



UNIVERSITY OF OTAGO

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# ANNUAL REPORT 2015





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ANNUAL  
REPORT  
2015

## UNIVERSITY OF OTAGO

Leith Street, Dunedin, New Zealand

Mail PO Box 56, Dunedin 9054, New Zealand

Tel 64 3 479 1100

Email [university@otago.ac.nz](mailto:university@otago.ac.nz)

Web [otago.ac.nz](http://otago.ac.nz)

## CHRISTCHURCH

University of Otago, Christchurch

2 Riccarton Avenue, Christchurch, New Zealand

Mail PO Box 4345, Christchurch 8140, New Zealand

Tel 64 3 364 0530

[enquiries.uoc@otago.ac.nz](mailto:enquiries.uoc@otago.ac.nz)

## WELLINGTON

University of Otago, Wellington

Mein Street, Newtown, Wellington South, New Zealand

Mail PO Box 7343, Wellington South 6242, New Zealand

Tel 64 4 385 5541

[deanseauow@otago.ac.nz](mailto:deanseauow@otago.ac.nz)

### Wellington City Office

Level 9 Revera House, 48 Mulgrave Street, Thorndon, Wellington, New Zealand

Mail PO Box 400, Wellington 6140, New Zealand

Tel 64 4 460 9800

[wellington.office@otago.ac.nz](mailto:wellington.office@otago.ac.nz)

## AUCKLAND

University of Otago Auckland Centre

University of Otago House, 385 Queen Street, Auckland, New Zealand

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

Tel 64 9 373 9700

[auckland.centre@otago.ac.nz](mailto:auckland.centre@otago.ac.nz)

## SOUTHLAND

College of Education, Southland Campus

100 Nelson Street, Invercargill, New Zealand

Mail PO Box 886

Invercargill 9840

New Zealand

Tel 64 3 211 6724

[education@otago.ac.nz](mailto:education@otago.ac.nz)

## VISION

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

### Ko te Aronga

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



## MISSION

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

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

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## UNIVERSITY GOVERNANCE

### Legal status

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

### Statutory role

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

### The University Council

The Council is constituted and empowered according to legislation. Council is chaired by the Chancellor, and comprises 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.

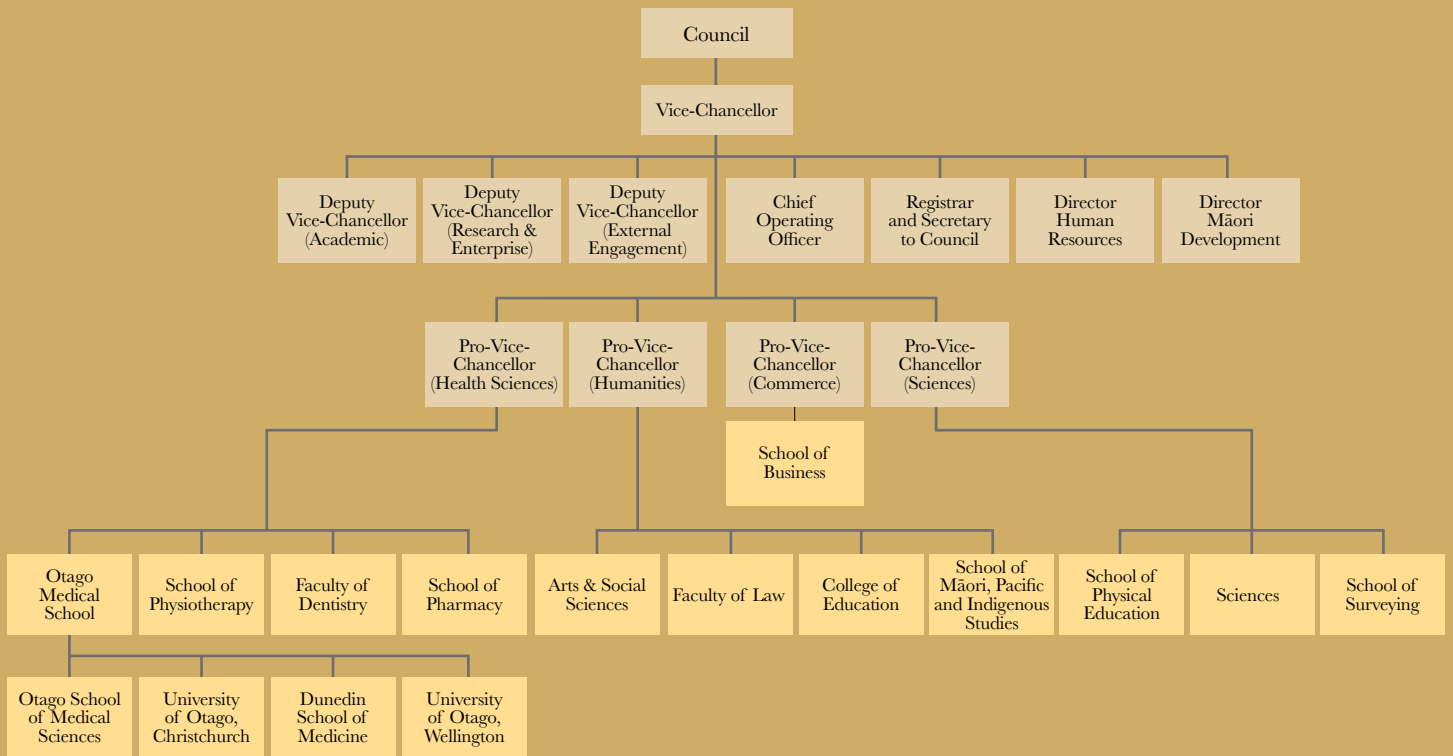
### Governance documents

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

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## COUNCIL

University of Otago 2015

### Ex Officio



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

### Appointed by the Minister of Education



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

### Elected by the Court of Convocation



Judge Edward O. K. (Oke) Blaikie  
*LLB(Otago)*

### Elected by Academic Staff



Professor A. Vicky Cameron  
*BSc PhD(Otago)*

### Secretary to Council



Ms Jan A. Flood  
*DipPhEd(Otago)*



Mr Stephen J. Higgs  
*BCom(Otago) FCA*



Miss Lorraine P. Isaacs  
*QSO MA(Otago & Hawai'i)*



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



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



Mr Michael J. M. Sidey  
*BCom(Otago) ACA*



Associate Professor Elisabeth Sooten  
*MSc(Auck) PhD(Cant)*



Dr Royden J. Somerville  
*QC LL.M PhD(Otago) AAMINZ*

Elected by  
Students



Mr Paul O. Hunt  
*LLB BA(Hons)(Otago)*

Elected by  
General Staff



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

Appointed after consultation with  
Central Organisation of Employers



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

Appointed by the  
Dunedin City Council



Mr Jonathan A. Martin



Mr David C. Cull  
*BA PGDipArts(Otago)*

Appointed after consultation with  
Central Organisation of Workers



Mr Roger H. Tobin  
*BSc(Hons)(Well)*

## EXECUTIVE GROUP

### University of Otago 2015

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

*BCom(Otago) FCA CMA*

Pro-Vice-Chancellor (Commerce)

Professor George L. Benwell

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

Pro-Vice-Chancellor (Health Sciences)

Professor Peter R. Crampton

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

Pro-Vice-Chancellor (Humanities)

Professor Brian D. Moloughney (PVC until September 30)

*MA(Cant) PhD(ANU)*

Professor Anthony J. Ballantyne (PVC from October 1)

*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) MHRNZ*

Registrar and Secretary to Council

Ms Jan A. Flood

*DipPhEd(Otago)*

## CHANCELLOR'S INTRODUCTION

It is my great pleasure to introduce the University of Otago's 2015 Annual Report.

This was another good year for the University: our two Centres of Research Excellence were officially launched, we were announced as host of two National Science Challenges and partners in others, and we continued to rate well in all national and international rankings. A highlight was the QS ranking of Otago's Dental School as eighth best in the world. This was an outstanding achievement. It is the highest QS subject ranking ever for a New Zealand university – in fact, the first subject in New Zealand to feature in the top 10.

This achievement was particularly significant given the University's long-term \$650 million capital development programme which includes an extensive redevelopment of the Dental School and its facilities, and a major refurbishment of the Science building. These substantial projects reinforce the University's commitment to providing outstanding facilities for staff and students. Quality environments and technology of the highest possible standards are vitally important as we go forward as a leading research and educational institution.

Capital projects of this magnitude highlight the economic importance of the University. The economic impact report released in 2015 estimated that the University contributed around \$908 million to the Dunedin economy alone, with a total economic impact, with all downstream effects, estimated at \$1.6 billion.

An institution of this size and importance requires good governance and, over many years, our Council members have provided this. However, following the passing of the Education Amendment Act 2015, we have been required to make changes to Council's size and composition. To this end, a draft new University of Otago Constitution was circulated during 2015 for public and stakeholder comment, allowing for Council to be reduced in size to 12 members, with four Ministerial appointees and eight positions to be filled by the University. These include the Vice-Chancellor and representatives from academic staff, general staff and students respectively. Council will appoint the four remaining positions and at least one member must be Māori. The new constitution came into effect on 1 January 2016.



Photo: Alan Dove

*Following legislative changes to the size and structure of Council, 10 members retired at the end of 2015.*

*Front row (from left): Associate Professor Liz Slooten, Mr Paul Hunt, Professor Vicky Cameron, Dunedin Mayor Mr Dave Cull, Miss Lorraine Isaacs. Back Row (from left): Ms Margaret Morgan, Mr Michael Sidey, Mr Jonathan Martin, Judge Oke Blaikie and Mr Roger Tobin.*

## “QUALITY ENVIRONMENTS AND TECHNOLOGY OF THE HIGHEST POSSIBLE STANDARDS ARE VITALLY IMPORTANT AS WE GO FORWARD AS A LEADING RESEARCH AND EDUCATIONAL INSTITUTION.”



As Chair of the New Zealand Chancellors' group, I have been actively involved in discussions around these changes, both at the national level as well as here around our own Council table. I do believe that this membership mix can achieve sound governance, with new appointees being selected to contribute the full range of skills, values and experience required. Historically, University of Otago graduates have been well represented on council and I expect that this will continue.

One of my greatest pleasures as Chancellor is to personally congratulate our graduates as they leave us to pursue their new lives. In 2015 the University hosted 11 graduation ceremonies attended by 3,599 of the University's 5,348 new graduates and their families. It was a particular pleasure to confer an Honorary Doctor of Commerce degree on one of our esteemed alumni, Mr Ian Farrant who, during his long and illustrious career as a business leader, has made a substantial contribution to Otago and the wider community.

The University of Otago places great emphasis on giving students a well-rounded education, one that encompasses cultural, sporting and social experiences as well as the pursuit of academic excellence. As a result, our graduates are distinguished not only for their knowledge and skills, but also for their personal independence and maturity, attributes that stand them in great stead throughout their lives. During 2015 I met a number of alumni at events held in London, Washington DC, New York and San Francisco and, as always, I was impressed by the many positive things they had to say about their time at Otago.

The University places great store on its relationship with alumni and, over the past year, there has been a steady increase in the number of former students now choosing to give back to their alma mater. This support is extremely valuable. It helps us to do extraordinary things – things that might otherwise not be possible. It also engenders a sense of community and a culture of philanthropy that is becoming increasingly important in these times of financial constraint.

While the University is in a sound financial position, the challenges presented by flat student numbers and the need to fund new capital projects mean that there is a growing need to look for alternative sources of income.

I am, however, heartened by the thinking and leadership shown by the Vice-Chancellor and the executive group. Not only are they striving to effect the Council's strategic plan, but they continue to place significant emphasis on the academic quality of the first-year cohort arriving on our campus, while maintaining minimal tolerance of poor academic performance and anti-social behaviour.

Finally, I would like to thank my fellow Council members for their enthusiasm and hard work over the last 12 months. I must pay special tribute to our retiring members, many of whom have been involved on Council for many years: in particular, Miss Lorraine Isaacs who has given 17 years of dedicated service, Judge Oke Blaikie, Professor Vicky Cameron, Mayor Dave Cull, Mr Paul Hunt, Mr Jonathan Martin, Ms Margaret Morgan, Mr Michael Sidey, Associate Professor Liz Slooten and Mr Roger Tobin. The University has been fortunate to have such a knowledgeable group of individuals working on its behalf.

I also wish to thank the Vice-Chancellor Professor Harlene Hayne and the executive group for their collegiality and commitment over the past year. We look forward to working together in the year ahead.

J F WARD  
Chancellor



## VICE-CHANCELLOR'S REVIEW

Looking back over 2015 it is clear that we at the University of Otago have much to be proud of. We are New Zealand's oldest university – soon to celebrate our 150th anniversary – and, just as we set a new course for education in this country all those years ago, we continue to break new ground today.

The University's Strategic Direction, which sets a bold new course through to 2020, is now well embedded across all University activities and I believe real progress is being made to address all of our strategic imperatives – from fostering research and teaching excellence, to providing outstanding student experiences and campus environments, strong external engagement and good citizenship, while continuing to build on our capabilities. Over the past year there have been many successes and these are canvassed in some depth in the following pages of this report. I would, however, like to make special mention of just a few.

The University continued to perform well in all major international rankings, moving up into the 201-250 band of the Times Higher Education rankings, placed in the 201-300 band of the 2015 Academic Ranking of World Universities (Shanghai) and 173th in the QS (Quacquarelli Symonds) World University Rankings. We were also ranked 27th in the world for attracting academic staff and, in undoubtedly the most outstanding feat of all, QS ranked our Dental School as eighth in the world.

This is the highest QS subject ranking ever achieved by a New Zealand university, and the first in New Zealand to feature among the world's top 10. It is an exceptional achievement and highlights the commitment of the school's staff to providing top quality education while also undertaking internationally recognised research.

The quality of the teaching and research undertaken at Otago cannot be overstated. For the fourth successive year – and the

sixth time in 13 years – an Otago staff member was awarded the Prime Minister's Supreme Award for Tertiary Teaching Excellence. I congratulate Associate Professor Suzanne Pitama on her achievement. The University's ongoing success in these awards is unrivalled by any other institution. Our excellent, inspiring teachers are central to this University's success, and to our national and international reputation.

Otago's status as a nationally and internationally leading research institution was also confirmed by a number of developments during 2015. Our two Centres of Research Excellence were officially launched – the Dodd-Walls Centre for Photonic and Quantum Technologies and Brain Research New Zealand – Rangahau Roro Aotearoa; we were announced as leader of two new National Science Challenges – the Healthier Lives and Ageing Well challenges – and have partnership roles in others; and our researchers have continued to push the boundaries of academic endeavour, their contributions to issues of local, national and international significance recognised by continued success in highly contestable external funding rounds.

In order for our researchers, teachers and students to achieve their potential, however, the University must provide the best facilities possible. In 2014 Council approved a Priority Development Plan, a \$650 million programme of building developments to be completed over the coming years. A significant part of this programme was started in 2015. Our Dental School – internationally regarded and the only facility of its kind in New Zealand – is now undergoing an extensive redevelopment, with existing facilities being refurbished and the construction of a new state-of-the-art clinical services building. The 45-year-old Science building is also being substantially upgraded, with new laboratory facilities meeting the highest current standards.

**“THIS LEVEL OF INVESTMENT IN THE QUALITY OF OUR EDUCATIONAL ENVIRONMENT WILL PROVIDE SUBSTANTIAL BENEFITS FOR OUR STAFF AND STUDENTS. AND, WITH CONSTRUCTION ON CAMPUS ON A SCALE THAT HAS NOT BEEN SEEN FOR MANY YEARS, IT WILL ALSO PROVIDE A SIGNIFICANT BOOST TO THE REGIONAL ECONOMY.”**



Photo: Sharron Bennett

*The University was delighted to welcome Her Royal Highness the Duchess of Cornwall (right) on to the campus in November 2015, accompanied by (from left) Chancellor Mr John Ward, Dunedin Mayor Mr Dave Cull, Deputy Vice-Chancellor (External Engagement) Professor Helen Nicholson and Vice-Chancellor Professor Harlene Hayne.*

This level of investment in the quality of our educational environment will provide substantial benefits for our staff and students. And, with construction on campus on a scale that has not been seen for many years, it will also provide a significant boost to the regional economy. A comprehensive landscaping and amenities project is also underway, enabling us to further enhance our stunning environment, already internationally regarded as one of the most beautiful campuses in the world.

In November it was my very great pleasure to welcome to this beautiful campus Her Royal Highness the Duchess of Cornwall. The Duchess is an avid reader with a passion for books so it was an honour to welcome her to Otago at an event showcasing local literary achievements and also highlighting Dunedin's status as a UNESCO City of Literature. A particular highlight for me was the opportunity to meet Dame Lynley Dodd, whose books my husband and I had read over and over again to our daughters when they were children.

The Prime Minister the Rt Hon. John Key was another important visitor to our campus in 2015, giving the keynote address at our inaugural Academic Convocation Ceremony. This ceremony was attended by more than 4,000 first-year students and a large number of academic staff, setting the stage for our new students' first academic year. To my knowledge this was the first such event held in New Zealand, modelled on similar ceremonies that are an established part of commencement at many of the world's best universities, including Harvard, Princeton, Yale, Oxford and Cambridge. The Prime Minister's speech left a lasting impression on our students who were eager to discuss his message with me throughout Orientation.

I again hosted information sessions for prospective students and their families in Auckland, Wellington and Dunedin. These sessions provide an important opportunity to ask questions about the University of Otago and life on our campus. We know that two of the most important factors that students





Photo: Sharron Bennett

*Vice-Chancellor Professor Harlene Hayne (second from left) with the University's Deputy Vice-Chancellors (from left): Professor Vernon Squire (Academic), Professor Helen Nicholson (External Engagement) and Professor Richard Blaikie (Research and Enterprise).*

consider when choosing Otago is the breadth and strength of our academic programmes and the vibrant nature of our residential community. The information sessions we hold throughout the year provide the opportunity for students and their families to learn more about our academic offerings as well as our broad range of support services and pastoral care.

The University experienced an overall drop of 2.2% in student numbers in 2015 due to a number of factors, explained elsewhere in this report. One of these factors was the more stringent University Entrance standard implemented by NZQA. Although our numbers were lower, our 2015 student cohort was one of the most academically talented ever. We also announced a new programme of scholarships to come into effect in 2016. We do not want financial hardship to be a barrier to young people with potential and are committed to providing opportunities for high achievers to enjoy the many advantages a world-class Otago education can offer.

At Otago we also go to great lengths to remind our students of the obligations that come with the privilege of their world-class

education. Many have risen to this challenge by volunteering their time and their talent to the wider community. We are the only university in New Zealand with a dedicated volunteer centre on campus. Now in its third year of operation, the University Volunteer Centre not only helps to connect students with organisations seeking volunteers, it has also become an incubator for student-led social action projects and a place where students come for advice, inspiration, and professional and personal development opportunities which will help them to help others more effectively.

Although the residential nature of our community brings with it some challenges, it also provides multiple opportunities for our students to stretch their wings in non-academic ways. Otago students continue to achieve at the highest levels in extra-curricular and co-curricular activities. For example, the University Rowing Club continued its outstanding form, winning the New Zealand Universities Rowing Championship for the 16th year in a row. The University of Otago Rugby Club had its most successful year in its long history, with five



teams making the semi-finals in their respective grades. The Varsity A team went on to win the Dunedin premier rugby competition, with the Varsity B and under-19 colts teams winning their championships as well. Our Business School case competition teams also had an excellent year tying for first place in the Scotiabank International Business Case Competition held in Canada.

Diversity is a hallmark of the Otago experience. In 2015 74.1% of our commencing students came from outside our home catchment of Otago/Southland – the highest number ever. As a proportion of the University's overall domestic students EFTS, Māori and Pacific enrolments were also at record levels and the achievements of these students were particularly pleasing: 73.9% of first-year Māori students passed at least two thirds of the academic credits for which they had enrolled, up from 67.3% in 2014; and 63.3% of first-year Pacific students passed at least two thirds of their credits, up from 54.6% in 2014.

At the end of 2015 more than 80 Māori students gained entry into competitive health professional programmes, the highest number ever, and, for the first time, the percentage of Pacific students offered places in medical programmes mirrored the percentage of Pacific peoples in our New Zealand population (8.0%). The social implications of this are enormous and, over time, will change the face of health-care provision in this country.

Our international diversity adds further cultural vibrancy to our campus. While our full-fee international enrolments were lower in 2015, we had strong growth in student numbers from the United States and signed agreements with a further 10

international exchange partner institutions. Around 70% of Otago staff are from overseas or have acquired their higher degree internationally and the University was recently ranked 50th in the Times Higher Education's list of most international universities.

Financially, the University is in a very strong position. We are well placed to meet the challenges of the future including funding the Priority Development Plan, developing new teaching and research initiatives, and weathering the currently constrained funding environment.

The commercialisation of our world-class research offers further potential to diversify our funding base. An excellent example of this was Otago Innovation Ltd's successful launch of Upstream Medical Technologies, a new partnership between the University and Powerhouse Ventures Ltd. By commercialising technology being developed by our internationally recognised Christchurch Heart Institute, this venture has the potential to revolutionise the diagnosis of heart conditions such as unstable angina worldwide.

Finally, I would like to thank the University Council, staff and students for their hard work and support throughout 2015. It continues to be an honour to be the Vice-Chancellor of this fine institution.

PROFESSOR HARLENE HAYNE  
Vice-Chancellor

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**“ALTHOUGH THE RESIDENTIAL NATURE OF OUR COMMUNITY BRINGS WITH IT SOME CHALLENGES, IT ALSO PROVIDES MULTIPLE OPPORTUNITIES FOR OUR STUDENTS TO STRETCH THEIR WINGS IN NON-ACADEMIC WAYS. OTAGO STUDENTS CONTINUE TO ACHIEVE AT THE HIGHEST LEVELS IN EXTRA-CURRICULAR AND CO-CURRICULAR ACTIVITIES.”**







## SIGNIFICANT EVENTS

### Senior appointments

Professor Tony Ballantyne as Pro-Vice-Chancellor (Humanities).

Mr Simon Chu as Director International.

Professor Leigh Hale as Dean of the School of Physiotherapy.

Professor Ken Hodge (Physical Education) as University Provost.

Mr Dave Miller as University Proctor.

Professor Helen Nicholson as Deputy Vice-Chancellor (External Engagement).

Professor Poia Rewi as Dean of Te Tumu: the School of Māori, Pacific and Indigenous Studies.

Dr Stephen Scott as Director of First-Year Experience.

Dr Mark Stirling as the inaugural Professor of Earthquake Science.

### Emeritus professors

The University Council awarded the following academics the status of Emeritus Professor: Professor Chris Ackerley (English and Linguistics); Professor William Dominik (Classics); Professor David Fergusson (Psychological Medicine, Christchurch); Professor Rosalind Gibson (Human Nutrition); Professor Peter Herbison (Preventive and Social Medicine); Professor John Highton (Medicine); Professor Robert Knight (Psychology); Professor Kevin Pringle (Obstetrics and Gynaecology, Wellington).

### Honorary degree

In May, the University conferred an honorary Doctor of Commerce degree on Mr Ian Farrant, CNZM.

### Professorial promotions

#### New professors announced in January 2015:

Lutz Beckert (Medicine, Christchurch); Phillip Bishop (Zoology); David Bryant (Mathematics and Statistics); Lisette Burrows (Physical Education, Sport and Exercise Sciences); Warwick Duncan (Oral Sciences); Richard Gearry (Medicine, Christchurch); Leigh Hale (Physiotherapy); David Hutchinson (Physics); David Larsen (Chemistry); Rhonda Rosengren (Pharmacology and Toxicology); Katherine Scott (Psychological Medicine); Geoffrey Shaw (Anaesthesia, Christchurch); Takashi Shogimen (History and Art History); Elisabeth Slooten (Zoology); Stuart Young (Theatre Studies).

#### Research professor:

Christopher Frampton (Medicine, Christchurch).

#### New associate professors announced in January 2015:

Peter Adams (Music); Lubica Benuskova (Computer Science); Stephen Bunn (Anatomy); David Burritt (Botany); Tania Cassidy (School of Physical Education, Sport and Exercise Sciences); Tim Cooper (Theology and Religion); James Crowley (Chemistry); Jeremiah Deng (Information Science); David Everett (Food Sciences); Peter Fineran (Microbiology and Immunology); Rogelio Guede (Languages and Cultures); John Harraway (Mathematics and Statistics); Patries Herst (Radiation Therapy, Wellington); Julia Horsfield (Pathology); Keith Ireton (Microbiology and Immunology); Christine Jasoni (Anatomy); Gill Johnson (Physiotherapy); Taneli Kukkonen (Theology and Religion); Miles Lamare (Marine Science); Jonathan Leichter (Oral Sciences); Ping Liu (Anatomy); Brian Monk (Oral Sciences); Jessica Palmer (Law); Suetonia Palmer (Medicine, Christchurch); Suzanne Pitama (Dean's Department, Christchurch); Ivan Sammut (Pharmacology and Toxicology); Tai Sopoaga (Preventive and Social Medicine); Simon Stebbings (Medicine); Yolanda van Heezik (Zoology); Paola Voci (Languages and Cultures); Neil Waddell (Oral Rehabilitation); Pat Wheatley (Classics); Nicola Wheen (Law); Ben Wooliscroft (Marketing).

#### Research associate professors:

Nigel Anderson (Radiology, Christchurch); Gabriele Dachs (pathology, Christchurch).

#### Clinical associate professors:

Jeremy Krebs (Medicine, Wellington); Konrad Richter (Surgical Sciences); Catherine Stedman (Medicine, Christchurch).

#### New professors announced in November 2015:

Colin Brown (Physiology); Peter Dearden (Biochemistry); Claire Freeman (Geography); Jonathan Hall (Classics); Patricia Langhorne (Physics); Derelie Mangin (General Practice, Christchurch); Sally McCormick (Biochemistry); Tony Merriman (Biochemistry); David O'Hare (Psychology); Holger Regenbrecht (Information Science); Poia Rewi (Te Tumu); Jacinta Ruru (Law); Diana Sarfati (Public Health, Wellington); Abigail Smith (Marine Science); Darryl Tong (Oral Diagnostic and Surgical Sciences); James White (Geology); Nicholas Wilson (Public Health, Wellington).

### **New associate professors announced November 2015:**

Lynley Anderson (Bioethics Centre); Boris Baeumer (Mathematics and Statistics); Vincent Bennani (Oral Rehabilitation); Lyndie Foster Page (Oral Sciences); Clinton Golding (Higher Education Development Centre); Kimberly Hageman (Chemistry); Mike Hilton (Geography); Lisa Houghton (Human Nutrition); Jackie Hunter (Psychology); Guy Jameson (Chemistry); Niels Kjaergaard (Physics); Mihaly Kovacs (Mathematics and Statistics); Beulah Leitch (Anatomy); Craig Marshall (Biochemistry); Jacques van der Meer (College of Education); Janice Murray (Psychology); Lachlan Paterson (Te Tumu); Chris Prentice (English and Linguistics); Mark Seymour (History and Art History); Vicki Spencer (Politics); Bruce Robertson (Zoology); Will Sweetman (Theology and Religion); Geoff Tompkins (Oral Sciences); June Tordoff (School of Pharmacy); Shieak Tzeng (Surgery and Anaesthesia, Wellington); Angela Wanhalla (History and Art History); Ceri Warnock (Law); Kate Wynn-Williams (Accountancy and Finance).

### **Research associate professor:**

Timothy Woodfield (Orthopaedic Surgery and Musculoskeletal Medicine, Christchurch).

### **Obituaries**

Emeritus Professor David Stewart, former Dean of the Otago Medical School, head of the Faculty of Medicine and Assistant Vice-Chancellor (Health Sciences).

Christine Colbert (Division of Humanities).

Lynette Foote (College of Education).

Dr Elspeth Gold (Anatomy).

Professor Ian Jamieson (Zoology).

Dr Cyril Shafer (Anthropology and Archaeology).

## EXCELLENCE IN RESEARCH

The University of Otago is one of New Zealand's largest research organisations, with internationally recognised capabilities across the academic disciplines. This breadth of research expertise is harnessed to address issues of national and international importance, in ways that will enhance social, environmental, health and economic well-being.

