. If there is such an obligation, they are initially recorded as revenue in advance when received, and recognised as revenue when the conditions are satisfied. Pledges are not recognised as assets or revenue until the pledged item is received.

#### Research and contracts

The University exercises its judgement in determining whether funding received under a research contract is received in an exchange or non-exchange transaction. In determining whether a research contract is exchange or non-exchange, the University considers factors such as the following:

- Whether the funder has substantive rights to the research output. This is a persuasive indicator of exchange or non-exchange.
- How the research funds were obtained. For example, whether through a commercial tender process for specified work or from applying to a more general research funding pool.
- Nature of the funder.
- Specificity of the research brief or contract.

For an exchange research contract, revenue is recognised on a percentage-completion basis. The percentage of completion is measured by reference to the actual research expenditure incurred as a proportion to total expenditure expected to be incurred.

For a non-exchange research contract, the total funding receivable under the contract is recognised as revenue immediately, unless there are substantive conditions in the contract. If there are substantive conditions, revenue is recognised when the conditions are satisfied. A condition could include the requirement to complete research to the satisfaction of the funder, to retain funding or return unspent funds. Revenue for future periods is not recognised where the contract contains substantive termination provisions for failure to comply with the requirements of the contract. Conditions and termination provisions need to be substantive, which is assessed by considering factors such as contract monitoring mechanisms of the funder and the past practice of the funder. Judgement is often required in determining the timing of revenue recognition for contracts that span a balance date and multi-year research contracts.



## NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2016

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Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance when received, and recognised as revenue when the conditions of the grant are satisfied.

### Performance-Based Research Fund (PBRF)

The University considers PBRF funding to be non-exchange in nature. PBRF funding is specifically identified by the TEC as being for a funding period as required by section 159YA of the Education Act 1989. The University recognises its confirmed allocation of PBRF funding at the commencement of the specified funding period, which is the same as the University's financial year. PBRF revenue is measured based on the University's funding entitlement adjusted for any expected adjustments as part of the final wash-up process. Indicative funding for future periods is not recognised until confirmed for that future period.

### Sale of goods

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

Revenue from sales of goods is recognised when the product is sold to the customer.

### Dividend and interest revenue

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

## 5. Government grants

	Consolidated		University	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Vote Education	228,275	222,294	226,952	220,821
Vote Health	2,255	2,286	2,255	2,286
<b>Total government grants</b>	<b>230,530</b>	<b>224,580</b>	<b>229,207</b>	<b>223,107</b>

## 6. Other expenses

	Consolidated		University	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
<b>Surplus includes the following specific expenses:</b>				
Depreciation	57,883	58,014	57,732	57,836
Amortisation of intangible assets	2,798	2,642	2,776	2,608
<b>Total depreciation and amortisation</b>	<b>60,681</b>	<b>60,656</b>	<b>60,508</b>	<b>60,444</b>

<b>Fees to principal auditor (Audit New Zealand):</b>				
Audit fees for financial statements audit	270	332	213	200
Audit fees for the PBRF audit	9	9	9	9
<b>Total</b>	<b>279</b>	<b>341</b>	<b>222</b>	<b>209</b>

<b>Directors'/Councillors'/Trustees' fees</b>	305	247	168	110
Directors'/Councillors'/Trustees' fees includes the following fees paid to Council members:				
	Consolidated		University	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
E O K Blaikie	-	4	-	4
L A Harris	6	-	6	-
F B Barton	13	-	13	-
D C Cull	-	1	-	1
M R Dippie	13	-	13	-
M A Fitz-Gerald (resigned 21 November 2016)	11	-	11	-
S J Higgs	13	7	13	7
P O Hunt	-	5	-	5
L P Isaacs	-	12	-	12
S J McLauchlan	25	7	25	7
C J Marshall	6	-	6	-
J A Martin	-	3	-	3
D C Matahaere-Atariki	13	2	13	2
S A Montague-Gallagher	6	-	6	-
M J M Sidey	-	4	-	4
R J Somerville QC	15	5	15	5
R H Tobin	-	3	-	3
J F Ward	40	25	40	25
<b>Total earned</b>	<b>160</b>	<b>78</b>	<b>160</b>	<b>78</b>

## NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2016

	Consolidated		University	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
<b>Director and Trustee remuneration</b>				
M A Fitz-Gerald (resigned 21 November 2016)	2	-	-	-
S J Higgs	18	17	-	-
L P Isaacs	-	2	-	-
S J McLauchlan	23	21	-	-
M J M Sidey	-	1	-	-
R J Somerville QC	3	2	-	-
J F Ward	24	21	-	-
	69	64	-	-
<b>Total earned</b>	<b>229</b>	<b>142</b>	<b>160</b>	<b>78</b>
<b>Rental expense relating to operating leases</b>				
Minimum lease payments	9,104	8,507	9,099	8,428
<b>Total rental expense relating to operating leases</b>	<b>9,104</b>	<b>8,507</b>	<b>9,099</b>	<b>8,428</b>
<b>7. Finance revenue and finance costs</b>				
	Consolidated		University	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
<b>Finance revenue</b>				
Interest received	11,406	12,395	7,996	8,684
Realised gains/losses on sale of equities	3,841	574	(87)	-
Dividends received	5,174	5,052	-	-
Gain/(loss) forex	(1,479)	(406)	-	-
Unrealised gain/loss on investments	1,265	7,086	79	-
<b>Total finance revenue</b>	<b>20,207</b>	<b>24,701</b>	<b>7,988</b>	<b>8,684</b>
<b>Finance costs</b>				
Interest paid	226	62	240	251
<b>Total finance costs</b>	<b>226</b>	<b>62</b>	<b>240</b>	<b>251</b>

## 8. Cash and cash equivalents

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

	Consolidated		University	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Cash at bank and in hand	13,140	13,773	7,487	6,251
Short-term deposits maturing three months or less from date of acquisitions	1,200	1,109	-	-
<b>Total cash and cash equivalents</b>	<b>14,340</b>	<b>14,882</b>	<b>7,487</b>	<b>6,251</b>

## 9. Inventories

### Accounting policy

Inventories held for use in the provision of goods and services on a commercial basis are valued at the lower of cost (using the FIFO method) and net realisable value.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

## 10. Current assets - other financial assets

	Consolidated		University	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
<b>Trade and other receivables and prepayments</b>				
Trade debtors	16,579	16,391	15,955	14,783
Other receivables	11,137	15,087	12,481	14,852
Prepayments	9,605	8,263	9,510	8,137
<b>Total trade and other receivables and prepayments</b>	<b>37,321</b>	<b>39,741</b>	<b>37,946</b>	<b>37,772</b>

### The ageing profile of trade receivables is as follows:

At actual

Current	12,345	12,968	12,013	11,609
2 to 3 months	3,733	1,458	3,504	1,268
> 3 months	501	1,965	438	1,906
<b>Total gross trade receivables</b>	<b>16,579</b>	<b>16,391</b>	<b>15,955</b>	<b>14,783</b>

Any impairment or write-offs of trade receivables is based on analysis of past history, and a review of specific debtors' balances greater than 3 months. Amounts not considered recoverable are written off in the period in which they are identified.

# NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2016

## 11. Other financial assets

### Accounting policy

Financial assets are classified into the following categories for the purpose of measurement:

- Fair value through surplus or deficit;
- Loans and receivables;
- Held-to-maturity investments; and
- Fair value through other comprehensive income.

The classification of a financial asset depends on the purpose for which the instrument was acquired.

### Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking.

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

Investments held by the Group 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.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on remeasurement recognised in the surplus or deficit.

### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

### Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

The University and Group have no investments in this category.

### Fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date.

The University and Group have no investments in this category.

	Consolidated		University	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
<b>Current portion</b>				
Other loans	859	870	859	870
Short-term deposits	134,144	129,513	122,000	115,500
Corporate bonds	15,445	7,477	-	-
<b>Total current portion</b>	<b>150,448</b>	<b>137,860</b>	<b>122,859</b>	<b>116,370</b>



## 12. Non-current assets - other financial assets

	Consolidated		University	
	2016	2015	2016	2015
	\$000	\$000	\$000	\$000
<b>Non-current portion</b>				
<i>Investment in subsidiaries and similar entities</i>				
Shares in subsidiary	-	-	7,786	7,786
<b>Total investment in subsidiaries and similar entities</b>	<b>-</b>	<b>-</b>	<b>7,786</b>	<b>7,786</b>
<i>Investment in other entities</i>				
Long-term bank deposits	10,113	22,039	5,000	19,000
Loans and receivables	11,172	12,004	11,172	12,004
Corporate bonds	28,207	37,182	-	-
	<b>49,492</b>	<b>71,225</b>	<b>16,172</b>	<b>31,004</b>
<i>Other listed securities</i>				
Shares in other companies	137,233	134,613	670	1,654
	<b>137,233</b>	<b>134,613</b>	<b>670</b>	<b>1,654</b>
<i>Other unlisted securities</i>				
Equity securities	1,635	618	-	-
	<b>1,635</b>	<b>618</b>	<b>-</b>	<b>-</b>
<i>Investment in in-substance subsidiary</i>	-	-	25,000	25,000
	<b>-</b>	<b>-</b>	<b>25,000</b>	<b>25,000</b>
<b>Total investment in other entities</b>	<b>188,360</b>	<b>206,456</b>	<b>41,842</b>	<b>57,658</b>

### Fair value

Investment in in-substance subsidiary is carried at cost in the parent entity financial statements.

### Term deposits

The carrying amount of term deposits approximates their fair value.

### Bonds

Investments are carried at fair value through profit or loss and transaction costs are recognised in the Statement of Comprehensive Revenue and Expense.

### Loans

The face value of loans is \$12.031 million (2015: \$12.874 million).

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method less any provision for impairment. Gains or losses are recognised in the surplus or deficit when the loans and receivables are derecognised or impaired. These are included in current assets, except for those with maturities greater than 12 months after balance date, which are classified as non-current.

### Unlisted shares

Unlisted shares are recognised at fair value.

For investments with no active market, fair values are determined using valuation methods. Investments whose fair values cannot be reliably measured are accounted for at cost and amortised where necessary.

### Listed shares

Listed shares are recognised at fair value. The fair values of listed shares are determined by reference to published current bid price quotations in an active market.

Investments in quoted shares are initially measured at fair value plus transaction costs.

# NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2016

## Interest-free loans

Other loans are recognised when the loan value is transferred to the other party and contract documents signed. The fair value of these loans is the face value. The University expects the loan repayment instalments to be repaid and the agreements to be honoured.

Total interest-free loans outstanding are \$9.271 million (2015: \$9.976 million). The net present value of these loans at a discount rate of 4.00% is \$6.731 million (2015: \$6.623 million).

