



# 2013

ANNUAL REPORT

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**2013**



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# 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 āna tutukinga ikeike.*

# Mission

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

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



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# University governance

## Legal status

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

## Statutory role

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

## The University Council

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

## Committees of Council

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

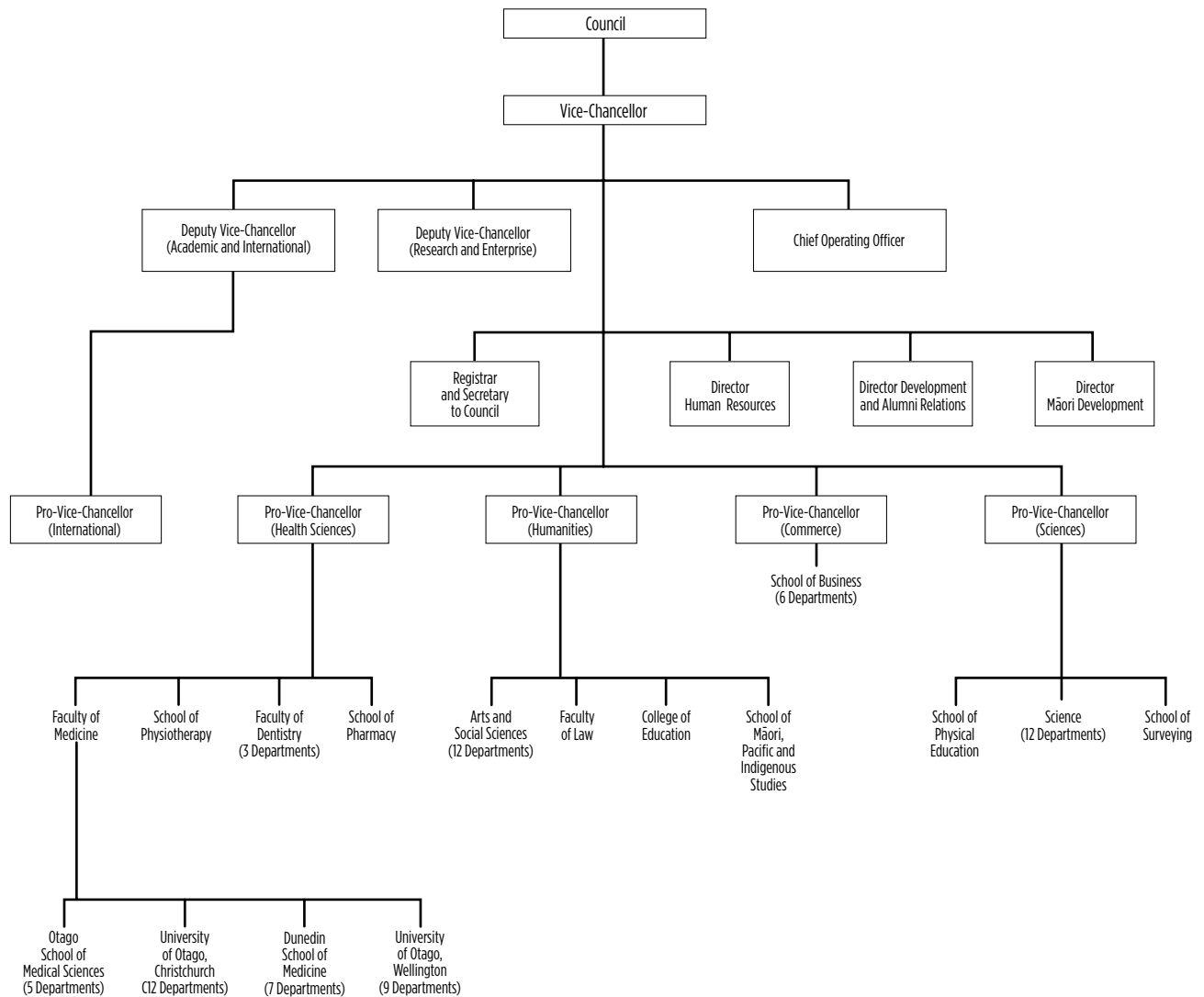
The Education Act 1989 provides statutory recognition of, and protection for, the institutional autonomy of the University and the academic freedom of its staff and students. In accordance with the Act, the Council and the Vice-Chancellor have a duty to act to preserve and enhance university autonomy 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 Strategic Plan, the means by which it will contribute to the Government's strategies and priorities for tertiary education, and how it will monitor its performance in these matters.

# Organisation chart





# Council

## University of Otago 2013

### Ex Officio



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

### Appointed by the Minister of Education



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



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



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



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

### Elected by Academic Staff



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



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



**Associate Professor Elisabeth (Liz) Slooten**  
MSc(Auck) PhD(Cant)



**Ms Jan A. Flood**  
DipPhEd(Otago)

### Registrar and Secretary to Council

### Elected by the Court of Convocation



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



**Miss Lorraine P. Isaacs**  
QSO MA(Otago & Hawaii)



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

Elected by  
General Staff



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

Elected by  
Students



**Mr Logan Edgar**

Appointed by the  
Dunedin City Council



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



**Mr Francisco B. Hernandez**  
BA(Hons)(Otago)

Appointed after consultation with  
Central Organisation of Employers



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

Appointed after consultation with  
Central Organisation of Workers



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

## Executive Group University of Otago 2013

Vice-Chancellor

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

Deputy Vice-Chancellor (Academic & International)

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

Deputy Vice-Chancellor (Research & Enterprise)

**Professor Richard J. Blaikie**  
BSc(Hons)(Otago) PhD(Camb) FRSNZ MIEEE MInstP CPhys

Chief Operating Officer

**Mr A. John Patrick** BCom(Otago) FCA CMA

Pro-Vice-Chancellor (Commerce)

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

Pro-Vice-Chancellor (Health Sciences)

**Professor Peter R. Crampton** MB ChB MPH PhD(Otago) DipObst(Auck)FAFPHM MRNZCGP

Pro-Vice-Chancellor (Humanities)

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

Pro-Vice-Chancellor (Sciences)

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

Pro-Vice-Chancellor (International)

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

Director of Human Resources

**Mr Kevin J. Seales** BCom(Cant) MHRNZ

Registrar and Secretary to Council

**Ms Jan A. Flood** DipPhEd(Otago)

# Chancellor's introduction

It is my pleasure to introduce the University of Otago's Annual Report for 2013, a year marked by many achievements and the adoption of a new strategic document that sets our direction for the next seven years.



These achievements are canvassed at length, both by Professor Harlene Hayne in her Vice-Chancellor's Review and in other sections of this report. As Chancellor, I would like to take this opportunity to congratulate and thank staff and students for their hard work, as well as alumni, funders and other stakeholders for their valued contributions to the University throughout 2013.

Over the 11 years I have served on the University Council – five of them as Chancellor – I have become increasingly proud of the importance of this institution to not only Dunedin, but to New Zealand as a whole. Economic data released in 2013 showed that the overall direct impact of the University was \$897 million in 2012 and that the downstream effect of this – or total economic impact – was \$1.662 billion. The University's total expenditure in Dunedin was estimated at \$800 million – about 16% of the city's gross domestic product; in Wellington it was \$47.1 million; in Christchurch, \$46.2 million; and Invercargill, \$3.5 million.

Financial considerations are meaningful, but there are other important aspects too. The University's researchers work in areas of national and international importance, our students are taught by world-leaders in their fields, and our graduates continue to be sought after by employers for their independence, critical thinking and aptitude for life-long learning – a direct result of the unique Otago academic and lifestyle experience.

One of my great privileges as Chancellor is to have the opportunity to personally congratulate these graduates as they complete their studies and go out into the world. In 2013 the University held 12 graduation ceremonies, attended by 3,644 of the 5,701 new graduates and their families.

At ceremonies in May and December, it was also my privilege to present honorary Doctor of Science degrees to three outstanding

New Zealanders: internationally recognised physician Professor Helen Heslop, botanical artist and conservator Audrey Eagle, and world-leading medical researcher and the Prime Minister's Chief Science Advisor Professor Sir Peter Gluckman.

Another highlight of the year was the re-signing of the University's Memorandum of Understanding with Ngāi Tahu. Originally adopted in 2001, the re-signing provided an opportunity to demonstrate just how far Otago has come in embedding Ngāi Tahu goals and aspirations into our research and teaching activities. Council also approved the new *Strategic Direction to 2020* outlining the University's strategic goals for the coming years, with applied research, high-quality teaching, sustainability and good citizenship as key areas of focus.

As covered in depth in this report, the University continues to be in a sound financial position. However, in a fiscally constrained economic environment, funding will be an ongoing concern, especially as the University proceeds with a number of large capital projects set out in our Priority Development Plan.

Finally, I would like to thank Council members for their dedicated work over the past year. While the Government has indicated its intention to change the nature of university councils, both by making them smaller and making amendments to their representative structure, the University of Otago has been very fortunate that our Council membership has remained stable, providing good continuity of service and knowledge. I feel honoured to head such an enthusiastic and committed team, bringing together a diverse range of skills for the overall good of this fine University.

**John Ward**  
CHANCELLOR



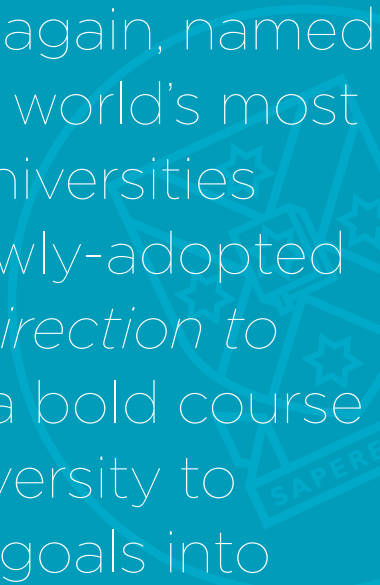
Chancellor Mr John Ward confers the honorary degree of Doctor of Science on Professor Sir Peter Gluckman.

## Vice-Chancellor's review

In 2013, the University of Otago continued to be among the world's leading universities.

The talents and achievements of our researchers, teachers and students were recognised nationally and internationally.

We achieved a record operating surplus for the 2013 financial year. We were, once again, named among the world's most beautiful universities and our newly-adopted *Strategic Direction to 2020* sets a bold course for the University to achieve its goals into the future.

A large, faint watermark of the University of Otago crest is visible in the background of the text. The crest features a shield with various symbols, including a book and a star, and is surrounded by a circular border with the Latin motto 'SAPERE AUDE' at the bottom.



With more than 10,000 universities around the world, I am very proud to report that Otago continues to rank in the top 1-3%. We scored in the 201-300 band in the ARWU (Shanghai) Rankings, in the 226-250 band in the *Times Higher Education* rankings and 155th in the QS rankings. Within this international ranking system, Otago was the top university in New Zealand for the number of highly-cited publications and for the number of publications per capita. In addition, Otago was again the top New Zealand university in the annual *Nature* rankings, which measures the output of research articles in the prestigious *Nature* suite of journals.

Our standing as a research-intensive university plays an important part in our international success. Research is a defining feature of any university's quality and the high calibre of research at Otago was reinforced by the Tertiary Education Commission's PBRF (Performance-Based Research Fund) quality assessment, released in April. We were the only university to be ranked in the top four of all of the quality score measures, reaffirming our position as a leading research institution in New Zealand.

I would like to thank everyone for the time and effort that went into preparing submissions for the PBRF assessment and, in particular, our staff at the University of Otago, Christchurch. Our Christchurch campus was very badly affected by the impacts of the earthquakes that have so significantly damaged that city. However, in spite of these difficulties, the campus more than doubled its number of A-graded staff since 2006, confirming its place as a research powerhouse and one of the leading medical schools in the country.

Excellence in research and teaching are central to the core values of this University, providing the platform from which students gain the world-class education for which we are renowned. Some of the achievements of our outstanding staff and students are highlighted throughout this Annual Report, but I would like to make special mention of Professor Robert Poulin who was awarded the University's Distinguished Research Medal, and Associate Professor Gordon Sanderson who won the Prime Minister's Supreme Award at the National Tertiary Teaching Excellence Awards. This is the fourth time in the last 11 years that an Otago teacher has won this award, a remarkable achievement that is unrivalled by any other institution in this country. Our proud record of Rhodes Scholarships continued, with Politics honours student Ben Abraham becoming Otago's 62nd student to receive the prestigious award to study at Oxford University.

Over the past few years, the University of Otago has made a concerted effort to recruit the best and the brightest students from within New Zealand and from overseas. It is now more difficult to gain acceptance to study at Otago and students must maintain satisfactory academic performance to continue their studies here. The strategic decision to lift the academic calibre of our student cohort was bravely taken in 2011. Although this decision resulted in a slight drop in student numbers overall, it has already paid clear dividends in academic outcomes while, at the same time, enhancing prospective students' enthusiasm to study at Otago. For the second successive

year, our first-year enrolments were up and, in 2013, our student completion rates were the best in the country.

As for all our students, we have extremely high ambitions for our Māori students and they continue to meet or exceed our expectations. In 2013, our Māori student numbers reached a record-breaking 9.2% of the domestic roll. The performance of our Māori students in the Health Sciences First Year programme has resulted in a steady increase in their acceptance into health professional degree programmes. In 2013 Māori students comprised 14% of the School of Medicine's and 13% of the Faculty of Dentistry's domestic student intakes. Over time, these Māori health professionals will change the human face of health service provision in this country.