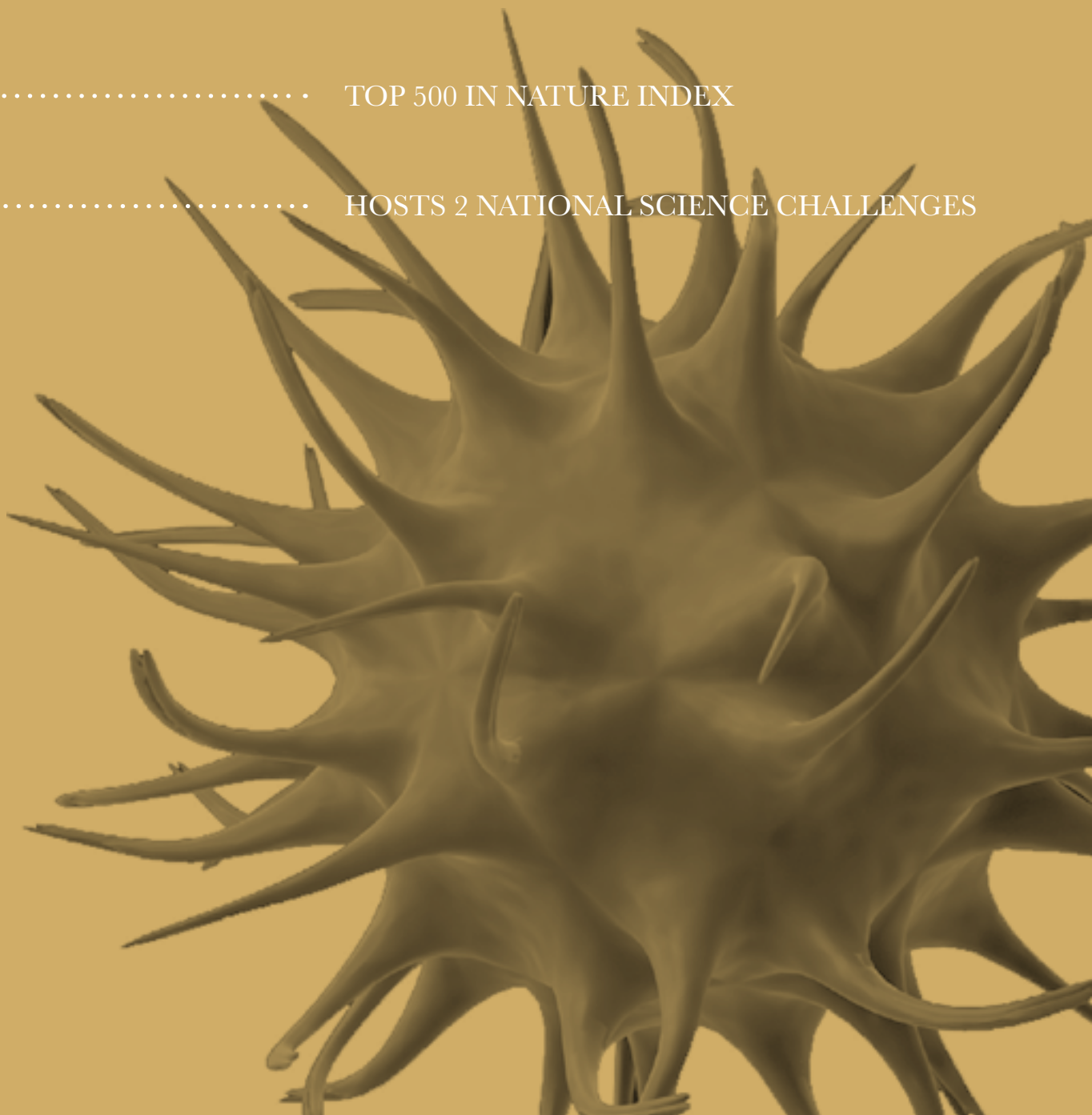
20 .....  
30 .....  
500 .....  
2 .....

..... 20 PROJECTS RECEIVE MARSDEN FUNDING

..... \$30 MILLION FROM HRC

..... TOP 500 IN NATURE INDEX

..... HOSTS 2 NATIONAL SCIENCE CHALLENGES





## EXCELLENCE IN RESEARCH

In 2015 the University of Otago continued to advance its research culture, nurturing areas of established and emerging research strength, fostering engagement nationally and internationally through research collaborations, and celebrating the successes of its research staff.

Otago's two Centres of Research Excellence (CoREs) were both officially launched in 2015. The Dodd-Walls Centre for Photonic and Quantum Technologies (led by Professor David Hutchinson (Physics)) was officially opened in February with a two-day international symposium. This world-class collaborative research network builds on New Zealand's strengths in the fields of quantum optics, photonics and precision atom physics.

Brain Research New Zealand – Rangahau Roro Aotearoa (co-hosted by Otago and the University of Auckland with Otago's Professor Cliff Abraham (Psychology) and Auckland's Professor Richard Faull the inaugural co-directors) was launched in May. It has been established to use its scientific, clinical and community connections to gain a better understanding of, and treatment for, age-related neurological disorders.

Otago researchers will also be making key contributions to Ngā Pae o te Māramatanga, New Zealand's Māori Centre of Research Excellence (CoRE). While the CoRE will continue to be hosted by the University of Auckland, Otago's Associate Professor Jacinta Ruru (Faculty of Law) will be a co-director and Dr Emma Wyeth (Preventive and Social Medicine) a co-deputy director.

Otago was announced as host of two of the National Science Challenges launched in 2015: the Healthier Lives challenge, to be directed by Professor Jim Mann, focusing on cardiovascular disease, cancer, diabetes and obesity; and the Ageing Well challenge, directed by Professor David Baxter, harnessing science to sustain health and well-being into the later years of life. Otago is also a partner in seven other challenges, two of which were launched in 2015: Science for Technological Innovation and Resilience to Nature's Challenges. These challenges provide an opportunity to align and focus the country's research on large and complex issues by drawing researchers together from different institutions and across disciplines to achieve a common goal through collaboration.

Collaboration and services agreements were signed for NeSI 2, New Zealand's high performance computing infrastructure and support systems, enabling the country's researchers to undertake research of international importance. NeSI is an unincorporated body, with investment from New Zealand universities, Crown Research Institutes and the Crown, through the Ministry of Business, Innovation and Employment.

Throughout 2015 Otago researchers continued to push the boundaries of academic endeavour. Dr Peter Mace (Biochemistry) and Australian colleagues made advances in understanding the Trib 1 protein involved in the development of blood and other cancers; scientists at the Centre for Neuroendocrinology confirmed that kisspeptin generates the hormonal pulses crucial for normal reproductive functioning, with important implications for the development of fertility treatments; and researchers led by Dr Rajesh Katara (Physiology) identified harmful molecular changes that explain why heart disease is the number one killer of people with diabetes.

Palaeontology researchers continued to rewrite the history of New Zealand's ancient whales by describing two further genera and three species of fossil baleen whales; University of Otago, Wellington Public Health staff calculated the cost of treating cancer in this country at \$800 million annually, significantly more than previous estimates; a team led by Dr Shieak Tzeng (Surgery, Wellington) identified new risk factors for secondary strokes; and Otago's internationally recognised Dunedin Multidisciplinary Study has found a new way of determining biological ageing. A 20th anniversary milestone was celebrated by the Children's Issues Centre whose world-leading work on issues affecting children and advocating for their rights continues to be reflected in public policy.

Otago's research prowess was further highlighted by success in the highly competitive external funding rounds. Leading by example, Vice-Chancellor Professor Harlene Hayne received a Marsden grant for her project "Out of the mouths of babes: interviewing children in forensic contexts", one of 20 successful Otago projects to receive a total of \$11.7 million from the Marsden Fund. This included seven fast-start grants for early-career researchers. The newly-funded projects reflect the depth and breadth of research excellence at Otago across the disciplines of anatomy, anthropology and archaeology, bioethics, chemistry, mathematics and statistics, microbiology, pathology, pharmacy, physics, physiology, psychology, religion and zoology.

The Health Research Council (HRC) awarded more than \$30 million to Otago researchers for studies aimed at improving New Zealanders' health and well-being. This comprised support for 18 contracts, including three major multi-million dollar, five-year programmes focusing on cancer genetics, healthy housing, and the search for new ways to diagnose and treat bacterial infections. The 15 projects to gain new HRC funding ranged from studies in polycystic ovarian syndrome, the genetic causes of epilepsy, and osteoarthritis, to falls prevention, tobacco control and links between oral and cardiovascular health. Eight of the nine HRC Emerging Researcher First Grants awarded nationally were won by up-and-coming Otago staff.

Further significant health research funding was received from the Lottery Grants Board, the Heart Foundation and the Neurological Foundation, the latter providing support for innovative projects investigating Parkinson's disease, Alzheimer's disease, stroke and Batten disease.

Ministry of Business, Innovation and Employment's science investment funding totalling \$5.7 million was received for five Otago-led research programmes that promise benefits to the New Zealand's environment, economy, health and infrastructure. These include compounds for pesticides that do not harm bees; a diagnostic device for the early treatment of gum disease; and reducing damage to the grid by large geomagnetic storms. The New Zealand Antarctic Research Institute provided funding for new projects to further investigate the Antarctic ice cover, and a Legal Issues Centre team received support from the New Zealand Law Foundation to continue research into access to justice for claimants dealing with the Accident Compensation Corporation (ACC).

Otago's international research also gained significant international (Physics) was allocated \$1.9 million by the MBIE Deep South National Science Challenge to lead a

programme on Antarctic sea ice, a key driver in the global climate system. A project investigating the genetic basis for TB drug resistance, led by Professor Greg Cook and Dr Htin Lin Aung (Microbiology) and Professor Philip Hill (International Health), received \$450,000 from the e-Asia HRC Joint Research Programme. Another International Health project, led by professor John Crump, received \$320,000 from the Bill & Melinda Gates Foundation for research on *Salmonella* in sub-Saharan Africa.

The global reach of Otago research was further illustrated by it being again ranked first among New Zealand research institutions in terms of articles published in 68 high quality international science journals. In the Nature Index released in June 2015, Otago moved into the world's top 500 – and 91st in the Asia-Pacific region.

Each year the University recognises the outstanding achievements of its research staff with a number of prestigious awards. The top honour, the Distinguished Research Medal, was presented to Professor Sally Brooker (Chemistry), an internationally regarded inorganic chemistry researcher who designs and creates innovative molecules with potential to underpin future technologies.

The Carl Smith Medal and Rowheath Trust Award were presented to Associate Professor Jessica Palmer (Law) and Associate Professor Suetonia Palmer (Medicine, Christchurch), and Early Career Awards for Distinction in Research were received by Dr Anitra Carr (Pathology, Christchurch), Dr Jörg Hennig (Mathematics and Statistics), Dr Karl Iremonger (Physiology), Dr Sheri Johnson (Zoology) and Dr Logan Walker (Pathology, Christchurch).

Other staff who received recognition for their research during 2015 included:

Associate Professor David Ballantyne (Marketing) who received the Evert Gummesson 2015 Award for outstanding scholarly contributions to service and marketing research.

Professor Tony Ballantyne (PVC Humanities) who won the New Zealand History Association's inaugural W.H. Oliver prize for his book *Entanglements of an Empire: Missionaries, Māori and the Question of Body*.

Dr Federica Baltar (Marine Science) who won the European Geosciences Union Award for outstanding young scientists in the biosciences.

Professor Richard Blaikie (Deputy Vice-Chancellor (Research and Enterprise)) who was awarded the Royal Society's Thomson Medal recognising his science leadership in the field of nanotechnology.

Professor Antony Braithwaite, (Dunedin School of Medicine) who gained a James Cook Research Fellowship and Dr Logan Walker (Christchurch) who received a Rutherford Discovery Fellowship, both from the Royal Society.

Professor Tom Brooking (History) who was co-winner of the 2015 Ernest Scott Prize for History, for his book *Richard Seddon, King of God's Own: The Life and Times of New Zealand's Longest-Serving Prime Minister*.

Associate Professor Ruth Fitzgerald (Anthropology and Archaeology) who received the Royal Society's Te Rangi Hiroa medal for her research on the anthropology of health and medicine in New Zealand.

Associate Professor Julia Horsfield (Pathology) who gained a Health Research Council Explorer Grant to identify new drug targets to combat gout.

Professor Raechel Laing (Clothing and Textiles) who was recognised by the Textile Institute for more than 40 years' industry-relevant research.

Dr Janice Lord (Botany) who was the Royal Society of New Zealand's latest Leonard Cockayne Memorial lecturer in recognition of her work on the floral biology of New Zealand.

Dr Jennifer Moore (Law) who received a Harkness Fellowship in Healthcare Policy and Practice.

Associate Professor Winsome Parnell (Human Nutrition) who received the 2015 award of excellence from Dietitians New Zealand in recognition of her teaching and research.

Dr Christina Riesselman (Geology/ Marine Science) who received the inaugural L'Oréal-UNESCO For Women in Science New Zealand Fellowship in recognition of her research into the Antarctic ice shelf and climate change.

Dr Tania Slatter (Pathology) who received a \$500,000 Sir Charles Hercus Fellowship from the HRC to pursue research into improving outcomes for patients with brain tumours.

Professor Jonathan Waters (Zoology) and Adjunct Professor Richard Beasley (Wellington) who were elected fellows of the Royal Society of New Zealand.

The Graduate Research School (GRS) held a Graduate Research Festival over two weeks in August celebrating, showcasing and supporting graduate research at Otago. Events included the annual OUSA Supervisor of the Year Awards, the Three Minute Thesis (3MT) final and a session by Hugh Kearns (an internationally known educator on positive psychology for doctoral candidates) from Flinders University. GRS continued to offer a workshop programme for graduate research candidates, focusing on the research journey, careers and professional development.



## EXCELLENCE IN TEACHING

Otago's commitment to teaching excellence was highlighted in 2015 by its success in external rankings and the outstanding performances of its teaching staff. Attracting more high quality students – undergraduate and postgraduate, domestic and international – was a key focus for the year.

8 .....  
187 .....  
20,601 .....  
761,286 .....



..... OTAGO DENTAL SCHOOL RANKED 8TH IN WORLD

..... 187 PROGRAMMES OFFERED

..... 20,601 STUDENTS (18,421 EFTS)

..... 761,286 LECTURE PODCASTS VIEWED



## EXCELLENCE IN TEACHING

A major highlight of 2015 was the QS (Quacquarelli Symonds) ranking of Otago's Dental School as the eighth best in the world. This is the highest QS subject ranking ever achieved by a New Zealand university, and the first in New Zealand to feature among the world's top 10.

A number of other Otago departments were also highly ranked: Psychology was placed 31st in the world; and English Language and Literature, History, Philosophy, Geography, Development Studies, Education and Law were among the top 100. A total of 23 Otago subjects were ranked in the QS top 200 worldwide, and four subject areas (History, Philosophy, Dentistry, and Earth and Marine Sciences) were rated as the best in New Zealand.

Overall, Otago was placed 173rd in the QS rankings, in the 201-250 band of the Times Higher Education rankings, and in the 201-300 band of the 2015 Academic Ranking of World Universities (Shanghai).

Otago also did well in the New Zealand Tertiary Education Commission (TEC) performance indicators released in 2015, being ranked first for student retention and progression to higher study, second for course completion and third for qualification completion. This was the strongest aggregate performance by any university in these performance indicators.

In 2015, 187 undergraduate and postgraduate degree, diploma and certificate programmes were offered. This included a new Master of Emerging Technologies offered by the Faculty of Law; Masters' of Accounting, and of Professional Accounting; a Bachelor of Pharmacy (Honours); new endorsements for a revised Postgraduate Diploma of Public Health (Epidemiology, Health Promotion, and Social Research Methods) offered at the UOC; and an endorsement in Clinical Ethics for the Postgraduate Certificate in Health Sciences. Consumer Food Science was offered as a new major subject, and Criminology as a new minor.

In May the first cohort of 26 students from New Zealand, Australia and as far afield as Saudi Arabia began the new online Master of Business Administration programme, with a second intake in September. The programme is proving popular with professionals wanting to pursue a high quality MBA programme but who are unable to undertake it on campus or full time. The Business School received a three-year re-accreditation from the European Quality Improvement System (EQUIS). A new Master of Nursing Science degree was approved by the Nursing Council. This two-year graduate entry course leading to nursing registration will be offered by the Centre for Postgraduate Nursing Studies from 2016. Other new programmes approved for 2016 included a Master, Postgraduate Diploma and Postgraduate Certificate in Chaplaincy; Masters' of Dentistry, Oral Health, Economics, and Politics.

Funding was received for two projects from Education New Zealand's International Education Growth Fund: one will pilot an international winter school in 2016 and the other is for a tropical ecology paper in Borneo in 2017.

While Otago is predominantly campus-based, it provides a range of Distance Learning programmes, mainly at the postgraduate level, focusing on the needs of the working professional and in areas in which Otago has particular expertise. The 2015 Distance Learning offerings included 350

papers for 118 qualifications, attracting about 3,500 enrolments in total (2,000 individual students or 768 EFTS).

Fifty-nine papers were offered by the 15th Otago Summer School, attracting 1,992 enrolments (1,617 students generating 278.5 EFTS). Of these, 7.1% were international students and 23% of students studied two papers. While most papers were taught on the Dunedin campus, two were taught in Auckland, two in Wellington and another four offered exclusively by distance. One paper involved fieldwork in Assam, India, and seven papers were taught by visiting international academics. Two additional Summer School papers were offered in November/December, between them attracting 147 enrolments (16.4 EFTS).

Overall University enrolments declined in 2015, down 2.2% from 2014. The total of 18,421 EFTS comprised 18,156 University EFTS and a further 265 EFTS for the University's Foundation Studies subsidiary, and was generated by 20,601 individual students (see pages 122-124.)

Within the University total, domestic student enrolments decreased by 379 EFTS (2.2%), with a small increase in returning student numbers insufficient to counter a sharp decline of 9.8% in first-year enrolments.

2015's first-year decline ended three successive years of increasing first-year numbers, which had risen by 3.1% in 2014, 3.8% in 2013 and 4.3% in 2012. Key causes of the 2015 decline were a sharp reduction in the number of school leavers securing University Entrance (due to demographic factors and the impact of a new, more stringent University Entrance standard), buoyant labour market conditions and intensifying competition among universities for students.

However, the new University Entrance standard supported Otago's strategic goal to secure a 2015 first-year cohort of higher academic calibre than in recent years; unsurprisingly, the new standard also assisted the Otago's Foundation Studies programmes to grow their domestic enrolments by 26 EFTS (18.9%).

Full-fee international enrolments declined by 35 EFTS (2.5%) for the University, and by 22 EFTS (17.4%) for Foundation Studies. The reasons for international decline are complex and include the ongoing pipeline effects of winding down of a number of contracts with overseas governments for professional degrees. This pipeline effect was partially offset by a welcome 23 EFTS (14.7%) gain in first-year international EFTS.

Positives in the international arena included significant growth in recruitment from the United States (which continues to provide the largest country enrolment by head count) and Pakistan, and modest growth from several other countries including Brazil, China and India. While fewer Otago students travelled on exchange, there was strong demand for inbound exchange placements at Otago and agreements have been reached with a further 10 international exchange partner institutions.

The proportion of commencing students attracted from outside the University's Otago/Southland home catchment increased slightly to reach 74.1%, the highest in the University's history. There were 1,759 Māori students enrolled, representing a record 8.5% of total enrolments and 9.9% of total domestic EFTS. Pacific enrolments were at all-time high levels, with 804 students, representing 3.9% of total enrolments (headcount) and 4.3% of total domestic EFTS.

The number of students recruited from Australia was 239 (2014: 216), including a commencing cohort of 44 students (2014: 45). Approximately two thirds of this group were New Zealand citizens returning from Australia.

The number of postgraduate students was up by 3.6% over 2014 in EFTS terms, (2015 headcount total: 4,558; 2014: 4,337). This was largely due to growing demand for Otago's postgraduate taught programmes. Doctoral enrolments remained steady, with 1,387 at the end of 2015. There was a slight increase in enrolments in masters' and honours' degrees, with more growth in postgraduate diplomas and certificates. Total postgraduate enrolments increased proportionally to reach 17.0% of the roll. 265 doctoral candidates and 273 thesis masters' candidates successfully completed their studies (see page 122).

Aligned to the strategic commitment to raise the academic calibre of the student cohort, the University expanded its suite of undergraduate entrance scholarships for 2016 (students apply for these scholarships in late 2015). A New Frontiers Scholarship was announced for applicants who have achieved either or both NCEA Level 2 or Level 3 endorsed with excellence (or equivalent) and who commence their studies at Otago enrolled in any one (or any combination) of the following bachelors' degrees: Applied Science, Arts, Commerce, Law, Music, Performing Arts, Physical Education, Science, Social Work, Surveying, Teaching and Theology.

The University also announced an extension to the availability of its entrance scholarships to include international students who have completed Year 12 and Year 13 at a New Zealand secondary school, and an increase in the number of Māori and Pacific Peoples' Scholarships. The value of a number of other scholarships was also increased.

Quality teaching is vital for student achievement and the University can boast an outstanding record of teaching excellence. In 2015 – and for the fourth successive year – an Otago academic won New Zealand's top tertiary teaching honour. Associate Professor Suzanne Pitama, Director of the Māori Indigenous Health Institute (University of Otago, Christchurch), was presented with the Prime Minister's Supreme Award for Tertiary Teaching Excellence in August, recognising her unstinting commitment to tertiary learners and the broader community during her 14-year teaching career. She also won an award for sustained excellence in the kaupapa Māori category of the National Tertiary Teaching Awards, alongside two other Otago staff who were recognised with awards for sustained excellence in the general category: Dr Roslyn Kemp (Microbiology and Immunology) and Professor Rachel Spronken-Smith (Dean, Graduate Research School).

Each year the University celebrates its excellent and inspiring teachers in its own teaching excellence awards, presented in 2015 to Dr Roslyn Kemp, Dr Rachel Zajac (Psychology), Associate Professor Christine Jasoni (Anatomy) and Associate Professor Jacinta Ruru (Law) who also won the kaupapa Māori award.

The OUSA's top teaching award was presented to Dr Hunter Hatfield (Linguistics), with the award for best

tutor/demonstrator being shared by Althea Blakey (Otago Medical School) and Megan Anakin (Educational Assessment Research Unit). Dr Bradley Hurren (Anatomy) received the most inclusive teacher award and Dr Will Rayment (Marine Science) the Supervisor of the Year award.

A number of students won scholarships and fellowships to pursue further study. Fulbright scholarships were awarded to Ashley Campbell, Calum Rickard, Genevieve Coffey, Imogen Browne, Rebecca Purvis, Bonnie Scarth, Helen Churchman, Paul Winter, Rebecca Thomson and Tim Chambers. Matiu Rātima (Te Tumu School of Māori, Pacific and Indigenous Studies) received a Fulbright-Ngā Pae o Te Māramatanga Scholar Award. Leila Nicholson (Virology) received a 2015 Todd Foundation Award, and Chris Purdie (Economics) received the Sir Frank Holmes Prize.

Recent graduates Samuel Hall-McMaster (Neuroscience) and Lauren Nicol (Biochemistry and Plant Biochemistry) received Rutherford Foundation International PhD Scholarships. Assistant research fellow, Olivia Tidswell was awarded a Wellcome Trust scholarship to Cambridge University.

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 collection contains 1,683,271 books, serial volumes and other materials. Electronic resources include 171,199 ejournals and 744,321 accessible ebooks, an increase of more than 10.0% from 2014.

Use of the University's lecture recording system, Otago Capture, increased by 326% from 2014, with 761,286 lecture podcasts viewed.

The virtual student desktop initiative (rolled out in 2014) won the Supreme Award at the 2015 Microsoft Tertiary ICT Innovation awards. This technology is available to more than 20,000 students from across the University's campuses and to students in more than 30 countries, providing a consistent anytime, anywhere access to the learning environment. The virtual student desktop project also won the Excellence in Technology Innovation category prize. The staff virtual desktop was rolled out to the University's Christchurch campus in 2015. (For further ITS information see page 58.)

The learning experience of students studying the medical sciences was also enhanced following an extensive makeover of the human body systems (HUBS) laboratory. The two 100-level HUBS papers are among the largest the University offers. Now the laboratory can accommodate more students and offers improved facilities.

The Evaluation, Research and Development section of the Higher Education Development Centre undertook 2,976 teaching and course evaluations in 2015, continuing a five-year trend of annual increases – an increase of 22.0% since 2011.

# OUTSTANDING STUDENT EXPERIENCES

The Otago Experience is one of the defining features of this University. While the pursuit of academic excellence is a key part of life at Otago, social, cultural and sporting activities are important as well. The University is committed to working together with students to ensure their time at Otago is the best it can be, nurturing healthy and sustainable lifestyles, producing work-ready graduates well-equipped to make meaningful contributions to the communities in which they live.

80 .....  
1,088 .....  
95.9 .....  
623,835





..... MORE THAN 80% OF STUDENTS FROM OUTSIDE DUNEDIN

..... 1,088 REGISTERED STUDENT VOLUNTEERS

..... 95.9% OF STUDENTS HAPPY WITH SUPPORT SERVICES

..... 623,835 VISITS TO THE UNIPOL GYM

## OUTSTANDING STUDENT EXPERIENCES

Otago's distinctive residential lifestyle is a foundation component of the Otago Experience that, for most students, has its beginnings in one of the 15 residential colleges located on or around the campus. In 2015, 3,355 students were accommodated in these colleges, including 75 at Abbey College, New Zealand's first postgraduate college. The University also owns and operates flats for international students providing accommodation for 657 students in 2015.

With more than 80% of students coming from outside Dunedin, the University takes seriously its commitment to high quality pastoral care. Much of this is provided within the residential colleges, and the Locals programme offers academic and pastoral support for local first-year students.

To enhance the transition of students from school to their new lives at Otago, in late 2015 the University appointed Dr Stephen Scott to a newly created role of Director of First-Year Experience. Supported by a first-year experience committee, he will work to consolidate and streamline existing initiatives, while also developing an overarching strategy for a new first-year experience programme.

The University provides a comprehensive range of services for all students, including Student Health, Disability Information and Support, Recreation Services, Career Development Centre, Student Learning Centre and the University chaplains.

Te Huka Mātauraka (the Māori Centre) and the Pacific Islands Centre provided ongoing academic and pastoral support for Māori and Pacific students respectively (see pages 59–63). More than 2,965 students attended Student Learning Centre workshops; a further 1,270 accessed one-to-one consultations; and 131 weekly peer-assisted study session groups (PASS) were held on the Dunedin campus (a total of 12,980 student contact hours).

The Student Learning Centre also offered a range of peer-led academic support programmes including weekly conversational English groups, peer writing drop-in sessions, mature student study support groups, postgraduate writing groups and individual conference presentation support.

The University enrolled 1,203 students who identified as having a disability affecting study and provided 1,340 instances of note-taking, assistance with examinations, tutoring and other forms of learning support. Some 15,275 students accessed career development services, 21% more than in 2014, and there were 623,835 visits to the Unipol gymnasium.

The Otago International Friendship Network (formerly the International Mentor Programme) provided peer-based support for new international students on campus. Otago was once again ranked first among New Zealand universities in the International Student Barometer, a measure of international student satisfaction in the areas of arrival, learning, living and support.

Encouraging students to live healthy sustainable lives is an increasingly important focus for the University, providing opportunities for high quality extra-curricular activities, harnessing student altruism and fostering good habits that will stand students in good stead for the rest of their lives.

Again the University and OUSA jointly hosted a successful Orientation programme at the start of the academic year, prefaced by the inaugural Academic Convocation Ceremony attended by more than 4,000 first-year students. The University was privileged to welcome the Prime Minister, the Rt Hon. John Key, as guest speaker. Orientation events were also held specifically for International, Māori and Pacific students.

The activities of the University Volunteer Centre (UVC) continued to grow, with 1,088 registered student volunteers working with around 160 community organisations. The second University Volunteer Fair, held in April, was well attended and the inaugural National Student Volunteer Week was celebrated in September.

Among other activities, the UVC co-ordinated the Dunedin Sleep Out, with 200 students spending a winter's night in the Octagon to raise awareness and around \$12,000 for the Dunedin Night Shelter. University students and staff contributed to the UVC's Kids to Kids Vanuatu project, providing relief to Pacific communities affected by Cyclone Pam. GreenCrew, a student-led team of volunteer conservationists, embedded its activities with the completion of a new seedling nursery on campus. A group of second-year management students helped Musselburgh School students design and build a new cycle track; and third-year Management students helped NZ Blood raise awareness of its services, signing up 700 new donors.

Students are also becoming increasingly involved in outreach activities. For example, undergraduate chemistry students helped at the Otago University Advanced School Science Academy's winter camp, and visited a number of Dunedin and rural schools. A group of computer science students, together with two University web developers, set up the first Dunedin Code Club to nurture computer programming skills in nine-to-12-year-old children.

Entrepreneurial acumen is fostered at Otago and several of the University's teams were successful in national and international business case competitions. These included first placings in the Scotiabank International Business Case Competition held in Ontario in March and the New Zealand Marketing Association's National Brand Challenge in August, and third place in the Student Development Society National Business Case Competition League in July. Johnny Sekbraudine, Nathan Wilson and Gabriel Mathieson won the New Zealand Post Student Marketer of the Year award for their campaign to raise awareness of the SPCA's Blue Tick programme.

The annual Audacious Business Challenge was won by Mashkoor Ahmad (Management), Giovanni Stephens (Finance), and Namfon Kumsem (Accounting and Finance) with a proposal for the development of an environmentally friendly and durable surface-mounted device LED light assembly plant in New Zealand.

Senior history student Martin Holmes beat entrants from 37 countries to win the 2015 Anzac Peace Prize essay competition; law students Ben Bielski and George Meale were placed second in the World Negotiating Championships in Dublin; and Megan Paterson won the Australasian Witness Exam Competition.



Photo: Sharron Bennett

New Zealand Prime Minister the Rt Hon. John Key addressed students at the inaugural Academic Convocation Ceremony.