Movements in the carrying value of loans are as follows:

	Consolidated		University	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
At 1 January	12,874	13,730	12,874	13,730
Amount of new loans granted during the year	27	3	27	3
Loans repaid during the year (principal and interest)	(870)	(859)	(870)	(859)
<b>At 31 December</b>	<b>12,031</b>	<b>12,874</b>	<b>12,031</b>	<b>12,874</b>

Loans have been advanced to various affiliated Colleges for upgrades of their accommodation facilities for use by students of the University of Otago. Mortgages have been raised over the freehold interest in the properties in each case.

## 13. Property, plant and equipment

### Accounting policy

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 2014 in accordance with "PBE IPSAS 17 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.

No revaluation was deemed necessary in 2016.

### Restrictions on title

Under the Education Act 1989, the University is required to obtain consent from the Ministry of Education to dispose of land and buildings. For plant and equipment, there is an asset disposal limit formula, which provides a limit up to which a Tertiary Education Institution may dispose of plant and equipment without seeking the approval from the Ministry of Education. Detailed information on the asset disposal rules can be found on the Tertiary Education Commission website.

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 Note 29).

The Hocken Library Collections were revalued at 1 January 2006 by an independent registered valuer (Peter Webb Galleries). The value represents deemed cost. Any additions since 1 January 2006 have been valued at cost (refer Note 28).

University artworks were valued at 1 January 2006 by an independent registered valuer (Peter Webb Galleries). The value represents 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.

Impairment - property, plant and equipment that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that an impairment has occurred. Impairment losses are recognised in the Statement of Comprehensive Revenue and Expense.

#### Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment other than land and heritage collections, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Heritage collections are not depreciated because they are maintained such that they have indefinite or sufficiently long useful lives that any depreciation is considered negligible.

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

Class of asset depreciated	Estimated useful life	Depreciation rates
Buildings and components		
Site improvements	50 years	2.0%
Structure including walls	30 to 250 years	0.4% to 3.3%
Roof	25 to 100 years	1.0% to 4.0%
Plumbing	40 to 50 years	2.0% to 2.5%
Lifts	40 years	2.5%
Heating and ventilation	30 to 50 years	2.0% to 3.3%
Fume cupboards	15 years	6.7%
Floor coverings and chattels	10 to 40 years	2.5% to 10.0%
Fit out	30 to 75 years	1.3% to 3.3%
Fire protection	40 to 60 years	1.7% to 2.5%
Electrical	40 to 50 years	2.0% to 2.5%
Data network	20 years	5.0%
Infrastructure	10 to 50 years	2% to 10%
Motor vehicles and trailers	3 to 10 years	10% to 33.3%
Furniture and fittings	5 to 10 years	10% to 20%
Plant and equipment	4 to 60 years	1.7% to 25.0%
Computers and photocopiers	4 to 10 years	10.0% to 25.0%
ipads and similar tablet devices	3 years	33.3%
Library collections	5 to 10 years	10.0% to 20.0%

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2016

<b>CONSOLIDATED 2015</b>										
	Land \$000	Buildings \$000	Computers \$000	Furniture \$000	Artworks \$000	Library books \$000	Rare books \$000	Equipment \$000	Total \$000	
Gross carrying amount										
Cost	15,505	137,361	67,846	17,545	10,318	172,169	9,660	236,090	666,494	
Valuation	238,613	853,854	-	-	-	-	-	-	1,092,467	
<b>Balance as at 1 January 2015</b>	<b>254,118</b>	<b>991,215</b>	<b>67,846</b>	<b>17,545</b>	<b>10,318</b>	<b>172,169</b>	<b>9,660</b>	<b>236,090</b>	<b>1,758,961</b>	
<b>Year ended 31 December 2015</b>										
Additions	689	28,341	8,558	847	111	2,721	145	18,343	59,755	
Disposals	-	(1,937)	(5,659)	-	-	-	-	(5,070)	(12,666)	
Transfers / adjustments	-	(333)	(6)	84	-	4	(1)	344	92	
<b>Balance as at 31 December 2015</b>	<b>254,807</b>	<b>1,017,286</b>	<b>70,739</b>	<b>18,476</b>	<b>10,429</b>	<b>174,894</b>	<b>9,804</b>	<b>249,707</b>	<b>1,806,142</b>	
<b>CONSOLIDATED 2016</b>										
<b>Balance as at 1 January 2016</b>	<b>254,807</b>	<b>1,017,286</b>	<b>70,739</b>	<b>18,476</b>	<b>10,429</b>	<b>174,894</b>	<b>9,804</b>	<b>249,707</b>	<b>1,806,142</b>	
Additions	4,058	63,248	4,958	1,572	148	3,280	68	19,262	96,594	
Disposals	-	-	(17,228)	(2,377)	-	(27,248)	-	(6,177)	(53,030)	
Transfers / adjustments	-	(557)	142	(2)	-	5	-	394	(18)	
<b>Balance as at 31 December 2016</b>	<b>258,865</b>	<b>1,079,977</b>	<b>58,611</b>	<b>17,669</b>	<b>10,577</b>	<b>150,931</b>	<b>9,872</b>	<b>263,186</b>	<b>1,849,688</b>	

CONSOLIDATED 2015										
	Land \$000	Buildings \$000	Computers \$000	Furniture \$000	Artworks \$000	Library books \$000	Rare books \$000	Equipment \$000	Total \$000	
Accumulated depreciation Cost	-	(1,378)	(53,163)	(8,926)	-	(44,159)	-	(159,759)	(267,385)	
Balance as at 1 January 2015	-	(1,378)	(53,163)	(8,926)	-	(44,159)	-	(159,759)	(267,385)	
Year ended 31 December 2015										
Revaluation	-	-	-	-	-	-	-	-	-	
Disposals	-	1,368	5,631	-	-	1	-	4,881	11,881	
Depreciation charge (Note 6)	-	(30,734)	(7,086)	(1,753)	-	(3,936)	-	(14,507)	(58,016)	
Transfers / adjustments	-	-	22	1	-	-	-	(24)	(1)	
Balance as at 31 December 2015	-	(30,744)	(54,596)	(10,678)	-	(48,094)	-	(169,409)	(313,521)	
CONSOLIDATED 2016										
Balance as at 1 January 2016	-	(30,744)	(54,596)	(10,678)	-	(48,094)	-	(169,409)	(313,521)	
Additions	-	-	-	-	-	-	-	-	-	
Disposals	-	-	17,182	2,377	-	27,248	-	5,946	52,753	
Depreciation charge (Note 6)	-	(29,599)	(5,887)	(1,709)	-	(4,523)	-	(16,151)	(57,869)	
Transfers / adjustments	-	-	-	-	-	(8)	-	-	(8)	
Balance as at 31 December 2016	-	(60,343)	(43,301)	(10,010)	-	(25,377)	-	(179,614)	(318,645)	
Net book value										
As at 1 January 2015	254,118	989,837	14,683	8,619	10,318	128,010	9,660	76,331	1,491,576	
As at 31 December 2015	254,807	986,542	16,143	7,798	10,429	126,800	9,804	80,298	1,492,621	
As at 31 December 2016	258,865	1,019,634	15,310	7,660	10,577	125,554	9,872	83,573	1,531,045	



NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2016

UNIVERSITY 2015		Land \$000	Buildings \$000	Computers \$000	Furniture \$000	Artworks \$000	Library books \$000	Rare books \$000	Equipment \$000	Total \$000
<b>Gross carrying amount</b>										
Cost		12,625	129,132	67,420	17,207	10,318	60,522	9,660	235,222	542,106
Valuation		238,613	853,854	-	-	-	-	-	-	1,092,467
<b>Balance as at 1 January 2015</b>	<b>2015</b>	<b>251,238</b>	<b>982,986</b>	<b>67,420</b>	<b>17,207</b>	<b>10,318</b>	<b>60,522</b>	<b>9,660</b>	<b>235,222</b>	<b>1,634,573</b>
<b>Year ended 31 December 2015</b>										
Revaluation		-	-	-	-	-	-	-	-	-
Additions		630	28,213	8,536	820	111	2,406	144	18,338	59,198
Disposals		-	-	(5,659)	-	-	-	-	(5,070)	(10,729)
Transfers / adjustments		-	(333)	(5)	84	-	-	-	344	90
<b>Balance as at 31 December 2015</b>	<b>2015</b>	<b>251,868</b>	<b>1,010,866</b>	<b>70,292</b>	<b>18,111</b>	<b>10,429</b>	<b>62,928</b>	<b>9,804</b>	<b>248,834</b>	<b>1,683,132</b>
<b>Balance as at 1 January 2016</b>		<b>251,868</b>	<b>1,010,866</b>	<b>70,292</b>	<b>18,111</b>	<b>10,429</b>	<b>62,928</b>	<b>9,804</b>	<b>248,834</b>	<b>1,683,132</b>
Additions		3,935	62,984	4,937	1,522	148	2,699	68	19,239	95,532
Disposals		-	-	(17,228)	(2,377)	-	(27,248)	-	(6,177)	(53,030)
Transfers / adjustments		-	(558)	142	(4)	-	5	-	392	(23)
<b>Balance as at 31 December 2016</b>	<b>2016</b>	<b>255,803</b>	<b>1,073,292</b>	<b>58,143</b>	<b>17,252</b>	<b>10,577</b>	<b>38,384</b>	<b>9,872</b>	<b>262,288</b>	<b>1,725,611</b>

# UNIVERSITY 2015

## Accumulated depreciation Cost

	Land \$000	Buildings \$000	Computers \$000	Furniture \$000	Artworks \$000	Library books \$000	Rare books \$000	Equipment \$000	Total \$000
<b>Balance as at 1 January 2015</b>	-	-	(52,867)	(8,747)	-	(44,159)	-	(159,467)	(265,240)
<b>Year ended 31 December 2015</b>									
Revaluation	-	-	-	-	-	-	-	-	-
Disposals	-	-	5,631	-	-	-	-	4,881	10,512
Depreciation charge (note 6)	-	(30,694)	(7,048)	(1,707)	-	(3,935)	-	(14,452)	(57,836)
Transfers / adjustments	-	-	24	-	-	-	-	(24)	-
<b>Balance as at 31 December 2015</b>	-	(30,694)	(54,260)	(10,454)	-	(48,094)	-	(169,062)	(312,564)
<b>Balance as at 1 January 2016</b>	-	(30,694)	(54,260)	(10,454)	-	(48,094)	-	(169,062)	(312,564)
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	17,182	2,377	-	27,248	-	5,946	52,753
Depreciation charge (note 6)	-	(29,592)	(5,849)	(1,661)	-	(4,531)	-	(16,096)	(57,729)
Transfers / adjustments	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2016</b>	-	(60,286)	(42,927)	(9,738)	-	(25,377)	-	(179,212)	(317,540)

## Net book value

<b>As at 1 January 2015</b>	251,238	982,986	14,553	8,460	10,318	16,363	9,660	75,755	1,369,333
<b>As at 31 December 2015</b>	251,868	980,172	16,032	7,657	10,429	14,834	9,804	79,772	1,370,568
<b>As at 31 December 2016</b>	255,803	1,013,006	15,216	7,515	10,577	13,007	9,872	83,077	1,408,073

Library books includes the Hocken Collection. At 31 December 2016 the net book value was: parent \$4.540 million and consolidated \$117.087 million.