Students who study at Otago come from all over New Zealand and from all over the world. While the international recruitment market remains challenging, we have partnership agreements with 97 international universities and, in 2013, our roll included students from 94 different countries, adding to the diversity and vibrancy of Otago campus life.

With more than 80% of our students coming from outside Dunedin, Otago is New Zealand's only truly residential university. As such, we have a responsibility to ensure that the vibrant Otago lifestyle they enjoy is both healthy and safe. I am extremely proud of the pastoral care offered through our residential colleges, Māori and Pacific Islands Centres, Student Health Services and Student Learning Centre, and of the many opportunities offered for recreational and cultural pursuits. In 2013 we further widened our peer support initiatives to include a Locals programme, providing social, academic and orientation support to new students – predominately first-years – who are not living in a residential college.

In addition to our responsibility to students, our students also have responsibilities of their own. During Orientation at the beginning of the year, Dunedin Mayor Mr Dave Cull and I personally welcomed 5,000 new students to our University – and to our city – reminding them that they should work hard and make the most of the wonderful opportunities available to them. In addition, we reminded them that a university education is a remarkable privilege and with that privilege comes the responsibility for them to be the best citizens they can be. This message has also been shared with the families of our incoming students. Since becoming Vice-Chancellor, I have taken the opportunity to welcome new parents and families to the University, to share our ethos, to foreshadow some common hiccups that might occur as new students settle in, and to outline strategies for families to help their young people make their way through this exciting transition in their life.

Throughout the year we continued to promote our Student Code of Conduct and I, again, met every student who was in serious trouble as a result of excessive alcohol consumption. The indications are that this approach is working to curb at least some of the alcohol-related anti-social behaviour that has troubled us in the past.

Otago's strategic path for the next seven years is outlined in the *Strategic Direction to 2020* and was approved by Council in August. Building on our established strengths in research and teaching, this new strategic document provides a broader, bolder outlook for the University, encouraging our researchers to use their talents and resources to help solve some of the social, economic and environmental problems facing New Zealand and the world. Equally, it encourages our academic staff to equip students not only with the skills they need for a successful career but, just as importantly, to become strong and effective leaders, and good citizens of the world in which we live.

We have already taken some big steps toward a number of these goals. In 2013 Otago became the first New Zealand university to be granted Fairtrade accreditation. The Fairtrade ethos fits well with our strategic direction and is proof that we act in an ethically, socially and environmentally responsible manner. Wherever possible, products that are consumed by staff and students will be sourced ethically from places that embody Fairtrade. We also signed a Memorandum of Understanding with World Vision New Zealand to enhance efforts to alleviate poverty, nationally and internationally.

Sustainability is increasingly embedded across our activities and, from 1 January 2014, Otago will become a fully smoke-free University. The smoke-free policy will greatly enhance the outstanding campus environment offered to staff and students who work and study at Otago. More importantly perhaps, we have also provided support to help smokers to quit.

The *Strategic Direction to 2020* also outlines our bold intention to harness the time, energy, talents and altruism of our student population for the betterment of the wider community. In 2013, we established a University Volunteer Centre that co-ordinates the needs of the community with the skills of our students. This centre has already been a major success, reaping clear benefits not only for the community, but for the student volunteers as well.

Financially, the University remains in a sound position, reporting a record operating surplus of \$36.5 million for the 2013 year. It is important to note that a portion of this surplus was due to three one-off factors that are explained fully later in this report. Despite the strength of our current balance sheet, funding remains a major issue as we try to balance the constraints of Government support and tuition fees against our aspirations for students and staff. Our highly ambitious Priority Development Plan, in particular, will put further strain on our financial resources in coming years as we move into a phase of building and redeveloping a number of key facilities on campus.

The research funding environment has been challenging for Otago in recent years. Constraints in government expenditure and increased competition for static or declining funding pools are concerning, particularly for health-related research. New

"I feel extremely privileged to lead the University of Otago, which is not only recognised for its world-class teaching and research, but also for the collegial nature of the working environment. We will continue to jealously guard that environment at all cost because, in the end, it is one of the major drivers of our continued success."

government research expenditure has been focused in areas away from Otago's core strengths in health and fundamental sciences, and into agriculture and business-focused engineering and technology research. In response to these new government funding priorities, we have seen good growth in our funding successes in these new areas. We are also actively exploring research collaborations with our Matariki Network partners and those with whom we have memoranda of understanding, such as Jiao Tong University in Shanghai.

We continue our strong focus on research commercialisation, which has been bolstered by a number of successful commercialisation projects over the past 12 months. We follow with great interest the success of one of our biomedical spin-out companies, Pacific Edge Ltd. The company's share value increased markedly during 2013 in the wake of contracts with two major US health providers and the receipt of the New Zealand Innovators' supreme award for Cxbladder; its gene test for the detection and management of bladder cancer. Pacific Edge is a clear example of the way in which the outstanding science at Otago can be converted into successful business opportunities that enhance the health and well-being of people around the world.

Each year I have the opportunity to meet with Otago alumni around the world. They typically range in age from their early 20s to their early 90s. Some of them have already taken their place in the world and some are in the early stages of their careers, but they all share a passion for the University of Otago. We will continue to use their passion to help us recruit new students, to employ our graduates, and to provide a safe and welcoming landing pad for newly-minted Otago alumni if they find their first position overseas. We will also continue to call on our alumni community to assist us as we embark on a wide range of capital and research projects.

Late in 2013, *Forbes Magazine* published an article in which they argued that the biggest leadership challenge in business was the challenge faced by a university president (or Vice-Chancellor). Their point was that a university is not a single business, but rather a collection of many different businesses that require the hard work and co-operation of a large number of extremely bright, highly talented and fiercely independent people. The article also made the point that, unlike many other businesses, universities cannot, and should not, be ruled by fiat, but rather by consensus building and a strong sense of autonomy. I feel extremely privileged to lead the University of Otago, which is not only recognised for its world-class teaching and research, but also for the collegial nature of the working environment. We will continue to jealously guard that environment at all cost because, in the end, it is one of the major drivers of our continued success.

I would like to thank the Council, the academic and general staff and the students at the University of Otago for their hard work and support throughout 2013. Collectively, you have contributed to making 2013 another stellar year for New Zealand's oldest, finest and most beautiful university.

Professor Harlene Hayne

VICE-CHANCELLOR

# Significant events

## Senior appointments

Professor Marie Crowe as Director of the Centre for Postgraduate Nursing, University of Otago, Christchurch.

Professor Dawn Elder as Professor of Paediatrics and Child Health, University of Otago, Wellington.

Professor Alison Heather to a Chair in Physiology.

Professor Steven Higgins as Professor of Botany.

Professor Michael LeBuffe to the Baier Chair in Early Modern Philosophy.

Professor Karl Lyons to the University's Chair in Restorative Dentistry in the Department of Oral Rehabilitation.

Professor Stephen MacDonell as Professor of Information Science.

Professor Helen Nicholson as the University's Pro-Vice-Chancellor, International.

Rachel Scott as the Publisher of Otago University Press.

Professor Rachel Spronken-Smith as Dean of the Graduate Research School.

Professor Barry Taylor (Women's and Children's Health) as Dean of the Dunedin School of Medicine.

Dr Tasileta Teevale as the inaugural Director of Pacific Development.



## Emeritus professors

The University Council has granted the status of Professor Emeritus to Evan Begg (Clinical Pharmacology, Christchurch), John Campbell (Medicine), John Drummond (Music), Alistair Fox (English), Geoff Kearsley (Media, Film and Communication), James Simpson (Chemistry), Elisabeth Wells (Public Health and General Practice, Christchurch).

## Professorial promotions

### **The following staff were appointed to professor:**

Blair Blakie (Physics), Stephen Crane field (Information Science), David Gerrard (Dunedin School of Medicine), Mark Hampton (Pathology, Christchurch), Tony Harland (Higher Education Development Centre), John Knight (Marketing), Craig Rodger (Physics), Philip Seddon (Zoology), Richard Troughton (Medicine, Christchurch), Michael Williams (Dunedin School of Medicine), Stephen Wing (Marine Science), Michael Winikoff (Information Science).

### **The following staff were appointed to associate professor:**

Gillian Abel (Public Health and General Practice, Christchurch), Nicola Atwool (Sociology, Gender and Social Work), Caroline Bell (Psychological Medicine, Christchurch), John Birch (Food Science), Michael Black (Biochemistry), Rhiannon Braund (Pharmacy), Roland Broadbent (Women's and Children's Health), Rob Burns (Music), Anthony Butler (Radiology, Christchurch), Colin Cheyne (Philosophy), Vijay Devadas (Media, Film and Communication), George Dias (Anatomy), Ruth Empson (Physiology), Timothy Eglinton (Surgery, Christchurch), Ruth Fitzgerald (Anthropology and Archaeology), Catherine Fowler (Media, Film and Communication), Andrew Gorman (Geology), Jean Hay-Smith (Medicine, Wellington), Richard Macknight (Biochemistry), Lisa McNeill (Marketing), Motohide Miyahara (Physical Education, Sport and Exercise Sciences), Karen Nairn (College of Education), Patricia Priest (Preventive and Social Medicine), Lynette Sadleir (Paediatrics and Child Health, Wellington), Sheila Skeaff (Human Nutrition), Joel Tyndall (Pharmacy), Ross Vennell (Marine Science), Sarah Young (Pathology).

### **The following staff were appointed to research associate professor:**

Sarah Derrett (Preventive and Social Medicine), Mira Harrison-Woolrych (Preventive and Social Medicine), Marilyn Hibma (Microbiology and Immunology), Michael Keall (Public Health, Wellington), John Pickering (Medicine, Christchurch), Sylvia Sander (Chemistry), Claudine Stirling (Chemistry).

### **The following staff were appointed to clinical associate professor:**

Helen Lunt (Medicine, Christchurch), Michael Harrison (Surgery and Anaesthesia, Wellington).

## Honorary degrees

Honorary degrees of Doctor of Science were conferred on internationally recognised physician and researcher Professor Helen Heslop; noted botanical artist and conservationist Audrey Eagle; and world-leading medical researcher and Prime Minister's Chief Science Advisor Professor Sir Peter Gluckman.

## Honours

In the Queen's Birthday Honours Associate Professor David Perez was made an Officer of the New Zealand Order of Merit for services to oncology.

## Obituaries

Emeritus Professor Barbara Heslop (89), a pathologist/immunologist who was instrumental in setting up the New Zealand Society for Immunology and whose work is commemorated by the Royal Australasian College of Surgeons' Heslop Medal.

Emeritus Professor Lyall McLean (79), a former Head of Accounting and Assistant-Vice-Chancellor of Commerce who played a pivotal role in the construction of the Commerce Building and Executive Residence.

Emeritus Professor John Loutit (87), who was head of the Department of Microbiology for more than 10 years and served as Faculty of Science dean from 1973 to 1975.

Head of the University's Disability Information and Support Service Donna-Rose MacKay (54), who was a national trailblazer in the area of disability issues and support.

Dr Robert (Robin) Williams (93), an eminent mathematician, physicist and public servant, who was University of Otago Vice-Chancellor from 1967 to 1973.









## Achieving research excellence

The University of Otago is one of New Zealand's largest and most broadly capable research organisations, a reputation confirmed during 2013 by independent assessments, successes in highly competitive funding rounds, and the national and international recognition of our researchers.



The findings of the Performance-Based Research Fund (PBRF) quality evaluations, undertaken in 2012, were released in April 2013 and Otago was the only university to be ranked in the top four in all average quality score (AQS) measures, and improving its 2006 performance in all of them. The University was ranked first for research quality weighted by its postgraduate roll, second for quality relative to enrolments at degree-level and higher, third for the quality of research by staff who submitted portfolios for assessment, and fourth for the measure across all academic staff.

Otago was ranked first or second in 17 subject areas, including first in four of the 10 top-ranked subject areas: law, pharmacy, philosophy and pure and applied mathematics. In addition, the Department of Psychology received the highest score (6.9) for any nominated academic unit at any institution across the country.

Of the 1,318 Otago staff who participated in the evaluation, 735 were ranked as either "A" (high international standing) or "B" (high national standing) for the quality of their research. The results achieved by Otago's younger, up-and-coming researchers were particularly encouraging – of the 275 new and emerging researchers assessed, 53 received "B" grades and two were recognised as "A" grade. The University's position as New Zealand's leading postgraduate research university was also confirmed. Otago postgraduate students enjoy a 3:1 ratio to research-active staff and a 5:1 ratio to "A"- or "B"-rated research staff.

In monetary terms, the University of Otago gained around 20% of the total funding pool. This translated to an estimated \$53 million in funding in 2013.

Otago continued to be successful in an increasingly difficult research funding environment, reflecting the quality of the work being undertaken across its campuses. Researchers were awarded \$12.8 million from the Marsden Fund to support world-class research in science, technology, social sciences and humanities. Funding was received for a total of 22 research projects, ranging from fungal drug resistance and entrepreneurial networking, to few-atom quantum dynamics and global ocean anoxia. Seven of the projects received fast-start grants.