2015 was an excellent year for the University's sports clubs. On the rugby field, the University A team won the Dunedin premier 1 championship, University B won the premier 2 championship and the University Blues Colts took out the premier colts championship. The University Hockey Club's men's and women's premier teams both won their respective Otago competitions, and the 76-member rowing team won the New Zealand Universities Rowing Championship for the 16th successive year.

The 2015 Student Opinion Survey indicated an overwhelming level of satisfaction with services provided to students: 93.4% expressed satisfaction with the University libraries; 91.9% expressed satisfaction with information technology and teaching facilities; 97.5% were happy with the quality of sport and recreational services; and 95.9% provided positive feedback about the University's administrative and support services.

# OUTSTANDING CAMPUS ENVIRONMENTS

The University of Otago is nationally and internationally renowned for its exceptional campus environments. The University recognises the importance of continuing to enhance these facilities, ensuring they reflect a vision of excellence, are responsive to technological developments, enhance health and well-being, and embody principles of sustainability.

200  
96.1  
98.6







..... \$200 MILLION CAPITAL DEVELOPMENT PROGRAMME ANNOUNCED

..... 96.1% SATISFACTION WITH CAMPUS ENVIRONMENT

..... 98.6% OF STUDENTS POSITIVE ABOUT SAFETY

## OUTSTANDING CAMPUS ENVIRONMENTS

A number of significant capital developments commenced in 2015, developments that will stand the University, its staff and students in good stead for the coming decades.

In April two major capital projects – totalling around \$200 million – were announced. These were an extensive redevelopment of the Dental School and its facilities, and a major refurbishment of the Dunedin campus Science building.

The Dental School redevelopment 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. In total, there will be 218 new dental chairs, 66 more than in the existing facility. 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.

While the new building will have its own “look”, it will reflect the heritage and architecture of the 1961 post-modernist Walsh building, which is listed as a Category 1 historic place. The iconic heritage-listed glass-curtain façade will be replaced with

a replica that meets current weather-proofing, energy efficiency and technological standards. The mosaic north wall will be strengthened and renovated.

The construction of temporary accommodation for Dental School activities began in late 2015, in preparation for the demolition of the existing west wing and the construction of the new clinical services building, scheduled for mid 2016. The clinical services building is expected to be completed in early 2018 and the refurbishment of the Walsh building in late 2019.

The upgrade of the 45-year-old Science building began in October and work will be completed in three main stages through to early 2018. This comprises new cladding, windows and roof, and architectural restyling to soften its “concrete-box-like” appearance. Science laboratories will be remodelled and refurbished to the highest current standards, a new “super lab” will be established on the ground floor, as well as more PC1 and PC2 laboratory facilities.

A multi-million dollar amenities enhancement project on the Dunedin campus was started. This project involves more than 15,000 square metres of new paving, new grassed areas

*Architect's visualisation of the Dental School redevelopment, showing the Walsh Building and the new clinical building to be built behind it.*





and gardens, outdoor seating, tree planting, the installation of efficient LED lighting, and improved signage and shelter within a large area of the northern end of campus. It is expected that this project will be completed mid 2016.

A major \$15.4 million redevelopment of the Commerce Building was approved and will include the “opening up” of the north and south sides of the building, a new atrium roof, and new modern teaching and learning spaces. Design work began in 2015 and construction is scheduled to start in mid 2016, for a late 2017 completion. An energy-efficient lighting upgrade of the Commerce Building was also completed in 2015 to cut energy consumption by nearly one third.

The seismic assessment/strengthening programme continued throughout 2015 and will be ongoing.

The University is committed to embedding sustainability across all aspects of campus development and operations, and a draft Sustainability Strategic Framework is under review. Key aspects include fostering a culture of sustainability among staff and students, enhancing sustainable research practices,

supporting education for sustainability and encouraging collaboration.

In 2015 efforts to improve monitoring and reporting systems paid dividends with evidence to show a 31.9% reduction in waste sent to landfill compared to “best estimates” from the baseline year of 2012.

The University’s eWaste and eCycle Centre began operation in 2015, to manage redundant University equipment through recycling or removing. By the end of the year 2,295 items were received, of which 65% (1,486) were able to be re-used (either within the University, by staff for home use, or donated to schools and community groups).

Campus Watch teams are on patrol 24 hours a day, seven days a week, to ensure a secure and safe campus environment. In the 2015 Student Opinion Survey 98.6% reported a positive assessment of personal safety on campus and 96.1% of participants were happy with the general campus environment.





# COMMITMENT AS A LOCAL, NATIONAL AND GLOBAL CITIZEN

Contributing to national and international betterment, strengthening links with Māori and Pacific communities, and the provision of outreach and community service activities all continued to be priorities for the University of Otago in 2015.

92.1 .....

1.6 .....

24/7 .....



..... 92.1% OF STAFF INVOLVED IN COMMUNITY SERVICE

..... \$1.6 BILLION ESTIMATED ECONOMIC IMPACT

..... NATIONAL POISONS CENTRE OFFERS 24/7, 365-DAYS-A-YEAR SERVICE

## COMMITMENT AS A LOCAL, NATIONAL AND GLOBAL CITIZEN

As canvassed in some detail earlier in this Annual Report, the University is committed to undertaking research that contributes to national and international well-being (see pages 22–23). Reflecting this strategic vision, a memorandum of understanding with World Vision, first signed in 2013 was re-signed in 2015. This has been a fruitful partnership, enabling Otago staff and students to make positive contributions around the world.

Projects contributing to well-being at the national level included a rental housing “warrant of fitness” initiative from the University’s He Kainga Oranga / Housing and Health researchers; a 12-month evaluation of the Salvation Army’s alcohol and drug Bridge Treatment Programme by Psychology, Psychological Medicine, and Preventive and Social Medicine researchers; and the 20 Māori Health Profiles researched and compiled by the Eru Pōmare Māori Health Research Centre.

The University has a strong tradition of community outreach. The long-running Hands-On Science programme again brought 240 secondary school students onto the campus in January. Due to its success over the past 26 years, it was decided that this programme would be expanded to include the humanities and some business components, and re-named Hands-On Otago from 2016.

A number of projects designed to engage young New Zealanders in science and technology gained funding from the Unlocking Curious Minds programme (see page 42). These included transforming a shipping container into a mobile laboratory to visit South Island schools; a two-day science camp for primary- and intermediate-school age girls; “Bodies and Bugs” for Wellington secondary school students; a “Science for Supper” series; SciTeen (creating science and conservation ambassadors); and a “Creating Stories about our National Parks” programme.

The Division of Sciences hosted an outreach hui in October, with participation from local school teachers and a number of independent science providers.

Encouraging groups under-represented in tertiary study and, in particular, supporting Māori and Pasifika aspirations, is a key focus of many outreach activities. The well-established Science Wananga programme, that provides science camps for provincial/rural secondary school Māori students, was expanded in 2015 to include Ngāi Te Rangi, in Tauranga. The Otago University Advanced School Science Academy (OUASSA) had its largest attendance to date (60 students, including 14 Māori and 6 Pasifika students). Twenty-one teachers also attended the teachers’ professional learning and development workshop. The Otago Business School hosted 28 Year-12 and -13 school students as part of its annual Biz4Taiohi, inspiring Māori student futures programme. Health Sciences’ REACH (Realising Educational Aspirations for Careers in Health) programme brought 25 Māori Year-13 students from all over New Zealand onto the Dunedin campus for three days, providing guidance for pathways into university study.

The University’s partnership with Māori is built on its memorandum of understanding with local mana whenua Ngāi Tahu, as well as relationships with Ngāti Whātua, Waikato-Tainui, Ngāti Toa Rangitira and other iwi providers. In 2015 a new memorandum of understanding was signed with Ōnuku Rūnanga, formalising a 10-year relationship. The Māori

Strategic Framework guides the University’s commitment to Māori advancement: following considerable work and consultation, a renewed version will be launched in 2016.

Although Māori student numbers dropped slightly in 2015 (reflecting an overall decline in the University roll, see page 26) the percentage of Māori student domestic EFTS increased to an all-time high of 9.9% (2014: 9.7%). Reflecting the efforts of numerous programmes, teams and agencies across the University it was pleasing to see that 73.9% of first-year Māori students passed at least two-thirds of the academic credits for which they had enrolled (2014: 67.3%). 125 Māori students were enrolled in the Health Sciences First Year programme; more than 250 studied in undergraduate health professional programmes and more than 160 towards other undergraduate health sciences degrees.

The work and successes of Māori staff and postgraduate students was showcased at a Māori research symposium, Hui Poutama, in May. Te Tumu: School of Māori, Pacific and Indigenous Studies, and Te Huka Mātauraka / Māori Centre both celebrated their 25th anniversaries in May. (For further information on Māori development, see pages 60–62.)

The University’s commitment to the Pacific community is formalised in the Pacific Strategic Framework, introduced in 2013. A key focus of this is to improve the academic outcomes of Pacific students, with pleasing results in 2015. Pacific enrolments increased to an all-time high of 804 students (2014: 751), comprising 4.2% of total domestic student EFTS (2014: 3.9%), and 63.3% of first-year Pacific students passed at least two thirds of the academic credits for which they had enrolled (2014: 54.6%). The advancement of Pacific staff is another area of focus and the Pacific Academic Staff Caucus will be officially launched in 2016. The annual Pacific Voices postgraduate symposium was held in September. (For further information on Pacific development, see pages 62–63.)

Community service continues to be a feature of the Otago ethos, with activities undertaken in 2015 estimated at \$31.1 million. In a survey of academic staff 92.1% of responders had dedicated time in the past year to community service and, on average, they had dedicated 9.3% of their time to these activities. The types of service undertaken included giving lectures, talks or presentations to non-university groups (80.9%), holding a post in an organisation or association relevant to their area of expertise (67.4%) and editing or serving on the editorial boards of publications (60.7%).

Through these activities many Otago staff receive national and international recognition. In 2015 these included:

Dr Htin Lin Aung (Microbiology and Immunology) who received a New Zealand – ASEAN Award for his role in establishing a valued collaboration between the University of Otago and Myanmar health sector institutions.

Trish Brooking (College of Education) who received the 2015 Storylines Betty Gilderdale Award for outstanding service in the field of children’s literature.

Dr Lynette Jones (Physical Education, Exercise and Sport Sciences) received the New Zealand Exercise Industry Award for 2015 Educator of the Year.

Dr Roslyn Kemp, (Microbiology and Immunology) who received the Association for Women in Sciences’ Miriam Dell

Award recognising her instigation of the Women's Initiative of the Australasian Society for Immunology, which provides mentoring opportunities for female immunologists.

Emeritus Professor Alistair Rothwell who was awarded the Royal Australasian College of Surgeons' Colin McRae Medal for his exceptional contribution to surgery.

A culture of volunteering is also gaining strength at Otago (see page 30) with numerous volunteering/fundraising activities held throughout the year: a pink ribbon breakfast raised money for breast cancer research; a student volunteer "army" helped South Dunedin flood victims in June; and OUSA raised funds for earthquake relief in Nepal. The University community also helped raise money to support Pacific peoples affected by Cyclone Pam in March and those in flood-stricken Myanmar. The student group Cancer Core received the 2015 Minister of Health Volunteer of the Year award and the Minister of Health Youth Volunteer Team award for its efforts in the inaugural OUSA-affiliated Relay for Life in 2014. A second event was held in March 2015 in which more than 30 University teams took part.

The University provides a number of services for the community. The National Poisons Centre (NPC), based in the Department of Preventive and Social Medicine, provides a 24-hour, 365-days-a-year free phone service to the people of New Zealand. In 2015 the NPC partnered with Homecare Medical to become part of the new 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) enabling callers to be linked directly to the most appropriate service, ensuring quality care and better outcomes. The NPC also 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. The NPC continues to work towards the reduction of harm in the community from poisonings through prevention, education and surveillance programmes.

The New Zealand Pharmacovigilance Centre, also hosted by the Department of Preventive and Social Medicine, operates programmes that contribute to, and support, the safety of medicines, vaccines and related products in New Zealand by monitoring voluntary reports of adverse events to the Centre for Adverse Reactions Monitoring (CARM) and the Medication Error Reporting Programme (MERP). CARM, which celebrated its 50th year of operation in 2015, is a member of a 124-nation-strong World Health Organization International Drug Safety Monitoring programme. While initially a solely University initiative, it now provides its service under contract to the Ministry of Health.

The Barrington Physiotherapy Clinic in south Christchurch is another long-standing community service and celebrated its 25th anniversary in 2015. It provides hands-on community-based clinical experience for physiotherapy students, and is an excellent treatment option for the people of the area. A weekly aesthetic dental clinic offered by the Faculty of Dentistry is also providing experience for students while offering aesthetic dental treatment options to the general public.

As one of New Zealand's largest employers the University makes a considerable contribution to the New Zealand economy. In the economic impact report released in 2015, it was estimated that the University contributed around \$908 million to the Dunedin economy; \$47.3 million to the Christchurch economy; \$48 million to Wellington and \$2.6 million to Invercargill. The total economic impact of the University, with all downstream effects, was estimated at \$1.6 billion. It was also estimated that some 9,538 FTE jobs were supported throughout New Zealand as a result of the University's direct expenditure.

The University's documentary heritage, library collections and commitment to the arts provide further avenues of contribution to the national good. Otago's arts fellowships are of national significance. In 2015 these were held by Louise Wallace (Robert Burns Fellow), John Ward Knox (Frances Hodgkins Fellow), Jeremy Mayall (Mozart Fellow), Uzoamaka Nwankpa (Caroline Plummer Fellow in Community Dance), Jennifer Beck and Robyn Belton (University of Otago College of Education /Creative New Zealand Children's Writer in Residence). The Division of Humanities again supported the Dunedin Symphony Orchestra and the annual University of Otago Sheilah Winn Shakespeare Festival for secondary school students. The Department of Music and Theatre Studies staged 123 public performances throughout the year. These performances contribute to the cultural life of Dunedin, as well as providing valuable experience for students.

The Hocken Collections is one of the foremost research and heritage collections in New Zealand, its pictures and photographs collections alone boasting some 1,131,458 items. In 2015 more than 6,000 researchers accessed more than 24,000 collection items, and more than 4,000 image reproductions were completed. Many of those images appeared in publications, exhibitions and displays, brochures, websites and theses.

Four exhibitions were mounted in the Hocken Gallery to support University activities and to mark significant events. One highlight, *We Drove Here: Hocken Explores Motoring History* filled the gallery and foyer with classic vehicles, photos, posters, motoring objects and art from the Hocken Collections and generously loaned from the Dunedin community. The Pickerill papers on plastic surgery, held at the Hocken, were inscribed on the UNESCO Memory of the World New Zealand heritage register. These papers, canvassing the work of Drs Henry and Cecily Pickerill, are a highly significant record of the development of pioneering plastic surgery techniques and are also some of the few surviving World War 1 medical records.

The Library's Special Collections hosted Brendan O'Brien as the 2015 Printer in Residence. He produced a book in collaboration with Barry Cleavin entitled *OKTQKAIΔEKA* (Eighteen), an illustrated publication of ancient Greek texts translated by New Zealand Poet Laureate Vincent O'Sullivan. Four exhibitions were viewed by 2,656 people including *The Melrose Library: Reflecting the Life and Works of Sir F. Truby King*.



## STRONG EXTERNAL ENGAGEMENT

Building strong and effective business, political, community and alumni relationships continued to be an important focus for the University of Otago throughout 2015.

27 .....

591 .....

4,693 .....





- ..... 27% ACADEMIC STAFF SERVED ON GOVERNMENT ADVISORY BOARDS
- ..... 591 CONTINUING EDUCATION EVENTS
- ..... 4,693 SCHOOL VISITORS TO THE MARINE STUDIES CENTRE

## STRONG EXTERNAL ENGAGEMENT

The importance of strong external engagement was highlighted with the creation of the new position of Deputy Vice-Chancellor (External Engagement). Professor Helen Nicholson, then Pro-Vice-Chancellor (International), was appointed to the new role in June, tasked with raising the profile of the University and to increase engagement with key stakeholders, here and overseas. A newly-created Division of External Engagement brings together Marketing and Communications, International, and Development and Alumni Relations.

Senior staff continue to be well represented across research, health and business networks. Vice-Chancellor Professor Harlene Hayne is chair of Universities New Zealand, a non-executive member of the New Zealand Treasury Board and deputy chair of the board of Fulbright New Zealand. She is also an associate editor of the journal *Memory* and the *Journal of Experimental Child Psychology*; co-director of the New Zealand Innocence Project; a member of the UK Advisory Board for interviewing children; co-chair of the Office of the Prime Minister's Science Advisory Committee Working Party on Reducing Social and Psychological Morbidity during Adolescence; and a member of the New Zealand-China Council.

Deputy Vice-Chancellor (Research and Enterprise) Professor Richard Blaikie serves on the boards of New Zealand Genomics Ltd; the Otago Participatory Science Platform; the Dodd-Walls Centre for Quantum and Photonic Technologies; the MedTech Centre of Research Excellence; and Brain Research New Zealand – Rangahau Roro Aotearoa. He is also a principal investigator of the MacDiarmid Institute. Deputy Vice-Chancellor (Academic) Professor Vernon Squire serves on the governance boards of the Riddet Institute and the MacDiarmid Institute. Professor Helen Nicholson is a member of the Executive of the International Federation of Associations of Anatomists; the Board of the Winston Churchill Memorial Trust; Director of New Zealand Genomics Ltd (until October 2015); Associate Trustee of Men's Health Trust New Zealand; and a member of the Confucius Institute Board.

Pro-Vice-Chancellor Health Sciences Professor Peter Crampton is a member of the Medical Deans Australia New Zealand executive; Health Workforce New Zealand Medical Workforce Pipeline Taskforce governance group; the Christchurch Health Precinct Steering Advisory Council; the Medical Council of New Zealand's community-based experience governance group; the boards of the National Science Challenges for Ageing Well, Healthier Lives, and A Better Start; and the Medical Council of New Zealand's Stakeholder Advisory Group for its review of prevocational training requirements for doctors in New Zealand. He is also a trustee of the Malaghan Institute for Medical Research and a director of Otakou Health Ltd.

Professor Keith Hunter (Pro-Vice-Chancellor, Sciences) is on the boards of the Research Centre for Oceanography, and NIWA (National Institute of Water and Atmospheric Research). He is a member of the Royal Society of New Zealand Advisory Committee on Marine Science; a New Zealand delegate to the Scientific Committee on Oceanic Research; associate editor of *Marine & Freshwater Research*; and associate editor for *Marine Chemistry and Environmental Chemistry*. Professor George Benwell (Pro-Vice-Chancellor, Commerce) is the past president of the Association of Asia Pacific Business Schools, and a director of StartUp Dunedin and the Otago Chamber of Commerce. Professor Brian Moloughney (Pro-

Vice-Chancellor, Humanities, until 30 September) was on the advisory boards of the Australasian Consortium of Humanities Research Centres and the New Zealand India Research Institute, and associate director of the New Zealand Contemporary China Research Centre. His successor, Professor Tony Ballantyne, is on the editorial boards of the *Journal of Punjab Studies*, *Journal of New Zealand Studies* and the *Journal of Colonialism and Colonial History*. He is also on the board of Otago University Press and Director of the University of Otago Centre for Research on Colonial Culture.

Professor David Bilkey (Psychology), Emeritus Professor Carolyn Burns (Zoology) and Professor Vicki Cameron (Medicine, UOC) served on the Marsden Fund Council; Associate Professor Suzanne Pitama (Māori/Indigenous Health Institute, UOC) joined Professor Andrew Mercer (Microbiology and Immunology) on the Health Research Council's board; and Professor Parry Guilford (Biochemistry) is on the MBIE Science Board. Professor Richie Poulton (Psychology) was appointed to a new role of chief science adviser for the Ministry of Social Development. Claire Ramsay (Director of Administration, Otago Business School Business) was appointed Asia Pacific chair for Partners in International Management. Otago is the only New Zealand university involved in this network.

In 2015, 27.0% of academic staff served on government advisory boards and committees, and 74.2% provided services to public sector departments, statutory authorities, agencies, boards, committees and/or non-governmental organisations.

Strategically committed to being better connected, more entrepreneurial and more highly engaged, the University continued to develop partnerships and collaborative agreements.

Otago became one of five organisations collaborating on the Otago Participatory Science Platform, launched in July. Part of the Ministry of Business, Innovation and Employment's (MBIE) Nation of Curious Minds strategy, this project – known as Otago Science in Action – aims to help local people and groups bring their research ideas to fruition (see page 38).

The University continued to take an active role in the Grow Dunedin Partnership (GDP), which has responsibility for delivering on the ambitious economic development strategy for the city of Dunedin. That role includes governance representation on the GDP Board, leadership in the StartUp Dunedin early-stage business incubator, and close involvement in projects relating to export education and growing relationships with China.

A memorandum of understanding was signed with Matariki Network partner Queen's University (Canada) to work together on projects to enhance veterans' health. The University also signed an agreement with the Bishop's Action Foundation (a New Plymouth-based Anglican charitable trust) to undertake collaborative research in areas relating to public theology, the sustainability of rural communities and helping communities to flourish. (For more information about research collaborations see page 22 and for commercialisation partnerships see page 46).

Otago was represented at meetings of the Matariki Network's international leaders and the research advisory group in Durham. Otago staff and students have been working to

establish a network-wide indigenous programme, and a global citizenship workshop with Uppsala University. Collaborations with the Confucius Institute in Auckland and Christchurch were ongoing.

Senior staff led a number of collaborative recruitment delegations to international destinations. In October Vice-Chancellor Professor Harlene Hayne led the New Zealand Universities delegation to China and Taiwan; Otago led a delegation to Saudi Arabia in December; and Professor Helen Nicholson undertook several visits to China with the Dunedin City Council and was instrumental in leading the combined New Zealand Universities Foundation Year programme to be delivered in Malacca.

Otago joined the Institute of International Education's Generation Study Abroad initiative to enable more Americans to participate in study abroad programmes in New Zealand. GoinGlobal, a leading provider of country-specific information, and international career and employment resources, was made available to the wider University community. The University also collaborated with the Dunedin City Council to host the Job Ready Programme for international students that was launched in September and has received further government support for 2016.

A new "Global Dunedin" initiative was launched by the Centre for Research on Colonial Culture. It aims to engage the people of Dunedin in discussion about the city's past, present and future through social media, blogs and public lectures. In a collaboration with the Otago Museum, staff in the Department of Mathematics and Statistics, and the Centre for Science Communication put together a public exhibition to celebrate the centenary of the publication of Einstein's Theory of Relativity. And third-year Theatre Studies students collaborated with Dunedin's Fortune Theatre in a professional production of *Punk Rock*. The University's sponsorship of the Highlanders' Super Rugby team continued for a second year.

Again the University hosted many conferences and world-leading experts on its campuses. The internationally-renowned Foreign Policy School celebrated its 50th anniversary with an impressive line-up of 30 national and international speakers debating the theme "New Zealand and the World: Past, Present and Future". More than 180 delegates from around the world attended the 55th Scientific Meeting of the International Association for Dental Research, Australia and New Zealand Division, hosted by the Sir John Walsh Research Institute. The Department of Management hosted the 29th annual Australian and New Zealand Academy of Management (ANZAM) conference in December at which 450 papers were presented.

In the annual Winter Lecture Series, held in Wellington and Auckland, Otago experts addressed the topic of "Challenging the Status Quo in New Zealand". "Sex and Science" (human and non-human) was the theme of the biennial Science Teller festival, hosted by the Centre for Science Communication. The keynote speaker was American sex columnist and television personality Dan Savage. Other well-known speakers on campus in 2015 included former New Zealand Prime Minister, lawyer and academic Sir Geoffrey Palmer; international expert

on endocrine disruptors Professor Steve Safe of Texas A&M University; and Rabbi Fred Morgan, of the Australian Catholic University, who presented the 2015 Peace Lecture. The Otago Business School's Visiting Executive Programme brought a further nine national and international business leaders onto the campus to speak to staff and students.

However, the most distinguished visitor to the campus was Her Royal Highness the Duchess of Cornwall in November. In a reception in the Council Chamber she met University staff and members of the Dunedin literary community, reflecting Dunedin's status as a UNESCO City of Literature.

A total of 591 continuing education events were hosted in 2015, including 476 public lectures and seminars. Forty-one short courses were offered, three of which were offered collaboratively with the Dunedin Symphony Orchestra and 13 offered in association with U3A (University of the Third Age). Twenty-three symposia, conferences and masterclasses were held.

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 2015, 4,693 school students and teachers attended curriculum-linked programmes at the centre; 2,390 people participated in group marine experiences; and a further 3,985 school students and teachers attended outreach programmes in the Nelson/Marlborough/Tasman region.

Maintaining mutually beneficial relationships with alumni, both in New Zealand and internationally, is highly valued at the University of Otago. In 2015 the University was in contact with more than 95,000 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 sent out in March, June, September and December. With enhancements to the Development and Alumni Relations website, Facebook and Instagram, alumni were offered new opportunities to communicate with each other and to engage directly with the University.

Sixteen alumni social events were hosted in New Zealand and around the world, including Singapore, Malaysia, Brunei, Hong Kong, China, Brisbane, Sydney, Melbourne, London, Edmonton, Toronto and various locations in the US. The Development and Alumni Relations Office also assisted with events hosted by Otago's regional networks in New Zealand, the US, Australia, China and Indonesia, and collaborated with Universities New Zealand and Education New Zealand on their large event in China. Alumni gathered on campus in 2015 for a number of significant celebrations including the Caroline Plummer Fellowship Conference, the Studholme College Centenary and the Carrington College 70th anniversary.

Through the generosity of donors to the Annual Appeal, 17 Alumni Scholarships were awarded in 2015 and a further five students were supported by the Alumni of the University of Otago in America (AUOA) board.

\$32.6M .....  
1,937 .....  
40+ .....

## SUSTAINING CAPABILITY

A long-term approach is necessary for the University to best maintain its capabilities and to meet the challenges of a changing world. It remains committed to ongoing investment in staff and the resources required to sustaining excellence as a broad-based, research-led university. However, the University also recognises that an increasingly diversified funding base is required and that all activities and structures must be scrutinised for efficiency and effectiveness.

.... GROUP OPERATING SURPLUS OF \$32.6 MILLION

... 1.937 STAFF ATTENDED HR WORKSHOPS

... MORE THAN 40 COMMERCIAL OPPORTUNITIES FOR OTAGO INNOVATION LTD





## SUSTAINING CAPABILITY

The vision of being a research-led University with an international reputation for excellence requires the careful stewardship of the University's resources in order to generate sufficient funds and target those funds carefully to support strategic aims. As outlined in further detail in the Financial Review on page 68, the University has recorded a Group surplus of \$32.6 million which is higher than the budgeted surplus and exceeds the Tertiary Education Commission target of 3% of external revenue.

While this is a pleasing result, further work is required to lift the surplus back to the Council-agreed target of 2% of equity on a five-year rolling basis to fund the construction projects on the University's Priority Development Plan.

The University continues to face financial challenges caused by flat student numbers so efforts are continuing to diversify income away from constrained funding sources and to identify ways of providing services more cost effectively.

To this end, the University is increasing its focus on entrepreneurial activities and the commercialisation of intellectual property. In 2015 this was reflected in more than 40 commercial opportunities presented to Otago Innovation Ltd, the University's commercialisation company,

A highlight was the launch of Upstream Medical Technologies (UMT), a new partnership between the University of Otago and venture capitalists Powerhouse Ventures Ltd. The new company's aim is to revolutionise the accurate and timely diagnosis of heart conditions – in particular, unstable angina – by commercialising technology being developed by the Christchurch Heart Institute research team, led by Professor Mark Richards and Associate Professor Chris Pemberton. The formation of UMT was the culmination of more than seven years' work by Otago Innovation and potentially has significant national and international implications and benefits for patients.

The commercialisation of a number of other technologies continued apace. Other successes included licensing the rights to a non-staining silver nanoparticle technology for treating and preventing tooth decay to a global dental materials manufacturer for further product development. The company Chitogel Ltd was formed to progress a surgical gel developed at Otago's Department of Chemistry, and spin-out diagnostics company Menixis merged with the Techion Group.

Otago Innovation's annual Proof of Concept competition attracted a record 26 entries in 2015. The \$50,000 grant was won by Dr Phil Heyward and Dr Alex Tups (Physiology) for a neutroceutical with the potential to help type 11 diabetes patients to better manage their blood glucose levels and, thus, better manage their disease.

A workshop offering practical information to researchers wanting to translate their work into beneficial commercial products and/or services was held in June.

(Further information about Otago Innovation and spin-out companies can be found in the Group Entities Report pages 66–67)

The intellectual capital of staff is one of the University's greatest resources. Thus, staff well-being and their engagement in their own professional callings is a priority. During 2015 Human Resources held a total of 198 workshops, attended by 1,937 participants. Common themes were team work, communication and customer service skills. A programme of shorter "Get Ahead" workshops were trialled over the summer and proved popular. Te Reo language courses also continued to be popular, with four workshops attended by 52 participants. The International Office provided workshops on cultural awareness.

The Women in Leadership at Otago (WiLO) programme attracted 21 participants from three campuses. The three-day Essential Management programme was attended by 19 managers and the Supervisory Skills programme had another successful year with 20 participants.