Work in progress as at 31 December 2016 (Parent and Group):

Buildings \$75,671 million (2015: \$28,421 million)

Equipment \$1,148 million (2015: \$0.178 million).

# NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2016

## 14. Intangible assets

### Accounting policy

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

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

### Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful 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 surplus or deficit.

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

Class of intangible asset	Estimated useful life	Amortisation rates		
Computer software	3 to 25 years	4% to 33.3%		
Patents	12 to 20 years	5% to 12.5%		

	Computer software \$000	Patents \$000	Total \$000
<b>CONSOLIDATED 2015</b>			
Gross carrying amount			
Cost	48,368	-	48,368
<b>Balance as at 1 January 2015</b>	<b>48,368</b>	<b>-</b>	<b>48,368</b>
<b>Year ended 31 December 2015</b>			
Additions	4,487	-	4,487
Disposals	(115)	-	(115)
<b>Balance as at 31 December 2015</b>	<b>52,740</b>	<b>-</b>	<b>52,740</b>
<b>CONSOLIDATED 2016</b>			
<b>Balance as at 1 January 2016</b>	<b>52,740</b>	<b>-</b>	<b>52,740</b>
Additions	2,549	-	2,549
Adjustments	(170)	-	(170)
Impairment charge	(2,895)	-	(2,895)
Disposals	(2,873)	-	(2,873)
<b>Balance as at 31 December 2016</b>	<b>49,351</b>	<b>-</b>	<b>49,351</b>

	Computer software \$000	Patents \$000	Total \$000
<b>CONSOLIDATED 2015</b>			
Accumulated amortisation and impairment Cost	(21,306)	-	(21,306)
<b>Balance as at 1 January 2015</b>	<b>(21,306)</b>	<b>-</b>	<b>(21,306)</b>
<b>Year ended 31 December 2015</b>			
Amortisation charge	(2,642)	-	(2,642)
Disposals	114	-	114
<b>Balance as at 31 December 2015</b>	<b>(23,834)</b>	<b>-</b>	<b>(23,834)</b>
<b>CONSOLIDATED 2016</b>			
<b>Balance as at 1 January 2016</b>	<b>(23,834)</b>	<b>-</b>	<b>(23,834)</b>
Amortisation charge	(2,812)	-	(2,812)
Disposals	2,850	-	2,850
<b>Balance as at 31 December 2016</b>	<b>(23,796)</b>	<b>-</b>	<b>(23,796)</b>
<b>Net book value</b>			
<b>As at 1 January 2015</b>	<b>27,062</b>	<b>-</b>	<b>27,062</b>
<b>As at 31 December 2015</b>	<b>28,906</b>	<b>-</b>	<b>28,906</b>
<b>As at 31 December 2016</b>	<b>25,555</b>	<b>-</b>	<b>25,555</b>
<b>UNIVERSITY 2015</b>			
Gross carrying amount Cost	48,170	-	48,170
<b>Balance as at 1 January 2015</b>	<b>48,170</b>	<b>-</b>	<b>48,170</b>
Additions	4,397	-	4,397
Disposals	(115)	-	(115)
<b>Balance as at 31 December 2015</b>	<b>52,452</b>	<b>-</b>	<b>52,452</b>
<b>UNIVERSITY 2016</b>			
<b>Balance as at 1 January 2016</b>	<b>52,452</b>	<b>-</b>	<b>52,452</b>
Additions	2,266	-	2,266
Adjustments	(183)	-	(183)
Impairment charge	(2,895)	-	(2,895)
Disposals	(2,873)	-	(2,873)
<b>Balance as at 31 December 2016</b>	<b>48,767</b>	<b>-</b>	<b>48,767</b>

## NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2016

	Computer software \$000	Patents \$000	Total \$000
<b>UNIVERSITY 2015</b>			
Accumulated amortisation and impairment			
Cost	(21,170)	-	(21,170)
<b>Balance as at 1 January 2015</b>	<b>(21,170)</b>	<b>-</b>	<b>(21,170)</b>
Disposal	114	-	114
Amortisation charge	(2,608)	-	(2,608)
<b>Balance as at 31 December 2015</b>	<b>(23,664)</b>	<b>-</b>	<b>(23,664)</b>
<b>UNIVERSITY 2016</b>			
Balance as at 1 January 2016	(23,664)	-	(23,664)
Disposals	2,849	-	2,849
Amortisation charge	(2,776)	-	(2,776)
<b>Balance as at 31 December 2016</b>	<b>(23,591)</b>	<b>-</b>	<b>(23,591)</b>
<b>Net book value</b>			
As at 1 January 2015	27,000	-	27,000
As at 31 December 2015	28,788	-	28,788
<b>As at 31 December 2016</b>	<b>25,176</b>	<b>-</b>	<b>25,176</b>

Work in progress as at 31 December 2016 (University &amp; Group) was \$2.647 million (2015: \$7.648 million).



## 15. Trade and other payables and accruals

Creditors and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

	Consolidated		University	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
<b>Current</b>				
Trade payables	10,923	8,849	10,554	8,849
Accruals	18,580	19,247	17,930	17,627
Other payables	19,257	26,036	22,719	28,610
<b>Total creditors and other payables</b>	<b>48,760</b>	<b>54,132</b>	<b>51,203</b>	<b>55,086</b>

## 16. Current liabilities - employee entitlements

### Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date.

### Defined contribution/benefit schemes

Employer contributions to multi-employer defined benefit plans: Consolidated \$2.287 million (2015: \$2.573 million), Parent \$2.287 million (2015: \$2.573 million).

Employer contributions to defined contribution schemes: Consolidated \$14.739 million (2015: \$14.152 million), Parent \$14.739 million (2015: \$14.152 million).

	Consolidated		University	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
<b>Current portion</b>				
Annual leave	30,126	29,583	29,916	29,382
Long-service leave	1,439	1,109	1,439	1,109
Retirement gratuities	16,698	15,667	16,698	15,667
<b>Total current portion</b>	<b>48,263</b>	<b>46,359</b>	<b>48,053</b>	<b>46,158</b>

## 17. Current liabilities – deferred revenue

	Consolidated		University	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Research funding in advance	34,235	32,373	34,235	32,373
Student fees in advance	10,171	8,293	7,912	6,587
Other revenue in advance	4,565	8,713	3,471	3,034
<b>Total current liabilities - deferred revenue</b>	<b>48,971</b>	<b>49,379</b>	<b>45,618</b>	<b>41,994</b>

# NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2016

## 18. Non-current liabilities - employee entitlements

### Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long-service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- The present value of the estimated future cash flows.

Sick leave, annual leave, vested long-service leave, non-vested long-service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

### Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

### Long-service leave

The liability for long-service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

### Retirement benefit obligations

A liability or asset in respect of defined benefit superannuation plans is recognised in the Statement of Financial Position, and is measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

	Consolidated		University	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Retirement gratuities	34,486	33,853	34,486	33,853
Long-service leave	2,109	1,318	2,109	1,318
Sick leave	1,036	996	1,036	996
<b>Total non-current portion</b>	<b>37,631</b>	<b>36,167</b>	<b>37,631</b>	<b>36,167</b>

## 19. Non-current liabilities - loans

	Consolidated		University	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Loans - external trusts	697	665	-	-
Callaghan Innovation loan	463	35	-	-
<b>Total non-current liabilities - loans</b>	<b>1,160</b>	<b>700</b>	<b>-</b>	<b>-</b>

### External trust loans

Non-current loans represents funds held on behalf of two external trusts where the University of Otago is not the sole beneficiary. The carrying amount (fair value) of the loans has been estimated to be face value of the loans.

The funds held on behalf of the external trusts have been invested in the University of Otago Foundation Trust and investment income is allocated to these funds monthly.

### Callaghan Innovation loan

The unsecured pre-incubation loan from Callaghan Innovation to Upstream Medical Technologies Ltd bears interest of 3% per annum. The loan becomes repayable only once Upstream Medical Technologies begins generating commercial revenue.

## 20. Equity

	Consolidated		University	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
<b>Accumulated funds</b>				
Balance at 1 January	963,556	932,187	672,847	651,470
Surplus/(deficit) for the year	28,138	31,369	22,899	21,377
<b>Balance 31 December</b>	<b>991,694</b>	<b>963,556</b>	<b>695,746</b>	<b>672,847</b>

	Consolidated		University	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
<b>Reserves includes</b>				
Revaluation reserves	773,849	773,849	773,849	773,849
<b>Total reserves</b>	<b>773,849</b>	<b>773,849</b>	<b>773,849</b>	<b>773,849</b>

# NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2016

## 21. Contingencies

	Consolidated		University	
	2016	2015	2016	2015
	\$000	\$000	\$000	\$000
<b>Contingent liabilities</b>				
The University provided a guarantee to the Bank of New Zealand for a bond given by the bank to the Dunedin City Council, over the siting of some temporary buildings.	50	50	50	50
There were several personal grievance and employment-related claims against the University.	20	30	20	30
Legal proceedings against the University	-	30	-	30
<b>Total contingent liabilities</b>	<b>70</b>	<b>110</b>	<b>70</b>	<b>110</b>

### Compensation claims

There are a number of issues that the University is addressing in order to become fully compliant with the Holidays Act. These issues relate to very specific employment situations where people's hours of work have varied over the course of a year. Because of the complex nature of the University's payroll, the rectification of these issues may take some time. The value of this is not yet able to be quantified due to the nature of the issues involved.

### Contingent assets

Trust pledged donations are recognised as revenue when the funds are received.

Total pledged donations outstanding as at 31 December 2016 at face value are \$2.210 million (2015: \$2.710 million).

	Consolidated		University	
	2016	2015	2016	2015
	\$000	\$000	\$000	\$000
Pledged donations at fair value	1,666	2,030	-	-
<b>Total quantifiable contingent assets</b>	<b>1,666</b>	<b>2,030</b>	<b>-</b>	<b>-</b>

Land and buildings with a rateable value of \$3.120 million were gifted to the Foundation Trust with settlement on 23 January 2017. This transaction will be reflected in the 2017 financial statements.