Projects aimed at improving the health and well-being of New Zealanders gained around \$16.5 million in the Health Research Council's (HRC) funding round. Among them was a significant five-year programme investigating the use of viral proteins in sheep to potentially provide therapies for skin wounds and human conditions such as cancer, inflammatory disorders and viral infection. Other projects focus on cancer genetics, the molecule kisspeptin and its role in fertility and reproduction, rheumatoid arthritis, severe acute maternal morbidity among Māori women, a school-based asthma support toolkit for Māori children, and innovative research into the brain mechanisms regulating memory.

Neurological Foundation Funding was received for a further three projects being undertaken by members of Otago's Brain Health Research Centre – stroke recovery, Parkinson's disease and improving cognitive performance. Significant funding was also received from the Rheumatic Fever Research Partnership for work by Wellington-based researchers to help identify risk factors for this disease and the potential of probiotics in preventing it.

Two "smart ideas" projects received a total of \$1.9 million in the Government's science investment round, investigating the bio-manufacturing of key industrial chemicals and the development of new bee-friendly insecticides. Another 10 researchers succeeded in gaining \$4.6 million as collaborators on other successful Ministry of Business, Innovation and Employment (MBIE)-funded projects and a further 37 staff also received grants from Lottery Health Research.

A Grand Challenges Explorations Grant, funded by the Bill and Melinda Gates Foundation, was gained for a simple cellphone-enabled approach to the diagnosis of parasitic worms in humans. Funding of \$100,000 was received from the New Zealand Breast Cancer Foundation for researchers developing a low-cost treatment for triple negative breast cancer, an aggressive cancer that particularly affects younger women. Dr Vijay Devadas (Media, Film and Communication) received a \$40,000 grant from the New Zealand India Research Institute to fund a project looking at the social lives of youths in the Indian city of Chennai.

As reflected in much of this research, the University of Otago is strategically committed to contributing to the national and international good through work that enhances health, social and environmental well-being. The Otago Climate Change Network (OCCNet) was established to raise awareness of climate change issues and foster crossdisciplinary projects. Scientists continued their internationally-recognised work to increase our understanding of the oceans – from ocean acidification and impacts on greenhouse gases, to the human effects on marine species and the future for endangered marine mammals.

The ongoing research of the Centre for Neuroendocrinology has cemented its position as one of the top international research groups examining how the brain controls reproduction. Also impressing internationally, the Master of Entrepreneurship programme's research and application approach led to its winning the Outstanding Entrepreneurship Programme Abroad award from the United States Association of Small Business and Entrepreneurship. The Centre for Sustainable Cities had notable success in translating science research into policy and practice with a housing Warrant of Fitness programme which is to undergo a nationwide trial.

The National Centre for Peace and Conflict Studies, New Zealand's first centre to combine global crossdisciplinary expertise on the issues of development, peace-building and conflict transformation, received a \$500,000 anonymous donation to support a permanent lecturer in peace education and the extension of a postdoctoral

fellowship on the economics of war and peace. A state-of-the-art physical containment level three (PC3) laboratory was officially opened in June, greatly enhancing Otago's ability to undertake research into infectious disease.

Otago is strategically committed to fostering joint research programmes and collaborations with other universities and research institutions. For example, Professor David Murdoch (University of Otago, Christchurch) has been working with the Christchurch District Health Board (DHB) and Christchurch Health Laboratories to better identify risk factors for legionnaires' disease and improved approaches to preventing this disease.

Professor Michael Baker (University of Otago, Wellington), together with ESR (Environmental Science and Research), the University of Auckland and the Auckland DHB, is involved in the SHIVERS project aiming to help Northern Hemisphere countries better plan for, and protect against, potential flu epidemics and pandemics. Similarly, Professor Antony Braithwaite (Pathology) is working with New Zealand and Chinese colleagues on a project to develop new anti-cancer drugs funded through the Strategic Research Alliance Joint Research Programme, which helps facilitate science research collaboration and the commercialisation of science between China and New Zealand.

Two Otago research results were included in the New Zealand Science Media's top 10 science stories of 2013: Associate Professor Russell Poulter (Biochemistry) confirmed the Chinese origin of the PSA bacterium and genetic clues about why it devastated New Zealand kiwifruit crops; and the study led by Professor Lisa Matisoo-Smith (Anatomy) in which the sequencing of the mitochondrial DNA from human samples from the Wairau Bar burial site showed greater diversity than was expected of New Zealand's earliest settlers and cast doubt on the theory that New Zealand was settled by small unplanned voyages.

The recognition of research excellence is central to the University's commitment to strengthening its research culture. World-leading parasite ecology and evolution expert Professor Robert Poulin (Zoology) was the 2013 recipient of the University's highest research honour, the Distinguished Research Medal.

Behavioural ecologist Dr Shinichi Nakagawa (Zoology) received the Carl Smith Medal and Rowheath Trust Award, which recognise outstanding research performance by early-career staff. Early Career Awards for Distinction in Research were also presented to Dr Karen Brounéus (National Centre for Peace and Conflict Studies), Dr Lyndie Foster Page (Faculty of Dentistry), Dr Carla Meladandri (Chemistry), Dr Suetonia Palmer (Medicine, Christchurch) and Dr Virginia Toy (Geology).

Otago was ranked first or second in

17

subject areas in the PBRF quality assessment

Researchers were awarded a total of

\$29.3m

in the Marsden and HRC funding rounds



Other staff whose work received significant recognition included:

Professor Michael Baker (Public Health, Wellington) who was awarded the HRC's Liley Medal, in recognition of his 2012 study showing a dramatic rise in the incidence of serious infectious diseases and rising inequalities across populations in New Zealand.

Professor Richard Blaikie (Physics, Deputy Vice-Chancellor (Research and Enterprise)) who was presented with the 2013 Hector Medal for the advancement of physical sciences in recognition of his contributions to the field of nano-optics.

Professor Antony Braithwaite (Pathology), Professor Gregory Cook (Microbiology and Immunology), Professor Jörg Frauendiener (Mathematics and Statistics), Professor Philippa Howden-Chapman (Public Health, Wellington), Professor Lisa Matisoo-Smith (Anatomy) and Professor Richard Walter (Anthropology and Archaeology) who were elected Fellows of the Royal Society of New Zealand.

Professor Brett Delahunt (Pathology, Wellington) who received the International Academy of Pathology Distinguished Pathologist Medal and the Grawitz Medal in recognition of his contributions to the advancement of urological pathology.

Professor Jim McQuillan (Chemistry) who received the Royal Society of New Zealand's T.K. Sidey Medal, recognising outstanding scientific research in the field of electromagnetic radiation.

Associate Professor Richard Macknight won the New Zealand Society for Plant Biologists' premier prize, the Roger Slack Award for 2013.

Professor Gerald Tannock (Microbiology and Immunology) who received a James Cook Research Fellowship to support his studies into bacterial communities in the gut and their role in health and disease.

Ms Ceri Warnock (Law) who received New Zealand's premier legal research award, the 2013 New Zealand Law Foundation International Research Fellowship.

Dr Suetonia Palmer (Medicine, Christchurch) and Dr Angela Wanhalla (History and Art History) gained Rutherford Discovery Fellowships. Dr Palmer and Mr Joseph Antoun (Oral Sciences) also received HRC Emerging Researcher First Grants.

A number of students won scholarships to pursue further study. Politics honours graduate Ben Abraham received a prestigious Rhodes Scholarship for postgraduate studies at Oxford University and Physics honours graduate Edward Linscott was awarded a Cambridge-Rutherford Memorial Scholarship to undertake doctoral studies at the University of Cambridge. Otago Geography master's graduate David Gawith gained a Woolf Fisher Scholarship to the University of Cambridge.

Ilsa Cooke, Gaya Gnanalingam, Sunkita Howard, Ani Kainamu, Kelly O'Connell and Charlotte Till gained Fulbright New Zealand Science and Innovation Graduate Awards, and Charlotte Greenfield received a Fulbright New Zealand General Graduate Award.

## Achieving excellence in research-informed teaching

Teaching excellence is a priority at the University of Otago and this was confirmed by ongoing success in the Tertiary Education Commission's (TEC) educational performance indicators, the teaching awards received by Otago staff and the performance of Otago students.



The University of Otago was ranked top of all New Zealand universities in the educational performance indicators (EPIs) released by the TEC in 2013. These measure course completion, qualification completion, student progression and student retention. Otago was placed first in all four indicators, the first time any university has topped all four since the EPI system was introduced.

The University also featured among the top 100 institutions in the world in 12 subject areas in the 2013 QS World University Rankings. Otago improved its 2012 ranking in 11 of the 30 subject areas under evaluation and was placed among the top 50 institutions worldwide in three subjects, including psychology – which, at 15th place, was the highest ranking of any subject area at a New Zealand university – history and archaeology (24th), and law and legal studies (32nd).

In 2013, 190 undergraduate and postgraduate degree, diploma and certificate programmes were offered across the four academic divisions. New programmes included a Bachelor of Social Work with Honours, Bachelor of Dental Surgery with Honours, Bachelor of Physiotherapy with Honours and Postgraduate Certificate in Pharmacist Prescribing. Eight new one-year coursework masters' programmes were approved for introduction in 2014 – in Peace and Conflict Studies, Wildlife Management, Applied Science, International Studies, Business Data Science, Finance, Higher Education, and Teaching and Learning. A three-year Bachelor of Performing Arts, comprising the disciplines of theatre, music and dance, will also be introduced in 2014.

Sixty-seven programmes were offered by Distance Learning, 60 of which were at postgraduate level. Initiatives arising from the 2011 Distance Learning review continued to be implemented throughout 2013, including a two-day intensive course development workshop for academics. An off-campus information and support workshop for coursework and research distance students was again held in Auckland.

The 13th Otago Summer School, held in January/February, offered 75 papers and attracted 2,128 enrolments. Of these papers, 26 were either new or had not been offered in 2012 and 51 were available only during Summer School. Most papers (62) were taught in Dunedin, with two taught in Auckland, two in Wellington and nine taught by distance. Twelve papers were taught by visiting international academics especially contracted for Summer School. Two additional Summer School papers were offered in November/December, attracting 97 enrolments in total.

The University experienced an overall decline in enrolments in 2013, down 1.4% from 2012. This was the third successive year that enrolment numbers have decreased, following a period of sustained growth from 2007 to 2010. The total of 18,875 EFTS (equivalent full-time students) comprised 18,600 University EFTS and a further 275 EFTS for the University's Foundation Studies subsidiary, and was generated by 21,113 individual students (see pages 108-110).

Factors combining to produce this result were similar to those that affected enrolments in 2012. These included the ongoing impact of internal measures – notably, the tightening of admission and academic progress policies – to advance the University strategically in terms of the calibre and nature of its student cohort. External factors included the one-off effect of community education short courses no longer counting for EFTS purposes (the result of another Government policy change), and the winding down of a major international contract affecting enrolments from Malaysia.

Encouragingly, however, there was further recovery in first-year numbers, rising by 3.8% in 2013 after a gain of 4.3% in 2012. (In 2011, first-year numbers dropped following the introduction of an undergraduate enrolment limitation system.) Enrolment in the University's Foundation Studies subsidiary also increased for a second successive year, by 11.8%. The proportion of commencing students attracted from outside the University's Otago/Southland home catchment increased slightly to reach 71.8%, the highest in Otago's history.

Māori enrolments continued to grow, reaching a record 9.2% of the domestic roll in EFTS terms. Pacific enrolments also increased, comprising 3.3% of domestic EFTS. The number of new students recruited from Australia was 206 (2012:193), including a commencing cohort of 36 students (2012:42). Approximately half of this group were New Zealand citizens returning from Australia.

International enrolments declined overall, dropping 5.6% for full-fee international EFTS, down 1.6% to 2,648 in head-count terms. This difference between EFTS and head-count performance reflects a growth in short-visit (mainly single-semester) study-abroad students and a drop in full-degree international enrolments.

The international recruitment market remained challenging in 2013, not helped by the continued strength of the New Zealand dollar and increasingly aggressive competition from universities in countries such as the United States and United Kingdom, which are highly attractive destinations for overseas students. Despite this, Otago achieved international enrolment growth from 14 of the 21 countries from which it recruited more than 20 students in 2013.

With a recovery in single-semester study-abroad enrolments from North America (after a post-Canterbury earthquake drop in 2012), the United States – with 9.1% growth – retained its position as Otago's leading source of international students.

China (up by 7.3% in 2013) displaced Malaysia as the second largest source of international enrolments at Otago. As noted above, Malaysian enrolments dropped 20% as a result of the scheduled winding down of a major teacher-education contract. Together, the US, China and Malaysia accounted for 53% of all international students on campus by head-count and the University is likely to remain dependent on these markets in the short to medium term.

Of the 94 countries represented in the University's international student cohort, the US, China and Malaysia supplied more than 400 enrolments each; the UK and India each accounted for just over 100, while Saudi Arabia, Germany and Brunei all accounted for more than 50 enrolments. Solid enrolment growth was also achieved from Iran, Japan, Singapore, Vietnam, Taiwan and Denmark.

In 2013, 200 students spent at least one semester at one of the University's 97 partner universities (including 13 full-year exchanges). Inbound student numbers were 214, including 11 students who came for the full year. US and Canadian Alumni Scholarships have encouraged good numbers of applicants and an Otago student received the Prime Minister's scholarship to attend the University of Hong Kong in 2013. New agreements were signed with Ashton Business School, Sun Yat-Sen Business School, Université Joseph Fourier, Florida International and the University of Leipzig. Student exchange has become increasingly popular; growing more than 13% since 2010.