Just as awards for research and teaching excellence are presented each year, the University also recognises the outstanding contributions of general staff. The 2015 General Staff Award for Exceptional Performance was presented to Sally-Ann Howard, the Anatomy Departmental Administrator.

As part of an evolving healthy campus strategy, a number of new initiatives were introduced in 2015 to impact on – and improve – the University environment. A Healthy Campus website was launched, providing a reference point for staff and students wanting to find resources to enhance their own health and well-being, and that of the University community. A Healthy University Advisory Group was also established to co-ordinate and support the new initiatives.

The work of the University's Human Resources Division was recognised by its accreditation to the international Investors in People framework.

Mindful of the constrained environment within which the University is now operating, internal activities, processes and structures continued to be scrutinised for both efficiency and effectiveness. A support services review was announced in September to examine all operational and administrative processes undertaken by general staff across the University. A series of workshops have been held, enabling staff to have input into this review. The research and scoping phase of the review is expected to be completed early in 2016.

The UniForum benchmarking project began its second three-year cycle in 2015, providing valuable data and analysis on the University's support services, and comparisons with the results of 18 other universities in Australia and New Zealand.

## REPORTING BY OUTPUTS

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	Actual \$000s	Total Budget \$000s	Last Year \$000s
<i>Teaching and Learning Output</i>			
Campus-based teaching and learning	201,549	214,674	199,156
Distance teaching and learning	-	-	-
<b>Total Cost of Outputs</b>	<b>201,549</b>	<b>214,674</b>	<b>199,156</b>
<i>Research Output</i>			
Postgraduate thesis supervision	63,977	66,222	64,041
Teaching-related research	25,251	26,070	24,382
Project-based research			
– University funded	98,580	93,089	96,012
– Externally funded	114,549	103,101	105,745
<b>Total Cost of Outputs</b>	<b>302,357</b>	<b>288,482</b>	<b>290,180</b>
<b>Community Service</b>	<b>31,066</b>	<b>31,343</b>	<b>30,118</b>

## STATEMENT OF SERVICE PERFORMANCE

### STRATEGIC OBJECTIVE ONE: EXCELLENCE IN RESEARCH

#	KEY PERFORMANCE INDICATORS	2013 Actual	2014 Actual	2015 Target	2015 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 of 4,544	3-year rolling average of 4,624	> previous year	3-year rolling average of 4,592
1.2	Increasing research funding from outside sources by at least 5% per annum as measured by a three-year rolling average.	3-year rolling average of \$88.1 million (97.3%)	3-year rolling average of \$86.1 million (97.7%)	≥ 105.0% of 2014	3-year rolling average of \$87.1 million (101.2%)
1.3	Increasing the proportion of postgraduate research EFTS within University EFTS <sup>2</sup> .	8.6%	8.8%	≥ previous year <sup>3</sup>	8.8%
1.4	Increasing the number of research degree completions.	569	570	≥ previous year	566
1.5	At least 90% of research degree respondents to the Graduate Opinion Survey reporting overall satisfaction with the quality of supervision.	89.5%	89.5%	≥ 90.0%	89.7%
1.6	At least maintaining the number of staff attending conferences of national and international standing, as measured by a three-year rolling average.	1,307	1,180	≥ previous year	1,014
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	Outright first in both rankings	First equal or outright first in both rankings	First in ARWU, second in QS Rankings

The University did not meet its performance targets relating to this strategic objective, though three were missed by a narrow margin and two increases above the previous year's performance were also recorded. The small decrease in the three-year average of quality-assured research outputs is due to a reduction in the number of outputs recorded for 2013, following the 2012 PBRF audit. Lower numbers of outputs are normal in the years immediately following a PBRF audit, and a three-year average is used to "soften" the effect of these years. The average is likely to increase over the next two years as academic staff prepare for the 2018 PBRF round.<sup>4</sup> Though growth in research funding fell short of the 5.0% growth target, the \$1 million increase in the three-year rolling average for external research funding returned this measure to a positive trajectory after two previous years of decline.

Postgraduate research EFTS again comprised 8.8% of University EFTS. A key factor in this static performance is a shift in student choice away from masters' research (thesis) programmes towards professional masters' programmes. This same factor is also the main driver of the small drop in postgraduate research degree completions.

Satisfaction with the quality of research degree supervision again missed the ≥ 90.0% target, but performance against this measure improved slightly to reach its highest level since 2008 (92.3%). The drop in the number of staff attending conferences of national and international standing may reflect the tightening of budgets in the light of recent EFTS decreases and the financial pressure that causes.

The University was pleased to retain its first position in the HiCi (highly cited researchers) indicator of the Academic Ranking of World Universities (Shanghai) Rankings. The drop to second place in the Citations per Faculty indicator of the QS World University Rankings was due to unexpected changes made by QS to the method of calculation for this indicator.<sup>5</sup>

1 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 2015 are those published in 2014, 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.

2 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.

3 The ≥ symbol used in the 2015 targets for KPIs 1.3 and 1.4 is inconsistent with the wording and intention of those KPIs. The correct symbol would be >. This error was made when KPIs were being developed for the University's TEC Investment Plan 2015-2017. It is a Government requirement, however, that the presentation of KPIs in the Statement of Service Performance exactly reflects the presentation of KPIs in the approved version of the Investment Plan, thus ≥ is retained above.

4 This increase is already occurring: 5,132 research outputs were recorded for 2015; a 14.6% increase over 2014 (4,477 outputs), and a 23.1% increase over 2013 (4,162 outputs).

5 Responding to criticism about the heavy influence of Life Sciences & Medicine on its citations per faculty data, the QS Intelligence Unit has developed a new citations model that equalises the influence of all faculty areas on the overall outcome of the citations per faculty measure. This has diluted the influence of Life Sciences & Medicine on Otago's overall citations result.

## STRATEGIC OBJECTIVE TWO: EXCELLENCE IN TEACHING

#	KEY PERFORMANCE INDICATORS	2013 Actual	2014 Actual	2015 Target	2015 Actual
2.1	Increasing the proportion of postgraduate EFTS within University EFTS.	16.1%	16.1%	> previous year	17.0%
2.2	At least 90% of undergraduate degree-level commencing students admitted with NCEA Level 3 or an equivalent qualification.	90.7%	91.1%	≥ 90.0%	93.4%
2.3	At least 80% of commencing students passing at least two thirds of their academic credits in their first year of study.	82.1 %	78.6%	> 80%	80.2%
2.4	Maintaining an average pass rate for papers within 2% of the average for the previous three years.	90.0% (3-year average 89.7%)	89.5% (3-year average 89.8%)	+/- 2.0% of rolling average	90.3% (3-year average 89.8%)
2.5	Increasing the number of students successfully completing qualifications at both undergraduate and postgraduate levels.	3,726 (UG) 1,711 (PG)	3,527 (UG) 1,630 (PG)	> previous year	3,462 (UG) 1,814 (PG)
2.6	At least 90% of respondents to the annual Student and Graduate Opinion Surveys <sup>6</sup> providing a positive assessment of the quality of teaching.	86.9%	84.0%	≥ 90.0%	84.5%
2.7	At least 90% of respondents to the Graduate Opinion Survey <sup>7</sup> reporting some, moderate or extensive development of the following attributes:				
	A willingness to learn;	94.5%	96.8%	≥ 90.0%	96.3%
	Teamwork skills;	78.6%	87.3%	≥ 90.0%	83.6%
	Communication skills;	90.1%	93.0%	≥ 90.0%	92.1%
	The skills to plan my own work;	92.9%	94.9%	≥ 90.0%	94.7%
	The ability to solve problems;	94.0%	95.2%	≥ 90.0%	95.0%
	Independent judgement;	94.2%	94.8%	≥ 90.0%	95.0%
	Academic rigour;	92.5%	93.7%	≥ 90.0%	93.9%
	A multidisciplinary perspective;	87.7%	90.3%	≥ 90.0%	89.7%
	Analytical skills;	95.6%	95.5%	≥ 90.0%	96.0%
	Flexibility and adaptability;	92.7%	92.7%	≥ 90.0%	91.5%
	An awareness of ethical issues;	87.2%	92.7%	≥ 90.0%	89.8%
	A global perspective;	87.7%	86.5%	≥ 90.0%	86.0%
	Cultural understanding;	85.6%	84.7%	≥ 90.0%	83.0%
	Environmental literacy;	74.7%	79.7%	≥ 90.0%	77.4%
	Research skills;	92.8%	93.8%	≥ 90.0%	94.8%
	Information literacy.	93.8%	95.5%	≥ 90.0%	95.1%
2.8	At least 90% of respondents to the Graduate Opinion Survey reporting progression to employment or further study following completion of their qualification, with at least 85% in full-time work, full-time study or a combination thereof, as measured by a three-year rolling average.	93.2% and 87.3%	93.6% and 85.5%	≥ 90.0% and 85.0%	93.2% and 85.3%

<sup>6</sup> Please refer to footnotes 7 and 8 below for discussion of these surveys and their response rates.

<sup>7</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. Each year, graduates from a quarter of the University's programme/degree combinations are surveyed. In 2015, 5,204 students were invited to complete the survey and there were 2,345 respondents (a 45.1% response rate). (2014: 2,150 surveyed; 1,006 respondents; 46.8% response rate.)

Seventeen of 25 performance targets relating to this strategic objective were achieved. The increased proportion of undergraduate degree-level commencing students admitted with NCEA Level 3 (or equivalent) reflects the ongoing influence of the enrolment limitation provisions that have been in place since 2011 and the associated drive to recruit more high-calibre school-leavers. An increasing focus on encouraging and supporting strong academic performance has delivered further increases in Otago's already strong pass rates.

The number of students successfully completing postgraduate qualifications increased for the first time since 2012, and this is a pipeline effect of strengthening domestic postgraduate enrolments in the past two years. In contrast, the number of undergraduate qualification completions decreased slightly, and this is largely an effect of the lower intake of first-year students in 2011, followed by a partial but not complete recovery in 2012.

The percentage of respondents positively assessing the quality of teaching at the University improved slightly from 2014 but remained below 2013. Improved performance against this measure remains a priority. Results for the Graduate Opinion Survey were similar to previous years, with minor variations,<sup>8</sup> and employment outcomes remain strong.

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<sup>8</sup> The items reported on here are those the University explicitly recognises as the core attributes it is seeking to develop in its students.



### STRATEGIC OBJECTIVE THREE: OUTSTANDING STUDENT EXPERIENCES

#	KEY PERFORMANCE INDICATORS	2013 Actual	2014 Actual	2015 Target	2015 Actual
3.1	At least 90% of residential college respondents to the annual Student Opinion Survey <sup>9</sup> providing a positive assessment of their colleges.	94.9%	93.4%	≥ 90.0%	96.2%
3.2	At least 90% of respondents to the annual Student Opinion Survey providing a positive assessment of:				
	The helpfulness of staff;	88.6%	90.5%	≥ 90.0%	88.9%
	Administrative services and support services;	95.4%	94.4%	≥ 90.0%	95.9%
	The quality of sport and recreational facilities;	96.8%	97.7%	≥ 90.0%	97.5%
	Student health and counselling services;	93.3%	92.1%	≥ 90.0%	91.5%
	The University's careers advisory service;	93.8%	91.8%	≥ 90.0%	94.9%
	Support from the Otago University Students' Association.	94.8%	94.9%	≥ 90.0%	96.1%
3.3	Enrolling a diversified international student population <sup>10</sup> constituting no more than:				
	15% of total University EFTS;	11.1%	11.1%	≤ 15.0%	11.2%
	25% of the international cohort from one country.	17.9%	20.1%	≤ 25.0%	19.8%

The University achieved eight of nine targets relating to this strategic objective and fell narrowly short of one target. The very high satisfaction rating for residential colleges was especially noteworthy. The proportion of international EFTS increased to 11.2%. Strong growth from the United States – which increased by 12.9% (75 students) from 2014 – was a key driver of this, but was counterbalanced by the continued decline in the number of students from Malaysia (following the scheduled winding down of the teaching contract with the Malaysian Government).

<sup>9</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 2015, 6,443 students were invited to complete the Academic Experience component of the survey and there were 3,155 respondents (a 49.0% response rate). (2014: 8,230 surveyed; 4,570 respondents; 55.5% response rate; 2013: 4,148 surveyed; 2,365 respondents; 57.0% response rate.) 3,500 students were invited to complete the Support Services component of the survey. There were 1,597 respondents (a 45.6% response rate). (2014: 3,500 surveyed; 1,886 responded; 53.9% response rate.)

<sup>10</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	2013 Actual	2014 Actual	2015 Target	2015 Actual
4.1	At least 90% of respondents to the annual Student Opinion Survey providing a positive assessment of:				
	The general campus environment;	95.4%	96.2%	≥ 90.0%	96.1%
	Personal safety on campus;	98.7%	99.0%	≥ 90.0%	98.6%
	University libraries <sup>11</sup> ;	93.0%	96.0%	≥ 90.0%	93.4%
	University information technology and teaching facilities;	90.8%	91.9%	≥ 90.0%	91.9%
	University Union, including food and beverage service.	93.1%	89.4%	≥ 90.0%	92.5%
4.2	Providing learning assistance and/or access to special equipment for at least 450 students with a disability affecting study.	518	546	≥ 450	669
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 seven of the targets relating to this strategic objective. The Student Opinion Survey captured ongoing 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 has continued to expand its programme of support for students with a disability affecting study, despite no increase to the level of disabilities funding support provided by Government.

<sup>11</sup> In 2013 the Library section of the Student Opinion Survey – Support Services was redesigned and the source of the University libraries indicator was changed from an average score across a set of library-related items to a score based on a single item asking about overall satisfaction with the Library.

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

#	KEY PERFORMANCE INDICATORS	2013 Actual	2014 Actual	2015 Target	2015 Actual
5.1	Maintaining or increasing the number of national print, radio and television media articles featuring comment by University of Otago academic staff on matters relating to their professional expertise, as measured by a three-year rolling average.	2,105	2,171	≥ previous year	2,165
5.2	At least 80% of University academic staff involved in community service activities <sup>12</sup> .	90.2%	94.6%	≥ 80.0%	92.1%
5.3	Holding at least 400 open lectures, public seminars, and adult and community education courses per annum.	351	644	≥ 400	591
5.4	Providing at least 100 performing arts activities open to the public per annum.	129	129	≥ 100	123
5.5	To maintain the University's status as a Fair Trade university.	Fair Trade status achieved	Fair Trade status maintained	Maintain Fair Trade status	Fair Trade status maintained <sup>13</sup>
5.6	Increasing the number of research projects being undertaken in association with Māori <sup>14</sup> .	680	687	> previous year	634
5.7	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;	1,682 enrolments, 9.2% of EFTS	1,776 enrolments, 9.7% of EFTS	> previous year	1,759 enrolments, 9.9% of EFTS
	Increasing the percentage of first-year Māori students passing at least two thirds of their academic credits;	72.7%	67.3%	> previous year	73.9%
	Increasing the number of Māori students completing qualifications at both undergraduate and postgraduate levels.	275 (UG) 108 (PG)	299 (UG) 93 (PG)	> previous year	257 (UG) 96 (PG)
5.8	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;	669 enrolments, 3.3% of EFTS	751 enrolments, 3.9% of EFTS	> previous year	804 enrolments, 4.2% of EFTS
	Increasing the percentage of first-year Pacific students passing at least two thirds of their academic credits;	53.2%	54.6%	> previous year	63.3%
	Increasing the number of Pacific students completing qualifications at both undergraduate and postgraduate levels.	111 (UG) 54 (PG)	102 (UG) 40 (PG)	> previous year	82 (UG) 38 (PG)

<sup>12</sup> The Academic Staff Community Service Report provides data on the community service activities of academic staff at the University of Otago. It is based on information obtained by an annual survey of randomly selected academic staff. In 2015, 200 academic staff were invited to complete the survey. There were 89 respondents (44.5% response rate). [In 2014, 200 academic staff were invited to complete the survey, and there were 92 respondents (46.0% response rate).]

<sup>13</sup> The University of Otago remains the only university in New Zealand to have Fair Trade status.

<sup>14</sup> This KPI captures the number of research projects appropriately engaging with consultation procedures outlined in the University's Research Consultation with Māori Policy.

The University performed well in meeting its ambitious commitments as a local, national and international citizen, achieving 10 of 16 performance targets against this strategic objective. A 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 overall number of Māori enrolments was slightly down on 2014, though the proportion of Māori EFTS increased to an all-time high. Pacific enrolments were up in number and as a proportion of total domestic EFTS; both measures achieving all-time highs. The improved first-year Māori and Pacific pass rates were excellent results for the University, with the Pacific rate up by 8.7%. Maintaining this momentum is a priority.

The declines in Māori and Pacific undergraduate completions in 2015 mirrored the general trend for the University, as discussed above under strategic objective two, but also reflected recent increases in the number of Māori and Pacific students enrolled in long degrees such as medicine. Māori postgraduate completions increased slightly from 2014, though remained below the high level recorded for 2013. Pacific postgraduate completions decreased slightly in 2015, and this will remain an area of focus.



## STRATEGIC OBJECTIVE SIX: STRONG EXTERNAL ENGAGEMENT

#	KEY PERFORMANCE INDICATORS	2013 Actual	2014 Actual	2015 Target	2015 Actual
6.1	Hosting at least 600 academic visitors to the University per annum.	762	800	≥ 600	687
6.2	Maintaining appropriate formal agreements for collaboration with other organisations for joint research and/or teaching and for the commercialisation of research.	385 agreements in place	357 agreements in place (comprising 156 agreements with existing partners, and 201 agreements with new partners)	Existing agreements reviewed, new agreements entered into as appropriate	383 agreements in place (comprising 172 agreements with existing partners, and 211 agreements with new partners) <sup>15</sup>
6.3	At least 25% of academic staff serving on government advisory boards and committees.	20.7%	34.8%	≥ 25.0%	27.0%
6.4	At least 50% of academic staff providing services to public sector departments, statutory authorities, agencies, boards, committees or inquiries, or to non-governmental organisations.	70.7%	73.9%	≥ 50.0%	74.2%
6.5	At least 50% of academic staff holding posts in an organisation or association relevant to their area of professional expertise.	73.2%	68.5%	≥ 50.0%	67.4%

All of the University's performance targets related to strengthening external engagement were again achieved. High levels of academic staff service underpinned this strong result; reflecting the University's enduring engagement with its local, national and international communities.

<sup>15</sup> KPI 6.2 shows the number of new agreements the University of Otago has entered into each year with partner organisations. To ensure clear alignment with the wording of the KPI target, the overall 2015 result is disaggregated (within brackets) to show the numbers of new agreements entered into with existing and with new partners. Research and Enterprise's data capture systems were modified and broadened over the 2012-2014 reporting period, making retrospective disaggregation of the 2012 and 2013 figures prohibitively complex and time intensive. The overall result for 2013 has thus been retained as historically reported, and can be compared to the overall results for 2014 and 2015.

## STRATEGIC OBJECTIVE SEVEN: SUSTAINING CAPABILITY

#	KEY PERFORMANCE INDICATORS	2013 Actual	2014 Actual	2015 Target	2015 Actual
7.1	Achieving or exceeding the following University and University Group EFTS enrolment targets. <sup>16</sup>	18,600 & 18,875	18,570 & 18,830	18,918 & 19,196	18,156 & 18,421
7.2	Achieving an operating surplus such that the moving five-year average is at least 2% of net assets (excluding extraordinary items).	2.3% of net assets	1.9% of net assets	≥ 2.0% of net assets	1.7% of net assets
7.3	Maintaining a liquid ratio of no worse than 1:1.	2.1:1	2.3:1	≥ 1:1	2.7:1
7.4	Ensuring that net interest paid is no greater than one third of the operating surplus.	0.7%	1.6%	≤ 33.3%	1.2%
7.5	Maintaining at least 50% of University income from diverse sources other than government grant funding.	56.3%	55.4%	≥ 50.0%	55.6%
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.	\$71.1 million (102.9%)	\$72.8 million (102.5%)	≥ 105.0% of 2013	\$75.5 million (103.6%)
7.7	Reducing energy use per m2 of floor space as measured by a three-year rolling average. <sup>17</sup>	3-year rolling average of 223.2 kWh/m <sup>2</sup>	3-year rolling average of 214.2 kWh/m <sup>2</sup>	≥ previous year	3-year rolling average of 211.2 kWh/m <sup>2</sup>
7.8	At least maintaining the number of academic staff undertaking research and study leave, as measured by a three-year rolling average.	133	146	≥ previous year	127

Given the tight fiscal environment, the University performed adequately against its capability imperative, with four of the nine performance targets in this area achieved, and another showing improvement against previous years. Despite falling short of the 5.0% target, the \$2.7 million increase in consulting, commercial and intellectual property income was a positive result. The continued reduction in energy use underscores the University's increased focus upon energy efficiency and sustainability. The causes of the shortfalls against EFTS targets, which are complex, are discussed in detail elsewhere in the annual report.

<sup>16</sup> University Group EFTS include those generated by Foundation Programmes operated by the University's wholly-owned Foundation Studies subsidiary.

<sup>17</sup> Floor space measured by gross area (Dunedin campus only).





## STATEMENT OF RESOURCES 2015

### Land, buildings and capital development

There was no change in the amount of land owned by, or held in Crown title for, the University. The University's net assignable floor space increased by 2,124m<sup>2</sup> (1.0%) in 2015 to 224,713 m<sup>2</sup>. The increase is largely represented by temporary space acquired to enable major capital projects to proceed.

The Campus Master Plan, produced in 2010, provides a framework to guide development of the University's three campuses. It is supported by the University's Priority Development Plan, which identifies specific, major capital projects planned over a 10-year period. The Priority Development Plan is updated and endorsed by the University Council on a periodic basis as projects are reviewed and approved.

In 2015 the University committed to significant capital projects which are now under design. These include a new clinical services wing for the Faculty of Dentistry, the renovation of the existing Science I Building and an upgrade to the Commerce Building. In the next few years other major projects that are programmed to progress include a research support facility for the Division of Health Sciences, a building for the Department of Music, a Property Services building and replacement facilities for leased space in Christchurch.

The Otago Regional Council Leith Lindsay Flood Protection Scheme continued throughout 2015 with work on the Clocktower reach being completed. These improvements align with a major upgrade to the Dunedin campus landscape along Castle and Union Streets.

### 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 2015 the library's printed collection contained 1,683,271 books, serial items and other materials (2014: 1,706,842). Electronic resources included 171,199 ejournals (2014: 164,304) and 744,321 accessible ebooks (2014: 672,789 – an increase of 10.6%). There were 4,388 seating places across the library system.

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 1,131,458 items. In 2015 more than 6,000 researchers accessed more than 24,000 collection items and over 4,000 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 39).

### Information technology

The volume of off-campus computer and telecommunications network traffic increased from 419,555 gigabytes in 2014 to 692,959 gigabytes in 2015 (an increase of 65.2%). 1,190 seating places were provided in student computer laboratories in 2015 (2014: 1,295), and 52,481 enquiries were processed through the Information Technology Services Service Desk (2014: 39,837). The key driver for this increase was a high number of requests for support around the new student management system, eVision. 140 million suspicious emails were blocked, with 45 million email messages subsequently sent on for delivery.

The University Network Upgrade Project and the University Wireless Network Expansion Project continued to progress well in 2015. Of the total 2,100km of fibre planned for installation in the ground, 1,792km (85.3%) was installed by 31 December 2015. A further 158km was installed in buildings and 1,065 wireless access points had been installed on campus by 31 December 2015, representing 38.7% of the total 2,750 to be installed.

Increased utilisation of the University's two central data centres resulted in the number of virtual systems increasing by 43.0% throughout 2015 and the unit costs of hosting services being decreased. High Capacity Storage volume consumption for 2015 was 966TB compared with 230TB in 2014, an increase of 320.0%.

Following the roll-out of the new student virtual desktop in 2014 (which allows students to access the desktop in a virtual environment anywhere, any time and on any device), a staff virtual desktop was rolled out at the University's Christchurch Campus in 2015. The virtual student desktop initiative won the Supreme Award at the 2015 Microsoft Tertiary ICT Innovation Awards.<sup>1</sup>

The popularity of Syncplicity Sync & Share (mobile access technology that allows access to files on multiple client devices) continued to climb, with 1,868 users in 2015, compared to 724 users in 2014.

Otago Capture, the University's lecture recording system, showed a massive increase in usage from 2014 to 2015, with 761,286 podcasts viewed using this service in 2015.

The University eWaste and eCycle Centre began operation in 2015. This exists to manage redundant University equipment through recycling or removing. By the end of December 2015, 2,295 items had been received by eWaste and eCycling, of which 64.7% (1,486) were able to be reused.

The University signed a collaboration and services agreement for the NeSI 2 high performance computing infrastructure and support system. NeSI (New Zealand eScience Infrastructure) is an unincorporated body, with investment from the University of Otago, the University of Auckland, the University of Canterbury, NIWA (the National Institute of Water and Atmospheric Research), Landcare Research, and the Ministry of Business, Innovation and Employment.

<sup>1</sup> The Microsoft Tertiary ICT Innovation Awards celebrate Information and Communications Technology excellence within the New Zealand tertiary education sector. The University's virtual desktop allows more than 20,000 students in over 30 countries to access learning applications and relevant University resources on their own PCs, laptops, smartphones and tablets – regardless of make – via a web browser. In addition to winning the Supreme Award, the virtual student desktop also won the Excellence in Technology Innovation category prize.

Uniprint, the in-house print facility for the University, printed approximately 15 million sheets of paper in 2015. An average of 88 campus courier deliveries were made per day, and a total of 20,000 deliveries made per year.

## Human resources

The number of staff employed by the University increased slightly in 2015 to total 3,803 in full-time equivalent (FTE) terms (2014: 3,788).

Overall, the number of academic and research-only staff increased by 8 FTE (0.5%) in 2015 to 1,619 (2014: 1,611), while the number of general staff increased by 7 FTE (0.3%) to 2,184 (2014: 2,177). Within the academic ranks, the number of professors increased by five FTE to 208, and the number of associate professors increased by seven FTE to 179 (7.2%). The number of senior lecturers decreased by 19 FTE (5.1%) to 357, while the number of lecturers decreased by three FTE (1.8%) to 164. The number of research-only staff on academic contracts increased by six FTE (1.4%) to 429.

The recruitment environment remained buoyant in 2015, with an average of 21.6 applications per academic staff position (2014: 28.2) and 32.6 applications per general staff position (2014: 33.3).

## Equal opportunities report 2015

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

The University sees that relationships with iwi and Māori providers are paramount for the success of Māori. 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 Ngāti Whātua, Waikato-Tainui and Ngāti Toa Rangatira. The University also has a number of memoranda of agreement with iwi, rūnanga and associated providers throughout New Zealand. A new memorandum was signed in 2015 with Ōnuku

Rūnanga in recognition of the longstanding relationship between the local mana whenua and the University.

The University of Otago's Māori Strategic Framework outlines the University's commitment to Māori advancement through a set of carefully articulated goals and strategies that seek to increase Māori student and staff participation and success in the tertiary education sector. The framework also gives shape to the University's partnerships with its primary Treaty partner, Ngāi Tahu, and with other iwi/Māori organisations. Continuing progress was made in 2015 towards achieving the Māori Strategic Framework's objectives. Progress was also made towards completing an update of the framework, which is set to be launched in 2016.

The Office of Māori Development is responsible for allocating the Māori component of Tertiary Education Commission Equity Funding to support University-wide initiatives that contribute to the recruitment, retention and success of Māori students. Funded projects included the Science Wānanga programme, recruitment into Health Sciences, the Building Māori Law Leaders programme, Māori entrepreneurial programmes, the provision of Māori scholarships, and supporting kaiāwhina positions within academic and service divisions.

The Ngāi Tahu Research Consultation Committee was again busy in 2015, considering all research proposals at the University and providing advice on research that could impact on Māori within the Otago region and beyond.

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.

The Pacific component of Equity Funding was awarded to a variety of initiatives in support of Pacific student success.

## Summary staff profile

	2015	2014	2013	2012	2011
<i>Full-time Equivalent (FTE) Teaching and Research Staff</i>					
Females	522	512	509	496	491
Males	668	676	670	666	669
<b>Total</b>	<b>1,190</b>	<b>1,188</b>	<b>1,179</b>	<b>1,162</b>	<b>1,160</b>
<i>Full-time Equivalent (FTE) Research-Only Staff (excludes general research-only staff)</i>					
Females	246	240	243	244	266
Males	182	183	178	170	189
<b>Total</b>	<b>429</b>	<b>423</b>	<b>420</b>	<b>414</b>	<b>455</b>
<i>Full-time Equivalent (FTE) General Staff</i>					
Females	1,403	1,407	1,402	1,409	1,385
Males	781	770	750	771	748
<b>Total</b>	<b>2,184</b>	<b>2,177</b>	<b>2,152</b>	<b>2,180</b>	<b>2,133</b>
<b>Total Staff</b>	<b>3,803</b>	<b>3,788</b>	<b>3,752</b>	<b>3,755</b>	<b>3,749</b>



## Equal educational opportunities

The University is committed to eliminating unnecessary barriers to the admission and progress of students. Key elements of its strategy in this area are support and recruitment initiatives for students from groups which are under-represented within the institution and who may be disadvantaged in terms of their ability to attend university. Three groups to which the University gives particular focus are Māori students, Pacific students and students with disabilities.