## 22. Capital commitments and operating leases

### Accounting policy

#### Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the University will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

#### Operating leases

An operating lease is a lease that does not transfer substantially all the risks 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.

	Consolidated		University	
	2016	2015	2016	2015
	\$000	\$000	\$000	\$000
<b>Capital commitments</b>				
Buildings	140,072	48,780	140,072	48,780
Equipment and other	2,077	2,025	2,077	2,025
<b>Total capital commitments</b>	<b>142,149</b>	<b>50,805</b>	<b>142,149</b>	<b>50,805</b>

Capital commitments represent capital expenditure contracted for at balance date, but not yet incurred.

	Consolidated		University	
	2016	2015	2016	2015
	\$000	\$000	\$000	\$000
<b>Operating leases as lessee</b>				
Not later than 1 year	6,931	6,348	6,089	5,537
Later than 1 year and not later than 5 years	5,671	6,932	4,803	6,043
Later than 5 years	2,972	2,576	2,972	2,576
<b>Total non-cancellable operating leases</b>	<b>15,574</b>	<b>15,856</b>	<b>13,864</b>	<b>14,156</b>

Operating leases "Not later than 1 year" includes accommodation head leases, \$3.141 million (2015: \$2.851 million).

# NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2016

## 23. Related-party transactions

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.

### Related-party transactions with subsidiaries, associates, or joint ventures

	Consolidated	
	2016 \$000	2015 \$000
<b>Inter-Group</b>		
University of Otago Holdings Limited (UOHL)		
Dividends received from Foundation Studies Ltd	116	271
Dividends received from Unipol Recreation Limited (URL)	1,213	-
Equity advanced to Otago Innovation Limited	900	700
Equity advanced to Otakou Health Limited	150	-
Accounting and secretarial services paid to the University of Otago	27	27
UOHL has a current account with the University of Otago. Since 1 January 2008 this account has been interest-bearing, with interest paid by the University at the average rate achieved by the University of Otago on its bank call and term deposits. Interest paid on this current account amounted to	27	34
The balance of the current account at year end was	2,366	755
University of Otago Foundation Studies Limited (FSL)		
FSL enters into transactions with the University of Otago, which are made on normal commercial terms and conditions. During the year FSL purchased goods and services from the University, including building rentals, to the value of	1,278	1,745
At year end the amount owing to the University was	381	499
During the year FSL provided goods & services to the University to the value of	1,507	2,125
At the end of the year the amount owing by the University was	8	304
FSL has invested its surplus funds with the University of Otago. Interest is paid by the University at the average rate achieved by the University on its bank call and term deposits. Interest paid on these funds amounted to	63	123
The balance at year end was	3,180	3,180
Otago Innovation Limited (OIL)		
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	688	622
At year end the amount owing to the University was	-	81
During the year OIL supplied services to the University to the value of	743	612
Immune Solutions Limited (ISL)		
ISL enters into transactions with the University of Otago, which are made on normal commercial terms and conditions. During the year ISL purchased goods and services from the University to the value of	36	28
At year end ISL owed the University	-	1
At year end the University owed ISL	-	24



	Consolidated	
	2016	2015
	\$000	\$000
<b>Disease Research Limited (DRL)</b>		
DRL enters into transactions with the University of Otago, which are made on normal commercial terms and conditions. During the year DRL purchased goods and services from the University to the value of	<b>4</b>	-
<b>Upstream Medical Technologies Limited (UMT)</b>		
UMT enters into transactions with the University of Otago, which are made on normal commercial terms and conditions. During the year UMT purchased goods and services from the University to the value of	<b>274</b>	-
At year end the amount owing to the University was	<b>64</b>	-
<b>New Zealand Genomics Limited (NZGL)</b>		
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, including building rental and collaborator payments to the value of	<b>2,982</b>	2,899
At year end the amount owing to the University was	<b>570</b>	671
NZGL provided goods and services to the University of Otago to the value of	<b>623</b>	603
At year end the amount owing by the University was	<b>23</b>	94
<b>Unipol Recreation Limited (URL)</b>		
URL paid the University	-	23
URL received rent from the University to the value of	-	15
URL received proceeds from the sale of buildings	-	669
URL has a current account with the University of Otago. This account is interest-bearing, with interest paid by the University at the average rate achieved by the University on its bank call and term deposits. Interest paid on this current account amounted to	<b>78</b>	78
The balance at year end was	-	2,439
<b>University of Otago Trusts</b>		
The University of Otago Foundation Trust paid to the University administration fees to the value of	<b>672</b>	672
The University of Otago Foundation Trust distributed to the University an amount of	<b>9,736</b>	8,361
The University of Otago Foundation Trust holds a current account with the University. At year end the balance was negative	<b>2,307</b>	1,270
<b>University Union Limited (UUL)</b>		
During the year the University entered into transactions with UUL, an associate company of UOHL. The transactions were made on commercial terms and conditions. The University paid UUL rent of	<b>483</b>	338
UUL paid the University of Otago ground rent of	<b>116</b>	114

# NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2016

## Transactions with key management personnel

### Key management personnel compensation

	Consolidated	
	2016	2015
	\$000	\$000
Senior Management Team, including the Vice-Chancellor:		
Remuneration	5,148	4,776
Full-time equivalent	24	19

There are close family members of key management personnel employed by the University and Group. The terms and conditions of those arrangements are no more favourable than the University and Group would have adopted if there were no relationship to key management personnel.

In 2016 all members of the Vice-Chancellor's Advisory Group were included as key management personnel. The 2015 comparative figures were amended accordingly.

Councillors'/Directors' fees: consolidated \$229k (2015: \$142k), parent \$160k (2015: \$78k).

No provision has been required, nor any expense recognised for impairment of receivables, for any loans or other receivables to related parties (2015: \$nil).

### Transactions with members of Council

Member of Council	Organisation	Purchased by the University		Purchased from the University	
		2016	2015	2016	2015
		\$000	\$000	\$000	\$000
Mr F B Barton	Anderson Lloyd Lawyers (partner and chairman of partners)	384	-	9	-
	New Zealand Law Society (branch president)	2	-	-	-
	Presbyterian Support Otago (board member)	14	-	-	-
Professor A V Cameron (term completed 31 December 2015)	Christchurch Heart Institute (trustee)	-	-	-	383
Mr D C Cull (term completed 31 December 2015)	Dunedin City Council (Mayor of Dunedin)	-	3,202	-	188
Mr M R Dippie	Mitre 10 (New Zealand) Limited (D)	16	-	-	-
Mr M A Fitz-Gerald (term completed 21 Nov 2016)	Fulbright New Zealand (board member )(treasurer)	-	-	3	-
Ms L M Harris	University Union Limited (D)	556	-	305	-
	Planet Media Dunedin Limited (D)	51	-	2	-
	Otago University Students' Association (P)	3,907	-	99	-
	University Bookshop (Otago) Limited (D)	124	-	8	-
Professor H Hayne	Otago Innovation Limited (deputy chair) (see intergroup note)	-	-	-	-
	Te Tapuae o Rehua Limited (D)	78	80	3,518	3,476
	Universities NZ (C)	-	-	297	155
	University of Otago Foundation Trust (trustee) (see intergroup note)	-	-	-	-
	University of Otago Holdings Limited (D) (see intergroup note)	-	-	-	-

Member of Council	Organisation	Purchased by the University		Purchased from the University	
		2016	2015	2016	2015
		\$000	\$000	\$000	\$000
Mr S J Higgs	Farmlands Co-Operative Society Ltd (secretary)	3	7	-	-
	Immune Solutions Ltd (C) (see intergroup note)	-	-	-	-
	Disease Research Limited (D) (see intergroup note)	52	-	-	-
	Otago Innovation Ltd (D) (see intergroup note)-	-	-	-	-
	Polson Higgs & Co Ltd	44	30	-	-
	University of Otago Foundation Trust (Trustee) (see intergroup note)	-	-	-	-
	University of Otago Holdings Limited (D) (see intergroup note)	-	-	-	-
Mr P O Hunt (term completed 31 December 2015)	Otago University Students' Association (President)	-	3,581	-	177
	Planet Media Dunedin Limited (C)	-	117	-	-
	University Bookshop Otago Limited (D)	-	169	-	18
	University Union Limited (D) (See intergroup note)	-	389	-	217
Associate Professor C J Marshall	Blueskin Resilient Communities Trust (trustee)	-	-	1	1
	Tertiary Education Union Otago (representative on Ethical Behaviour Committee)	-	-	31	21
Mr S J McLauchlan	Analogue Digital Instruments Limited (D)	77	48	2	-
	Aurora Energy Limited (D)	9	16	-	-
	Cargill Hotel 2002 Limited (C)	-	5	-	-
	Delta Limited (D)	24	41	9	23
	Dunedin International Airport Limited (C)	2	6	-	-
	Otago Community Hospice Trust (C)	35	12	-	-
	Otago Southland Employers Assn (trustee)	11	8	4	5
	Pharmac (C)	-	-	26	29
	Scenic Circle Hotels Limited (D)	2	2	-	-
	University of Otago Foundation Studies Limited (C) (see intergroup note)	-	-	-	-
	University of Otago Holdings Limited (D) (see intergroup note)	-	-	-	-
	University of Otago Rugby Club (committee)	1	2	19	20
Mr J A Martin (term completed 31 December 2015)	Otago University Students' Association (recreation officer)	-	3,581	-	177
Ms D C Matahaere-Atariki	Ministry of Health - NGO Working Group (C)	25	24	4,688	6,764
	Te Whare Pounamu Dunedin Womens Refuge (trustee)	-	-	2	-
	Te Runanga o Otakou Inc (C)	52	-	-	-
Ms M A Morgan (term completed 31 December 2015)	Stuart Residence Halls Council (board member)	-	-	-	9

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2016

Member of Council	Organisation	Purchased by the University		Purchased from the University	
		2016	2015	2016	2015
		\$000	\$000	\$000	\$000
Mr M J M Sidey (term completed 31 December 2015)	Otago Academy of Sport (D)	-	-	-	7
	University of Otago Foundation Trust (Trustee) (see intergroup note)	-	-	-	-
	University of Otago Holdings Limited (D) (see intergroup note)	-	-	-	-
Dr R J Somerville QC	University of Otago Foundation Trust (Trustee) (see intergroup note)	-	-	-	-
Mr J F Ward	Otago Innovation Limited (C) (see intergroup note)	-	-	-	-
	Simner Investments Limited (C) (S)	16	29	-	-
	SBS Bank (C) (see * below)	-	-	-	-
	University of Otago Foundation Trust (C) (see intergroup note)	-	-	-	-
	University of Otago Holdings Limited (C) (see intergroup note)	-	-	-	-
	Amtex Corporation Limited (C) (see intergroup note)	-	-	-	-
	* The University invests money on term deposit with the SBS Bank in the normal course of business. At year end the balance invested was \$2.0 million (2015: \$2.0 million). Interest earned during the year was \$379k (2015: \$374k).	-	-	-	-
	* C = Chairman; D = Director; S = Shareholder				