International PhD head-count numbers increased to 565 (2012: 519), with the highest numbers coming from the US (63) and India (63), ahead of Malaysia (50), Iran (48), UK (43) and Germany (41).

Overall postgraduate enrolments, however, dipped both in absolute terms (down by 150 EFTS) and as a proportion of the roll, slipping from 16.6% to 16.1% of University EFTS. Likely reasons for this included a strengthening economy (generating more job opportunities for graduates) and changes to scholarships for research degree study.

At the end of 2013, there were 1,361 doctoral enrolments (2012: 1,377), including 1,293 PhD candidates (2012: 1,301), 26 Doctor of Education candidates (2012: 26), 36 Doctor of Clinical Dentistry candidates (2012: 46) and six Doctor of Musical Arts candidates (2012: four). There were also 1,216 enrolments at master's level (2012: 1,281), 1,383 in postgraduate diplomas and certificates (2012: 1,477) and 219 enrolled in postgraduate honours degrees (a new option in 2013), with another 152 enrolled in undergraduate honours degrees (2012: 364).

A record number (247) of doctoral candidates successfully completed their studies in 2013 (2012: 230) and 306 thesis masters' candidates also finished (2012: 270).

The Graduate Research School was officially launched at the beginning of Graduate Research Month in August and other events that month included a postgraduate Twitter conference, a Chamber Debate and a Three Minute Thesis Competition, won by Daniel Wee (Philosophy). The Graduate Research School renewed and expanded the workshop programme of support offered to graduate research candidates and instigated a Blackboard website with resources for doctoral candidates.

# 21,113

students enrolled

# 190

programmes offered

More than

# 2.1m

lectures downloaded

Students come from

# 94

countries around the world

The University recognises the vital importance of excellent and inspiring teachers for the successful delivery of academic programmes, and remained committed to both enhancing the quality of teaching and celebrating teachers' outstanding achievements.

Associate Professor Gordon Sanderson (Dunedin School of Medicine), Professor Rachel Spronken-Smith (Graduate Research School) and Dr Moyra Sweetnam Evans (Applied Linguistics) received the University of Otago Teaching Excellence Awards for 2013.

Associate Professor Sanderson went on to take top honours at the national Tertiary Teaching Excellence Awards, winning the Prime Minister's Supreme Award for Tertiary Teaching Excellence. He was the fourth Otago academic to have won this supreme award in the past 11 years, a performance that remains unmatched by any other institution in New Zealand.

Japanese teaching fellow Haruko Stuart took top honours in the Otago University Students' Association (OUSA) 2013 teaching awards. Associate Professor Leigh Hale (Physiotherapy), Dr Gill Rutherford (Education) and Mr Tony Zaharic (Biochemistry) received Inclusiveness in Teaching awards. OUSA also named Dr Roslyn Kemp (Microbiology and Immunology) as Research Supervisor of the Year and Associate Professor Jacinta Ruru (Law) as New Supervisor of the Year.

The Evaluation Research and Development section of the Higher Education Development Centre undertook 2,732 teaching and course evaluations throughout the year.

The University remained equally committed to investing in the high quality facilities and support services that sustain teaching excellence. A world-leading virtual environment radiation therapy training system (VERT) was installed for use by students in the Department of Radiation Therapy, Wellington, revolutionising national radiation therapy education and vastly improving training for treating patients.

Significant steps were taken to upgrade and modernise the local area network (LAN) and wireless networks across the University's campuses. A five-year support agreement was signed with Dimension Data as network services partner, and the University plans to invest \$22 million over this time to develop a more responsive, agile, connected campus platform to support teaching, research and administrative activities.

Students continued to use the University's lecture podcast service in record numbers, with 2,172,480 lectures downloaded throughout the year.

The Library ensured its place as a highly valuable resource for the academic community by implementing a new generation library management system in 2013. It increased its extensive print collections to a total of 3,138,821 items (2012: 3,121,386) and continued to build on its range of electronic resources where appropriate. 215,047 ejournals are now available and accessible ebooks increased to 510,375 (see page 51).



## **Ensuring outstanding campus environments and student experience**

The University of Otago is renowned for its exceptional campus environments and is committed to providing high-quality and sustainable environments for staff and students, as well as a welcoming environment for local communities and visitors.



The University was again recognised as having one of the most beautiful campuses in the world. Following the UK's *Telegraph* newspaper ranking of Otago among 16 of the world's most beautiful campuses 2012, *The Huffington Post*, an online news aggregator, has ranked Otago among the 15 most beautiful campuses in 2013, alongside the likes of England's Cambridge and Oxford Universities, the University of Sydney, and Queens University of Belfast.

A revised smoke-free policy was launched at the end of May, making all campuses totally smoke-free from the beginning of 2014. While the Christchurch, Wellington and Invercargill campuses were already smoke-free, the Dunedin campus had allowed smoking at a distance further than six metres from buildings.

In another decision to enhance the Otago campus experience, the University joined eduroam™ (education roaming) which provides a secure collaborative wireless network service to staff, students and visitors on campus and at thousands of locations worldwide.

A common feature of all of the University's campuses is their location within established settings. This has a significant effect on campus development and the University undertakes to ensure that all building projects reflect and promote a vision of excellence and safety.

A Campus Master Plan was developed in 2010 to provide a vision and direction for the campuses over the next 25-30 years. This, in turn, informs a Priority Development Plan that provides a rolling six-to-eight-year blueprint for capital developments. Key projects in this plan include the redevelopment of the Dental School, science precinct laboratory facilities and Arts Building; an upgrade of the Commerce Building and Atrium; a building in the new Christchurch Health Precinct; a research support building and a biomedical sciences research building.

\$50 million has also been allocated in this plan for a programme of seismic strengthening of University buildings to at least 67% of new building standard (NBS) and as close to 100% as possible, to be completed by 2019. The programme continued throughout 2013.

Three non-residential research/operational facilities have been assessed as earthquake prone or below 34% of NBS – the Scott Building (Health Sciences), Property Services building and the unoccupied St David 2 building. Necessary repairs are still being determined. Seismic strengthening has been completed at Carrington College and work at Aquinas College was to be completed in early 2014.

Staff and students moved back into the repaired University of Otago, Christchurch building at the beginning of the 2013 academic year. It had been closed since the devastating February 2011 earthquake, but has been substantially strengthened to 120 per cent of NBS.

The Marsh Study Centre, redeveloped from the former Gardens Tavern at the north end of Castle Street, was opened early in the year and has proven very popular with students. It provides a well-appointed study area for up to 220 students, wi-fi, café and views

of the Dunedin Botanic Garden, and was a winner in the education category of the 2013 Southern Architecture Awards.

Similarly, the high quality and functionality of the space provided by the University of Otago Plaza adjacent to Forsyth Barr Stadium was recognised with an Award of Excellence in the New Zealand Institute of Landscape Architects Awards.

Construction of a new University childcare centre began in July 2013 and was expected to be operational by mid-April 2014. The development, between Castle Street and Montgomery Avenue, will provide places for 140 children. A feature of the project has been the retention of the look and feel of the Castle Street frontage, achieved by the recycling of bay windows, fascias and other decorative moulding from previous Edwardian villas on the site. The units on the Montgomery Avenue side of the complex will provide a modern interpretation of the classic villa. A large landscaped courtyard in the middle of the site will provide connection, play and activity space.

A Visitors' Centre was built on the Cumberland Street (northwest) facade of the St David Lecture Theatre complex. Due to open in early 2014, the centre features high-tech displays, digital content and memorabilia, providing a high quality "front door" to the University and an interactive experience for visitors.

The Otago Regional Council (ORC) Leith Flood Protection Scheme continued with work on the Leith to Forth Streets reach nearing completion and the Clocktower reach due to start in January 2014. The University has worked closely with the ORC to ensure that the final scheme meets the needs of both parties and that it enhances Otago's exceptional campus environment. Both reaches are expected to be completed by June 2014.

In early 2013 the University purchased the LivingSpace Dunedin hotel, at 192 Castle Street, and in October work began on the conversion of the building into a residential college, opening for the 2014 academic year. To be called Te Rangi Hiroa College in honour of Otago's first Māori graduate, Sir Peter Buck, the new college will cater for 128 undergraduate students and its facilities will include single rooms with ensuite bathrooms, a Head of College apartment, small theatre, large common room, full dining-room service, academic tutorial facilities and recreational space.

The strategic importance of sustainability to the University was strengthened in 2013. Social, ethical and environmental responsibility feature prominently in the *Strategic Direction to 2020* document approved by Council in August, and Otago was accredited as New Zealand's first Fairtrade university. Sustainability measures were incorporated into the planning and approval process for the construction and renovation of campus facilities, as well as internal academic and administrative reviews (beginning in 2015). Environmental data collection, monitoring and reporting systems were also improved.

With waste minimisation an integral part of sustainability efforts, 30 new outdoor recycling stations were installed across the campus, with a further 30 smaller stations installed in shared indoor areas including lecture theatre buildings, libraries, the Link, the University Union and Unipol. Sustainability workshops were held as part of the Academic Development Leadership Programmes and OUSA's Environment Week.

The Otago experience, encompassing the social, cultural and sporting aspects of student life as well as the pursuit of academic excellence, is one of the defining features of the University. It has its roots in the University's distinctive residential lifestyle, beginning for many students in one of the 14 residential colleges located in and around campus. In 2013, 3,352 students were accommodated in these colleges, including 75 at Abbey College, New Zealand's first postgraduate college.

As mentioned above, Te Rangi Hiroa College, the University's 15th residential college, was due to open in February 2014. The University also owns and operates flats for international students, providing accommodation for 533 students in 2013.

As New Zealand's only true residential University, Otago takes seriously its responsibility to provide outstanding pastoral support. This is provided not only via the residential colleges, but also the University Chaplains, Student Learning Centre, Career Development Centre, Student Health, and Disability Information and Support, as well as targeted support services for international, Māori and Pacific students.

In 2013 the University enrolled 1,000 students who identified as having a disability affecting study and provided more than 1,720 instances of learning assistance, note-taking, tutoring and other forms of support (see also page 56).

More than 3,512 students attended Student Learning Centre workshops across the University's campuses. A further 1,048 students accessed one-to-one consultations and 95 weekly peer-assisted study sessions (PASS) were held throughout the academic year.

The University is committed to working in partnership with students, nurturing safe, healthy and sustainable lifestyles, and providing opportunities for high-quality extra-curricular activities. For the second year, the University and OUSA jointly ran the Orientation programme which was a resounding success. A week of music, sport and festivity was opened by a Unismart event at the Forsyth Barr Stadium, attended by both the Vice-Chancellor and the Mayor of Dunedin.

Initiatives to promote the Student Code of Conduct, and particularly the dangers of excessive alcohol consumption, continued throughout the year. The UniPol Gymnasium, located

# 3,352

students lived in a residential college

# 95.4%

of students provided positive assessment of the campus, administration and support services

One of the

# 15

most beautiful campuses in the world

at University Plaza adjacent to the Forsyth Barr Stadium, continued to be very popular with students, with a total of 655,971 visits for the year.

The University is also committed to harnessing student altruism for the betterment of both students and the wider community. Following consultation with OUSA and Dunedin volunteer agencies, the University Volunteering Centre was opened in October to co-ordinate volunteer activities that were already taking place, and to encourage and promote new volunteering opportunities. In one of the centre's first major projects, more than 80 staff and students volunteered to help at the New Zealand Special Olympics held in Dunedin in November.

The 2013 Student Opinion Survey indicated an overwhelming level of satisfaction with the campus and services provided to students: 95.4% of participants gave a positive assessment of the general campus environment; 91.9% expressed satisfaction with the University libraries, information technology and teaching facilities; and 95.4% provided positive feedback about the University's administrative and support services.



The Student Opinion Survey indicated an overwhelming level of satisfaction with the campus and services provided to students.

## **Contributing to the national good and to international progress**

New Zealand is in the midst of major demographic, social and economic changes which, over the coming decades, will significantly alter this country. The University of Otago has already made a purposeful response to the challenges posed by changing times and is strongly committed to an ongoing contribution to regional, national and international good.





As canvassed in the Research Excellence section of this report (see pages 20-23) the University encourages research in areas that support health, development and well-being. Further to this, in October a Memorandum of Understanding (MOU) was signed with World Vision New Zealand to enhance efforts to alleviate poverty, globally and in New Zealand and the Pacific. This will bring together academics, development experts and students to collaborate on research, international programme design and workforce development, and to promote debate around the causes and dynamics of poverty.

The Children's Issues Centre joined a new UNICEF partnership project to help the research community to understand, plan and conduct ethical research involving children and young people. Researchers in the interdisciplinary ASPIRE2025 group worked to support the government's 2025 smoke-free Aotearoa goal by undertaking policy-oriented research, attending and presenting at national and international conferences, as well as disseminating their research through blogs, seminars, websites and media releases.

The University is committed to supporting the development and success of Māori. Continuity is pivotal to this and the Office of Māori Development plays a key role in implementing the Māori Strategic Framework (MSF) across the University. The current MSF is coming to an end and work on a new framework, providing strategy and direction until 2020, is expected to be completed in early 2014.