The University's package of targeted scholarships and awards was continued, with 97 Māori and Pacific Island Entrance Scholarships awarded to students commencing in 2015 (up from 63 in 2014) and a further 11 awarded to students who have deferred commencement until 2016.

## Māori

The number of Māori students enrolled at Otago dropped slightly from 1,776 in 2014 to 1,759 in 2015. As a proportion of the University's total domestic student EFTS, however, Māori student EFTS increased to 9.9% (from 9.7% in 2014); an all-time high.

In 2015 73.9% of first-year Māori students at the University passed at least two thirds of the academic credits for which they had enrolled, up from 67.3% in 2014. This increase was especially pleasing and reflects the high priority the University has placed on this area.

353 Māori students successfully completed qualifications in 2015; a decrease from 2014 (392). The drop in completions centred upon undergraduate qualifications, which decreased from 299 in 2014 to 257 in 2015. This drop mirrored a University-wide pattern, which was partly a pipeline effect of the lower intake of first-year students in 2011. Against this, Māori postgraduate completions increased slightly from 93 in 2014 to 96 in 2015.

Te Huka Mātauraka, the Māori Centre, experienced a significant increase in the number of new and returning Māori students accessing its academic, cultural and counselling services. Te Huka Mātauraka's services include supporting Māori students with transition into the University, with their degree-level study, academic advancement and celebrating their success. The centre's work was supported by the Schools' Liaison officer, Kaituitui Ratonga Māori (Māori Resources Librarian) and staff, and divisional kaiārahi.

Turaka Hou is a comprehensive academic orientation programme run by Te Huka Mātauraka to welcome first-year Māori students to the University. Attendance of the programme increased by 21.0% in 2015, and many favourable responses were received from students, parents and whānau.

The centre's academic programme has seen substantial increases in student attendance and the number of tutorials provided, and strong uptake of the "SeeTheSolutions" online tutorial programme. 2015 saw a high number of Māori students gain entry into the Division of Health Sciences' and the School of Law's professional courses, and a majority of these students had used the centre's academic support programmes.

The Kā Rikarika ā Tāne mentoring programme continued in 2015. In the programme, which has been running for 10 years, senior student (tuākana) volunteers mentor new students throughout their first year of study.

Special recognition of the academic achievement of Māori students was given in pre-graduation ceremonies, with a strong increase in the numbers of graduands, whānau and staff attending in 2015. The centre continued to support Te Tumu's Māori Studies 120 ("Introducing the Māori World") and to participate in and assist at Māori pre-graduation ceremonies.

In 2015 the Māori Centre celebrated 25 years of providing support to Māori students and staff at the University of Otago. The achievements of former students are testimony to the centre's dedicated staff and this was acknowledged often throughout the celebrations. In attendance were past staff, past Te Roopu presidents and members, alumni and the local community. Ehara taku toa i te toa takitahi, engari he toa takitini: Success is not the work of one, but the work of many.

Each of the University's four academic divisions provided tailored support for Māori students in 2015. The aim of this work was to complement the role of the Māori Centre and to provide course-relevant and responsive support around academic pathways and outcomes.

The Division of Commerce/Otago Business School has numerous initiatives aimed at inspiring Māori students, as well as support mechanisms in place to ensure Māori students are provided with the best opportunities to succeed.

The school's Manutaki Tuarua Māori (Associate Dean Māori) provides leadership and strategic advice, with a particular focus on excellence in Māori and indigenous business education, teaching and research. In collaboration with the Māori Centre's Kā Rikarika ā Tāne co-ordinator and Te Tai Tuarā (the Commerce Māori Students' Association), the school is establishing a mentoring programme for its Māori students. A number of research projects that aim to improve Māori students' experience in commerce are also being undertaken.

The Business School's Kaiārahi Māori delivers dedicated academic support and mentoring for Māori students, supported by a network of departmental kaiāwhina Māori. An early intervention programme continues to provide targeted assistance, particularly for those in their first year of study. 79.9% of the school's first year BCom Māori students passed at least two thirds of their papers in 2015, well ahead of the University's overall rate for first-year Māori students (73.9%).

"He Kākano", the school's experiential kaupapa Māori enterprise programme for business starters, has been further developed this year into a Special Topic paper for Summer School in 2016.

"Biz4Taiohi: Inspiring Māori Student Futures", an interactive and informative half-day programme, was offered again in 2015. Twenty eight Year-12 and -13 Māori students from six secondary schools across Dunedin participated in the programme (twice as many as the previous year), the purpose of which was to expose these students to the world of business and innovation from a kaupapa Māori perspective.

The Business School continued its longstanding and ongoing relationship with Te Kupeka Umaka ki Araiteuru (KUMA, the Southern Māori Business Network), which celebrated its 10th anniversary in August 2015.

The Division of Health Sciences continued to achieve excellent outcomes through initiatives aimed at the recruitment, achievement and retention of Māori students. Across the

division Māori student numbers have been growing and, in 2015, there were 125 Māori students in Health Sciences First Year (HSFY), over 250 studying in undergraduate health professional degrees, more than 160 in other undergraduate health sciences degrees and over 100 in postgraduate study.

The division's Māori Health Workforce Development Unit (MHWDU) provided a range of services for Māori students within the division, including Te Whakapuāwai, a programme focused specifically on supporting academic achievement among Māori students studying in their first year of health sciences. There was a high level of participation by Māori students in 2015 and student academic achievement was very positive. Over 80 Māori students gained entry into competitive health professional programmes in 2016, the highest number yet achieved.

The Te Ara Hauora programme continued to enhance pathways into health sciences through recruitment, outreach and science engagement activity. Successful programmes

included the Year-13 student programme REACH (Realising Educational Aspirations for Careers in Health). REACH brought a group of 25 Māori students from all over New Zealand to Otago for three days; engaging students in study while providing advice and guidance for future pathways at the University. The return rate to Otago is high from this programme, with around 75.0% proceeding to enrol at Otago. In addition, 40 Year-9 to Year-11 Māori students attended the Te Rauawa o te Pahi and Rangatahi o te Moana programmes that were run as part of a partnership with Ōtākou Marae, Marine Studies and the MHWDU.

MHWDU's programmes reached over 600 Māori students within the University in 2015. The 18 students in Tū Kahika excelled academically and all are expected to return to the University in 2016. Tū Tauira Hauora is the fourth Division of Health Sciences support programme and this supports the achievement, retention and professional development of Māori students in health sciences professional programmes and degrees. Retention and completion rates are in excess of 97.0%.

## Iwi to which students affiliated

Affiliation	2015		2014		2013		2012		2011	
	first	all	first	all	first	all	first	all	first	all
Ngāi Tahu / Kai Tahu	382	442	396	455	386	439	394	453	381	438
Ngāpuhi	211	280	216	285	207	277	177	242	192	254
Ngāti Porou	139	218	147	226	117	177	125	178	134	183
Tainui	69	124	84	137	85	139	71	118	64	108
Don't know	53	58	56	62	44	48	33	35	30	33
Ngāti Maniapoto	50	84	44	74	57	83	56	77	50	68
Ngāti Tūwharetoa	50	90	52	90	41	75	41	75	39	71
Ngāti Kahungunu ki Te Wairoa	45	76	47	81	32	69	34	66	34	58
Ngāti Awa	35	52	28	51	30	50	30	53	30	51
Ngāti Kahungunu, region unspecified	35	52	32	52	29	45	33	48	35	56
Te Atiawa (Taranaki)	34	59	31	58	39	67	44	72	42	72
Ngāti Kahungunu ki Heretaunga	31	44	29	44	28	43	25	39	27	41
Te Arawa	30	56	35	60	29	54	25	48	23	42
Tūhoe	28	64	26	62	22	61	23	67	25	62
Ngāti Kahungunu ki Wairarapa	27	38	23	38	21	35	24	37	22	35
Te Rarawa	27	55	24	61	26	57	22	45	24	47
Ngāti Raukawa (Horowhenua/Manawatū)	25	38	32	46	34	51	34	52	33	48
Ngāti Raukawa, region unspecified	22	33	17	28	18	22	9	17	9	18
Taranaki	22	34	20	31	20	27	15	20	12	17
Whakatōhea	21	33	16	33	17	33	14	33	15	31
Ngāti Whātua	20	37	23	38	14	29	11	25	12	26
Te Atiawa	20	30	11	18	10	16	7	9	6	9
Te Ati Haunui-a-Pāpārangi	18	26	18	29	14	27	17	31	7	21
Ngāiterangi	17	29	21	40	15	29	19	35	20	33
Ngāti Raukawa (Waikato)	16	28	16	30	19	33	19	34	19	37
Other	332	797	332	814	328	765	356	773	377	803
Total	1,759	n/a	1,776	n/a	1,682	n/a	1,658	n/a	1,662	n/a

In 2015 the Division of Humanities continued its early intervention project to assist new students. The division also continued its support of the Humanities Māori Students' Association Roopu. Among other things, the roopu held pre-exam study nights and social events to grow whakawhanaungatanga within the division and with other Māori student roopu (including Te Roopu Māori). Students were also supported by divisional and departmental kaiāwhina Māori, and through various hui and workshops. The division awarded bridging scholarships to help Māori students transition from undergraduate study to postgraduate research.

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 uses a network of kaiāwhina embedded in science departments and the wider science community to offer support for its Māori students studying.

For 2015 foci were first-year students and students on conditional enrolment. Early intervention projects were based on students' Semester One internal work and on their final results for Semester One. There was a 6.3% increase in Māori first-year pass rates within the Division of Sciences following these initiatives.

Te Rōpū Pouātaiao, the Māori Sciences Students Association, was resourced to provide academic and social activities that enhanced the experience of Māori science students and supported their success. The division also supported Māori students into postgraduate study by providing matched funding for summer studentships; through this, giving Māori students research experience over the summer.

The Division of Sciences recognises the importance of early engagement of Māori in the sciences for their successful pursuit of sciences at tertiary level. Sciences Outreach comprises a wide ranging and carefully tailored approach to the wider Māori community. Te Huka Mātauraka Whakahou Matauranga, the Dunedin youth at risk programme, provides students with positive educational interaction within sciences. The Chemistry Outreach Group works specifically with the Te Kura Kaupapa Māori o Ōtepoti to include science in their curriculum, while Pūtaiao ā-ringā (Hands-On Science) promotes science to Year-11 and Year-12 students. Pūtaiao ā-ringā supported a strong cohort of 55 Māori students (23.0% of the intake) in 2015. Te Kohanga Pūtaiao o Te Whare

Wānanga o Otago (Otago University Advanced School Sciences Academy) promotes academic achievement in science for Year-13 Māori students, with 20.0% of their 2015 intake being Māori. The Science Wānanga Programme developed new relationships with Te Rūnanga o Ngai te Rangi of Tauranga, where 37 Year-10 and Year-11 students participated in projects on water chemistry, resource management and hauora Māori on Maungatapu Marae. Wānanga were also held with Te Taiwhenua o Heretaunga on Houngarea Marae and Kati Huirapa Rūnaka ki Puketeraki on Puketeraki Marae.

The division supports a stepping stone or pathway process through outreach so that students can "step" through from attending Science Wānanga, to Hands-On Science, then to Otago University Advanced School Sciences Academy to support their continued development of science knowledge and confidence.

## Pacific peoples

Another rise in the number of first-year Pacific enrolments pushed total Pacific enrolments at Otago to an all-time high of 804 students (2014: 751). Proportionally, Pacific students increased to another all-time high, at 4.2% of total domestic student EFTS (2014: 3.9%).

120 Pacific students successfully completed qualifications in 2015, down from 2014 (142 completions). This drop was dominated by a decrease in undergraduate completions, which mirrored the overall pattern at the University – the pipeline effect discussed elsewhere.

63.3% of first-year Pacific students at the University passed at least two thirds of the academic credits for which they had enrolled, up from 54.6% in 2014.

The University's Pacific Islands Centre continued an extensive programme of academic and pastoral support services in 2015. Services included the provision of academic advice and counselling, a range of supplementary tutorials, and academic mentoring via the Taimane one-on-one mentoring programme; the Pacific Postgraduate Reference Group – which provides postgraduate seminars and symposia; supervised study nights; and the Dare to Succeed local secondary school homework programme.

Other initiatives and activities included Le Moana Action Group (a collaboration between the centre and academic

## Services provided by the Pacific Islands Centre

	2015	2014	2013	2012	2011
Registered with the centre	792	742	667	661	702
Extra tutorials	88	79	64	58	72
Career advisory services seminar	9	11	9	4	4
Student course advice contacts	4,100	3,084	1,795	739	366
Pacific postgraduate seminars	11	12	15	13	10
Student gatherings	181	177	141	92	31
Community meetings/consultation	148	124	55	54	23
Community functions attended	83	76	98	74	41
Student counselling contacts	1,094	983	588	391	138

divisions to co-ordinate Pacific student support services across the University); community outreach to prospective students and their communities, the Pacific On-Campus Experience 2015, and community fono and events; and a number of scholarships targeted at Pacific student recruitment.

The Fofoa Accommodation Scheme, which was initiated in 2014, ran again in 2015 and provided supported flatting accommodation for Pacific first-year students near the Dunedin campus. Results for students in the 2015 Fofoa intake were very encouraging, with the entire 2015 cohort completing a full year of study and achieving an overall academic pass rate of 77.8% (compared with 55.6% in 2014).

Performance data show the centre increased provision of support across a majority of its activities in 2015. The number of student consultations for academic advice and pastoral care increased to an all-time high of 4,100 (the previous high being 3,084 in 2014).

Each of the University's four academic divisions provided tailored support for Pacific students in 2015. This work complements the role of the Pacific Islands Centre and provides course-relevant, responsive support that engages with students around academic pathways and outcomes.

The Divisions of Humanities and Commerce continued to run the Early Intervention Programme in 2015. The procedures and processes of this programme are now more closely aligned across the two divisions, allowing a collaborative approach to support that has resulted in marked improvements in the academic performance of first-year Pacific students.

The Pasifika Numeracy and Literacy Pilot Project, a joint pilot project targeting first-year Pacific students, was introduced in 2015. Enrolled students completed a TEC numeracy and literacy diagnostic online assessment that served to identify "at risk" Pasifika students, who were then offered advice, support and tailored interventions to assist them with meeting their academic goals.

The Division of Health Sciences has Pacific leadership across all campuses with Associate Dean (Pacific) positions at a divisional level in the Dunedin School of Medicine, at the University of Otago, Wellington campus, and the University of Otago, Christchurch campus. These positions, alongside support from other leaders in the division, continue to foster the growth and development of Pacific students and staff in health sciences.

The Pacific Islands Research and Student Support Unit (PIRSSU) continued to run a comprehensive support programme to assist first-year students in their transition to tertiary education. PIRSSU also continued to support senior Pacific students studying in professional and allied health programmes and the Otago School of Medical Sciences with various academic and mentoring initiatives.

In 2015 the Health Sciences First Year programme enrolled 106 students who identified as Pacific. There was improved performance among this cohort with over 50.0% of students passing all four papers in the first semester, compared to just over 30.0% in 2014. Among senior students, over 90.0% passed their papers in the health professional and allied health programmes, and 60.0% passed their papers in the Otago School of Medical Sciences (OSMS) and were able to progress

to their next year of study. At the end of 2015, for the first time ever at Otago, the percentage of Pacific students offered places in the medical programme mirrored the percentage of Pacific peoples in our New Zealand population (8.0%).

In 2015 there was significant success in Pacific research with 20 Pacific students being offered Health Research Council scholarships.

The Pacific Foundation Programme, which operates through the University's Foundation Studies subsidiary, ran for its fourth year in 2015, with 17 students being offered a scholarship. Of the 43 students who have completed the programme since its inception in 2012, 31 have continued on to health-related undergraduate study.

The Division of Sciences had 35.0% of all Pacific Islands students enrolled at the University of Otago in 2015; the largest cohort of Pacific Islands students in any division. The division appointed a Pacific Support person for the first time in 2015 and implemented an early intervention programme.

Through the new appointment, the Division of Sciences supports Pacific students who have commenced their degree in the division, and also supports the large number of Pacific students that move into the Division of Science after their first semester in the Division of Health Sciences. Managing this transition is essential to ensuring student retention and success in the Division of Sciences.

The Sciences Pacific Support person also contributed to the wider University community as a member of the Pacific Postgraduate Reference Group and the Le Moana Action Group, in addition to working directly with the Pacific Islands Centre.

The Division of Sciences recognises the importance of early engagement of Pacific Peoples in science for their success in sciences at a tertiary level. Sciences Outreach, in the form of Hands-On Science, supported a cohort of 16 Year-11 and Year-12 Pacific students (6.6% of their intake), while the Otago University Advanced School Sciences Academy, which promotes academic achievement in science for Year-13 students from rural and low-decile schools, supported six Pacific students in 2015 (10.0 % of their intake).

## Disabilities support

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

In 2015, the University enrolled 1,203 students who identified as having a disability affecting study (2014: 1,076). Support in the form of learning assistance and/or special equipment requiring a specific financial commitment was provided to 669 students with disabilities in 2015 (2014: 546). 1,340 instances of support were provided in the form of note-taking, assistance with examinations, tutoring, transcription or typing (2014: 1,338), along with many hours of individual consultations provided by a team of trained advisors. The number of student contacts totalled 21,416 in 2015; an increase of 5.1% over 2014 (20,385).

## Learning assistance support for students with disabilities

	2015	2014	2013	2012	2011
Note-taking	506	497	342	290	235
Tutoring	341	310	255	182	164
Transcription/typing	3	3	1	1	3
Reader	1	1	0	0	0
Assistant	3	3	1	0	2
Examination arrangements	486	524	614	335	278
Scanning	0	0	0	0	0
Other	238	292	273	156	120

Disability Information and Support (DI&S) hosted various conferences and workshops in 2015 (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.

Despite being very busy providing learning support services, the team also completed a number of enhancements and improvements to its processes, systems and facilities, including implementing an SMS reminder system for student appointments, overhauling all DI&S Business Objects reports, making a number of DI&S Database fixes, trialling the use of University Blogs with the peer note-taking service and updating the main DI&S student study room to increase capacity.

### Equal employment opportunities

In 2015 the number of women in senior academic positions (senior lecturer and above) increased by 6 FTE (2.2%) to 281 FTE staff. Women comprised 37.4% of all staff at this level (2014: 36.4%).

Within these totals the number of women professors has increased from 26 to 42 (61.5%) in the past five years. Women now comprise 20.2% of professors, compared to just 13.9% in 2011. The number of women associate professors has increased by 44.9%, from 49 to 71 individuals in the past five years. Women now comprise 39.7% of our associate professors, compared to 31.2% in 2011.

Women comprise 64.2% of the University's FTE general staff. While this percentage has not changed significantly in recent years, the number and proportion of women in our senior professional (general) staff positions has increased markedly: women now comprise 42.9% of our senior managers, compared to just 28.1% in 2011.

The Women's Professional Development Programme was run again in 2015 and the University continued its support of the Universities New Zealand Women in Leadership Programme, sending eight senior women to the programme in 2015.

The Professional Development Programme promoted diversity and inclusivity through the following workshops: 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; and Pacific Awareness. The Pacific Awareness workshop was held twice. Diversity topics were also included in the two main programmes delivered by Professional Development: The Essential Management Programme and Supervisory Skills.

In 2015 the Higher Education Development Centre offered three Introduction to the Treaty of Waitangi workshops – two in Dunedin and one in Wellington – and two Advanced Treaty of Waitangi workshops. Two Policy for Research Consultation with Māori workshops were also run.

### Other staff support initiatives

Vault, the University's online health and safety management system, continued to be rolled out across the University in 2015. Changes to health and safety legislation created interest in health and safety at all levels of the University throughout the year, with a consequent increase in training requests and attendance. Health and Safety Team-approved contractors came online in 2015 with over 1,000 contractors receiving Health and Safety Team inductions throughout the year. Reporting of incidents and near misses continued to increase, and this allowed investigation and management of hazards before injuries occurred. Due to the number of on-site construction projects currently in progress, a construction health and safety manager and administrator were appointed in 2015 to assist with contractor and construction-related health and safety matters.

Health and safety management systems remained at tertiary level following the external ACC audit. The number of staff flu vaccinations increased during 2015 and the Employee Assistance Programme continued to be utilised by staff.

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

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 14 in all, appears in the Statement of Accounting Policies on page 75 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 361 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 Trustees.

The investment objectives of the Foundation 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 Foundation Trust have achieved an average return of 7.0% 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.

#### 2015 achievements

The net investment return for the 2015 year was 8.0% (2014: 11.4%). The total fund value as at 31 December 2015 was \$192.7 million (2014: \$184.6 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 innovative and highly successful 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 so they can proceed to study at Foundation Year and at the University.

#### 2015 achievements

In 2015 the Foundation Year provided academic tuition to 316 individual domestic and international students, generating 265 EFTS enrolments. This was 1.5 % (4 EFTS) higher than for 2014 (261 EFTS). The increase was centred upon domestic enrolments which increased from 136 EFTS (2014) to 162 EFTS (2015) – an increase of 26 EFTS or 19.1%. This increase was, however, offset by a decrease in international EFTS, which dropped from 125 EFTS (2014) to 103 EFTS (2015) – a decrease of 22 EFTS or 17.6%. The major contributor to this decline was a significant decline in Saudi Arabian scholarship students.

The Language Centre had 120 EFTS in 2015, an 18.9% decrease from 2014 (148 EFTS). Again, the major contributor to this decrease was a significant decline in Saudi Arabian scholarship students.

FSL generated an overall operating surplus of \$195k for the year, which was 56.8% lower than 2014 (a surplus of \$451k). The drop in the surplus reflected the decrease in full-fee international enrolments.

## 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 \$50,000 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.

The Otago Innovation Proof of Concept Grant competition was contested by a record 26 entries in 2015 (18 in 2014). The winners were Drs Phil Heyward and Alex Tupps who have discovered plant extracts with the ability to lower blood glucose levels in diabetic mice.

### 2015 achievements

The number of commercial opportunities presented to Otago Innovation was 41 in 2015, down from 51 in 2014, though ahead of 2013 (28). There were several other highlights in addition to those noted above, including two new spin out companies: Upstream Medical Technologies Ltd – formed in 2015 to commercialise a suite of diagnostic markers developed at the Christchurch School of Medicine; and Chitogel Ltd – formed in 2015 to commercialise an ear, nose and throat (ENT) surgical gel developed by the Department of Chemistry. Another company, Quitta, was formed in Sydney but is yet to commence trading. Several licences were agreed with pharmaceutical and diagnostic companies worldwide.

## New Zealand Genomics Limited

### Overview

Genomics underpins economic development in New Zealand's biological economy through horticultural, agricultural and human health research endeavour. Examples of application include improvement in human health research, improvements in the dairy, sheep and seafood industries, and improvements in 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 projects, analytical and bioinformatics support, and data storage and sharing.

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.

Developing genomic human capital is a key focus for NZGL 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 contributor in the genomics space.

The NZGL genomics infrastructure is delivered as a collaboration involving the University of Otago, the Crown, the University of Auckland, Massey University and NZGL itself. Over the 10-year period of the NZGL project, services to the science community will be supported by significant Crown funding and co-investment from collaborating Universities including the University of Otago.

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.

### 2015 achievements

In 2015 NZGL agreed 277 service agreements with clients from across the country. This compares with 274 service agreements in 2014. NZGL made available a genomics infrastructure worth \$5.8 million to the community, and services valued at \$4.7 million were contracted (2014: \$5.9 million; \$5.0 million). The total billed amount to clients was \$2.8 million (2014: \$2.8 million).

NZGL also assisted with the development of genomics research capability amongst scientists across New Zealand. The University of Otago-provided infrastructure alone has contributed to 240 publications since NZGL was formed. NZGL also supports researchers in grant applications, experimental design and reaching publication. As a network, NZGL ran 50 workshops and seminars to promote the use of genomics. NZGL worked alongside principal investigators in the following sectors: Health 1.0%, private companies 1.0%, industry groups 3.0%, CRIs 29.0%, research institutes 4.0% and universities 62.0%. Outcomes thus included academic, industry and public good deliverables.

NZGL attracted media coverage for its role in conservation and taonga genetics, biosecurity and "big data", and facilitated discussion in health genomics.

## FINANCIAL REVIEW 2015

The University's final enrolment for 2015 was a total of 18,421 equivalent full-time students (EFTS), and included 265 EFTS enrolled in the University's Foundation Studies subsidiary. This was a decline of 410 EFTS (2.2%) compared to 2014.

The main cause of this decline was a reduction in first-year domestic recruitment. This reduction, which came after three successive years of first-year growth, was due to a sharp reduction in the number of school-leavers securing University Entrance, a buoyant labour market and intensifying competition among universities for students.

There was an additional, smaller decline in international numbers, which was due to the pipeline impact of the winding down of a number of contracts with overseas governments for professional degrees.

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 \$32.6 million for the year, \$6.9 million (27%) higher than the budget. The surplus was almost unchanged from last year's Group surplus of \$33.0 million. This surplus represented a return of 5.0% on revenue of \$656.2 million and 1.9% on equity of \$1.7 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 \$21.4 million which was \$2.5 million (13.5%) higher than budget. The favourable result against budget was mostly as a result of additional investment income. Capital expenditure was lower than planned in 2014 leading to higher cash balances than budgeted.

The University of Otago Foundation Trust achieved an operating surplus of \$9.1 million for the year, which was \$2.9 million (47.3%) higher than budget. The diversified investment portfolio of the Trust continued to produce good returns with a net return on investment for the year of 8%. The average net return over the last 10 years was 7%.

Other Group entities produced a surplus of \$0.5 million for the year, which achieved budget.

Total cash flow for the Group for the year was a net inflow of \$0.5 million compared to a budgeted outflow of \$0.6 million mainly due to increased externally-funded research income received in advance by the University.

The Group continued to invest heavily in fixed assets, although the cash outflow for capital expenditure of \$61.2 million for the year was \$23.6 million lower than budget. Construction of the sciences laboratory redevelopment project is underway and demolition and decant works for the Dental School redevelopment are progressing. Several other significant building projects from the University's Priority Development Plan are in the design phase and capital works expenditure is expected to significantly increase from 2016 onwards.

To fund these projects the University has intentionally accumulated cash over several years and now has \$140.8 million in hand at year end made up of bank balances and term deposits. This is a planned strategy to limit borrowing during the construction period.

Total assets for the Group were \$1.9 billion for the year, an increase of \$44.8 million over 2014, due to a net increase of fixed assets of \$4.0 million, an increase in investments of \$13.7 million and an increase in current assets of \$27.1 million.

Expenditure controls introduced across the University have contributed to the strong financial results for 2015, outcomes that are particularly pleasing given the challenges posed by no enrolment growth and the constrained funding environment.

The careful management of cash flows will be essential over the next decade to ensure the University has the cash available to fund the major projects on the Priority Development Plan.

**SHARON VAN TURNHOUT**  
Chief Financial Officer

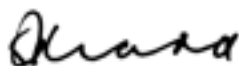
## STATEMENT OF RESPONSIBILITY

.....

### 2015 Financial Statements

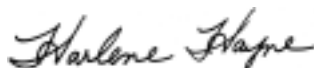
1. The Council and management of the University of Otago accept responsibility for the preparation of the annual financial statements and the Statement of Service Performance and the judgements used in them;
2. The Council and management of the University of Otago accept responsibility for establishing 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 2015 fairly reflect the financial position and operations of the University of Otago.