## 24. Investments in associates

	Consolidated	
	2016 \$000	2015 \$000
University of Otago Holdings Limited		
University Union Limited	2,756	2,685
Otakou Health Limited	-	-
	2,756	2,685
Otago Innovation Limited		
Chitogel Limited	-	219
	-	219
<b>Total investments in associates</b>	<b>2,756</b>	<b>2,904</b>

	Consolidated	
	2016 \$000	2015 \$000
University of Otago Holdings Limited's associates:		
<b>Name of entity: Unihealth Limited</b>		
Principal activity: not operating.		
Ownership: 50% (31 December 2015 - 50%)		
Balance date: 31 December		
<b>Name of entity: University Union Limited</b>		
Principal activity: owner of University Union Building, University of Otago.		
Ownership: 50% (31 December 2015 - 50%)		
Balance date: 31 December		
Investment at deemed cost	1,992	1,992
Share of increase (decrease) in the net assets of the associate (previous years)	693	617
Share of increase (decrease) in the net assets of the associate (current year)	71	76
Adjustment	-	-
<b>Total investment</b>	<b>2,756</b>	<b>2,685</b>

### **Name of entity: Otakou Health Limited**

Principal activity: owner of community health facility (under development)

Ownership: 33% (31 December 2015 - 33%)

Balance date: 31 March

### **Name of entity: BPAC NZ Limited**

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

Ownership: 17% (31 December 2015 - 17%)

Balance date: 30 June

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

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

Principal activity: this company is not operational and has no assets or liabilities.

Ownership: 33% (31 December 2015 - 33%)

# NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2016

	Consolidated	
2016	2015	
\$000	\$000	

Otago Innovation Limited's associates:

**Name of entity: Photonic Innovations Limited**

Principal activity: development of infra-red laser technology.

The company ceased to be an associate during 2016 as Otago Innovation does not have significant influence. The investment is now recorded at fair value in Other Financial Assets.

Ownership: 15% (31 December 2015 - 40%)

Balance date: 31 December

Unlisted ordinary shares	-	59
Share of increase (decrease) in the net assets of the associate (previous years)	-	(59)

<b>Total Investment</b>	<b>-</b>	<b>-</b>
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**Name of entity: Chitogel Limited**

Principal activity: commercialisation of medical products.

The company ceased to be an associate during 2016 as Otago Innovation does not have significant influence. The investment is now recorded at fair value in Other Financial Assets.

Ownership: 20% (31 December 2015 - 25%)

Balance date: 31 December

Unlisted ordinary shares	-	288
Share of increase (decrease) in the net assets of the associate (previous years)	-	-
Share of increase (decrease) in the net assets of the associate (current year)	-	(69)

<b>Total Investment</b>	<b>-</b>	<b>219</b>
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## 25. Capital management

### The University

The University and Group's capital is its equity, which comprises general funds and reserves. Equity is represented by net assets. The University is subject to the financial management and accountability provisions of the Education Act 1989, which includes restrictions in relation to: disposing of assets or interests in assets, ability to mortgage or otherwise charge assets or interests in assets, granting leases of land or buildings or parts of buildings, and borrowing.

The University manages its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. The University's equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

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

## 26. Events occurring after the balance date

There were no significant events after balance date.



## 27. Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities

	Consolidated		University	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Surplus/(deficit)	27,733	31,357	22,899	21,377
<b>Add/(less) non-cash items</b>				
Non-cash donations	(581)	(319)	-	-
Non-cash dividends	(2,060)	(1,957)	-	-
Share of associate's surplus	71	(76)	-	-
Adjustments to staff entitlements	1,464	1,314	1,464	1,314
Depreciation and amortisation expense	60,681	60,656	60,508	60,445
Property, plant and equipment impairment	3,755	(3)	3,709	98
Dunedin City Tertiary Accommodation Trust	400	(193)	-	-
Increase / (decrease) in loans from external trust funds	36	46	-	-
(Gains)/losses in fair value of investments	(1,265)	(6,425)	(79)	814
<b>Total non-cash items</b>	<b>62,501</b>	<b>53,043</b>	<b>65,602</b>	<b>62,671</b>
<b>Add/(less) movements in working capital items</b>				
(Increase)/decrease in receivables	457	(1,200)	1,111	(662)
(Increase)/decrease in prepayments	(1,343)	(1,676)	(1,373)	(1,601)
(Increase)/decrease in inventory	(23)	(123)	(25)	(123)
Increase /(decrease) in payables	2,303	(1,904)	511	(2,527)
Increase/(decrease) in funds received in advance	(408)	6,997	3,624	11,815
Increase /(decrease) in employee entitlements	(3,043)	1,360	(2,989)	1,354
<b>Net movement in working capital items</b>	<b>(2,057)</b>	<b>3,454</b>	<b>859</b>	<b>8,256</b>
<b>Net cash inflow/(outflow) from operating activities</b>	<b>88,217</b>	<b>87,854</b>	<b>89,360</b>	<b>92,304</b>

## NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2016

### 28. Hocken Collections

	Consolidated		University	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Opening balance	116,172	115,607	4,206	3,960
Donated Hocken additions	915	565	334	246
<b>Total</b>	<b>117,087</b>	<b>116,172</b>	<b>4,540</b>	<b>4,206</b>
being:				
Assets held in Trust	112,547	111,966	-	-
Assets owned by the University	4,540	4,206	4,540	4,206
<b>Total</b>	<b>117,087</b>	<b>116,172</b>	<b>4,540</b>	<b>4,206</b>

The University holds in Trust a national archival collection of books and artworks known as the Hocken Collections. Items included in the collections are acquired by gift, bequest and purchase. Items are also accepted on deposit where ownership is retained by the depositor. The University has included the valuation of the owned and deposited items in the total above as it believes that the Hocken Library is in-substance the owner of all items in the collection. The total collections include deposited items valued at \$25.859 million (2015: \$25.633 million).

### 29. 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 \$9.872 million (2015: \$9.803 million). Additions at cost in 2016 were \$68k (2015: \$144k) (refer Note 13).

# INDEPENDENT AUDITOR'S REPORT

**AUDIT NEW ZEALAND**

Mana Arotake Aotearoa

To the readers of University of Otago and group's financial statements and statement of service performance for the year ended 31 December 2016

The Auditor General is the auditor of University of Otago (the University) and group. The Auditor General has appointed me, Andy Burns, 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 his behalf.

## Opinion

We have audited:

- the financial statements of the University and group on pages 68 to 112, that comprise the statement of financial position as at 31 December 2016, the statement of comprehensive revenue and expense, 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 46 to 54.

In our opinion:

- the financial statements of the University and group on pages 68 to 112:
  - present fairly, in all material respects;
- the financial position as at 31 December 2016; and
- the financial performance and cash flows for the year then ended;
  - comply with generally accepted accounting practice in New Zealand<sup>1</sup> in accordance with Tier 1 Public Benefit Entity Standards.
- the statement of service performance of the University and group on pages 46 to 54 presents fairly, in all material respects, the University and group's service performance achievements measured against the proposed outcomes described in the investment plan for the year ended 31 December 2016.

Our audit was completed on 11 April 2017. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities relating to the financial statements and the statement of service performance, we comment on other information, and we explain our independence.

## Basis for our opinion

We carried out our audit in accordance with the Auditor General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of the Council for the financial statements and the statement of service performance

The Council is responsible on behalf of the University and group for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Council is also responsible on behalf of the University and group for preparing a statement of service performance that is fairly presented.

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

In preparing the financial statements and the statement of performance, the Council is responsible on behalf of the University and group for assessing the University and group's ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Council intends to liquidate the University and group or to cease operations, or has no realistic alternative but to do so.

The Council's responsibilities arise from the Crown Entities Act 2004 and the Education Act 1989.<sup>2</sup>

### Responsibilities of the auditor for the audit of the financial statements and the statement of performance

Our objectives are to obtain reasonable assurance about whether the financial statements and the statement of service performance, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements and statement of performance.

For the budget information reported in the financial statements and the statement of service performance, our procedures were limited to checking that the information agreed to the University and group's statement of objectives.

We did not evaluate the security and controls over the electronic publication of the financial statements and the statement of performance.

As part of an audit in accordance with the Auditor General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the statement of service performance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University and group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the statement of service performance or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University and group to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements and the statement of service performance, including the disclosures, and whether the financial statements and the statement of service performance represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements and the statement of service performance of the entities or business activities within the group to express an opinion on the consolidated financial statements and the consolidated statement of service performance. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

#### Other information

The Council is responsible for the other information. The other information comprises the information included on pages 2 to 45 and 55 to 128, but does not include the financial statements and the statement of service performance, and our auditor's report thereon.

Our opinion on the financial statements and the statement of service performance does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the statement of service performance, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the statement of service performance or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Independence

We are independent of the University and group in accordance with the independence requirements of the Auditor General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than 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.

We have no relationship with or interests in the University or any of its subsidiaries.



Andy Burns

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

1 Note, section 154 of the Crown Entities Act requires TEIs to prepare their financial statements in accordance with generally accepted accounting practice, and section 460 of the Financial Markets Conduct Act 2013 requires entities, which are FMC reporting entities, to prepare financial statements in accordance with generally accepted accounting practice.

2 Where the entity is an FMC reporting entity include reference to the Financial Markets Conduct Act 2013. Where the entity is an FMC reporting entity include reference to the Financial Markets Conduct Act 2013.

# STUDENT SERVICES LEVY REPORT

This report has been prepared in accordance with clause 6 of the Ministerial Direction on Compulsory Student Services Fees 2012.

This clause requires the University to publish a description of the services funded out of the compulsory student services fee and an income and expenditure statement for each type of student service in its Annual Report.

## Summary

The Otago University Students' Association (OUSA) remained the principal provider of third party services in 2016. The University and OUSA reviewed the previous year's Service Level Agreement (SLA) and related service level performance, and a number of minor improvements were identified and addressed through minor changes to the 2016 SLA. Changes in processes to enhance opportunities for student involvement in services provided via the student services levy were explored with student and OUSA representatives. As a result, the Student Services Fee webpage has been refreshed and opportunities for students to have input and provide feedback strengthened.