A Memorandum of Understanding between the University of Otago and Te Rūnanga o Ngāi Tahu was re-signed in December, re-emphasising the work that has been done over the past decade to embed Ngāi Tahu goals and aspirations into research and teaching activities.

A number of new programmes were introduced for Māori students and existing programmes continued to be successful. He Kākano, an experiential training programme, was introduced to help foster a culture of Māori entrepreneurship. This is a collaborative project between the University, Otago Polytechnic and UpStart.

In an inaugural Hikohiko te Uira Māori Enterprise Internship Programme, three science students spent more than 10 weeks working within the New Zealand science system, across government agencies and with Māori businesses. The programme, jointly supported by the University, the Federation of Māori Authorities and Callaghan Innovation, aims to develop Māori leaders to support the growth of Māori business and the national economy.

The Division of Sciences held wānanga with local hapu/iwi in Southland, Otago, Marlborough, Hawkes Bay and Northland, and also co-ordinated and supported the science component of Whakahou Mātauranga, a campus-based programme to engage at-risk high school Māori taura from Dunedin in education. An academic orientation for Māori first-year sciences students was established, offering extended support for Māori students throughout the year, and a Māori students' science support group, Te Roopū Pūtaiao.

The Division of Health Sciences co-ordinated a number of successful programmes for Māori including the Tū Kahika foundation programme, Te Whakapuāwai Health Sciences First-Year support programme and Te Ara Hauora, an engagement and recruitment of Māori students into the health professional and health sciences programmes at Otago.

Te Huka Mātauraka (the Māori Centre) has been instrumental in supporting Māori students throughout the year providing academic and pastoral support from Orientation through to the end of the exam period. This includes co-ordinating Tūraka Hou (orientation programme), Kā Rikarika-ā-Tāne (mentoring programme), and as a general contact point for Māori students.

Christchurch's Māori/Indigenous Health institute (MIHI) won the Australasian Award for innovation in indigenous health curriculum implementation at the international Leaders in Medical Education conference. MIHI oversees the Māori health component of Otago's medical curriculum.

In 2013 a record 1,682 Māori students were enrolled, representing 8.0% of total enrolments and 9.2% of total domestic EFTS (see also pages 53-55).

A Pacific Strategic Framework was launched in 2013, marking a significant milestone in the University's longstanding engagement with local, national and regional Pacific communities. Otago's first Director of Pacific Development, Dr Tasileta Teevale, was appointed to monitor the framework's implementation. It identifies six over-riding goals to ensure the University meets the needs of Pacific People:

- demonstrating and valuing leadership on Pacific matters
- encouraging Pacific research excellence
- strengthening community engagement
- promoting growth and development
- encouraging Pacific curricula
- contributing to the Pacific region and international progress.

The Pacific Islands Centre continued to provide a range of services for Pacific students, including academic support and mentoring, pastoral care, and links to Pacific Islands networks. Pacific enrolments held steady with 669 students, representing 3.2% of total enrolments (head count) and 3.3% of total domestic EFTS (see also pages 55-56).

Economically, the University makes a significant impact at both local and national levels. The Economic Impact Report, released in 2013, estimated that the overall direct impact of the institution to Dunedin and other centres in New Zealand was \$897 million in 2012 (2011: \$889.9 million), and that the downstream effect of this – or total economic impact – was \$1.662 billion. Total expenditure in Dunedin

was estimated at \$800 million; Wellington, \$47.1 million; Christchurch, \$46.2 million; and Invercargill, \$3.5 million.

Through its many outreach activities, the University engages with and supports a variety of programmes for secondary school students throughout New Zealand. The Hands-on Science programme, that has been held annually since 1989, attracted 249 participants and was run on campus in conjunction with the MacDiarmid Institute's NanoCamp for Year-12 students.

The Otago University Advanced School Sciences Academy (OUASSA) hosted its third intake of high-potential Year-13 students from provincial/rural, small and low-decile schools and also ran a very successful teacher professional development programme for schools linked to the academy and wānanga programme (see page 33). Fifty Year-11 students from Kapiti and Paraparaumu Colleges attended an open day at the University of Otago, Wellington in May, jointly hosted by the Pacific Health Directorate at Capital and Coast District Health Board and the University.

During November and December, staff from the Bioethics Centre took a Bioethics Roadshow around New Zealand, visiting high schools for day-long workshops, highlighting bioethical issues and contemporary arguments and philosophy around those issues.

The Business School continued to provide sponsorship to the Young Enterprise Trust, fostering business studies and skills in young high school students participating in the trust's business enterprise programme. The Division of Humanities continued its sponsorship of the annual Shakespeare Globe Centre New Zealand University of Otago Sheilah Winn Shakespeare Festival, and the Southern Sinfonia.

The National Poisons Centre (NPC), based in the Department of Preventive and Social Medicine, continued to provide a 24-hour, 365-days-a-year free phone service to the people of New Zealand. Around 35,000 acute poisoning enquiries were answered in 2013. The centre maintains a database (TOXINZ) of some 190,000 toxic substances that is extensively used in the management of poisoned patients in New Zealand hospitals as well as overseas.

In 2013 an international distributor for TOXINZ was appointed to assist with global distribution and sales (see page 59). The NPC continued to play a vital role in toxicovigilance and poison prevention, involving the identification and evaluation of toxic risks and phenomena in the community. Profiling of calls to the NPC involving synthetic cannabis assisted the Ministry of Health in informing the 2013 Psychoactive Substances Act.

The University's total economic impact was

# \$1.662b

Māori students comprised a record

# 9.2%

of domestic EFTS

# 7,543

researchers used the Hocken Collections

# 35,000

poisoning enquiries answered

Otago contributed to the national good and documentary heritage through its ongoing commitment to the arts and its library collections. The Hocken Library is one of the foremost research libraries in New Zealand and, in 2013, 7,543 researchers accessed almost 25,000 collection items, 2,051 remote enquiries were answered and 631 orders involving 3,150 image reproductions were completed. Many of those images appeared in publications, exhibitions and displays, brochures, websites and theses.

Five exhibitions were staged in the Hocken Gallery to support University activities and to mark significant events. The successful Shigeyuki Kihara: Undressing the Pacific was a highlight and will be toured to other New Zealand galleries in 2014.

The Library's Special Collections had a 160% increase in books issued for use in the reading room, from around 500 in 2012 to 1,300 in 2013. Three exhibitions were viewed by more than 3,400 people including two collaborative ventures between the Library and University departments: Reaching Out: Celebrating 100 years of Otago Physiotherapy Graduates and From Apprentice to Graduate: 50 years of Pharmacy education at the University of Otago.

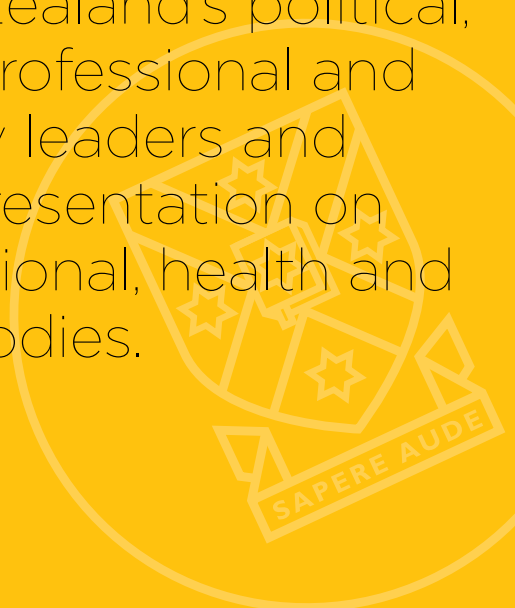
Otago's arts fellowships – in writing, art, music and dance – are also of national significance. The 2013 fellows were: Samuel Holloway (Mozart Fellow); Zina Swanson (Frances Hodgkins Fellow); David Howard (Robert Burns Fellow); Hahna Briggs (Caroline Plummer Fellow in Community Dance) and Leonie Agnew (University of Otago College of Education/Creative New Zealand's Children's Writer in Residence).



Celebrating Māori graduation: A record number of Māori students were enrolled in 2013.

## Strengthening external engagement

While the location of the University of Otago's main campus in Dunedin offers many outstanding advantages, it also geographically removes the University from the main centres of population and political and economic decision-making. The University must, therefore, work to build strong relationships with New Zealand's political, business, professional and community leaders and secure representation on key educational, health and research bodies.



The Vice-Chancellor Professor Harlene Hayne was appointed as a non-executive member of the New Zealand Treasury Board; re-appointed to the Board of Fulbright New Zealand; and became an associate investigator with Gravida: National Centre for Growth and Development (a government-funded centre for research excellence).

She remains also a member of the Society for Research in Child Development, the International Society for Infant Studies, and the Society for Applied Research in Memory and Cognition; co-director of the New Zealand Innocence Project; a member of the UK Advisory Board for interviewing children; and co-chair of the Office of the Prime Minister's Science Advisory Committee Working Party on Reducing Social and Psychological Morbidity during Adolescence.

Deputy Vice-Chancellor (Research and Enterprise) Professor Richard Blaikie joined the Board of Gravida: National Centre for Growth and Development and is a principal investigator of the MacDiarmid Institute. Deputy Vice-Chancellor (Academic and International) Professor Vernon Squire served on the boards of the Riddet Institute (a centre of research excellence) and the MacDiarmid Institute.

Professor Warren Tate (Biochemistry) served on the Science Board for the Ministry of Business, Innovation and Employment; Professor Vicky Cameron (Medicine, UOC) joined Professor Graham Wallis (Zoology) on the Marsden Fund Council; and Professor Andrew Mercer (Microbiology and Immunology) served on the HRC Council.

Professor Peter Crampton (Pro-Vice-Chancellor; Health Sciences) served on the Medical Deans Australia New Zealand executive and the National Medical Pipeline Taskforce (Health Workforce New Zealand). Together with the Chief Operating Officer, Mr John Patrick, he is also a member of Christchurch Health Precinct steering group. Professor Keith Hunter (Pro-Vice-Chancellor; Sciences) is on the NIWA board and a member of the International Council for Science's regional committee for Asia and the Pacific.

Professor George Benwell (Pro-Vice-Chancellor; Commerce) is the deputy chair of Research and Education Advanced Network New Zealand Ltd and the president of the Association of Asia Pacific Business Schools. Professor Brian Moloughney (Pro-Vice-Chancellor; Humanities) is a member of the Advisory Board of Australasian Consortium of Humanities Research Centres, a network for groups engaged in Humanities-based research, and an associate director of the New Zealand Contemporary China Research Centre.

In 2013, 20.7% of staff served on government advisory boards and committees, and 70.7% provided services to public sector departments, statutory authorities, agencies, boards, committees and/or non-governmental organisations.

Community service and outreach activities are an important part of University engagement. In 2013, 90.2 % of surveyed academic staff reported involvement in community service activities (2012: 87.1%). It is estimated that community service typically absorbs 6-10% of an

academic staff member's professional time. The value of community service by academics in 2013 was estimated at \$28.4 million (2012: \$28.0 million).

Through these activities many Otago staff received national and international recognition. They included:

Professor Tony Binns (Geography) who received the New Zealand Geographical Society's Distinguished New Zealand Geographer Medal in recognition of his "outstanding and sustained contributions and service" to geography and society.

Professor Rosalind Gibson (Human Nutrition) who was awarded the 2013 Kellogg International Prize in Nutrition by the American Society of Nutrition.

Professor Charles Higham (Anthropology and Archaeology) who was honoured as one of 10 international researchers at the inaugural Shanghai Archaeology Forum for his decades of work on the origins of South-East Asia's Angkorian civilisation.

Associate Professor Takashi Shogimen (History and Art History) who won Japan's 2013 Suntory Prize for Social Sciences and Humanities (History and Civilisation Section), for his book, *Yoroppa Seiji Shiso Tanjo* (The Birth of European Political Thought).

Dr Margot Skinner (Physiotherapy) who became the first person in the past 10 years to be awarded an honorary fellowship by Physiotherapy New Zealand.

A large number of conferences and symposia were hosted on our campuses. Of particular note was the 20th Biennial Conference on the Biology of Marine Mammals in December, bringing together around 1,100 delegates and 24 exhibitors from more than 30 countries. It was the first time this event had been held in Australasia and was believed to be the largest conference held in Dunedin for a decade.

The biennial ScienceTeller festival was held in October, hosted by the Centre for Science Communication, and again featured a programme of internationally renowned guests and three days of entertaining events. The 48th University of Otago Foreign Policy School focused on the geopolitics of the Pacific with former Fijian Prime Minister Major-General Sitiveni Rabuka as one of the speakers.

A total of 351 open-to-the-public events were held in 2013, including the Winter Lecture Series in Auckland and Wellington which highlighted the real-world benefits of Otago's research centres, and the inaugural Genetics Week in September. Among the many distinguished speakers on campus was His Holiness the 14th Dalai Lama who held a question and answer session for staff and students in June. This was the first time His Holiness had been hosted by a New Zealand university.