Chancellor



12 April 2016

Vice-Chancellor



12 April 2016



# STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 31 December 2015

		Consolidated			University		
	<i>Note</i>	<b>Actual 2015 \$'000</b>	<b>Budget 2015 \$'000</b>	<b>Actual 2014 \$'000</b>	<b>Actual 2015 \$'000</b>	<b>Budget 2015 \$'000</b>	<b>Actual 2014 \$'000</b>
<b>REVENUE</b>							
Government grants	5	224,580	226,225	219,792	223,107	225,217	218,788
Tuition fees		146,999	153,276	145,359	141,980	147,393	139,872
Trust donations		3,037	958	4,746	-	-	-
Investment revenue	7	25,998	21,530	28,001	8,684	6,903	7,195
Externally-funded research		92,130	85,773	86,216	91,353	84,971	85,471
Performance-Based Research Funding	4	58,035	58,335	55,664	58,035	58,335	55,664
Distributions from trust funds		-	-	-	8,361	8,112	8,031
Consulting and commercial revenue	4	82,147	77,025	75,520	77,828	75,056	75,042
Sale of intellectual property		491	628	518	244	199	68
Other revenue		22,800	21,324	21,949	23,203	20,605	21,456
<b>Total Revenue</b>	<b>4</b>	<b>656,217</b>	<b>645,074</b>	<b>637,765</b>	<b>632,795</b>	<b>626,791</b>	<b>611,587</b>
<b>EXPENDITURE</b>							
Salaries – academic		205,852	201,375	199,560	204,093	199,307	197,235
Salaries – general		155,125	152,012	151,242	151,642	150,882	148,127
Staff-related costs		23,437	21,892	23,984	23,232	21,646	23,790
Consumables and general		110,050	114,697	107,362	103,722	107,168	104,419
Depreciation and amortisation expense	6,13,14	60,669	57,266	56,314	60,444	57,040	56,112
Occupancy costs		36,562	38,162	33,925	36,443	38,457	33,833
Scholarships		31,251	33,037	31,559	31,272	32,871	31,392
Finance costs	7	62	198	318	251	154	259
Other expenses	6	588	711	549	319	433	277
<b>Total Operating Expenditure</b>		<b>623,596</b>	<b>619,350</b>	<b>604,813</b>	<b>611,418</b>	<b>607,958</b>	<b>595,444</b>
<b>Surplus/(Deficit)</b>		<b>32,621</b>	<b>25,724</b>	<b>32,952</b>	<b>21,377</b>	<b>18,833</b>	<b>16,143</b>
Other comprehensive revenue		-	-	183,218	-	-	183,399
<b>Total Comprehensive Revenue and Expense</b>		<b>32,621</b>	<b>25,724</b>	<b>216,170</b>	<b>21,377</b>	<b>18,833</b>	<b>199,542</b>
<b>Total Comprehensive Revenue and Expense attributable to:</b>							
University of Otago Group		32,633	25,724	216,170	21,377	18,833	199,542
Non-controlling interest		(12)	-	-	-	-	-
		<b>32,621</b>	<b>25,724</b>	<b>216,170</b>	<b>21,377</b>	<b>18,833</b>	<b>199,542</b>

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

# STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

		Consolidated			University		
		Actual 2015 \$'000	Budget 2015 \$'000	Actual 2014 \$'000	Actual 2015 \$'000	Budget 2015 \$'000	Actual 2014 \$'000
	Note						
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and cash equivalents	8	14,882	12,076	14,377	6,251	5,000	4,183
Trade and other receivables and prepayments	10	36,435	25,986	31,346	35,436	24,921	30,161
Other financial assets	11	137,860	99,875	116,510	116,370	100,743	101,859
Inventories	9	912	976	785	907	976	784
<b>Total Current Assets</b>		<b>190,089</b>	<b>138,913</b>	<b>163,018</b>	<b>158,964</b>	<b>131,640</b>	<b>136,987</b>
<b>Non-current Assets</b>							
Investments accounted for using the equity method	24	3,001	2,875	2,797	-	-	-
Share in subsidiaries	12	-	-	-	7,786	7,786	7,786
Other financial assets	12	206,456	204,083	192,982	57,658	39,728	44,340
Property, plant and equipment	13	1,492,621	1,361,266	1,491,576	1,370,568	1,238,860	1,369,333
Intangible assets	14	30,071	4,126	27,062	28,788	4,115	27,000
<b>Total Non-current Assets</b>		<b>1,732,149</b>	<b>1,572,350</b>	<b>1,714,417</b>	<b>1,464,800</b>	<b>1,290,489</b>	<b>1,448,459</b>
<b>Total Assets</b>		<b>1,922,238</b>	<b>1,711,263</b>	<b>1,877,435</b>	<b>1,623,764</b>	<b>1,422,129</b>	<b>1,585,446</b>
<b>LIABILITIES</b>							
<b>Current Liabilities</b>							
Trade and other payables and accruals	15	50,826	47,742	48,541	52,750	49,301	50,293
Employee entitlements	16	46,359	46,990	44,999	46,158	46,754	44,803
Deferred income	17	49,379	38,596	42,382	41,994	30,949	30,179
<b>Total Current Liabilities</b>		<b>146,564</b>	<b>133,328</b>	<b>135,922</b>	<b>140,902</b>	<b>127,004</b>	<b>125,275</b>
<b>Non-current Liabilities</b>							
Employee entitlements	18	36,167	34,330	34,853	36,167	34,330	34,853
Loans	19	700	647	624	-	-	-
<b>Total Non-current Liabilities</b>		<b>36,867</b>	<b>34,977</b>	<b>35,477</b>	<b>36,167</b>	<b>34,330</b>	<b>34,853</b>
<b>Total Liabilities</b>		<b>183,431</b>	<b>168,305</b>	<b>171,399</b>	<b>177,069</b>	<b>161,334</b>	<b>160,128</b>
<b>Net Assets</b>		<b>1,738,807</b>	<b>1,542,958</b>	<b>1,706,036</b>	<b>1,446,695</b>	<b>1,260,795</b>	<b>1,425,318</b>
<b>EQUITY</b>							
Accumulated funds	20	964,820	943,070	932,187	672,846	660,907	651,469
Other reserves	20	773,849	599,888	773,849	773,849	599,888	773,849
Total equity attributable to the University		<b>1,738,669</b>	<b>1,542,958</b>	<b>1,706,036</b>	<b>1,446,695</b>	<b>1,260,795</b>	<b>1,425,318</b>
Minority interest		138	-	-	-	-	-
<b>Total Equity</b>		<b>1,738,807</b>	<b>1,542,958</b>	<b>1,706,036</b>	<b>1,446,695</b>	<b>1,260,795</b>	<b>1,425,318</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 2015

	<i>Note</i>	Consolidated			University		
		Actual 2015 \$'000	Budget 2015 \$'000	Actual 2014 \$'000	Actual 2015 \$'000	Budget 2015 \$'000	Actual 2014 \$'000
<b>Balance at 1 January</b>		<b>1,706,036</b>	<b>1,517,234</b>	1,489,866	<b>1,425,318</b>	<b>1,241,962</b>	1,225,779
Total comprehensive revenue and expenses previously reported		<b>32,621</b>	<b>25,724</b>	216,170	<b>21,377</b>	<b>18,833</b>	199,542
Capital injection from non-controlling interest		<b>150</b>	-	-	-	-	-
<b>Balance at 31 December</b>	<b>20</b>	<b>1,738,807</b>	<b>1,542,958</b>	<b>1,706,036</b>	<b>1,446,695</b>	<b>1,260,795</b>	<b>1,425,318</b>
University of Otago Group		<b>32,633</b>	<b>25,724</b>	216,170	<b>21,377</b>	<b>18,833</b>	199,542
Non-controlling interest		<b>(12)</b>	-	-	-	-	-
<b>Total Comprehensive Revenue</b>		<b>32,621</b>	<b>25,724</b>	<b>216,170</b>	<b>21,377</b>	<b>18,833</b>	<b>199,542</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 2015

### 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 2015

		Consolidated			University	
		Actual	Budget	Actual	Actual	Budget
		2015	2015	2014	2015	2015
		\$'000	\$'000	\$'000	\$'000	\$'000
	Note					
<b>Cash Flows from Operating Activities</b>						
Subsidies and grants received		282,531	284,560	274,510	281,142	283,552
Fees and charges received		159,973	163,402	155,132	154,450	157,326
Interest received		14,346	12,808	12,714	7,536	6,839
Receipts from other revenue		197,447	168,297	179,801	200,509	177,321
		654,297	629,067	622,157	643,637	625,038
Payments to suppliers		566,443	556,073	542,234	551,333	546,992
<b>Net Cash Flow from Operating Activities</b>	27	87,854	72,994	79,923	92,304	78,046
<b>Cash Flows from Investing Activities</b>						
Receipts from sale of property, plant, and equipment		119	36	184	119	36
Receipts from sale of investments		27,515	11,188	15,874	859	6,151
		27,634	11,224	16,058	978	6,187
Purchase of property, plant and equipment		61,156	84,800	63,814	61,711	84,698
Acquisition of investments		53,977	-	36,827	29,503	-
<b>Net Cash Flow from Investing Activities</b>		(87,499)	(73,576)	(84,583)	(90,236)	(78,511)
<b>Cash Flows from Financing Activities</b>						
Investment by minority interest		150	-	-	-	-
<b>Net Cash Flow from Financing Activities</b>		150	-	-	-	-
<b>Net (Decrease)/Increase in Cash, Cash Equivalents, and Bank Overdrafts</b>		505	(582)	(4,660)	2,068	(465)
Cash, cash equivalents, and bank overdrafts at the beginning of the year		14,377	12,658	19,037	4,183	5,465
<b>Cash, Cash Equivalents, and Bank Overdrafts at the End of the Year</b>	8	14,882	12,076	14,377	6,251	5,000

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 2015

## 1. Statement of Accounting Policies

### 1.1 Reporting Entity

The financial statements of University of Otago Group and its subsidiaries for the year ended 31 December 2015 were authorised for issue by Council on 12 April 2016.

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.
- Photonic Innovations Limited. Developer of revolutionary laser technology. 40% owned by Otago Innovation Limited.
- Chitogel Limited. Commercialisation of medical products. 25% owned by Otago Innovation Limited.
- Upstream Medical Technologies Limited. Commercialisation of heart health research. 88.89% owned by Otago Innovation Limited.

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

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

The primary objective of the University and Group is to provide goods and services for the community for social benefit rather than make a financial return. Accordingly, the University has designated itself and the Group as public benefit entities for the purposes of 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.

The University of Otago and its subsidiaries are designated as public benefit entities (PBE) for financial reporting purposes.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2015

### 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 2015, 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. The University of Otago has transitioned to the new standards in preparing its 31 December 2015 financial statements. These financial statements are the first financial statements presented in accordance with Tier 1 PBE standards. Material changes are explained in note 2.5.

##### **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**

In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. The University and Group has applied these standards in preparing the 31 December 2015 financial statements.

##### *Disclosure initiative:*

PBE IPSAS 1 Presentation of Financial Statements has recently been updated to address perceived impediments to preparers exercising their judgements in preparing financial statements.

These amendments apply to the University and Group in preparing the 31 December 2016 financial statements. The University and Group will be considering these amendments when deciding how its financial statements should be presented in preparing the 31 December 2016 financial statements.

##### *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, income, 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 2015 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.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2015

### 2.5 Changes in treatment of pledged donations

These financial statements are the first financial statements presented in accordance with the new PBE accounting standards.

The material adjustments arising on transition to the new PBE standards are explained below.

#### Recognition and Measurement Adjustments

The table below explains the recognition and measurement adjustments to the 31 December 2014 comparative information resulting from the transition to the new PBE accounting standards. These changes originate from the University of Otago Foundation Trust.

	NZIFRS (PBE) 2014	Adjustment	PBE accounting standards 2014
	\$'000	\$'000	\$'000
<b>Statement of Comprehensive Revenue and Expenses</b>			
Donation income	5,383	(637)	4,746
Net surplus	33,589	(637)	32,952
<b>Statement of Financial Position</b>			
<i>Current Assets</i>			
Pledged donations	686	(686)	-
<i>Non-current Assets</i>			
Pledged donations	1,861	(1,861)	-
Equity	1,708,583	(2,547)	1,706,036
<b>Statement of Changes in Equity</b>			
Balance at 1 January	1,491,776	(1,910)	1,489,866
Total comprehensive revenue and expense	216,807	(637)	216,170
<b>Balance at 31 December</b>	<b>1,708,583</b>	<b>(2,547)</b>	<b>1,706,036</b>

#### Explanatory Notes

The University of Otago Group has reviewed all of its accounting policies to identify areas where changes are necessary on transition to the new PBE standards. The treatment of pledged donations was identified as an area requiring changes under the requirement of PBE IPSAS 19. Pledges are unenforceable undertakings to transfer assets to the recipient entity. Pledges do not now meet the definition of an asset, because the recipient entity is unable to control the access of the transferor to the future economic benefits or service potential embodied in the item pledged.

This has given rise to the following adjustments to the 2013-14 financial statements, presented as comparative information.

- Donation income – as a consequence of the removal of pledged donations as an asset, donation income is now recognised as revenue when the funds are received instead of being recognised as revenue when the pledge agreement is signed. Donation income has decreased by \$637k for the year ended 31 December 2014.
- Pledged donation assets – pledged donation assets are no longer recognised as an asset to the recipient entity. Assets have therefore decreased by \$2.547 million and equity has decreased by \$2.547 million as at 31 December 2014.

### 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 has 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:

	<b>Consolidated</b>		<b>University</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>FINANCIAL ASSETS</b>				
<b>Fair Value through Surplus or Deficit – Held for Trading</b>				
Listed shares	<b>134,613</b>	128,058	<b>1,654</b>	2,469
<b>Total Fair Value through Surplus or Deficit – Held for Trading</b>	<b>134,613</b>	<b>128,058</b>	<b>1,654</b>	<b>2,469</b>
<b>Loans and Receivables</b>				
Cash and cash equivalents	<b>14,882</b>	14,377	<b>6,251</b>	4,183
Receivables	<b>28,172</b>	24,759	<b>27,299</b>	23,625
Other financial assets:				
- Term deposits	<b>151,552</b>	122,130	<b>134,500</b>	105,000
- Loans	<b>12,874</b>	13,730	<b>12,874</b>	13,730
- Corporate bonds	<b>44,659</b>	45,049	-	-
- Shares in subsidiaries	-	-	<b>7,786</b>	7,786
- Investment in insubstance subsidiary	-	-	<b>25,000</b>	25,000
- Investments in associates	<b>3,001</b>	2,797	-	-
<b>Total Loans and Receivables</b>	<b>255,140</b>	<b>222,842</b>	<b>213,710</b>	<b>179,324</b>
<b>Fair Value Through Other Comprehensive Revenue and Expense</b>				
- Unlisted shares	<b>618</b>	525	-	-
<b>Total Fair Value Through Other Comprehensive Revenue and Expense</b>	<b>618</b>	<b>525</b>	<b>-</b>	<b>-</b>
<b>FINANCIAL LIABILITIES</b>				
<b>Financial Liabilities at Amortised Cost</b>				
Payables	<b>50,826</b>	48,541	<b>52,750</b>	50,293
Employee entitlements	<b>82,526</b>	79,852	<b>82,325</b>	79,656
Loans and leases	<b>700</b>	624	-	-
<b>Total Financial Liabilities at Amortised Cost</b>	<b>134,052</b>	<b>129,017</b>	<b>135,075</b>	<b>129,949</b>



## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2015

### (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:

	2015		2014	
	USD \$'000	AUD \$'000	USD \$'000	AUD \$'000
Cash and cash equivalents foreign bank accounts	5	2,137	61	35
Equities	6,357	47,447	6,102	49,637

#### 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 2015 \$'000	Actual 2014 \$'000	Actual 2015 \$'000	Actual 2014 \$'000
ASX 200	2,528	2,594	2,528	2,594
NZX50	3,733	3,296	3,733	3,296
NYSE International 100	465	389	465	389

#### 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)	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
0.5% (50 basis points) higher for the year				
Interest received	624	564	624	564

#### 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

Credit risk is the risk that a third party will default on its obligation to the University and Group, causing it to incur a loss. Due to the timing of its cash inflows and outflows, surplus cash is invested into term deposits, which give rise to credit risk.

In the normal course of business, the University and Group is 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 controls 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 maximum annual 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 holds 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:

	<b>Consolidated</b>		<b>University</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and term deposits	<b>166,434</b>	136,507	<b>140,751</b>	109,183
Receivables	<b>28,172</b>	24,759	<b>27,299</b>	23,625
Loans	<b>12,874</b>	13,730	<b>12,874</b>	13,730
Stock and government bonds	<b>44,659</b>	45,049	-	-
<b>Total Credit Risk</b>	<b>252,139</b>	<b>220,045</b>	<b>180,924</b>	<b>146,538</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.

	<b>Consolidated</b>		<b>University</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Counterparties with Credit Ratings</b>				
<b>Cash at Bank and Term Bank Deposits</b>				
AA-	<b>150,256</b>	102,483	<b>128,751</b>	78,183
A+	<b>11,100</b>	23,003	<b>10,000</b>	22,000
BBB	<b>5,078</b>	11,021	<b>2,000</b>	9,000
<b>Total Cash at Bank and Term Deposits</b>	<b>166,434</b>	<b>136,507</b>	<b>140,751</b>	<b>109,183</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2015

	<b>Consolidated</b>		<b>University</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Stock and Government Bonds</b>				
AA	3,038	3,223	-	-
AA-	16,512	16,346	-	-
A+	2,041	2,021	-	-
A	1,503	1,372	-	-
A-	1,843	1,785	-	-
BBB+	9,282	9,108	-	-
BBB	2,082	2,062	-	-
BB-	874	873	-	-
Not rated	7,484	8,259	-	-
<b>Total Stock and Government Bonds</b>	<b>44,659</b>	<b>45,049</b>	<b>-</b>	<b>-</b>
<b>Counterparties without Credit Ratings</b>				
Debtors and other receivables	28,172	24,759	29,277	23,625
Existing counterparty with no defaults in the past	12,874	13,730	12,874	13,730
<b>Total Community and Related Party Loans</b>	<b>41,046</b>	<b>38,489</b>	<b>42,151</b>	<b>37,355</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.

	<b>Less than 1 year</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>Over 5 years</b>	<b>Total contractual cash flows</b>	<b>Carrying Amount (assets)/ liabilities</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>CONSOLIDATED 2015</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	14,882	-	-	-	14,882	14,882
Bank term deposits	129,513	22,039	-	-	151,552	151,552
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>152,743</b>	<b>37,088</b>	<b>19,704</b>	<b>14,432</b>	<b>223,967</b>	<b>223,967</b>
<b>Financial Liabilities</b>						
Payables and accruals	50,826	-	-	-	50,826	50,826
Employee entitlements – current	46,359	-	-	-	46,359	46,359
Employee entitlements – term	-	-	-	36,167	36,167	36,167
Loans	-	-	-	700	700	700
<b>Total Financial Liabilities</b>	<b>97,185</b>	<b>-</b>	<b>-</b>	<b>36,867</b>	<b>134,052</b>	<b>134,052</b>

	<b>Less than 1 year \$'000</b>	<b>Between 1 and 2 years \$'000</b>	<b>Between 2 and 5 years \$'000</b>	<b>Over 5 years \$'000</b>	<b>Total contractual cash flows \$'000</b>	<b>Carrying Amount (assets)/ liabilities \$'000</b>
<b>CONSOLIDATED 2014</b>						
Cash and cash equivalents	14,377	-	-	-	14,377	14,377
Bank term deposits	113,101	9,029	-	-	122,130	122,130
Corporate bonds	2,550	7,600	30,148	4,751	45,049	45,049
Loans	858	857	2,582	9,433	13,730	13,730
<b>Total Financial Assets</b>	<b>130,886</b>	<b>17,486</b>	<b>32,730</b>	<b>14,184</b>	<b>195,286</b>	<b>195,286</b>
<b>Financial Liabilities</b>						
Payables and accruals	48,541	-	-	-	48,541	48,541
Employee entitlements – current	44,999	-	-	-	44,999	44,999
Employee entitlements – term	-	-	-	34,853	34,853	34,853
Loans	-	-	-	624	624	624
<b>Total Financial Liabilities</b>	<b>93,540</b>	<b>-</b>	<b>-</b>	<b>35,477</b>	<b>129,017</b>	<b>129,017</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 and prepayments	-	-	-	-	-	-
Loans	870	857	2,472	8,675	12,874	12,874
<b>Total Financial Assets</b>	<b>122,621</b>	<b>19,857</b>	<b>2,472</b>	<b>8,675</b>	<b>153,625</b>	<b>153,625</b>
<b>Financial Liabilities</b>						
Payables and accruals	52,750	-	-	-	52,750	52,750
Employee entitlements – current	46,158	-	-	-	46,158	46,158
Employee entitlements – term	-	-	-	36,167	36,167	36,167
<b>Total Financial Liabilities</b>	<b>98,908</b>	<b>-</b>	<b>-</b>	<b>36,167</b>	<b>135,075</b>	<b>135,075</b>
<b>UNIVERSITY 2014</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	4,183	-	-	-	4,183	4,183
Bank Term Deposits	101,000	4,000	-	-	105,000	105,000
Loans	858	857	2,582	9,433	13,730	13,730
<b>Total Financial Assets</b>	<b>106,041</b>	<b>4,857</b>	<b>2,582</b>	<b>9,433</b>	<b>122,913</b>	<b>122,913</b>
<b>Financial Liabilities</b>						
Payables and accruals	50,293	-	-	-	50,293	50,293
Employee entitlements – current	44,999	-	-	-	44,999	44,803
Employee entitlements – term	-	-	-	34,853	34,853	34,853
<b>Total Financial Liabilities</b>	<b>95,292</b>	<b>-</b>	<b>-</b>	<b>34,853</b>	<b>130,145</b>	<b>129,949</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2015

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 – AT ACTUAL 2015</b>						
Forward foreign exchange contracts	541	1,182	9,746	2,821	14,290	14,290
<b>Total</b>	<b>541</b>	<b>1,182</b>	<b>9,746</b>	<b>2,821</b>	<b>14,290</b>	<b>14,290</b>
<b>CONSOLIDATED – AT ACTUAL 2014</b>						
Forward foreign exchange contracts	785	1,102	6,873	995	9,755	9,755
<b>Total</b>	<b>785</b>	<b>1,102</b>	<b>6,873</b>	<b>995</b>	<b>9,755</b>	<b>9,755</b>
<b>UNIVERSITY – AT ACTUAL 2015</b>						
Forward foreign exchange contracts	541	1,182	9,746	2,821	14,290	14,290
<b>Total</b>	<b>541</b>	<b>1,182</b>	<b>9,746</b>	<b>2,821</b>	<b>14,290</b>	<b>14,290</b>
<b>UNIVERSITY – AT ACTUAL 2014</b>						
Forward foreign exchange contracts	785	1,102	6,873	995	9,755	9,755
<b>Total</b>	<b>785</b>	<b>1,102</b>	<b>6,873</b>	<b>995</b>	<b>9,755</b>	<b>9,755</b>



### (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 technique 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:

	<b>Total</b>	<b>Quoted market price</b>	<b>Observable inputs</b>	<b>Significant non-observable inputs</b>
<b>CONSOLIDATED 2015</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	3,001	-	3,001	-
Shares in unlisted companies	618	-	14	604
Loans	12,874	-	12,874	-
<b>Total Financial Assets</b>	<b>362,199</b>	<b>345,706</b>	<b>15,889</b>	<b>604</b>
<b>CONSOLIDATED 2014</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	14,377	14,377	-	-
Bank term deposits	122,130	122,130	-	-
Corporate bonds	45,049	45,049	-	-
Listed shares	128,058	128,058	-	-
Investments in associates	2,797	-	2,797	-
Shares in unlisted companies	525	-	14	511
Loans	13,730	-	13,730	-
<b>Total Financial Assets</b>	<b>326,666</b>	<b>309,614</b>	<b>16,541</b>	<b>511</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2015

	Total	Quoted market price	Observable inputs	Significant non-observable inputs
<b>UNIVERSITY 2015</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>
<b>UNIVERSITY 2014</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	4,183	4,183	-	-
Bank term deposits	105,000	105,000	-	-
Listed shares	2,469	2,469	-	-
Shares in subsidiaries	7,786	-	7,786	-
Investment in in-substance subsidiary	25,000	-	25,000	-
Loans	13,730	-	13,730	-
<b>Total Financial Assets</b>	<b>158,168</b>	<b>111,652</b>	<b>46,516</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**

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

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 entitlement.

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

Donated assets are recognised at fair value.

Donations 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**

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

The stage of completion of a research contract is determined by the outputs achieved to balance date.

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.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2015

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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.

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.

Interest revenue is recognised using the effective interest method. Dividends are recognised when the right to receive payment has been established.

### **Accommodation Services**

Revenue from the provision of accommodation services is recognised on a percentage completion basis. This is determined by reference to the number of accommodation days used as a proportion of the total accommodation days contracted for with the individual.

## 5. Government Grants

	<b>Consolidated</b>		<b>University</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Vote Education	222,294	217,578	220,821	216,574
Vote Health	2,286	2,214	2,286	2,214
<b>Total Government Grants</b>	<b>224,580</b>	<b>219,792</b>	<b>223,107</b>	<b>218,788</b>

## 6. Other Expenses

	<b>Consolidated</b>		<b>University</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Surplus / (Deficit) Includes the Following Specific Expenses:</b>				
Depreciation	58,014	53,774	57,836	53,600
Amortisation of intangible assets	2,655	2,540	2,608	2,512
<b>Total Depreciation and Amortisation</b>	<b>60,669</b>	<b>56,314</b>	<b>60,444</b>	<b>56,112</b>

### Fees to Principal Auditor (Audit New Zealand):

Audit fees for financial statements audit	332	313	200	191
Audit fees for the PBRF audit	9	9	9	9
<b>Total</b>	<b>341</b>	<b>322</b>	<b>209</b>	<b>200</b>

### Directors'/Councillors'/Trustees' fees

Directors'/Councillors'/Trustees' fees includes the following fees paid to Council members:

	<b>Consolidated</b>		<b>University</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Council remuneration</b>				
E O K Blaikie	4	4	4	4
D C Cull	1	2	1	2
F B Hernandez	-	3	-	3
S J Higgs	7	3	7	3
P O Hunt	5	-	5	-
L P Isaacs	12	14	12	14
S J McLauchlan	7	5	7	5
J A Martin	3	-	3	-
D C Matahaere-Atariki	2	3	2	3
M J M Sidey	4	4	4	4
R J Somerville QC	5	7	5	7
R A Sycamore-Smith	-	5	-	5
R H Tobin	3	4	3	4
J F Ward	25	25	25	25
<b>Total Earned</b>	<b>78</b>	<b>79</b>	<b>78</b>	<b>79</b>



## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2015

	Consolidated		University	
	Actual 2015 \$'000	Actual 2014 \$'000	Actual 2015 \$'000	Actual 2014 \$'000
<b>Director and Trustee Remuneration</b>				
S.J. Higgs	17	16	-	-
L.P. Isaacs	2	2	-	-
S.J. McLauchlan	21	11	-	-
M.J.M. Sidey	1	1	-	-
R.J. Somerville QC	2	1	-	-
J.F. Ward	21	22	-	-
	<b>64</b>	<b>53</b>	<b>-</b>	<b>-</b>
<b>Total Earned</b>	<b>142</b>	<b>132</b>	<b>78</b>	<b>79</b>
<b>Rental Expense Relating to Operating Leases</b>				
Minimum lease payments	8,451	8,332	8,428	8,309
<b>Total Rental Expense Relating to Operating Leases</b>	<b>8,451</b>	<b>8,332</b>	<b>8,428</b>	<b>8,309</b>

## 7. Finance Revenue and Finance Costs

	Consolidated		University	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Finance Revenue</b>				
Interest Received	12,395	11,978	8,684	7,186
Realised gains/losses on sale of equities	2,324	(246)	-	9
Dividends received	5,052	4,806	-	-
Gain/(loss) Forex	(406)	(642)	-	-
Unrealised gain/loss on investments	6,633	12,105	-	-
<b>Total Finance Income</b>	<b>25,998</b>	<b>28,001</b>	<b>8,684</b>	<b>7,195</b>
<b>Finance Costs</b>				
Interest paid	62	318	251	259
<b>Total Finance Costs</b>	<b>62</b>	<b>318</b>	<b>251</b>	<b>259</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.

	<b>Consolidated</b>		<b>University</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and in hand	<b>13,773</b>	8,777	<b>6,251</b>	4,183
Short term deposits maturing three months or less from date of acquisitions	<b>1,109</b>	5,600	-	-
<b>Total Cash and Cash Equivalents</b>	<b>14,882</b>	<b>14,377</b>	<b>6,251</b>	<b>4,183</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

	<b>Consolidated</b>		<b>University</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Trade and other Receivables &amp; Prepayments</b>				
Trade debtors	<b>16,391</b>	14,432	<b>14,783</b>	14,255
Other receivables	<b>11,781</b>	10,327	<b>12,516</b>	9,370
Prepayments	<b>8,263</b>	6,587	<b>8,137</b>	6,536
<b>Total Trade and Other Receivables and Prepayments</b>	<b>36,435</b>	<b>31,346</b>	<b>35,436</b>	<b>30,161</b>

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

At Actual				
Current	<b>12,968</b>	10,989	<b>11,609</b>	10,894
2 to 3 months	<b>1,458</b>	1,204	<b>1,268</b>	1,109
> 3 months	<b>1,965</b>	2,239	<b>1,906</b>	2,252
<b>Total Trade Receivables</b>	<b>16,391</b>	<b>14,432</b>	<b>14,783</b>	<b>14,255</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 2015

### 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.

	<b>Consolidated</b>		<b>University</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current Portion</b>				
Other loans	<b>870</b>	859	<b>870</b>	859
Short-term deposits	<b>129,513</b>	113,101	<b>115,500</b>	101,000
Corporate bonds	<b>7,477</b>	2,550	-	-
<b>Total Current Portion</b>	<b>137,860</b>	<b>116,510</b>	<b>116,370</b>	<b>101,859</b>

## 12. Non-Current Assets – Other Financial Assets

	<b>Consolidated</b>		<b>University</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<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	22,039	9,029	19,000	4,000
Loans and receivables	12,004	12,871	12,004	12,871
Corporate bonds	37,182	42,499	-	-
	<b>71,225</b>	<b>64,399</b>	<b>31,004</b>	<b>16,871</b>
<i>Other listed securities</i>				
Shares in other companies	134,613	128,058	1,654	2,469
	<b>134,613</b>	<b>128,058</b>	<b>1,654</b>	<b>2,469</b>
<i>Other unlisted securities</i>				
Equity securities	618	525	-	-
	<b>618</b>	<b>525</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>206,456</b>	<b>192,982</b>	<b>57,658</b>	<b>44,340</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 \$12.874 million (2014 \$13.730 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 noncurrent.