OUSA and University representatives met regularly through the year and feedback on student satisfaction with the services provided was sought both by the University and OUSA. The overall satisfaction with services provided was high.

## University-provided services funded from the Student Services Fee

Recreation services	Recreation and fitness programmes; social sport; UNIPOL gym; outdoor trips and activities.
Student Health services	Primary health care via GPs, practice nurses, counsellors, health educator and a psychiatrist.
Careers services	Careers advice, guidance, planning, workshops and employment information to assist students transitioning from University to the workplace; opportunities for volunteering.
Internet access – sport, cultural and recreation	The provision of high speed internet for on-campus students' personal use (non-academic purposes). It does not cover internet use for academic purposes, which is covered by tuition fees.
Financial support and advice	Student emergency fund.
Advocacy: counselling and pastoral care	Interfaith chaplaincy services.

## OUSA-provided services funded from the Student Services Fee

Student Support Centre (advocacy and legal advice; counselling; careers)	<ul style="list-style-type: none"> <li>• Education Quality Support Network – through the co-ordination of the system of senate, division, department and class representatives</li> <li>• Advocacy/Student Support Centre programmes</li> <li>• Orientation in collaboration with the University</li> <li>• Support for Te Roopu (Māori Students' Association)</li> <li>• Financial support and advice</li> <li>• Advocacy and pastoral care</li> <li>• Careers guidance through volunteering in conjunction with the University</li> <li>• Student Job Search.</li> </ul>
Clubs and Societies (sport and recreation and cultural activities)	<ul style="list-style-type: none"> <li>• Sports, recreation and cultural activities</li> <li>• USNZ level sports and games tournaments</li> <li>• Blues and Golds sports and cultural awards</li> <li>• Healthy Lifestyles programme</li> <li>• Orientation</li> <li>• Capping Week and Capping Show</li> <li>• Battle of the Bands</li> <li>• Market days</li> <li>• Re-Orientation</li> <li>• International food festival</li> <li>• Music gigs</li> <li>• Postgrad coffee hour</li> <li>• Future DJ</li> <li>• Art week</li> <li>• Volunteers</li> <li>• Te Roopu (Māori Student' Association).</li> </ul>



## Media

### Student communication activities:

- *Critic* magazine
- Radio One 91FM
- Onefest
- Orientation magazine
- Facebook presence
- Web presence.

## Childcare services provided by the Otago University Childcare Association

### Childcare

Pre-school childcare services for students who are parents.

## Chaplaincy services provided by the Otago Tertiary Chaplaincy Trust Board

### Advocacy: counselling and pastoral care

Interfaith chaplaincy service provided by the Otago Tertiary Chaplaincy Trust Board.

			\$000s		
	Compulsory student services fee	Other	Total revenue	Total expenses	Surplus (deficit)
Advocacy and legal advice	966	-	966	(940)	26
Careers information, advice and guidance	543	52	595	(646)	(51)
Counselling	404	33	437	(460)	(23)
Financial support and advice	20	13	33	(11)	22
Health	3,481	1,354	4,835	(4,783)	52
Media	569	0	569	(557)	12
Childcare	96	-	96	(98)	(2)
Sports and recreation facilities	4,387	772	5,159	(5,189)	(30)
Other campuses	78	-	78	(85)	(7)
<b>Total</b>	<b>10,544</b>	<b>2,224</b>	<b>12,768</b>	<b>(12,769)</b>	<b>(1)</b>

Note: In 2016, the average compulsory student services fee paid per EFTS was \$569.00. Income and expenditure associated with the provision of services is separately accounted for in our accounting system.

# SUMMARY FACTS & FIGURES

	2016	2015	2014	2013	2012
<b>STUDENT ENROLMENTS</b>					
<b>Equivalent Full-time Students (EFTS)</b>					
Commerce	2,954	2,928	3,074	3,082	3,096
Health Sciences	6,089	5,871	5,857	5,815	5,815
Humanities	4,807	4,944	5,180	5,328	5,643
Sciences	4,437	4,413	4,458	4,375	4,362
Other University*	0	0	0	0	35
<b>Subtotal</b>	<b>18,287</b>	<b>18,156</b>	<b>18,570</b>	<b>18,600</b>	<b>18,951</b>
Other Group EFTS**	259	265	261	275	246
<b>Total</b>	<b>18,547</b>	<b>18,421</b>	<b>18,830</b>	<b>18,875</b>	<b>19,197</b>

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

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

<b>Enrolment by qualification type</b>					
PhD	1,325	1,307	1,317	1,293	1,301
Professional doctorates	86	80	71	68	76
Masters	1,287	1,224	1,214	1,216	1,281
Postgraduate diplomas	1,016	946	841	898	939
Postgraduate certificates	638	596	547	485	538
Graduate diplomas	294	314	388	416	426
Bachelor honours	385	451	434	460	524
Bachelors	14,598	14,559	15,136	15,057	15,257
Undergraduate diplomas	29	39	60	66	74
Undergraduate certificates	0	0	5	7	18
Certificate of proficiency	1,493	1,442	1,284	1,228	1,171
Interest only	1	4	10	0	0
Foundation Studies	292	316	300	303	266
Other	0	4	6	7	6
<b>Total students</b>	<b>20,814</b>	<b>20,601</b>	<b>20,942</b>	<b>21,113</b>	<b>21,416</b>

Note: Enrolments by qualification type sum to more than the total headcount as students can enrol for more than one qualification type.

	2016	2015	2014	2013	2012
<b>Gender of students</b>					
Female	12,147	11,879	12,004	12,171	12,233
Male	8,665	8,720	8,936	8,942	9,183
X	2	2	2	N/a	N/a
<b>Total</b>	<b>20,814</b>	<b>20,601</b>	<b>20,942</b>	<b>21,113</b>	<b>21,416</b>

Note: the Department of Internal Affairs has created X as a category to accommodate indeterminate or unspecified gender for the purposes of passports or other identification documents. The University's usage of X is consistent with this. Prior to 2014, X was not available as an option within the University's student enrolment system.

<b>First-year and returning students</b>					
First-year	4,002	3,738	4,057	4,149	3,996
Returning	16,812	16,863	16,885	16,964	17,420
<b>Total</b>	<b>20,814</b>	<b>20,601</b>	<b>20,942</b>	<b>21,113</b>	<b>21,416</b>

<b>Ethnicity of students</b>					
European/Pākehā	73.1%	73.4%	74.3%	74.3%	74.8%
Māori	8.9%	8.5%	8.5%	8.0%	7.8%
Asian	19.2%	18.8%	18.3%	18.6%	18.3%
Pacific	4.2%	3.9%	3.6%	3.2%	3.1%
Middle Eastern/Latin American/African	3.4%	3.6%	3.5%	3.3%	3.0%
Other / unknown	3.7%	3.6%	3.2%	3.3%	2.9%

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%.

<b>Home area of students</b>					
Dunedin	3,127	3,182	3,407	3,627	3,903
Otago/Southland	1,969	2,033	2,213	2,309	2,413
Remainder of South Island	3,903	3,828	3,895	3,792	3,695
North Island	8,570	8,482	8,425	8,284	8,276
Overseas (including NZ citizens overseas)	3,191	3,014	2,938	3,012	2,986
Unknown	54	62	64	89	143
<b>Total</b>	<b>20,814</b>	<b>20,601</b>	<b>20,942</b>	<b>21,113</b>	<b>21,416</b>

Note: The majority of New Zealand citizens overseas listed their home area as Australia (143 in 2016). Conversely, 204 of the 328 Australian citizens who enrolled in 2016 were normally resident in New Zealand prior to commencing University study, and so listed a New Zealand home area.

# SUMMARY FACTS & FIGURES continued

	2016	2015	2014	2013	2012
<b>International students</b>					
Undergraduate	1,810	1,768	1,749	1,879	1,924
Postgraduate	913	824	828	769	766
<b>Total</b>	<b>2,723</b>	<b>2,592</b>	<b>2,577</b>	<b>2,648</b>	<b>2,690</b>
<b>International students by home country</b>					
United States of America	721	656	581	578	530
China	488	458	452	426	397
Malaysia	241	254	287	405	506
India	118	103	99	101	104
United Kingdom	86	100	100	104	96
Germany	72	62	79	72	85
Canada	54	54	66	90	97
Iran	53	61	59	50	36
Brunei Darussalam	52	56	61	60	70
France	52	40	38	35	42
Singapore	51	45	45	42	31
Japan	44	51	55	49	40
Saudi Arabia	42	52	63	75	73
Norway	34	25	31	18	17
Indonesia	32	20	19	12	10
South Korea	31	32	38	47	50
Oman	30	30	30	24	23
Thailand	30	32	32	33	36
Vietnam	25	26	27	27	23
Denmark	24	14	20	21	14
Pakistan	21	21	11	16	18
Other	422	400	384	363	392
<b>Total</b>	<b>2,723</b>	<b>2,592</b>	<b>2,577</b>	<b>2,648</b>	<b>2,690</b>
Note: Australian, Tokelauan and Cook Islands' students - whether resident in their home country or New Zealand prior to commencing study - are not counted as international students, and so are not included in the above figures. China enrolments include those from Hong Kong. United Kingdom enrolments encompass students from England, Scotland, Wales and Northern Ireland.					
<b>Home area of first-year students</b>					
Dunedin	616	554	593	652	636
Otago/Southland	432	416	474	518	547
Remainder of South Island	831	768	876	833	784
North Island	1,826	1,722	1,882	1,822	1,691
Overseas (including NZ citizens overseas)	277	263	230	321	321
Unknown	20	15	2	3	17
<b>Total</b>	<b>4,002</b>	<b>3,738</b>	<b>4,057</b>	<b>4,149</b>	<b>3,996</b>
Note: The majority of New Zealand citizens overseas listed their home area as Australia (29 in 2016). Conversely, 34 of the 54 Australian citizens who enrolled in 2016 were normally resident in New Zealand prior to commencing University study, and so listed a New Zealand home area.					