In February two Nobel Laureates gave public lectures on consecutive days – Professor Roald Hoffman (Cornell University) and Professor Bill Phillips (US National Institute of Standards and Technology, Maryland). Another Nobel Prize winner, Professor Peter Doherty, delivered a special lecture at the Wellington campus in May about viruses and how the human body's immune system responds to them. In June, Ms Nicole Foss, an international speaker on global finance, energy and environment, gave a public lecture on the global financial crisis and how its long-term effects might be mitigated.

A further 352 short courses, colloquia, master classes, exhibitions, concerts, workshops and seminars were offered by the University, including three short courses offered collaboratively with the Southern Sinfonia and 11 offered in association with U3A (University of the Third Age). Two continuing education intensive schools and one short course were offered as part of Summer School and a further 31 short courses were offered in the 17th Public Health Summer School held at University of Otago, Wellington. A Continuing Education Fund was established to offer departments some support following the withdrawal of TEC Adult Continuing Education funding, and from July this fund supported nine workshops or symposia, two short courses, and three roadshows.

The Department of Music and Theatre Studies staged 129 public performances during 2013. This long-established practice contributes to the cultural life of Dunedin and provides valuable experience for students.

The University values the opportunities for members of the community to share in these activities and, in a gesture to further enhance the town-gown relationship, the University opened its doors to the public as part of the Dunedin Heritage Festival in April, offering free guided and self-guided tours. The campus was also opened to around 6,500 secondary school students from around New Zealand for the annual Dunedin Tertiary Information Day in May. A Visitors' Centre, which will provide a front-door to the Dunedin campus, was constructed on the Cumberland Street façade of the St David Lecture Theatre complex, to be opened in early 2014 (see page 29).

The New Zealand Marine Studies Science Centre, the outreach arm of the Department of Marine Science, offered a variety of community engagement and education programmes, including school and science extension programmes for students around the South Island, educational resources and professional development for teachers. Te Rauawa o te Pahī, a six-day residential programme specifically for Māori students, was run in association with the Māori Workforce Development Unit (Health Sciences) and Te Rūnanga o Ōtākou.

In 2013, 5,253 school students and teachers attended curriculum-linked educational programmes at the marine centre, 1,798 people took part in group marine experiences, tours and workshops, and 3,862 school students and teachers participated in outreach

# 90.2%

of academic staff  
were involved in  
community service  
activities.

Estimated value of  
this engagement was

# \$28.4m

# 703

open-to-the-public  
events, short courses,  
concerts and seminars



programmes in the Nelson/Marlborough/Tasman district. Visitor numbers were lower due to the Westpac Trust Aquarium being closed to the public after failing to meet seismic evaluation criteria, with the centre's focus moving increasingly to outreach activities such as the Marine Metre Squared. This citizen science project, designed to involve local communities in long-term monitoring of New Zealand's coastal environment, was launched in March with support from the Ministry for the Environment Community Environment Fund. More than 450 people registered their interest on the website [www.mm2.net.nz](http://www.mm2.net.nz)

Confucius Institute activities (jointly with the University of Auckland and Fudan University) included Introduction to Business Mandarin classes and a visiting lecturer series. The Mandarin classes, widely promoted by the International Office and Tourism Dunedin, were very well received by local business people. The classes were fully subscribed and there is an extensive waiting list for the 2014 classes. The visiting lecturer project, entitled "Chinese Soft Power and Culture: between complicity and independence", showcased six visiting lecturers and was also very well received.

Otago's activities under the umbrella of the Matariki Network of Universities (MNU) continued to flourish with an increasing number of staff and students from across the University engaging in MNU-related initiatives. The Matariki libraries benchmarking project facilitated the enhancement of library services and the sharing of assessment practices across the network. Otago also participated in the Matariki Undergraduate Research Network, a joint initiative with the University of Western Australia and Durham University funding 22 students whose extra-curricular projects focused on internationalisation. Matariki Travel Awards continue to enable research collaboration-related visits to MNU partners.

Engagement with alumni, both in New Zealand and internationally, is highly valued by the University of Otago, maintaining contact with more than 95,000 alumni via electronic and print communications, including the *University of Otago Magazine*, published in February, June and October. The Office of Development and Alumni Relations organised 16 alumni social events at venues in New Zealand and around the world – in Singapore, Sydney, Brisbane, Melbourne, Hamilton, Tauranga, Napier, Wellington, Wanaka, Queenstown, London, Edmonton, Toronto, San Francisco, Dallas and Philadelphia.

The office also assisted with events hosted by Otago's regional networks in the US and Indonesia, and with celebrations organised by residential colleges, and provided support for reunions organised by class groups. Alumni gathered on campus for a number of significant celebrations including the Arana College 70th reunion, School of Physiotherapy centenary, 50th anniversary reunion for the Schools of Pharmacy and Surveying, and the University of Otago, Christchurch's 40th anniversary.

Eighteen Alumni Scholarships were awarded through the Annual Appeal, including two scholarships for students with disabilities and two funded by the Alumni of the University of Otago in America, Inc. Otago's alumni networks abroad continued to provide invaluable support to the University, and initiatives set up by US, Canadian and Malaysian alumni in recent years have resulted in funding for new prizes, scholarships and research activities. The University's connection with its alumni community continued to be enhanced by Your Otago Link, the secure website that enables alumni to communicate directly with the University and each other. The first issue of an eNewsletter for alumni and friends was sent out in December 2013.

Three initiatives were supported by the 11th Annual Appeal to alumni: undergraduate scholarships, a Chair in Earthquake Science, and an MRI scanner to support Otago's neuroscience and biomedical research.

## Building and sustaining capability

To achieve its long-term goals the University must evolve to meet the challenges of a changing world, secure adequate resources and use these efficiently and effectively.



The University continues to maintain sufficient resources to fund operations through prudent financial management. There was a record surplus for the year ended 31 December 2013, largely driven by three one-off factors: agreement with the University's insurers for the costs of repairing the earthquake damage to the University of Otago, Christchurch building; an increase of the market value of the University's shareholding in biotechnology company Pacific Edge Limited; and an unexpected reduction in the estimated costs of future liabilities for staff retirement gratuities, sick and long-service leave.

However, the current funding environment continues to be a challenge and the University will need to monitor and modify operating parameters in the future to ensure that any impact on financial performance and financial position is controlled.

A major factor in coming years will be the building phase of the University's Priority Development Plan as it builds and upgrades a number of key facilities across all campuses, such as the expansion and renovation of the Dental School. This will put a strain on cash resources and will require careful management to ensure financial sustainability can be maintained while still achieving the desired outcomes. (For more information, see the Financial Review page 61.)

Entrepreneurial activities and the successful commercialisation of intellectual property help diversify the funding base and provide additional avenues for investment. Otago Innovation Ltd, the University's commercialisation company, provides business partners, industry and investors with information about current University of Otago projects, their practical applications, their patent status and market potential. There were a number of successes during 2013 (see also page 59).

Otago Innovation received the BNZ Commercial Deal Award at the inaugural KiwiNet Research Commercialisation Awards for its commercialisation of the National Poisons Centre's database, TOXINZ. The database contains more than 190,000 documents with comprehensive up-to-date information about poisonous chemicals, pharmaceuticals, plants and animals. Subscriptions to TOXINZ are currently being sold internationally to poison centres, hospitals, state governments and health boards.

Start-up company Photonic Innovations Limited successfully raised capital from Angel investors. The management team was expanded and the company is now developing its first gas sensor device for industry, developed from research out of the Jack Dodd Centre for Quantum Technology and the Department of Physics.

Three new smart-phone apps were successfully promoted: Bonedoc, the brainchild of Dr Phil Blyth (Faculty of Medicine), allows users to step into a "virtual" operating theatre and repair a hip fracture; Flora Finder enables the identification of native trees and shrubs, and provides access to botanical experts; and HelpMePublish aims to help researchers publish their research, providing databases on 13 major subject areas containing information on more than 6,000 reputable

academic journals provided by journal editors, subject experts and academic users.

The annual \$50,000 Otago Innovation Proof of Concept grant – established to encourage researchers to think about the commercial applications of their work – was awarded to Associate Professor Chris Pemberton (Medicine, Christchurch) to further develop his world-first test for diagnosing those at imminent risk of heart attack. Otago Innovation also secured \$2.4 million (plus gst) over three years from the Ministry of Business, Innovation and Employment for pre-seed funding which will be used to further advance a number of drug development, ICT and diagnostic biomarker projects. Novel diagnostic tests developed by Otago researchers available for commercialisation include those for acute coronary syndrome, unstable angina and ovarian function.

The intellectual capital of staff well engaged in their own academic and professional callings is one of Otago's greatest resources. In 2013, academic heads of department, directors of centres/programmes, associate deans and other nominated staff participated in a range of Academic Leadership Development Programme activities offered in Dunedin, Christchurch and Wellington. These included individualised induction programmes, networking opportunities, leadership coaching and workshops covering topics such as Otago processes and policies, strategic management, financial and employment decision-making, and effective communication.

The Human Resources Professional Development Programme offered 127 workshops for 1,563 participants. The established commitment to women's professional development continued, an increase in demand for customised training was ongoing (34 workshops for 513 participants), two cohorts took part in the 10-session Supervisory Skills Programme and a three-day Essential Management series, introduced in 2013, has now become embedded into the Professional Development Programme.

Participation in the Treaty of Waitangi and te reo language courses also increased, possibly in response to the Ngā Taonga Tuku Iho/ Language and Culture competency introduced into the general staff Performance Development Review (PDR) process. In 2013, eight workshops were conducted with a total of 150 participants.

The HR Professional Development programme continues to be reviewed and updated, with the expectation that over the next three years the wholly face-to-face workshop component will continue to decrease, and there will be an increase in blended learning and online development modules, making it easier for staff to access development material at flexible times, regardless of campus location.

A three-year UniForum benchmarking project began in 2012. A survey of general staff functions – which is conducted annually – will benchmark support services against 18 other universities in New Zealand and Australia.

# Reporting

by outputs

	Commerce			Health Sciences			Humanities		
	Actual \$000	Budget \$000	Last Year \$000	Actual \$000	Budget \$000	Last Year \$000	Actual \$000	Budget \$000	Last Year \$000
<b>Teaching &amp; Learning Output</b>									
Campus Based Teaching & Learning	23,468	23,783	22,599	84,258	87,598	77,815	45,538	47,309	44,817
<b>Total Cost of Outputs</b>	<b>23,468</b>	<b>23,783</b>	<b>22,599</b>	<b>84,258</b>	<b>87,598</b>	<b>77,815</b>	<b>45,538</b>	<b>47,309</b>	<b>44,817</b>
<b>Research Output</b>									
Postgraduate Thesis Supervision	4,064	4,176	4,089	19,307	20,384	17,388	9,953	9,798	10,689
Teaching Related Research	2,510	2,572	2,487	9,117	9,468	8,048	5,661	5,875	5,643
Project Based Research	-	-	-	-	-	-	-	-	-
- University Funded	4,219	3,438	3,150	56,412	53,636	59,391	4,846	4,991	6,033
- Externally Funded	1,158	1,295	1,083	71,924	74,681	73,399	10,953	8,064	8,008
<b>Total Cost of Outputs</b>	<b>11,951</b>	<b>11,841</b>	<b>10,809</b>	<b>156,760</b>	<b>158,169</b>	<b>158,226</b>	<b>31,413</b>	<b>28,278</b>	<b>30,373</b>
<b>Community Service</b>	<b>2,791</b>	<b>2,817</b>	<b>2,793</b>	<b>11,999</b>	<b>11,281</b>	<b>11,387</b>	<b>6,300</b>	<b>6,236</b>	<b>6,711</b>

Sciences			Service Divisions			Total		
Actual \$000	Budget \$000	Last Year \$000	Actual \$000	Budget \$000	Last Year \$000	Actual \$000	Budget \$000	Last Year \$000
43,554	44,685	40,153	3,133	3,498	3,267	199,951	206,872	188,651
<b>43,554</b>	<b>44,685</b>	<b>40,153</b>	<b>3,133</b>	<b>3,498</b>	<b>3,267</b>	<b>199,951</b>	<b>206,872</b>	<b>188,651</b>
12,185	12,418	12,058	18,140	18,449	19,126	63,650	65,225	63,349
5,377	5,573	5,999	-	-	-	22,665	23,488	22,178
-	-	-	-	-	-	-	-	-
16,108	15,975	17,580	170	95	102	81,756	77,954	86,255
17,130	16,805	17,653	-	-	-	101,164	100,854	100,143
<b>50,800</b>	<b>50,591</b>	<b>53,290</b>	<b>18,310</b>	<b>18,544</b>	<b>19,228</b>	<b>269,235</b>	<b>267,512</b>	<b>271,925</b>
<b>7,288</b>	<b>7,171</b>	<b>7,107</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,378</b>	<b>27,505</b>	<b>27,998</b>

## Statement of Service Performance

for the year ended 31 December 2013

### STRATEGIC OBJECTIVE ONE: ACHIEVING RESEARCH EXCELLENCE

#### KEY POINTS OF FOCUS:

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

#	KEY PERFORMANCE INDICATORS:	2011 Actual	2012 Actual	2013 Target	2013 Actual
1.1	Increasing the number of quality-assured research outputs as measured by a three-year rolling average <sup>1</sup> .	3-year average 4,151	3-year average 4,544	> previous year	3-year average 4,544
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 \$89.9 million (101.7%)	3-year rolling average of \$90.6 million (100.7%)	≥ 105.0% of 2012	3-year rolling average of \$88.1 million (97.3%)
1.3	Increasing the proportion of postgraduate research EFTS within University EFTS <sup>2</sup> .	8.4%	9.0%	> previous year	8.6%
1.4	Increasing the number of research degree completions.	523	524	> previous year	569
1.5	At least 90% of research degree respondents to the Graduate Opinion Survey reporting overall satisfaction with the quality of supervision.	77.8%	87.5%	≥ 90.0%	89.5%
1.6	At least maintaining the number of staff attending conferences of national and international standing.	1,254	1,238	≥ previous year	1,307
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	Outright first in both rankings

The University achieved three of its seven performance targets relating to this strategic objective, and equalled 2012 achievement in another. The static situation in respect of research outputs was due to a relatively lean year for such outputs in 2013; this is consistent with the normal trend of research outputs falling for a year or two following a PBRF round (due to staff pushing to produce those outputs in time to be counted for that round). Otago's continued strong performance in the citation components of the annual ARWU and QS World University Rankings provided ongoing evidence of the University's research intensive nature. External research funding, however, fell from 2012. A major contributing factor was the ongoing, constrained national and international fiscal environment (post-Canterbury earthquake and post-2008 Global Financial Crisis), which meant Government investment in the major competitive national grant funding pools (Health Research Council and Marsden, for example) remained flat in 2013. Compounding these financial influences, moreover, the University of Otago was less successful in the major 2013 research funding rounds compared with earlier years.