### 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 2015

### 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 \$9.976 million (2014 \$10.696 million). The net present value of these loans at a discount rate of 4.00% is \$6.623 million (2014 \$7.305 million).

Movements in the carrying value of loans are as follows:

	Consolidated		University	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
At 1 January	13,730	13,324	13,730	13,324
Amount of new loans granted during the year	3	1,252	3	1,252
Loans repaid during the year (principal and interest)	(859)	(846)	(859)	(846)
<b>Total Loans</b>	<b>12,874</b>	<b>13,730</b>	<b>12,874</b>	<b>13,730</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 2015.

#### 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 straightline 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
<b>Buildings and Components</b>		
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 2015

## CONSOLIDATED 2014

## Gross Carrying Amount

	Land \$'000	Buildings \$'000	Computers \$'000	Furniture \$'000	Artworks \$'000	Library Books \$'000	Rare Books \$'000	Equipment \$'000	Total \$'000
Cost	15,118	112,824	72,267	17,486	10,235	172,895	9,602	222,064	632,491
Valuation	197,842	821,513	-	-	-	-	-	-	1,019,355
<b>Balance as at 1 January 2014</b>	<b>212,960</b>	<b>934,337</b>	<b>72,267</b>	<b>17,486</b>	<b>10,235</b>	<b>172,895</b>	<b>9,602</b>	<b>222,064</b>	<b>1,651,846</b>
Revaluation	40,771	32,341	-	-	-	-	-	-	73,112
Additions	386	23,749	6,198	1,041	81	3,260	58	22,084	56,857
Disposals	-	-	(10,620)	(1,314)	-	(3,982)	-	(7,991)	(23,907)
Transfers / adjustments	1	788	1	332	2	(4)	-	(67)	1,053
<b>Balance as at 31 December 2014</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>

## CONSOLIDATED 2015

<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>
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 2014</b>										
<b>Accumulated Depreciation</b>	<b>Land</b>	<b>Buildings</b>	<b>Computers</b>	<b>Furniture</b>	<b>Artworks</b>	<b>Library Books</b>	<b>Rare Books</b>	<b>Equipment</b>	<b>Total</b>	
<b>Cost</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
	-	(81,544)	(58,583)	(8,504)	-	(43,656)	-	(154,087)	(346,374)	
<b>Balance as at 1 January 2014</b>	<b>-</b>	<b>(81,544)</b>	<b>(58,583)</b>	<b>(8,504)</b>	<b>-</b>	<b>(43,656)</b>	<b>-</b>	<b>(154,087)</b>	<b>(346,374)</b>	
Revaluation	-	110,287	-	-	-	-	-	-	110,287	
Disposals	-	-	10,599	1,314	-	3,982	-	7,777	23,672	
Depreciation charge (Note 6)	-	(28,882)	(5,201)	(1,777)	-	(4,485)	-	(13,429)	(53,774)	
Transfers / adjustments	-	(1,239)	20	41	-	-	-	(20)	(1,198)	
<b>Balance as at 31 December 2014</b>	<b>-</b>	<b>(1,378)</b>	<b>(53,165)</b>	<b>(8,926)</b>	<b>-</b>	<b>(44,159)</b>	<b>-</b>	<b>(159,759)</b>	<b>(267,387)</b>	
<b>CONSOLIDATED 2015</b>										
Balance as at 1 January 2015	-	(1,378)	(53,163)	(8,926)	-	(44,159)	-	(159,759)	(267,385)	
Additions	-	-	-	-	-	-	-	-	-	
Disposals	-	1,368	5,631	-	-	1	-	4,881	11,881	
Depreciation charge (Note 6)	-	(30,734)	(7,084)	(1,753)	-	(3,936)	-	(14,507)	(58,014)	
Transfers / adjustments	-	-	22	1	-	-	-	(24)	(1)	
<b>Balance as at 31 December 2015</b>	<b>-</b>	<b>(30,744)</b>	<b>(54,594)</b>	<b>(10,678)</b>	<b>-</b>	<b>(48,094)</b>	<b>-</b>	<b>(169,409)</b>	<b>(313,519)</b>	
<b>Net Book Value</b>										
<b>As at 1 January 2014</b>	<b>212,960</b>	<b>852,793</b>	<b>13,684</b>	<b>8,982</b>	<b>10,235</b>	<b>129,239</b>	<b>9,602</b>	<b>67,977</b>	<b>1,305,472</b>	
<b>As at 31 December 2014</b>	<b>254,118</b>	<b>989,837</b>	<b>14,683</b>	<b>8,619</b>	<b>10,318</b>	<b>128,010</b>	<b>9,660</b>	<b>76,331</b>	<b>1,491,576</b>	
<b>As at 31 December 2015</b>	<b>254,807</b>	<b>986,542</b>	<b>16,143</b>	<b>7,798</b>	<b>10,429</b>	<b>126,800</b>	<b>9,804</b>	<b>80,298</b>	<b>1,492,621</b>	

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2015

## UNIVERSITY 2014

## Gross Carrying Amount

	Land \$'000	Buildings \$'000	Computers \$'000	Furniture \$'000	Artworks \$'000	Library Books \$'000	Rare Books \$'000	Equipment \$'000	Total \$'000
Cost	12,348	106,107	71,884	17,079	10,235	61,845	9,602	221,208	510,308
Valuation	197,842	821,513	-	-	-	-	-	-	1,019,355
<b>Balance as at 1 January 2014</b>	<b>210,190</b>	<b>927,620</b>	<b>71,884</b>	<b>17,079</b>	<b>10,235</b>	<b>61,845</b>	<b>9,602</b>	<b>221,208</b>	<b>1,529,663</b>
Revaluation	40,771	32,341	-	-	-	-	-	-	73,112
Additions	276	23,512	6,124	1,032	81	2,663	58	22,072	55,818
Disposals	-	-	(10,591)	(1,314)	-	(3,982)	-	(7,991)	(23,878)
Transfers / adjustments	1	(487)	3	410	2	(4)	-	(67)	(142)
<b>Balance as at 31 December 2014</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>

## UNIVERSITY 2015

## Balance as at 1 January 2015

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>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>

UNIVERSITY 2014									
Accumulated Depreciation									
Cost	Land \$'000	Buildings \$'000	Computers \$'000	Furniture \$'000	Artworks \$'000	Library Books \$'000	Rare Books \$'000	Equipment \$'000	Total \$'000
	-	(81,442)	(58,269)	(8,335)	-	(43,656)	-	(153,870)	(345,572)
<b>Balance as at 1 January 2014</b>	-	<b>(81,442)</b>	<b>(58,269)</b>	<b>(8,335)</b>	-	<b>(43,656)</b>	-	<b>(153,870)</b>	<b>(345,572)</b>
Revaluation	-	110,287	-	-	-	-	-	-	110,287
Disposals	-	-	10,573	1,314	-	3,982	-	7,777	23,646
Depreciation charge (Note 6)	-	(28,845)	(5,171)	(1,726)	-	(4,485)	-	(13,374)	(53,601)
<b>Balance as at 31 December 2014</b>	-	-	<b>(52,867)</b>	<b>(8,747)</b>	-	<b>(44,159)</b>	-	<b>(159,467)</b>	<b>(265,240)</b>
<b>Balance as at 1 January 2015</b>	-	-	<b>(52,867)</b>	<b>(8,747)</b>	-	<b>(44,159)</b>	-	<b>(159,467)</b>	<b>(265,240)</b>
Additions	-	-	-	-	-	-	-	-	-
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>	-	<b>(30,694)</b>	<b>(54,260)</b>	<b>(10,454)</b>	-	<b>(48,094)</b>	-	<b>(169,062)</b>	<b>(312,564)</b>
Net Book Value									
<b>As at 1 January 2014</b>	<b>210,190</b>	<b>846,178</b>	<b>13,615</b>	<b>8,744</b>	<b>10,235</b>	<b>18,189</b>	<b>9,602</b>	<b>67,338</b>	<b>1,184,091</b>
<b>As at 31 December 2014</b>	<b>251,238</b>	<b>982,986</b>	<b>14,553</b>	<b>8,460</b>	<b>10,318</b>	<b>16,363</b>	<b>9,660</b>	<b>75,755</b>	<b>1,369,333</b>
<b>As at 31 December 2015</b>	<b>251,868</b>	<b>980,172</b>	<b>16,032</b>	<b>7,657</b>	<b>10,429</b>	<b>14,834</b>	<b>9,804</b>	<b>79,772</b>	<b>1,370,568</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2015

Library books includes the Hocken Collection. At 31 December 2015 the net book value was: parent \$4.206 million and consolidated \$111.966 million.

Work in progress as at 31 December 2015 (Parent & Group):

Buildings \$31.644 million (2014 \$6.978 million)

Equipment \$0.178 million (2014 \$0.712 million).

### 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 straightline 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%



	<b>Computer software \$'000</b>	<b>Patents \$'000</b>	<b>Total \$'000</b>
<b>CONSOLIDATED 2014</b>			
<b>Gross Carrying Amount</b>			
Cost	40,963	-	40,963
<b>Balance as at 1 January 2014</b>	<b>40,963</b>	<b>-</b>	<b>40,963</b>
Additions	7,795	-	7,795
Disposal	(390)	-	(390)
<b>Balance as at 31 December 2014</b>	<b>48,368</b>	<b>-</b>	<b>48,368</b>
<b>CONSOLIDATED 2015</b>			
<b>Balance as at 1 January 2015</b>	<b>48,368</b>	<b>-</b>	<b>48,368</b>
Additions	4,409	1,257	5,666
Disposals	(115)	-	(115)
<b>Balance as at 31 December 2015</b>	<b>52,662</b>	<b>1,257</b>	<b>53,919</b>
	<b>Computer software \$'000</b>	<b>Patents \$'000</b>	<b>Total \$'000</b>
<b>CONSOLIDATED 2014</b>			
<b>Accumulated Amortisation and Impairment</b>			
Cost	(19,156)	-	(19,156)
<b>Balance as at 1 January 2014</b>	<b>(19,156)</b>	<b>-</b>	<b>(19,156)</b>
Amortisation charge	(2,540)	-	(2,540)
Disposals	390	-	390
<b>Balance as at 31 December 2014</b>	<b>(21,306)</b>	<b>-</b>	<b>(21,306)</b>
<b>CONSOLIDATED 2015</b>			
<b>Balance as at 1 January 2015</b>	<b>(21,306)</b>	<b>-</b>	<b>(21,306)</b>
Amortisation charge	(2,641)	(14)	(2,655)
Disposals	115	-	115
<b>Balance as at 31 December 2015</b>	<b>(23,832)</b>	<b>(14)</b>	<b>(23,846)</b>
<b>Net Book Value</b>			
<b>As at 1 January 2014</b>	<b>21,807</b>	<b>-</b>	<b>21,807</b>
<b>As at 31 December 2014</b>	<b>27,062</b>	<b>-</b>	<b>27,062</b>
<b>As at 31 December 2015</b>	<b>30,071</b>	<b>-</b>	<b>30,071</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2015

	Computer software \$'000	Patents \$'000	Total \$'000
<b>UNIVERSITY 2014</b>			
<b>Gross Carrying Amount</b>			
Cost	40,799	-	40,799
<b>Balance as at 1 January 2014</b>	<b>40,799</b>	<b>-</b>	<b>40,799</b>
Additions	7,761	-	7,761
Disposal	(390)	-	(390)
<b>Balance as at 31 December 2014</b>	<b>48,170</b>	<b>-</b>	<b>7,371</b>
<b>UNIVERSITY 2015</b>			
<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 2014</b>			
<b>Accumulated Amortisation and Impairment</b>			
Cost	(19,048)	-	(19,048)
<b>Balance as at 1 January 2014</b>	<b>(19,048)</b>	<b>-</b>	<b>(19,048)</b>
Amortisation charge	(2,512)	-	(2,512)
Disposal	390	-	390
<b>Balance as at 31 December 2014</b>	<b>(21,170)</b>	<b>-</b>	<b>(2,122)</b>
<b>UNIVERSITY 2015</b>			
<b>Balance as at 1 January 2015</b>	<b>(21,170)</b>	<b>-</b>	<b>(21,170)</b>
Disposals	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>Net Book Value</b>			
<b>As at 1 January 2014</b>	<b>21,751</b>	<b>-</b>	<b>21,751</b>
<b>As at 31 December 2014</b>	<b>27,000</b>	<b>-</b>	<b>27,000</b>
<b>As at 31 December 2015</b>	<b>28,788</b>	<b>-</b>	<b>28,788</b>

Work in progress as at 31 December 2015 (University and Group) was \$7.648 million (2014 \$5.379 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.

	<b>Consolidated</b>		<b>University</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>				
Trade payables	8,849	7,135	8,849	7,135
Accruals	19,247	17,978	17,627	17,069
Other payables	22,730	23,428	26,274	26,089
<b>Total creditors and other payables</b>	<b>50,826</b>	<b>48,541</b>	<b>52,750</b>	<b>50,293</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 \$2.573 million (2014 \$3.028 million), Parent \$2.573 million (2014 \$3.028 million)

Employer contributions to defined contribution schemes: Consolidated \$14.152 million, (2014 \$13.121 million), Parent \$14.152 million, (2014 \$13.121 million).

	<b>Consolidated</b>		<b>University</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current Portion</b>				
Annual leave	29,583	28,969	29,382	28,773
Long-service leave	1,109	968	1,109	968
Retirement gratuities	15,667	15,062	15,667	15,062
<b>Total Current Portion</b>	<b>46,359</b>	<b>44,999</b>	<b>46,158</b>	<b>44,803</b>

## 17. Current Liabilities – Deferred Revenue

	<b>Consolidated</b>		<b>University</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Government grants	-	84	-	-
Research funding in advance	32,373	23,114	32,373	23,114
Student fees in advance	8,293	6,847	6,587	4,818
Other income in advance	8,713	12,337	3,034	2,247
<b>Total Current Liabilities – Deferred Income</b>	<b>49,379</b>	<b>42,382</b>	<b>41,994</b>	<b>30,179</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2015

### 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, and 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	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Retirement gratuities	33,853	32,708	33,853	32,708
Long-service leave	1,318	1,252	1,318	1,252
Sick leave	996	893	996	893
<b>Total Non-current Portion</b>	<b>36,167</b>	<b>34,853</b>	<b>36,167</b>	<b>34,853</b>

## 19. Non-current Liabilities – Loans

	<b>Consolidated</b>		<b>University</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Loans – external trusts	<b>665</b>	624	-	-
Callaghan Innovation loan	<b>35</b>	-	-	-
<b>Total Non-current Liabilities – Loans</b>	<b>700</b>	<b>624</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

	<b>Consolidated</b>		<b>University</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Accumulated funds</b>				
Balance at 1 January	<b>932,187</b>	899,416	<b>651,469</b>	635,326
Net increase in reserves	-	(183,399)	-	(183,399)
Surplus/(deficit) for the year	<b>32,633</b>	216,170	<b>21,377</b>	199,542
<b>Balance 31 December</b>	<b>964,820</b>	<b>932,187</b>	<b>672,846</b>	<b>651,469</b>

	<b>Consolidated</b>		<b>University</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Reserves Includes</b>				
Revaluation reserves	<b>773,849</b>	773,849	<b>773,849</b>	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 2015

## 21. Contingencies

	<b>Consolidated</b>		<b>University</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<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.	<b>50</b>	50	<b>50</b>	50
There were several personal grievance and employment-related claims against the University.	<b>30</b>	2	<b>30</b>	2
Legal proceedings against the University	<b>30</b>	125	<b>30</b>	125
<b>Total Contingent Liabilities</b>	<b>110</b>	<b>177</b>	<b>110</b>	<b>177</b>

## Contingent Assets

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

Total pledged donations outstanding as at 31 December 2015 at face value are \$2.710 million (2014: \$3.110 million).

	<b>Consolidated</b>		<b>University</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Pledged donations at fair value	<b>2,030</b>	2,481	-	-
<b>Total Quantifiable Contingent Assets</b>	<b>2,030</b>	<b>2,481</b>	<b>-</b>	<b>-</b>



## 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.

	<b>Consolidated</b>		<b>University</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Capital Commitments</b>				
Buildings	<b>48,780</b>	7,294	<b>48,780</b>	7,294
Equipment and other	<b>2,025</b>	1,079	<b>2,025</b>	1,079
<b>Total Capital Commitments</b>	<b>50,805</b>	<b>8,373</b>	<b>50,805</b>	<b>8,373</b>

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

	<b>Consolidated</b>		<b>University</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Operating Leases as Lessee</b>				
Not later than one year	<b>6,348</b>	6,431	<b>5,537</b>	5,470
Later than one year and not later than five years	<b>6,932</b>	8,899	<b>6,043</b>	6,843
Later than five years	<b>2,576</b>	3,327	<b>2,576</b>	3,124
<b>Total Non-cancellable Operating Leases</b>	<b>15,856</b>	<b>18,657</b>	<b>14,156</b>	<b>15,437</b>

Operating leases "not later than one year" includes accommodation head leases, \$2.851 million (2014 \$2.641 million).

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2015

### 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

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>InterGroup</b>		
<b>University of Otago Holdings Limited (UOHL)</b>		
Dividends received from Foundation Studies Ltd	271	1,090
Equity advanced to Otago Innovation Limited	700	830
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	34	24
The balance of the current account at year end was	755	911
<b>University of Otago Foundation Studies Limited (FSL)</b>		
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	1,745	1,607
At year end the amount owing to the University was	499	321
During the year FSL provided goods & services to the University to the value of	2,125	1,513
At the end of the year the amount owing by the University was	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	123	140
The balance at year end was	3,180	3,180
<b>Otago Innovation Limited (OIL)</b>		
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	622	447
At year end the amount owing to the University was	81	7
During the year OIL supplied services to the University to the value of	612	513
<b>Immune Solutions Limited (ISL)</b>		
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	28	-
At year end Immune Solutions owed the University	1	-
At year end the University owed ISL	24	-

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</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>2,899</b>	2,704
At year end the amount owing to the University was	<b>671</b>	581
NZGL provided goods and services to the University of Otago to the value of	<b>603</b>	469
At year end the amount owing by the University was	<b>94</b>	-

<b>Unipol Recreation Limited (URL)</b>		
URL paid the University	<b>23</b>	22
URL received rent from the University to the value of	<b>15</b>	15
URL received proceeds from the sale of buildings	<b>669</b>	-
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>	76
The balance at year end was	<b>2,439</b>	1,726

<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>	658
The University of Otago Foundation Trust distributed to the University an amount of	<b>8,361</b>	8,031
The University of Otago Foundation Trust holds a current account with the University. At year end the balance was negative	<b>1,270</b>	1,947

<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>338</b>	303
UUL paid the University of Otago ground rent of	<b>114</b>	106

#### **Transactions with Key Management Personnel**

Key management personnel compensation

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Senior Management Team, including the Vice-Chancellor:		
Remuneration	<b>3,908</b>	3,855
Full-time equivalent	<b>19</b>	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.

Councillors'/Directors' fees: consolidated \$142k (2014 \$132k), parent \$78k (2014 \$79k).

No provision has been required, nor any expense recognised for impairment of receivables, for any loans or other receivables to related parties (2014 \$nil).

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2015

## Transactions with Members of Council

Member of Council	Organisation	Purchased by the University		Purchased from the University	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Professor A V Cameron	Christchurch Heart Institute (Trustee)	-	-	383	43
Mr D C Cull	Dunedin City Council (Mayor of Dunedin)	3,202	3,161	188	84
	Alexander McMillan Trust (Trustee)	-	-	-	-
Professor H Hayne	Callaghan Innovation (Advisory Board Member)	-	43	-	373
	Otago Innovation Limited (Deputy Chair) (See intergroup note)	-	-	-	-
	Te Tapuae o Rehua Limited (D)	80	100	3,476	3,345
	Universities NZ (C)	-	-	155	-
	University of Otago Foundation Trust (Trustee) (See intergroup note)	-	-	-	-
Mr Francisco B Hernandez (term completed Dec 2014)	Health Promotion Agency (Employee)	-	-	-	2
Mr S J Higgs	Farmlands Co-Operative Society Ltd (D)	7	3	-	-
	Immune Solutions Ltd (D) (See intergroup note)	-	-	-	-
	Otago Innovation Ltd (D) (See intergroup note)	-	-	-	-
	Polson Higgs Administration Ltd (D)	-	-	-	1
	Polson Higgs & Co Ltd	30	36	-	-
	University of Otago Foundation Trust (Trustee) (See intergroup note)	-	-	-	-
Mr P O Hunt	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	-
Miss L P Isaacs	University of Otago Foundation Trust (Trustee) (See intergroup note)	-	-	-	-
Dr C J Marshall	Blueskin Resilient Communities Trust (Trustee)	-	-	1	-
	Tertiary Education Union Otago	-	-	21	22
Mr S J McLauchlan	AD Instruments PTY Limited (D)	48	107	-	45
	Aurora Energy Limited (D)	16	27	-	-
	Cargill Hotel 2002 Limited (C)	5	21	-	-
	Delta Limited (D)	41	86	23	21
	Dunedin International Airport Limited (C)	6	8	-	-
	Otago Community Hospice Trust (C)	12	11	-	-
	Otago Southland Employers Assn (Trustee)	8	12	5	1
	Pharmac (C)	-	-	29	18
	Scenic Circle Hotels Limited (D)	2	-	-	-
	University of Otago Foundation Studies Limited (D) (See intergroup note)	-	-	-	-
	University of Otago Foundation Trust (Trustee) (See intergroup note)	-	-	-	-

**Transactions with Members of Council**

		<b>Purchased by the University</b>		<b>Purchased from the University</b>	
		<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Mr S J McLauchlan	University of Otago Holdings Limited (D) (See intergroup note)	-	-	-	-
	University of Otago Rugby Club (Committee)	2	-	20	20
	Knox College & Salmond College Councils	-	90	-	590
Mr J A Martin	Otago University Students' Association (Recreation Officer)	3,581	-	177	-
Ms D C Matahaere-Atariki	Ministry of Health – NGO Working Group (C)	24	22	6,764	6,371
	Southern Primary Health Organisation (Board Member)	-	-	-	1
Ms M A Morgan	Stuart Residence Halls Council (Board Member)	-	-	9	10
Mr M J M Sidey	Otago Academy of Sport (D)	-	-	7	-
	University of Otago Foundation Trust (Trustee) (See intergroup note)	-	-	-	-
	University of Otago Holdings Limited (D) (See intergroup note)	-	-	-	-
Associate Professor E Slooten	New Zealand Whale and Dolphin Trust (Trustee)	-	12	-	-
Dr R J Somerville QC	Knox College and Salmond College Council Inc. (C)	-	90	-	590
	University of Otago Foundation Trust (Trustee) (See intergroup note)	-	-	-	-
Ms R A Sycamore-Smith (term Jan-Nov 2014)	Otago University Students' Association (President)	-	3,690	-	103
	Planet Media Dunedin Limited (Director)	-	134	-	9
	University Bookshop Otago Limited (D)	-	136	-	2
	University of Otago (Student)	-	-	-	-
	University Union Limited (D)	-	349	-	140
Mr J F Ward	Otago Innovation Limited (C) (See intergroup note)	-	-	-	-
	Simner Investments Limited (C) (S)	29	30	-	-
	SBS Bank (C) (See * below)	-	-	-	-
	University of Otago Foundation Trust (C) (See intergroup note)	-	-	-	-
	University of Otago Holdings 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 (2014 \$9.0 million). Interest earned during the year was \$374k (2014 \$175k).

\* C = Chairman; D = Director; S = Shareholder

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2015

## 24. Investments in Associates

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>University of Otago Holdings Limited</b>		
University Union Limited	2,685	2,608
LCO New Zealand Limited	-	189
NZ Centre for Reproductive Medicine Ltd	-	-
	<b>2,685</b>	<b>2,797</b>
<b>Otago Innovation Limited</b>		
Photonic Innovations Limited	-	-
Chitogel Limited	316	-
	<b>316</b>	<b>-</b>
<b>Total Investments in Associates</b>	<b>3,001</b>	<b>2,797</b>

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>University of Otago Holdings Limited's Associates:</b>		
<b>Name of Entity: Unihealth Limited</b>		
Principal activity: Not operating.		
Ownership: 50% (31 December 2014 – 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 2014 – 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)	617	559
Share of Increase (Decrease) in the net assets of the Associate (current year)	76	58
Adjustment	-	(1)
<b>Total Investment</b>	<b>2,685</b>	<b>2,608</b>

<b>Name of Entity: LCO New Zealand Limited</b>		
Principal activity: Owner and operator of library system.		
Ownership: 28% (31 December 2014 – 28%)		
Balance date: 31 December		
Investment at deemed cost	-	203
Share of Increase (Decrease) in the net assets of the Associate (previous years)	-	-
Capital Repayment	-	-
Share of Increase (Decrease) in the net assets of the Associate (current year)	-	(14)
<b>Total Investment</b>	<b>-</b>	<b>189</b>



**Consolidated**  
**2015      2014**  
**\$'000      \$'000**

**Name of Entity: New Zealand Centre for Reproductive Medicine Limited**

Principal activity: Not operating, formerly involved in the provision of human fertility services. Placed in voluntary liquidation in 2014.

Ownership: 50% (31 December 2014 – 50%)

Balance date: 30 June

Investment at deemed cost	-	60
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Share of Increase (Decrease) in the net assets of the Associate (previous years)	-	-
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Share of Increase (Decrease) in the net assets of the Associate (current year)	-	33
--	---	----

Final Distribution transferred to Other Receivables (refer Note 11)	-	(93)
---	---	------

**Total Investment**

	-	-
--	---	---

**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 2014 – 20%)

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: 33.33% (31 December 2014 – 33.33%)

**Otago Innovation Limited's Associates:**

**Name of Entity: Photonic Innovations Limited**

Principal activity: Development of infrared laser technology.

Ownership: 40% (31 December 2014 – 40%)

Balance date: 31 December

Unlisted ordinary shares	59	59
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Share of Increase (Decrease) in the net assets of the Associate (previous years)	(59)	(48)
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Share of Increase (Decrease) in the net assets of the Associate (current year)	-	(11)
--	---	------

**Total Investment**

	-	-
--	---	---

**Name of entity: Chitogel Limited**

Principal activity: Commercialisation of medical products

Ownership: 25.0% (31 December 2014 – 0%)

Balance date: 31 December

Unlisted ordinary shares	385	-
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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)	-
--	------	---

**Total Investment**

	316	-
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## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2015

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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

	<b>Consolidated</b>		<b>University</b>	
	<b>Actual 2015 \$'000</b>	<b>Actual 2014 \$'000</b>	<b>Actual 2015 \$'000</b>	<b>Actual 2014 \$'000</b>
Surplus/(deficit)	<b>32,621</b>	216,170	<b>21,377</b>	199,542
<b>Add/(Less) Non-cash Items</b>				
Non cash donations	<b>(319)</b>	(1,234)	-	-
Non cash dividends	<b>(1,957)</b>	(2,074)	-	-
Share of associate's surplus	<b>(76)</b>	(91)	-	-
Adjustments to staff entitlements	<b>1,314</b>	2,743	<b>1,314</b>	2,743
Depreciation and amortisation expense	<b>60,669</b>	56,314	<b>60,445</b>	56,112
Property, plant, and equipment impairment	<b>(3)</b>	48	<b>98</b>	48
Dunedin City Tertiary Accommodation Trust	<b>(193)</b>	(358)	-	-
Increase/(decrease) in loans from external trust funds	<b>46</b>	59	-	-
Gains in fair value of fixed assets	-	(183,399)	-	(183,399)
(Gains)/losses in fair value of investment property	<b>(7,702)</b>	(12,255)	<b>814</b>	(9)
<b>Total Non-cash Items</b>	<b>51,779</b>	<b>(140,247)</b>	<b>62,671</b>	<b>(124,505)</b>
<b>Add/(Less) Movements in Working Capital Items</b>				
(Increase)/decrease in receivables	<b>(1,200)</b>	5,184	<b>(662)</b>	3,796
(Increase)/decrease in prepayments	<b>(1,676)</b>	(2,036)	<b>(1,601)</b>	(2,036)
(Increase)/decrease in inventory	<b>(123)</b>	(78)	<b>(123)</b>	(78)
Increase/(decrease) in payables	<b>(1,904)</b>	5,264	<b>(2,527)</b>	5,179
Increase/(decrease) in funds received in advance	<b>6,997</b>	(5,698)	<b>11,815</b>	(2,557)
Increase/(decrease) in employee entitlements	<b>1,360</b>	1,364	<b>1,354</b>	1,381
<b>Net Movement in Working Capital Items</b>	<b>3,454</b>	<b>4,000</b>	<b>8,256</b>	<b>5,685</b>
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>87,854</b>	<b>79,923</b>	<b>92,304</b>	<b>80,722</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2015

### 28. Hocken Collections

	<b>Consolidated</b>		<b>University</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Opening balance	115,607	114,758	3,960	3,708
Donated Hocken additions	565	849	246	252
<b>Total</b>	<b>116,172</b>	<b>115,607</b>	<b>4,206</b>	<b>3,960</b>
being:				
Assets held in Trust	111,966	111,647	-	-
Assets owned by the University	4,206	3,960	4,206	3,960
<b>Total</b>	<b>116,172</b>	<b>115,607</b>	<b>4,206</b>	<b>3,960</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 \$25.633 million (2014 \$25.503 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 \$9.803 million (2014 \$9.659 million). Additions at cost in 2015 were \$144k (2014 \$57k) (refer Note 13).