	2016	2015	2014	2013	2012
<b>ACADEMIC ATTAINMENT</b>					
<b>Number of programme completions</b>					
Undergraduate diplomas and certificates	183	168	260	321	323
Undergraduate degrees	3,467	3,566	3,525	3,770	4,023
Postgraduate diplomas and certificates	995	841	732	826	917
Postgraduate degrees	969	989	912	907	663
<b>Total University</b>	<b>5,614</b>	<b>5,564</b>	<b>5,429</b>	<b>5,824</b>	<b>5,926</b>
Commerce graduates	671	745	724	742	730
Health Sciences graduates	1,790	1,576	1,464	1,503	1,568
Humanities graduates	1,290	1,419	1,452	1,691	1,747
Sciences graduates	1,475	1,455	1,444	1,504	1,520
Interdivisional graduates	388	369	345	384	361
<b>Total University</b>	<b>5,614</b>	<b>5,564</b>	<b>5,429</b>	<b>5,824</b>	<b>5,926</b>
<b>Degrees, diploma and certificates completed per 100 EFTS enrolled</b>					
Commerce	22.7	25.4	23.9	24.8	23.8
Health Sciences	29.4	26.8	25.4	27.2	28.5
Humanities	26.8	28.7	34.3	32.3	30.5
Sciences	33.2	33.0	32.8	35.4	35.9
<b>Total</b>	<b>30.7</b>	<b>30.6</b>	<b>29.4</b>	<b>30.2</b>	<b>30.7</b>
<b>Examination pass rates</b>					
Commerce	87.8%	87.7%	85.9%	87.3%	86.7%
Health Sciences	94.2%	93.7%	93.5%	91.9%	91.4%
Humanities	92.1%	91.4%	91.1%	91.8%	92.0%
Sciences	87.7%	87.1%	86.0%	88.1%	88.8%
Other (Foundation Studies)	74.8%	79.3%	81.0%	84.4%	79.6%
<b>Total pass rate</b>	<b>90.8%</b>	<b>90.3%</b>	<b>89.6%</b>	<b>90.0%</b>	<b>89.9%</b>

# SUMMARY FACTS & FIGURES continued

2016      2015      2014      2013      2012

## STAFF PROFILE

### Full-time Equivalent (FTE) teaching and research staff

#### Female

Vice-Chancellor/senior academic managers	2	2	2	2	2
Professors	50	42	37	39	29
Readers/associate professors	72	71	61	50	53
Senior lecturers	162	166	176	179	173
Lecturers	87	82	83	90	89
Other teaching and teaching/research staff	161	159	154	149	150
Research-only staff	181	246	240	243	244

<b>Total females</b>	<b>715</b>	<b>769</b>	<b>752</b>	<b>752</b>	<b>740</b>
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#### Male

Vice-Chancellor/senior academic managers	6	6	6	6	6
Professors	178	166	166	163	157
Readers/associate professors	117	108	107	109	115
Senior lecturers	186	191	200	194	194
Lecturers	69	82	85	85	83
Other teaching and teaching/research staff	106	116	112	113	11
Research-only staff	155	182	183	178	170

<b>Total males</b>	<b>817</b>	<b>851</b>	<b>859</b>	<b>848</b>	<b>836</b>
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<b>Total academic and research-only staff</b>	<b>1,532</b>	<b>1,619</b>	<b>1,611</b>	<b>1,600</b>	<b>1,576</b>
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### Full-time Equivalent (FTE) general staff

#### Female

Senior managers	9	12	13	10	8
General services, student and community staff	1,153	1,053	1,036	1,030	1,011
Librarians and library assistants	93	101	110	114	113
Research support staff and technicians	235	236	247	248	277

<b>Total females</b>	<b>1,489</b>	<b>1,403</b>	<b>1,407</b>	<b>1,402</b>	<b>1,409</b>
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#### Male

Senior managers	18	16	17	21	24
General services, student and community staff	640	602	587	559	559
Librarians and library assistants	21	24	23	22	22
Research support staff and technicians	162	139	144	148	166

<b>Total males</b>	<b>841</b>	<b>781</b>	<b>770</b>	<b>750</b>	<b>771</b>
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<b>Total general staff</b>	<b>2,330</b>	<b>2,184</b>	<b>2,177</b>	<b>2,152</b>	<b>2,180</b>
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<b>Total staff</b>	<b>3,862</b>	<b>3,803</b>	<b>3,788</b>	<b>3,752</b>	<b>3,755</b>
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	2016	2015	2014	2013	2012
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#### Student – academic staff ratios

Commerce	26.1	24.8	25.2	25.5	28.4
Health Sciences	12.0	11.7	11.9	12.0	12.1
Humanities	15.7	16.1	16.5	17.3	18.1
Sciences	17.0	17.0	17.2	16.7	16.6

<b>Overall</b>	<b>15.4</b>	<b>15.3</b>	<b>15.6</b>	<b>15.8</b>	<b>16.3</b>
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#### RESEARCH ACTIVITIES (revised for previous years)

##### Research outputs produced

<b>Total Publications</b>	<b>4,527</b>	<b>5,132</b>	<b>4,477</b>	<b>4,168</b>	<b>5,226</b>
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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 AND BUILDINGS

##### Land (hectares)

Land owned by the University	32	33	33	33	33
Land in Crown title for the University	12	12	12	12	11
Endowment leasehold	22,244	22,243	22,243	22,243	22,246

<b>Total land controlled by the University</b>	<b>22,288</b>	<b>22,288</b>	<b>22,288</b>	<b>22,288</b>	<b>22,289</b>
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Note: The majority of endowment land is subject to long-term leases.

#### University of Otago net assignable space (floor space in square metres)

Commerce	8,633	8,453	8,714	8,929	9,022
Health Sciences	65,558	65,645	66,050	66,475	65,984
Humanities	19,702	20,027	20,167	20,163	20,298
Science	41,791	42,018	41,671	41,998	41,580
Administration and other	68,771	72,124	70,425	75,626	67,868
Corporate	759	759	759	776	3,139
Information Services	15,195	15,687	15,803	15,962	15,612

<b>Total</b>	<b>220,408</b>	<b>224,713</b>	<b>222,589</b>	<b>229,929</b>	<b>223,504</b>
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##### Notes:

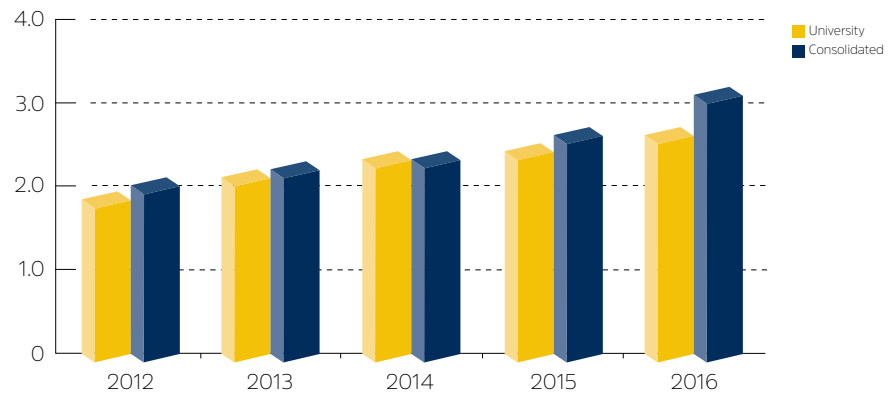
1. Assignable Space is defined as the floor area measured from the inside face of the walls and deducting all the common use areas (corridors, toilets, etc.) and non-inhabitable areas (lifts, stairs, service ducts, etc.). Note: Corridors provided within "open plan" offices are considered to be assignable space.
2. Assignable space at University-owned flats and residential colleges totals a further 56,577m<sup>2</sup>.

# SUMMARY FACTS & FIGURES

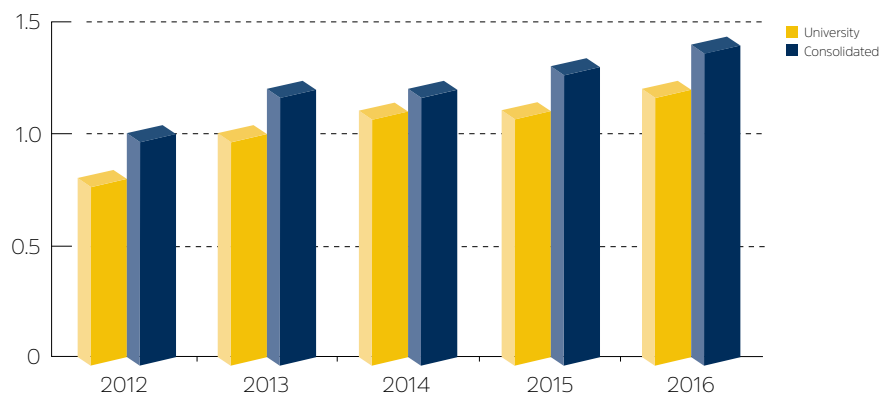
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	2016	2015	2014	2013	2012
<b>LIBRARY</b>					
<b>Library collection</b>					
Books (volumes)	1,217,737	1,216,154	1,212,901	1,095,169	1,119,373
Serials (items)	459,541	467,117	493,941	570,385	544,236
Print serials subscriptions	2,915	3,247	3,791	3,932	5,128
Hocken pictures and photographs	1,131,493	1,131,458	1,130,574	1,130,452	1,127,127
Hocken linear metres of archives	10,178	10,034	9,950	9,680	9,545
Electronic serials available	152,490	171,199	164,304	215,047	231,681
Electronic books available	779,443	744,321	672,789	510,375	489,607
<b>Space</b>					
Seating places available	4,392	4,388	4,388	4,320	4,280
<b>INFORMATION TECHNOLOGY SERVICES</b>					
<b>Volume of computer and telecommunications traffic</b>					
Off-campus network traffic (megabytes)	5,078,486,000	692,958,662	419,554,854	315,164,186	315,847,232
<b>ITS training and support services</b>					
Enquiries received by ITS Helpdesk	49,725	52,481	39,837	44,751	43,587
Seating places in student computer laboratories	1,107	1,190	1,295	1,348	1,361
<b>KEY FINANCIAL INDICATORS</b>					
<b>Value of output per EFTS</b>					
Teaching, learning and assessment	\$10,623	\$11,101	\$10,725	\$10,750	\$9,955
Research and postgraduate teaching	\$18,451	\$16,654	\$15,626	\$14,475	\$14,349
Community service	\$1,694	\$1,711	\$1,622	\$1,526	\$1,477
	2016 Consolidated	2015 Consolidated	2014 Consolidated	2013 Consolidated	2012 Consolidated
<b>Financial indicators</b>					
Current ratio (current assets: current liabilities)	1.4	1.3	1.2	1.2	1.0
Liquid ratio (current assets which will result in cashflow: current liabilities which will result in cashflow)	3.1	2.7	2.3	2.2	2.0
Level of debt (debt to equity)	2.2%	2.1%	2.1%	2.2%	2.4%
Increase in net assets	1.6%	2.2%	14.5%	2.2%	2.4%
Return on total assets	1.4%	1.7%	1.8%	2.8%	2.0%
Return on revenue	4.1%	5.0%	5.2%	7.2%	5.2%