The continued strong number of research degree completions reflected the flow-through to graduation of additional doctoral enrolments that had been generated by the Government allowing overseas students to pay domestic fees while undertaking doctoral study in New Zealand. The small drop in the proportion of research degree EFTS was due to a number of factors, including internal fiscal constraints around the number of doctoral scholarships offered and the timing of scholarship offers and acceptances. The increase in satisfaction with the quality of research degree supervision in 2013 provides further evidence that 2011's low result was linked to issues – now addressed – within the particular academic disciplines being surveyed that year.

<sup>1</sup> Due to the time required to collate and vet research output data, the outputs reported for this measure are always a year in arrears (i.e. outputs reported against 2013 are those published in 2012, etc.). Research outputs are only included once evidence of their quality-assured status has been obtained. The definition of quality-assured research outputs employed for this measure is consistent with that specified by the Tertiary Education Commission for PBRF reporting purposes.

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



## STRATEGIC OBJECTIVE TWO: ACHIEVING EXCELLENCE IN RESEARCH-INFORMED TEACHING

### KEY POINTS OF FOCUS:

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

#	KEY PERFORMANCE INDICATORS:	2011 Actual	2012 Actual	2013 Target	2013 Actual
2.1	Increasing the proportion of postgraduate EFTS within University EFTS.	16.5%	16.6%	> previous year	16.1%
2.2	Increasing the proportion of undergraduate degree-level commencing students admitted with NCEA Level 3 or an equivalent qualification.	89.6%	90.2%	> previous year	90.7%
2.3	At least 80% of commencing students passing at least two thirds of their academic credits in their first year of study.	84.4%	84.5%	> 80.0%	82.1%
2.4	Maintaining an average pass rate for papers within 2% of the average for the previous three years.	89.3% (3-year average 88.1%)	89.9% (3-year average 89.2%)	+/- 2.0% of rolling average	90.0% (3-year average 89.7%)
2.5	Increasing the number of students successfully completing qualifications at both undergraduate and postgraduate levels.	3,663 (UG) 1,461 (PG)	3,961 (UG) 1,501 (PG)	> previous year	3,726 (UG) 1,711 (PG)
2.6	At least 90% of respondents to the annual Student and Graduate Opinion Surveys <sup>3</sup> providing a positive assessment of the quality of teaching.	87.0%	83.1%	≥ 90.0%	86.9%
2.7	Enrolling a diversified international student population <sup>4</sup> constituting no more than:				
	15% of total University EFTS;	11.8%	11.4%	≤ 15.0%	11.1%
	25% of the international cohort from one country.	19.3%	19.9%	≤ 25.0%	17.9%
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.	94.7% and 87.9%	94.2% and 88.5%	≥ 90.0% and 85.0%	93.2% and 87.3%

Six of nine performance targets relating to this strategic objective were achieved. The strongest result was seen in the number of students completing postgraduate qualifications, which was up by 210 (14.0%) over 2012. The overall proportion of postgraduate EFTS, however, dropped slightly from 2012.

The slight increase in the proportion of undergraduate degree-level commencing students admitted with NCEA Level 3 (or equivalent) reflects the ongoing impact of the enrolment limitation provisions that have been implemented from 2011. Running counter to this, however, was a 2.4% decrease in the proportion of first-year students successfully completing two thirds of their academic credits. This result was due to particular concentrations of reduced performance rather than a general decline, and priority will be given to identifying the contributing factors and implementing an appropriate response. The percentage of respondents positively assessing the quality of teaching at the University in 2013 recovered from the slight dip in 2012 to match 2011 and earlier years. The slight drop in the proportion of international EFTS at the University was largely attributable to the scheduled winding down of a major teacher education contract with Malaysia; this was partly countered by growth recorded from several key markets including China and the United States.

<sup>3</sup> Please refer to footnotes 5 and 6 below for discussion of these surveys and their response rates.

<sup>4</sup> Including both full-fee international students and international doctoral students granted domestic student status for fees and funding purposes.

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

### KEY POINTS OF FOCUS:

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

#	KEY PERFORMANCE INDICATORS:	2011 Actual	2012 Actual	2013 Target	2013 Actual
3.1	At least 90% of respondents to the annual Student Opinion Survey <sup>5</sup> providing a positive assessment of:				
	The general campus environment;	95.0%	93.9%	≥ 90.0%	95.4%
	Libraries, information technology and teaching facilities;	98.1%	96.6%	≥ 90.0%	91.9%
	Administrative services and support services.	95.5%	95.4%	≥ 90.0%	95.4%
3.2	At least 90% of residential college respondents to the annual Student Opinion Survey providing a positive assessment of their colleges.	91.5%	90.1%	≥ 90.0%	94.9%
3.3	At least 90% of respondents to the Graduate Opinion Survey <sup>6</sup> reporting some, moderate or extensive development of the following attributes:				
	A willingness to learn;	95.1%	96.6%	≥ 90.0%	94.5%
	Written communication skills;	95.7%	95.1%	≥ 90.0%	95.1%
	Oral communication skills;	90.6%	87.0%	≥ 90.0%	85.0%
	The ability to solve problems;	94.9%	92.8%	≥ 90.0%	94.0%
	Self-confidence;	89.8%	87.7%	≥ 90.0%	85.8%
	Independent judgement;	93.6%	92.6%	≥ 90.0%	94.2%
	A multidisciplinary perspective;	89.8%	85.2%	≥ 90.0%	87.7%
	Flexibility and adaptability;	88.5%	92.2%	≥ 90.0%	92.7%
	Teamwork skills;	87.0%	74.5%	≥ 90.0%	78.6%
	Analytical skills;	95.2%	95.1%	≥ 90.0%	95.6%
	An awareness of ethical issues.	88.9%	85.9%	≥ 90.0%	87.2%
3.4	Providing learning assistance and/or access to special equipment for at least 450 students with a disability affecting study.	503	508	≥ 450	518
3.5	Providing annual funding for capital expenditure no less than the sum of depreciation and the adjusted surplus (i.e. the surplus adjusted for carry forwards, 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 12 of 17 targets. Student satisfaction with the campus environment, facilities and services continued to track above target, and the student satisfaction with residential colleges was particularly high. Results for the Graduate Opinion Survey were similar to previous years, with the 90% target being achieved for six of the 11 graduate attributes assessed through the survey. The five attributes that did not reach the target in 2013 had all fallen short of the target in 2012. Three of these five measures, however, showed improvement over 2012. These attributes will remain priority areas for the University.

<sup>5</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 2013, 4,148 students were invited to complete the Academic Experience component of the survey and there were 2,365 respondents (a 57.0% response rate). (2012: 4,011 surveyed; 2,294 respondents; 57.2% response rate.) 3,500 students were invited to complete the Support Services component of the survey. There were 1,886 respondents (a 53.9% response rate). (2012: 3,336 surveyed; 1,861 responded; 55.8% response rate.)

<sup>6</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 2013, 1,093 students were invited to complete the survey and there were 561 respondents (a 51.3% response rate). (2012: 1,048 surveyed; 335 respondents; 32.0% response rate.)

## STRATEGIC OBJECTIVE FOUR: CONTRIBUTING TO THE NATIONAL GOOD AND TO INTERNATIONAL PROGRESS

### KEY POINTS OF FOCUS:

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

#	KEY PERFORMANCE INDICATORS:	2011 Actual	2012 Actual	2013 Target	2013 Actual
4.1	Maintaining or increasing the number of national print, radio and television media articles featuring comment by University of Otago academic staff on matters relating to their professional expertise.	1,483	1,780	≥ previous year	2,105
4.2	Hosting at least 600 academic visitors to the University per annum.	634	551	≥ 600	762
4.3	Increasing the number of research projects being undertaken in association with Māori <sup>7</sup> .	634	678	> previous year	680
4.4	Raising Māori student participation and achievement by:				
	Increasing the number of Māori students enrolled and Māori EFTS as a percentage of total domestic student EFTS;	1,662 enrolments, 8.7% of EFTS	1,658 enrolments, 8.8% of EFTS	> previous year	1,682 enrolments, 9.2% of EFTS
	Increasing the percentage of first-year Māori students passing at least two thirds of their academic credits;	78.4%	77.8%	> previous year	72.7%
	Increasing the number of Māori students completing qualifications at both undergraduate and postgraduate levels.	260 (UG) 92 (PG)	284 (UG) 98 (PG)	> previous year	275 (UG) 108 (PG)
4.5	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;	672 enrolments, 3.3% of EFTS	662 enrolments, 3.3% of EFTS	> previous year	669 enrolments, 3.3% of EFTS
	Increasing the percentage of first-year Pacific students passing at least two thirds of their academic credits;	56.3%	59.4%	> previous year	53.2%
	Increasing the number of Pacific students completing qualifications at both undergraduate and postgraduate levels.	98 (UG) 45 (PG)	108 (UG) 45 (PG)	> previous year	111 (UG) 54 (PG)

The University met nine of 13 performance targets pertaining to the national good and to international progress. The overall numbers of Māori and Pacific enrolments increased from 2012, and this growth ran counter to an overall drop in student enrolments. Proportionally, Pacific EFTS held steady at 3.3% of overall EFTS, while Māori EFTS increased to an all-time high for Otago of 9.2% of the total domestic enrolment. The University also recorded increases in the numbers of Pacific students completing undergraduate and postgraduate qualifications, the number of Māori students completing postgraduate qualifications, and the number of research projects being undertaken in association with Māori. These results were countered by drops in Māori and Pacific first-year pass rates. These drops highlight the challenges associated with seeking both growth and a lift in academic performance from under-represented groups whose academic achievement in the compulsory education sector lags behind that of the general population. The increase in academic visitors from 2012 to 2013 was centred mainly in the Division of Health Sciences, and reflects in part improved data capture in particular departments and schools. A strong result in media appearances reflects Otago's determination to be an outward-looking and externally engaged University.

<sup>7</sup> This KPI captures the number of research projects appropriately engaging with consultation procedures outlined in the University's Research Consultation with Māori Policy.

## STRATEGIC OBJECTIVE FIVE: STRENGTHENING EXTERNAL ENGAGEMENT

### KEY POINTS OF FOCUS:

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

#	KEY PERFORMANCE INDICATORS:	2011 Actual	2012 Actual	2013 Target	2013 Actual
5.1	At least 80% of University academic staff involved in community service activities <sup>8</sup> .	96.4%	87.1%	≥ 80.0%	90.2%
5.2	Holding at least 300 open lectures, public seminars, and adult and community education courses per annum <sup>9</sup> .	548	424	≥ 300	351
5.3	Providing at least 100 performing arts activities open to the public per annum.	76	127	≥ 100	129
5.4	Maintaining appropriate formal agreements for collaboration with other organisations for joint research and/or teaching and for the commercialisation of research.	334 agreements in place	388 agreements in place	Existing agreements reviewed, new agreements entered into as appropriate	385 agreements in place
5.5	At least 20% of academic staff serving on government advisory boards and committees.	28.8%	35.6%	≥ 20.0%	20.7%
5.6	At least 50% of academic staff providing services to public sector departments, statutory authorities, agencies, boards, committees or inquiries, or to non-governmental organisations.	75.7%	69.3%	≥ 50.0%	70.7%

All of the University's performance targets related to strengthening external engagement were exceeded. This strong result reflects the University of Otago's ongoing and substantial commitment to engaging with its local, national and international communities.

<sup>8</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 2013, 200 academic staff were invited to complete the survey. There were 82 respondents (41.0% response rate). In 2012, 200 academic staff were invited to complete the survey, and there were 101 respondents (51.0% response rate).

<sup>9</sup> The drop in the reported number of open lectures, public seminars, and adult and community education courses per annum reflected challenges with data collection rather than a decline in actual offerings. In previous years, data was primarily gathered from archived copies of the Staff Bulletin (a PDF community news bulletin for University staff and postgraduate students). When the Staff Bulletin went into digital form in early 2013 (as the Otago Bulletin Board), the scope of its coverage was reduced. 2013 data was thus collated from public lecture information communicated via internal emails and posters, and via the University events calendar.