## INDEPENDENT AUDITOR'S REPORT

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To the readers of University of Otago and group's financial statements and statement of service performance for the year ended 31 December 2015

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 her behalf.

### Opinion on the financial statements and the statement of service performance

#### We have audited:

- the financial statements of the University and Group on pages 70 to 116, that comprise the statement of financial position as at 31 December 2015, 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 48 to 56.

#### In our opinion:

- the financial statements of the University and Group on pages 70 to 116:
  - ~ present fairly, in all material respects the University and Group's:
    - financial position as at 31 December 2015; and
    - financial performance and cash flows for the year then ended;
  - ~ comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Standards.
- the statement of service performance of the University and Group on pages 48 to 56 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 2015.

Our audit was completed on 12 April 2016. This is the date at which our opinion is expressed.

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

### Basis of opinion

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

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

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

An audit also involves evaluating:

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



We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the statement of service performance. Also we did not evaluate the security and controls over the electronic publication of the financial statements and the statement of service performance.

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

### Responsibilities of the Council

The Council is responsible for preparing financial statements that comply with generally accepted accounting practice in New Zealand and Public Benefit Entity Standards and present fairly the University and Group's financial position, financial performance and cash flows.

The Council is also responsible for preparing a statement of service performance that presents fairly the University and Group's service performance achievements measured against the proposed outcomes adopted in the investment plan.

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

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

### Responsibilities of the Auditor

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

### Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

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

Other than the audit, 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




## 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 2015. The

University and OUSA reviewed the previous year's Service Level Agreement (SLA) and related service level performance.

A number of minor improvements were identified and addressed through some minor changes to the 2015 SLA with OUSA. The University also provided a number of services funded from the Student Services Fee. 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.
Student Health services	Primary health care via GPs, practice nurses, counsellors, health educator and a psychiatrist.
Careers services	Careers advice, guidance and providing employment information to assist students transitioning from university to the workplace.
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	Chaplaincy service.

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

Student Support Centre (advocacy and legal advice; counselling; careers)	Education Quality Support Network. Through the co-ordination of the system of senate, division, department and class representatives. Advocacy/Student Support Centre programmes. Orientation in collaboration with the University. Support for Te Roopu (Māori Students' Association). Financial support and advice. Advocacy and pastoral care. Careers guidance through volunteering in conjunction with the University. Student Job Search.
Clubs and Societies (sport and recreation cultural activities)	Sports, recreation and cultural activities. USNZ-level sports and games and tournaments. Blues and Golds sports and cultural awards. Healthy Lifestyles programme. Orientation. Capping Week and Capping Show. Battle of the Bands. Market days. Re-orientation. International food festival. Music gigs. Postgrad coffee hour. Future DJ. Art week. Volunteers. Te Roopu (Māori Students' Association).
Media	Student communication activities: <i>Critic</i> 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

Chaplaincy service provided by the Otago Tertiary Chaplaincy Trust Board.

## COMPULSORY STUDENT SERVICES LEVY INCOME STATEMENT SUMMARIES

Year ended 31 December 2015

			\$000s		
	Compulsory student services fee	Other	Total revenue	Total expenses	Surplus (deficit)
Advocacy and legal advice	879	-	879	(999)	(120)
Careers information, advice and guidance	509	46	555	(615)	(60)
Counselling	368	43	411	(395)	16
Financial support and advice	20	20	40	(6)	34
Health	3,302	1,090	4,392	(4,177)	215
Media	532	0	532	(457)	75
Childcare	69	-	69	(71)	(2)
Sports and recreation facilities	4,618	698	5,316	(4,956)	360
Other campuses	66	-	66	(53)	13
<b>Total</b>	<b>10,363</b>	<b>1,897</b>	<b>12,260</b>	<b>(11,729)</b>	<b>531</b>

Note: In 2015, the average compulsory student services fee paid per EFTS was \$562.56. Income and expenditure associated with the provision of services is separately accounted for in our accounting system

## SUMMARY FACTS AND FIGURES

	2015	2014	2013	2012	2011
STUDENT ENROLMENTS					
Equivalent Full-time Students (EFTS)					
Commerce	2,928	3,074	3,082	3,096	3,220
Health Sciences	5,871	5,857	5,815	5,815	5,761
Humanities	4,944	5,180	5,328	5,643	5,910
Sciences	4,413	4,458	4,375	4,362	4,418
Other University*	0	0	0	35	36
<b>Subtotal</b>	<b>18,156</b>	<b>18,570</b>	<b>18,600</b>	<b>18,951</b>	<b>19,344</b>
Other Group EFTS**	265	261	275	246	224
<b>Total</b>	<b>18,421</b>	<b>18,830</b>	<b>18,875</b>	<b>19,197</b>	<b>19,568</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.

### ENROLMENT BY QUALIFICATION TYPE

PhD	1,307	1,317	1,293	1,301	1,259
Professional doctorates	80	71	68	76	68
Masters	1,224	1,214	1,216	1,281	1,220
Postgraduate diplomas	946	841	898	939	1,068
Postgraduate certificates	596	547	485	538	473
Graduate diplomas	314	388	416	426	475
Bachelor honours	451	434	460	524	873
Bachelors	14,559	15,136	15,057	15,257	15,079
Undergraduate diplomas	39	60	66	74	91
Undergraduate certificates	0	5	7	18	25
Certificate of proficiency	1,442	1,284	1,228	1,171	1,326
Interest only	4	10	0	0	0
Foundation Studies	316	300	303	266	254
Other	4	6	7	6	17
<b>Total Students</b>	<b>20,601</b>	<b>20,942</b>	<b>21,113</b>	<b>21,416</b>	<b>21,728</b>

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

	2015	2014	2013	2012	2011
<b>GENDER OF STUDENTS</b>					
Female	11,879	12,004	12,171	12,233	12,390
Male	8,720	8,936	8,942	9,183	9,338
X	2	2	N/a	N/a	N/a
<b>Total</b>	<b>20,601</b>	<b>20,942</b>	<b>21,113</b>	<b>21,416</b>	<b>21,728</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	3,738	4,057	4,149	3,996	3,832
Returning	16,863	16,885	16,964	17,420	17,896
<b>Total</b>	<b>20,601</b>	<b>20,942</b>	<b>21,113</b>	<b>21,416</b>	<b>21,728</b>

#### ETHNICITY OF STUDENTS

European/Pākehā	73.4%	74.3%	74.3%	74.8%	75.0%
Māori	8.5%	8.5%	8.0%	7.8%	7.6%
Asian	18.8%	18.3%	18.6%	18.3%	17.9%
Pacific	3.9%	3.6%	3.2%	3.1%	3.1%
Middle Eastern/Latin American/African	3.6%	3.5%	3.3%	3.0%	3.0%
Other / unknown	3.6%	3.2%	3.3%	2.9%	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%.

#### HOME AREA OF STUDENTS

Dunedin	3,182	3,407	3,627	3,903	4,101
Otago/Southland	2,033	2,213	2,309	2,413	2,445
Remainder of South Island	3,828	3,895	3,792	3,695	3,574
North Island	8,482	8,425	8,284	8,276	8,349
Overseas (including NZ citizens overseas)	3,014	2,938	3,012	2,986	3,113
Unknown	62	64	89	143	146
<b>Total</b>	<b>20,601</b>	<b>20,942</b>	<b>21,113</b>	<b>21,416</b>	<b>21,728</b>

Note: The majority of NZ Citizens Overseas listed their home area as Australia (144 in 2015). Conversely, 210 of the 305 Australian citizens who enrolled in 2015 were normally resident in New Zealand prior to commencing University study, as so listed a New Zealand home area.

	2015	2014	2013	2012	2011
INTERNATIONAL STUDENTS					
Undergraduate	1,768	1,749	1,879	1,924	2,036
Postgraduate	824	828	769	766	762
<b>Total</b>	<b>2,592</b>	<b>2,577</b>	<b>2,648</b>	<b>2,690</b>	<b>2,798</b>

INTERNATIONAL STUDENTS BY HOME COUNTRY					
United States of America	656	581	578	530	652
China	458	452	426	397	329
Malaysia	254	287	405	506	483
India	103	99	101	104	97
United Kingdom	100	100	104	96	100
Germany	62	79	72	85	101
Iran	61	59	50	36	28
Brunei Darussalam	56	61	60	70	64
Canada	54	66	90	97	113
Saudi Arabia	52	63	75	73	82
Japan	51	55	49	40	45
Singapore	45	45	42	31	31
France	40	38	35	42	47
Brazil	38	30	8	13	16
South Korea	32	38	47	50	64
Thailand	32	32	33	36	36
Oman	30	30	24	23	25
Viet Nam	26	27	27	23	26
Norway	25	31	18	17	15
Taiwan	25	27	24	18	21
Samoa	22	23	24	23	20
Pakistan	21	11	16	18	17
Indonesia	20	19	12	10	13
Other	329	324	328	352	373
<b>Total</b>	<b>2,592</b>	<b>2,577</b>	<b>2,648</b>	<b>2,690</b>	<b>2,798</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.

HOME AREA OF FIRST-YEAR STUDENTS					
Dunedin	554	593	652	636	668
Otago/Southland	416	474	518	547	530
Remainder of South Island	768	876	833	784	675
North Island	1,722	1,882	1,822	1,691	1,665
Overseas (including NZ citizens overseas)	263	230	321	321	273
Unknown	15	2	3	17	21
<b>Total</b>	<b>3,738</b>	<b>4,057</b>	<b>4,149</b>	<b>3,996</b>	<b>3,832</b>

Note: The majority of NZ Citizens Overseas listed their home area as Australia (28 in 2015). Conversely, 39 of the 55 Australian citizens who enrolled in 2015 were normally resident in New Zealand prior to commencing University study, as so listed a New Zealand home area.



	2015	2014	2013	2012	2011
<b>ACADEMIC ATTAINMENT</b>					
Number of Programme Completions					
- Undergraduate diplomas and certificates	168	260	321	323	362
- Undergraduate degrees	3,566	3,525	3,770	4,023	3,515
- Postgraduate diplomas and certificates	841	732	826	917	933
- Postgraduate degrees	989	912	907	663	627
<b>Total University</b>	<b>5,564</b>	<b>5,429</b>	<b>5,824</b>	<b>5,926</b>	<b>5,437</b>
- Commerce graduates	745	724	742	730	788
- Health Sciences graduates	1,576	1,464	1,503	1,568	1,449
- Humanities graduates	1,419	1,452	1,691	1,747	1,485
- Sciences graduates	1,455	1,444	1,504	1,520	1,355
- Interdivisional graduates	369	345	384	361	360
<b>Total University</b>	<b>5,564</b>	<b>5,429</b>	<b>5,824</b>	<b>5,926</b>	<b>5,437</b>

<b>DEGREES, DIPLOMA AND CERTIFICATES COMPLETED PER 100 EFTS ENROLLED</b>					
Commerce	25.4	23.9	24.8	23.8	25.1
Health Sciences	26.8	25.4	27.2	28.5	25.8
Humanities	28.7	34.3	32.3	30.5	26.1
Sciences	33.0	32.8	35.4	35.9	31.4
<b>Total</b>	<b>30.6</b>	<b>29.4</b>	<b>30.2</b>	<b>30.7</b>	<b>27.8</b>

<b>EXAMINATION PASS RATES</b>					
Commerce	87.7%	85.9%	87.3%	86.7%	86.5%
Health Sciences	93.7%	93.5%	91.9%	91.4%	90.8%
Humanities	91.4%	91.1%	91.8%	92.0%	91.0%
Sciences	87.1%	86.0%	88.1%	88.8%	85.8%
Other (Foundation Studies)	79.3%	81.0%	84.4%	79.6%	79.0%
<b>Total Pass Rate</b>	<b>90.3%</b>	<b>89.6%</b>	<b>90.0%</b>	<b>89.9%</b>	<b>89.3%</b>

	2015	2014	2013	2012	2011
<b>STAFF PROFILE</b>					
<b>Full-time Equivalent (FTE) Teaching and Research Staff</b>					
<b>Female</b>					
Vice-Chancellor/senior academic managers	2	2	2	2	2
Professors	42	37	39	29	26
Readers/associate professors	71	61	50	53	49
Senior lecturers	166	176	179	173	172
Lecturers	82	83	90	89	91
Other teaching and teaching/research staff	159	154	149	150	152
Research-only staff	246	240	243	244	266
<b>Total Females</b>	<b>769</b>	<b>752</b>	<b>752</b>	<b>740</b>	<b>757</b>
<b>Male</b>					
Vice-Chancellor/senior academic managers	6	6	6	6	6
Professors	166	166	163	157	161
Readers/associate professors	108	107	109	115	108
Senior lecturers	191	200	194	194	198
Lecturers	82	85	85	83	89
Other teaching and teaching/research staff	116	112	113	111	108
Research-only staff	182	183	178	170	189
<b>Total Males</b>	<b>851</b>	<b>859</b>	<b>848</b>	<b>836</b>	<b>858</b>
<b>Total Academic and Research-Only Staff</b>	<b>1,619</b>	<b>1,611</b>	<b>1,600</b>	<b>1,576</b>	<b>1,616</b>
<b>Full-time Equivalent (FTE) General Staff</b>					
<b>Female</b>					
Senior managers	12	13	10	8	9
General services, student and community staff	1,053	1,036	1,030	1,011	991
Librarians and library assistants	101	110	114	113	94
Research support staff and technicians	236	247	248	277	290
<b>Total Females</b>	<b>1,403</b>	<b>1,407</b>	<b>1,402</b>	<b>1,409</b>	<b>1,385</b>
<b>Male</b>					
Senior managers	16	17	21	24	23
General services, student and community staff	602	587	559	559	519
Librarians and library assistants	24	23	22	22	15
Research support staff and technicians	139	144	148	166	191
<b>Total Males</b>	<b>781</b>	<b>770</b>	<b>750</b>	<b>771</b>	<b>748</b>
<b>Total General Staff</b>	<b>2,184</b>	<b>2,177</b>	<b>2,152</b>	<b>2,180</b>	<b>2,133</b>
<b>Total Staff</b>	<b>3,803</b>	<b>3,788</b>	<b>3,752</b>	<b>3,755</b>	<b>3,749</b>

	2015	2014	2013	2012	2011
<b>Student-Academic Staff Ratios</b>					
Commerce	24.8	25.2	25.5	28.4	28.7
Health Sciences	11.7	11.9	12.0	12.1	12.3
Humanities	16.1	16.5	17.3	18.1	19.0
Sciences	17.0	17.2	16.7	16.6	16.6
<b>Overall</b>	<b>15.3</b>	<b>15.6</b>	<b>15.8</b>	<b>16.3</b>	<b>16.7</b>

## RESEARCH ACTIVITIES (revised for previous years)

### Research Outputs Produced

<b>Total Publications</b>	<b>5,132</b>	<b>4,477</b>	<b>4,168</b>	<b>5,226</b>	<b>4,239</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	33	33	33	33	33
Land in Crown title for the University	12	12	12	11	11
Endowment leasehold	22,243	22,243	22,243	22,246	22,246
<b>Total Land Controlled by the University</b>	<b>22,288</b>	<b>22,288</b>	<b>22,288</b>	<b>22,289</b>	<b>22,289</b>

Note: The majority of Endowment land is subject to long-term leases.

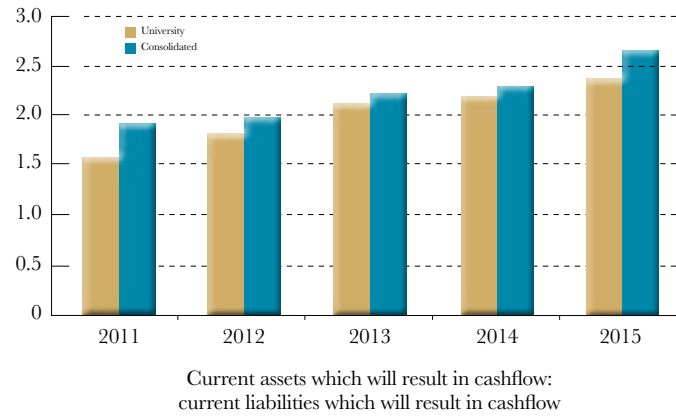
	2015	2014	2013	2012	2011
<b>University of Otago Net Assignable Space (floor space in square metres)</b>					
Commerce	8,453	8,714	8,929	9,022	8,929
Health Sciences	65,645	66,050	66,475	65,984	65,105
Humanities	20,027	20,167	20,163	20,298	20,533
Science	42,018	41,671	41,998	41,580	41,943
Administration and other	72,124	70,425	75,626	67,868	62,672
Corporate	759	759	776	3,139	3,030
Information Services	15,687	15,803	15,962	15,612	16,106
<b>Total</b>	<b>224,713</b>	<b>222,589</b>	<b>229,929</b>	<b>223,504</b>	<b>218,318</b>

#### Notes:

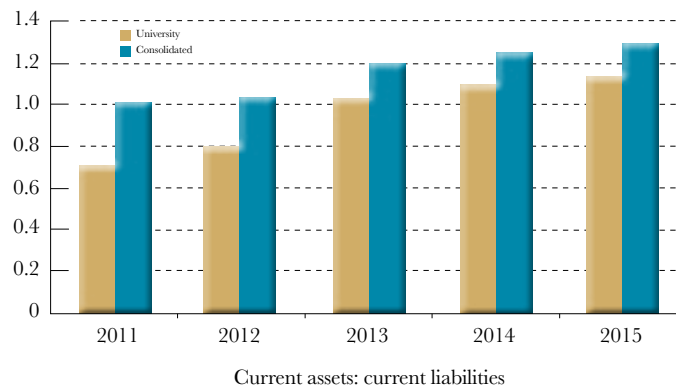
1. Assignable Space is defined as the floor area measured from the inside face of the walls and deducting all the common use areas (corridors, toilets, etc) and non-inhabitable areas (lifts, stairs, service ducts, etc). Note: corridors provided within "open plan" offices are considered to be assignable space.
2. Assignable space at University-owned flats and residential colleges totals a further 57,274m<sup>2</sup>.

	2015	2014	2013	2012	2011
<b>LIBRARY</b>					
<b>Library Collection</b>					
Books (volumes)	1,216,154	1,212,901	1,095,169	1,119,373	1,109,344
Serials (items)	467,117	493,941	570,385	544,236	536,242
Hocken pictures and photographs	1,131,458	1,130,574	1,130,452	1,127,127	1,122,970
<b>Total</b>	<b>2,814,729</b>	<b>2,837,416</b>	<b>2,796,006</b>	<b>2,790,736</b>	<b>2,768,556</b>
Hocken linear metres of archives	10,034	9,950	9,680	9,545	9,427
Print serials subscriptions	3,247	3,791	3,932	5,128	6,030
Electronic serials available	171,199	164,304	215,047	231,681	229,336
<b>Total</b>	<b>174,446</b>	<b>168,095</b>	<b>218,979</b>	<b>236,809</b>	<b>235,366</b>
Electronic books available	744,321	672,789	510,375	489,607	380,867
<b>Space</b>					
Seating places available	4,388	4,388	4,320	4,280	4,188
<b>INFORMATION TECHNOLOGY SERVICES</b>					
<b>Volume of Computer and Telecommunications Traffic</b>					
Off-campus network traffic (Megabytes)	692,958,662	419,554,854	315,164,186	315,847,232	464,158,837
<b>ITS Training and Support Services</b>					
Enquiries received by ITS Helpdesk	52,481	39,837	44,751	43,587	46,295
Seating places in student computer laboratories	1,190	1,295	1,348	1,361	1,361
<b>KEY FINANCIAL INDICATORS</b>					
<b>Value of Output per EFTS</b>					
Teaching, Learning and Assessment	\$11,101	\$10,725	\$10,750	\$9,955	\$9,381
Research and Postgraduate Teaching	\$16,654	\$15,626	\$14,475	\$14,349	\$14,294
Community Service	\$1,711	\$1,622	\$1,526	\$1,477	\$1,291
<b>Financial Indicators</b>					
	2015	2014	2013	2012	2011
	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
Current Ratio (Current Assets: Current Liabilities)	1.3	1.2	1.2	1.0	1.0
Liquid Ratio (Current Assets which will result in cashflow: Current Liabilities which will result in cashflow)	2.7	2.3	2.2	2.0	1.9
Level of Debt (Debt to Equity)	2.1%	2.1%	2.2%	2.4%	2.1%
Increase in Net Assets	1.9%	14.5%	2.2%	2.4%	1.4%
Return on Total Assets	1.7%	1.8%	2.8%	2.0%	1.7%
Return on Revenue	5.0%	5.2%	7.2%	5.2%	4.6%

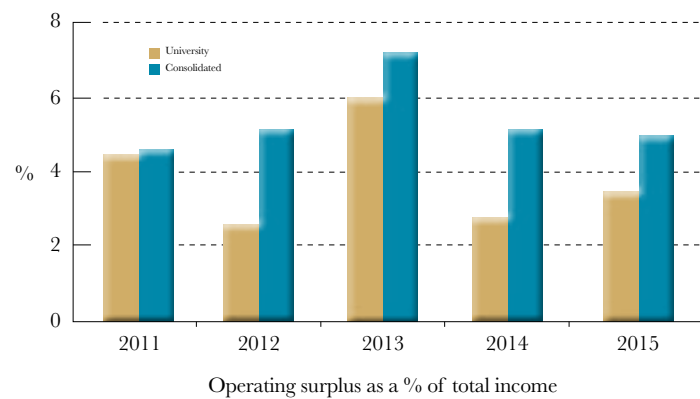
### Liquid Ratio



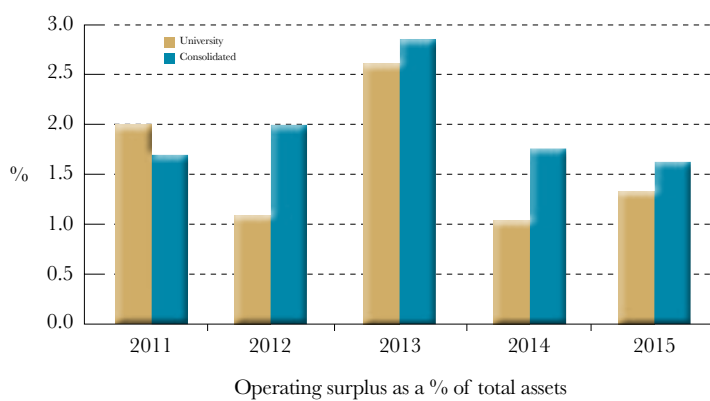
### Current Ratio



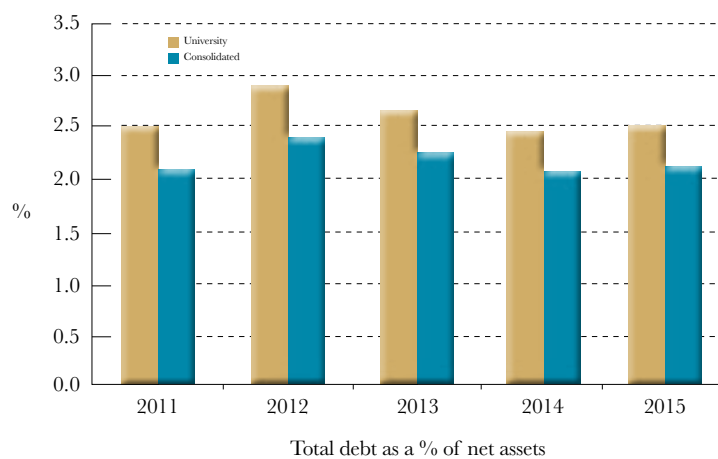
### Return On Revenue



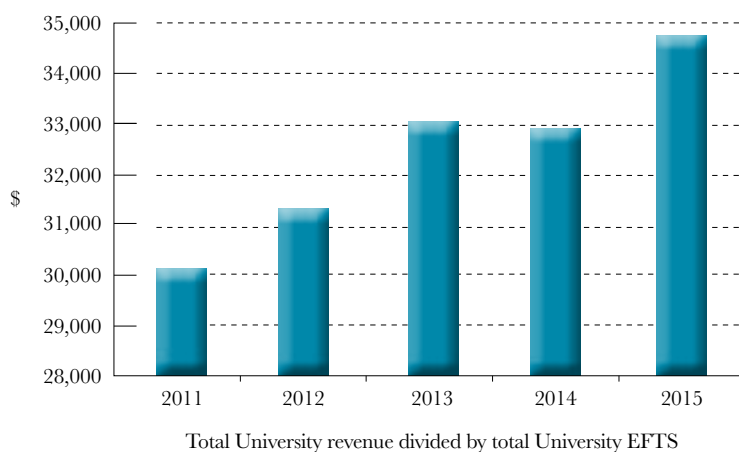
### Return On Total Assets



### Level Of Debt (Debt To Equity)

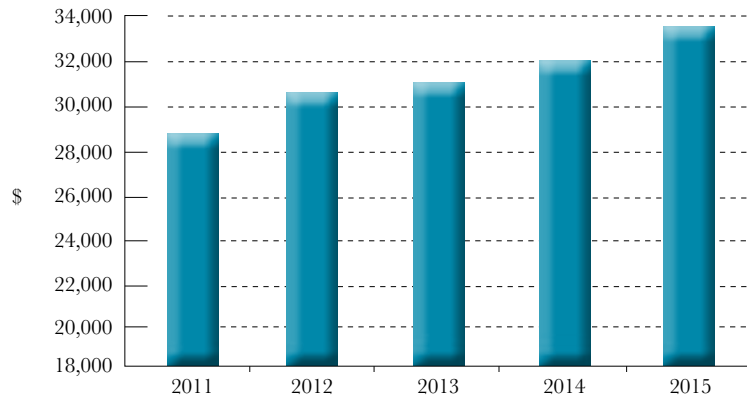


### Revenue Per EFTS



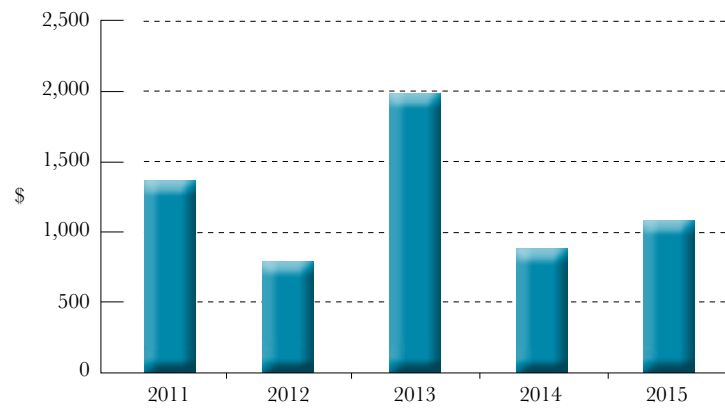


### Expenditure Per EFTS



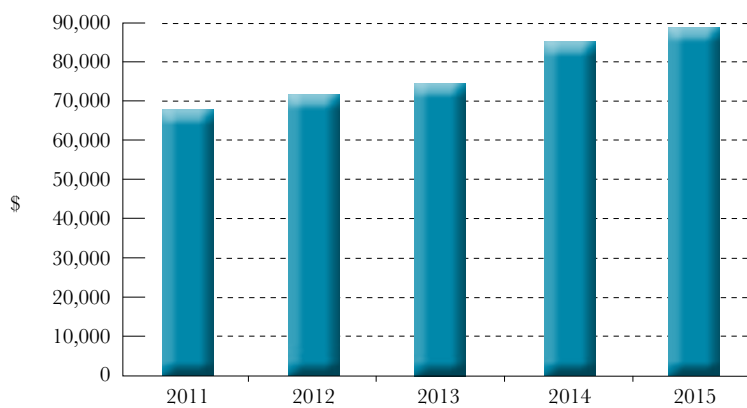
Total University expenditure divided by total University EFTS

### Operating Surplus Per EFTS



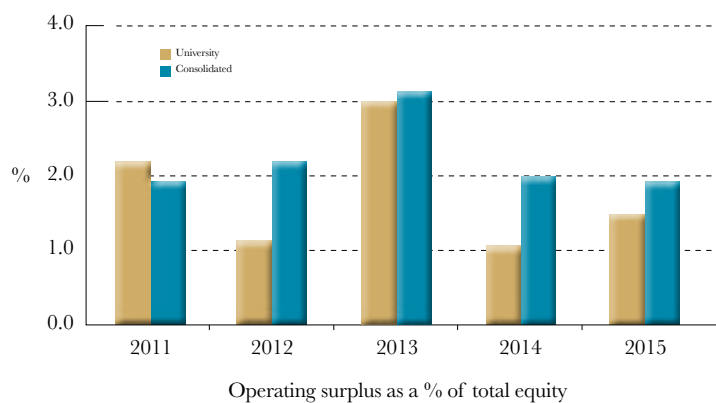
University operating surplus divided by total University EFTS

### Total Assets Per EFTS



Total University assets divided by total University EFTS

### Return On Equity



### Total EFTS