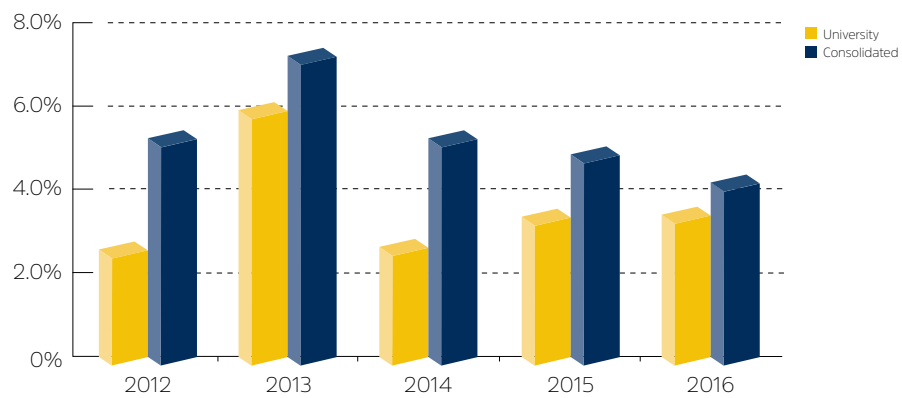
### Liquid Ratio



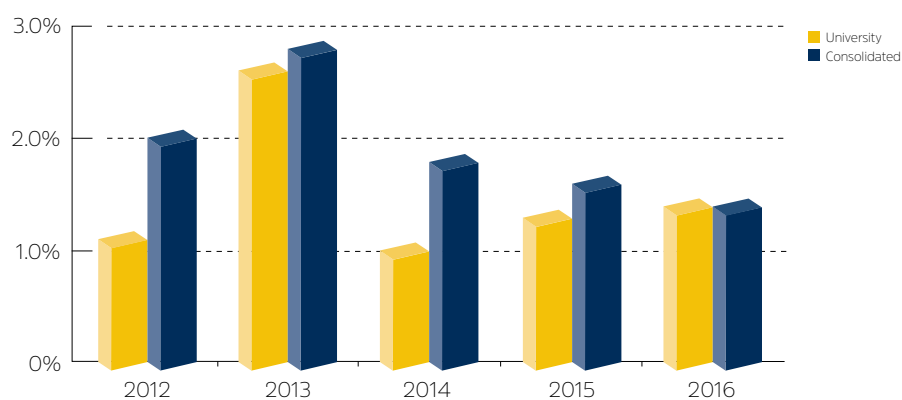
### Current Ratio



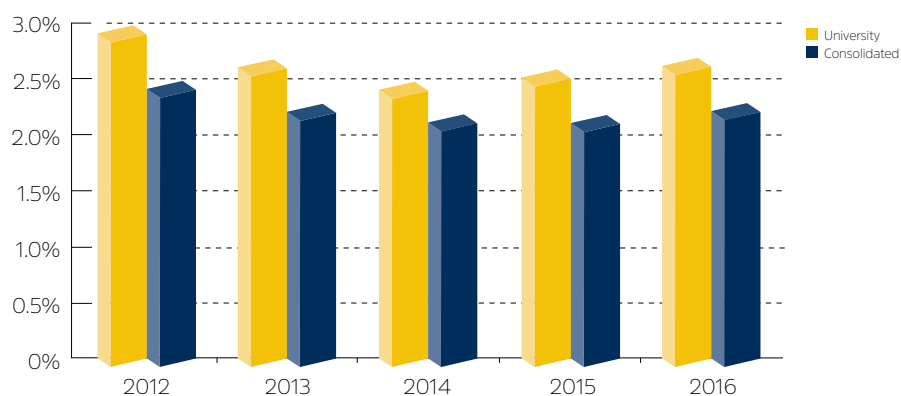
### Return on Revenue



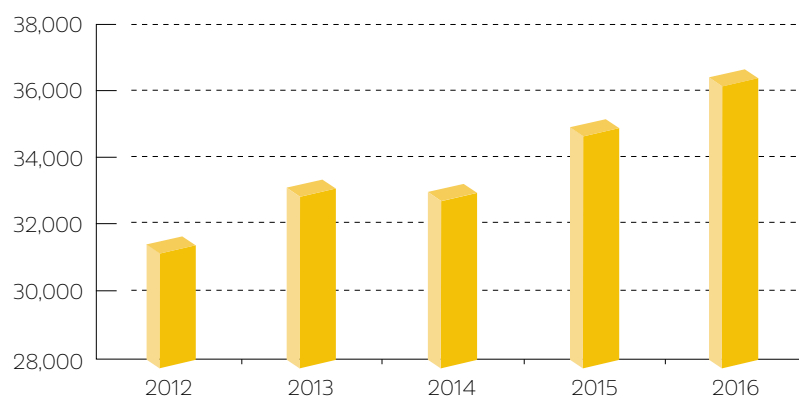
### Return on Total Assets



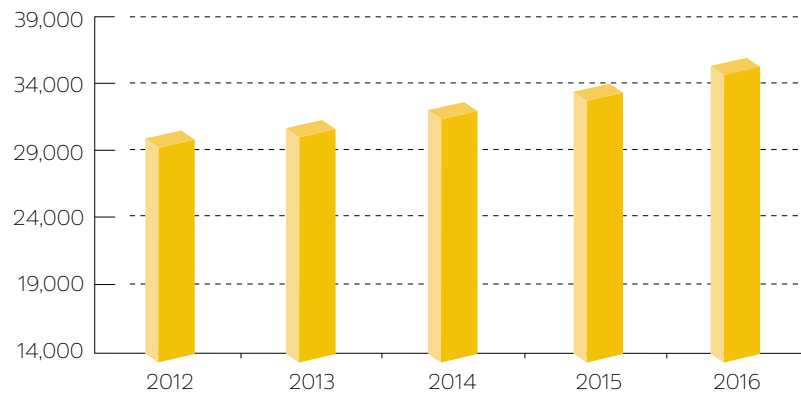
### Level of Debt (Debt to Equity)



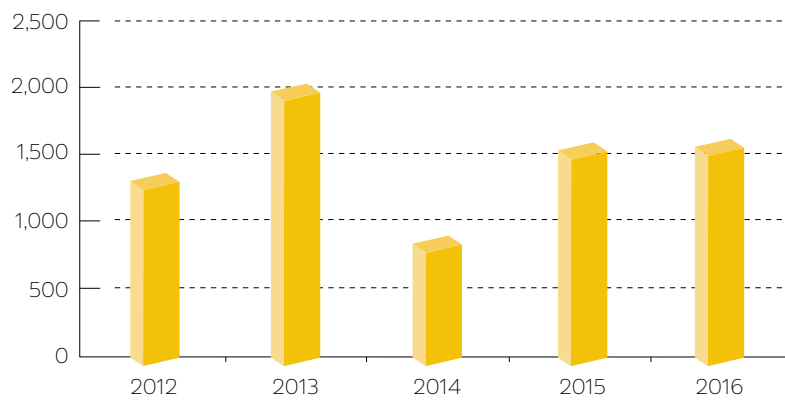
### University Revenue per EFTS



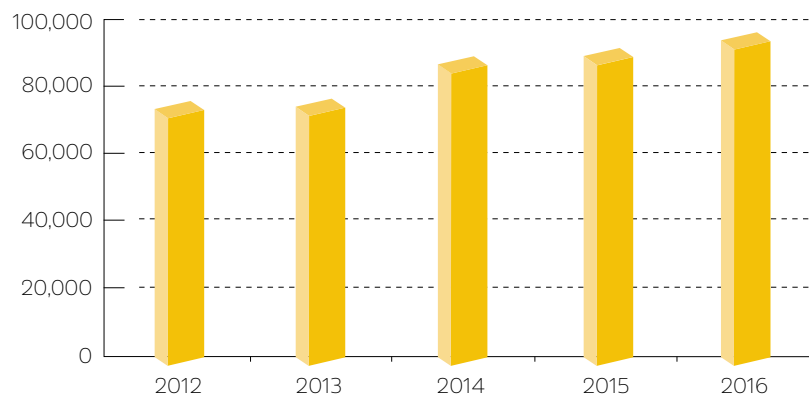
University Expenditure per EFTS



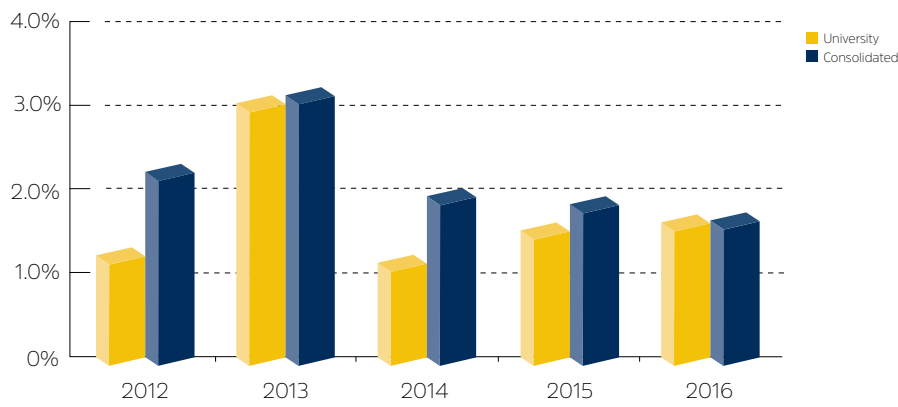
University Operating Surplus per EFTS



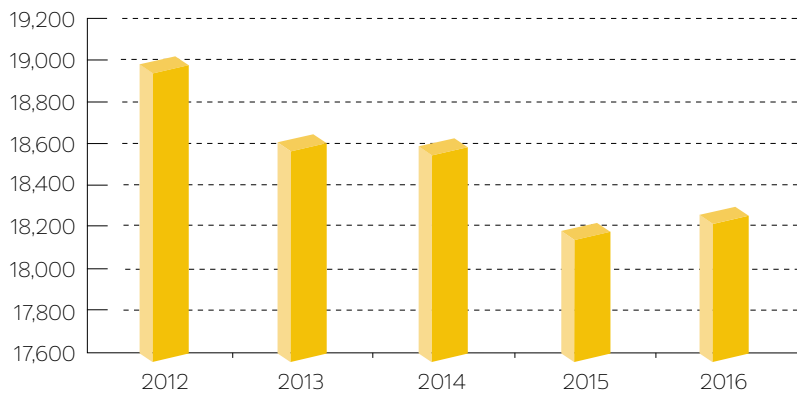
University Total Assets per EFTS



Return on Equity



University Total EFTS









UNIVERSITY  
*of*  
**OTAGO**

*Te Whare Wānanga o Ōtāgo*  
NEW ZEALAND

# ANNUAL REPORT 2016