## STRATEGIC OBJECTIVE SIX: BUILDING AND SUSTAINING CAPABILITY

### KEY POINTS OF FOCUS:

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

#	KEY PERFORMANCE INDICATORS:	2011 Actual	2012 Actual	2013 Target	2013 Actual
6.1	Achieving or exceeding the following University and University Group EFTS enrolment targets <sup>10</sup> .	19,344 (University) & 19,568 (Group)	18,981 & 19,236	19,125 & 19,395	18,600 & 18,875
6.2	Achieving an operating surplus such that the moving five-year average is at least 2% of net assets (excluding extraordinary items).	2.2% of net assets	2.0% of net assets	≥ 2.0% of net assets	2.3% of net assets
6.3	Maintaining a liquid ratio of no worse than 1:1.	1.6:1	1.8:1	≥ 1:1	2.1:1
6.4	Ensuring that net interest paid is no greater than one third of the operating surplus.	0.7%	1.8%	≤ 33.3%	0.7%
6.5	Maintaining at least 50% of University income from diverse sources other than Government Grant funding.	54.6%	54.6%	≥ 50.0%	56.3%
6.6	Increasing the consulting, commercial and intellectual property income of the University Group by at least 5% per annum as measured by a three-year rolling average.	\$67.5 million (108.3%)	\$69.1 million (102.4%)	≥ 105.0% of 2012	\$71.1 million (102.9%)
6.7	At least maintaining the number of academic staff undertaking research and study leave.	104	126	≥ previous year	133

Five of seven performance targets in this area were exceeded or met. The University performed strongly against its financial targets, and much of this derives from the University's careful financial management. The favourable results were also influenced by receipt of a substantial insurance payment (for damage sustained by University properties in the Canterbury earthquakes), and by the strong upward valuation of Pacific Edge, a biomedical technology company in which the University is a major shareholder. It was disappointing to fall short against target for enrolments. The reasons for this are complex, and are explained in detail in the Achieving Excellence in Research-Informed Teaching section of this annual report.

<sup>10</sup> University Group EFTS include those generated by Foundation Programmes operated by the University's wholly-owned Foundation Studies subsidiary.







# Statement

## of resources

### Land, Buildings and Capital Development

There was no significant 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 6,425m<sup>2</sup> (2.9%) in 2013 to 229,929m<sup>2</sup>.

The Campus Master Plan, adopted in 2010, provides a strategic framework to guide the development of the University's three campuses. Supporting the Campus Master Plan is a Priority Development Plan (PDP), which identifies high priority projects for development over a rolling six-to-eight-year period. Throughout 2013, work continued on several major projects identified in the current PDP as priorities for the period.

The Marsh Study Centre (a study and social centre), redeveloped on the site of the former Gardens Tavern, was opened early in 2013 and has been very well used by students. The centre was a winner in the education category of the 2013 Southern Architecture Awards. Work commenced mid year on the University's new Childcare Centre, which occupies a site between Castle Street and Montgomery Avenue. The centre is scheduled to open in 2014.

The University's Christchurch campus, which sustained serious damage in the 22 February 2011 earthquake, reopened at the start of 2013 following repair and strengthening work. The University's wider programme of seismic assessment across all campuses continued throughout 2013, in pursuit of the target of strengthening all buildings to at least 67% of new building standard (NBS) and as close to 100% as possible. \$50 million has been set aside for this work.

In 2013 the University purchased LivingSpace Dunedin at 192 Castle Street, and a decision was taken to convert the facility into a new residential college, named – with the blessing of his whanau – for notable Otago graduate Te Rangi Hīroa (Sir Peter Buck). Work commenced in October to convert the facility into Te Rangi Hīroa College, which will be a residential college for 128 students from the start of 2014.

### Library Resources

The library system 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 scholarship, creativity and learning. Collaboration between academic and library staff continued to underpin the further development of both physical and online collections.

A particular highlight for 2013 was the implementation of the new generation library management system, Library Search/Ketu, which went live on 2 December.

Throughout the year, the library's on-site collections increased by 17,435 items (0.6%) over 2012 to comprise a total of 3,138,821 items.

The University community had online access to an increasing component of the library's collections. While the number of electronic serials decreased slightly to 215,047 (a 7.2% decline from 2012), the number of e-books reached 510,375 (up by 4.2% over 2012). 98.2% of all serials were received in electronic rather than print form in 2013. The number of seating places across the library system increased by 0.9% (40 seats) to reach 4,320.

University staff and students continued to make extensive use of the on-site collections with 341,177 items loaned during the year. Databases, e-journals, e-books and other electronic materials were heavily used both on campus and off campus.

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

Information about exhibitions mounted by the library can be found in the Contributing to the National Good and to International Progress section of this report (page 32-35).

### Information Technology

The volume of off-campus computer and telecommunications network traffic decreased from 315,847 gigabytes in 2012 to 315,164 gigabytes in 2013 (a decrease of 0.2%). The slight reduction reflects the ongoing influence of the Internet Traffic Management (ITM) System. The ITM system restricts access to certain categories of websites, and blocks certain traffic types such as "peer to peer", which previously accounted for a significant amount of student internet traffic.

2,172,480 podcasts of recorded lectures were downloaded for the year, compared with 2,115,459 in 2012 (an increase of 57,021, or 2.7%). 1,348 seating places were provided in student computer laboratories in 2013 (2012; 1,361), and 44,751 enquiries were processed through the Information Technology Services (ITS) Service Desk, up 2.7% from 43,587 in 2012.

The University joined eduroam™ (education roaming), a service offered by the Research and Education Advanced Network New Zealand (REANNZ) which provides a secure, collaborative wireless network service to staff, students and visitors on campus and at thousands of locations worldwide. University of Otago staff and students can use their University of Otago username and password to access the internet and other University of Otago IT resources while visiting eduroam-participating institutions.

Significant steps were taken to upgrade and modernise the University network across the University's campuses. This work will include the replacement of end-of-life infrastructure; increasing the speed of the University network (to cater for significant growth in demand); improvements to support, monitoring, security and resilience of the network infrastructure; extending wireless access to electronic

information resources within the boundaries of each University campus; and providing wireless network services that meet the future demands of the teaching, research and administration functions of the University.

Work continued on the implementation of the new Student Management System with a number of modules implemented. The final suite of modules will go live in 2014.

Work also commenced on the development of a new Student Desktop system. The new system will mean that students no longer need to use the University-provided computer labs to access course materials and software applications. Instead, they will be able to access the services using their own devices such as laptops and tablets at any time from any location.

## Human Resources

The total number of staff employed by the University in 2013 decreased slightly to total 3,752 in full-time equivalent (FTE) terms (2012: 3,755).

Within the academic ranks, the number of professors increased by 15 FTE to 201 and the number of research-only staff on academic contracts increased by six FTE (1.4%) to 420. The number of associate professors decreased by eight FTE (4.8%) to 160, while the number of senior lecturers increased by six FTE (1.6%) to 373, and the number of lecturers increased by four FTE (2.3%) to 176. Overall, the number of academic and research-only staff increased by 24 FTE (1.5%) to 1,600, while the number of general staff decreased by 28 FTE (1.3%) to 2,152.

The recruitment environment continued to be buoyant, with an average of 22.7 applications per academic staff position (2012: 22.4), and 34.2 applications per general staff position (2012: 36.1). The slight decrease in general staff applications reflects an improvement in employment opportunities as the New Zealand economy strengthens.

Following the successful implementation of online recruitment and induction functionality last year, the University continued developing its human resources information technology system in 2013 with the

introduction of a "direct to offer" system and an online health and safety system.

Recruitment continues to be an area of development. During 2013 Otago trialled an in-house search and selection process for senior positions. This proved successful and the service will be offered more widely henceforward.

## Equal Opportunities

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

The University continues to contribute to the success of Māori through its Treaty-based partnership with Te Rūnanga o Ngāi Tahu. The partnership is underpinned by a newly signed (in 2013) Memorandum of Understanding (MoU), which will guide the relationship forward to 2020 and recognises Ngāi Tahu's rangatiratanga and mana within the takiwā of Ngāi Tahu. The University also has partnerships with Ngāti Whatua, Waikato-Tainui and Ngāti Toa Rangatira. These partnerships sit alongside a number of recognised relationships with Māori health providers.

The University of Otago's *Māori Strategic Framework 2007-2012* has given action to the University's partnerships with its primary Treaty-partner, Ngāi Tahu, and other iwi/Māori organisations in recent years. It continued to do so into 2013 as a refreshed version of the framework for the period 2013-2020 was developed.

Excellent progress was made in support of the strategic vision of the Māori Strategic Framework in 2013; contributing to the success of Māori at the University. This work was co-ordinated by the Office of Māori Development and supported by Associate Deans Māori and other representatives in the academic and service divisions.

The University has a strong commitment to Pacific peoples, which extends both to those who are resident in New Zealand and those in the wider Pacific. Highlights for 2013 included the formal launch of *The University of Otago Pacific Strategic Framework 2013-2020* and the appointment of Dr Tasileta Teevale as Director of Pacific Development.

Summary Staff Profile	2013	2012	2011	2010	2009
<b>Full-time Equivalent (FTE) Teaching &amp; Research Staff</b>					
Females	509	496	491	487	476
Males	670	666	669	680	699
<b>Total</b>	<b>1,179</b>	<b>1,162</b>	<b>1,160</b>	<b>1,167</b>	<b>1,175</b>
<b>Full-time Equivalent (FTE) Research-Only Staff excludes general research-only staff</b>					
Females	243	244	266	264	240
Males	178	170	189	169	172
<b>Total</b>	<b>420</b>	<b>414</b>	<b>455</b>	<b>432</b>	<b>412</b>
<b>Full-time Equivalent (FTE) General Staff</b>					
Females	1,402	1,409	1,385	1,411	1,373
Males	750	771	748	741	723
<b>Total</b>	<b>2,152</b>	<b>2,180</b>	<b>2,133</b>	<b>2,152</b>	<b>2,096</b>
<b>Total Staff</b>	<b>3,752</b>	<b>3,755</b>	<b>3,749</b>	<b>3,751</b>	<b>3,683</b>

The Director of Pacific Development is responsible for leading the implementation and ongoing monitoring of the Pacific Strategic Framework, for leading and supporting initiatives that contribute to Pacific development, and for working with the Pro-Vice-Chancellor (International) to advance the University's institutional partnerships across the Pacific.

The Pacific Strategic Framework formalises the University's commitment to its Pacific communities, and articulates the University's commitment to improving academic outcomes for Pacific students.

### Equal Educational Opportunities

The University is committed to eliminating unnecessary barriers to the admission and progress of students. A key component of its strategy in this area is the provision of support and recruitment initiatives for students from groups which 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 in 2013, with 41 Māori and Pacific Island Entrance Scholarships awarded to commencing students. A decision was taken in late 2013 to increase the number of these scholarships for 2014.

### Māori

The number of Māori students enrolled at Otago increased from 1,658 in 2012 to an all-time high of 1,682 in 2013, comprising 9.2% of the University's total domestic students, up from 8.9% in 2012.

In 2013, 72.7% of first-year Māori students at the University passed at least two thirds of the academic credits for which they had enrolled, down from 77.8% in 2012. 383 Māori students successfully completed qualifications in 2013; a similar number to 2012 (382), but clearly ahead of 2011 (352). The growth in postgraduate qualification completions, from 98 in 2012 to 108 in 2013, was especially pleasing.

The drop in the first-year Māori student pass rate was partly influenced by a proportional shift from Māori student enrolments in Humanities and Commerce courses to enrolments in Sciences courses, in which Māori students have been consistently under-represented. As discussed elsewhere in this Annual Report, this drop also highlights the challenge associated with pursuing simultaneous growth and a lift in academic performance from under-represented groups whose academic achievement in the compulsory education sector lags behind that of the general population. It is expected that pass rates will improve, however, as support systems are refined.

Te Huka Mātauraka, the Māori Centre, continues to provide academic, cultural and social support for Māori students at the University. In particular, Te Huka Mātauraka seeks to engage and support Māori students, assisting them to settle into the University and to achieve academically. In 2013, special recognition of the academic achievement of Māori students was given in pre-graduation ceremonies.

Each of the University's four academic divisions provided tailored support for Māori students in 2013. The aim of this work is to complement the role of the Māori Centre and provide course-

relevant, responsive support engaging with students over academic pathways and outcomes.

The Otago Business School/Division of Commerce appointed an Associate Dean Māori (Manutaki Tuarua Māori) in 2013 to provide leadership and strategic advice to the school in all matters relating to the University's Māori Strategic Framework. Also in the school is a Kaiārahi Māori who provides dedicated academic support and mentoring for Māori students. The school continued with its early intervention programme to assist Māori students, particularly those in their first year of study. He Kākano, a kaupapa Māori version of SEED (a student enterprise experience in Dunedin) for Māori business starters, was run for the first time and was very successful. Its future development has been given a head start with external funding for 2014 from Te Puni Kōkiri, the Ministry of Māori Affairs.

The Division of Humanities ran an early intervention project, which included an Academic Study Skills programme. Students were supported by Kaiāwhina Māori and various hui and workshops. The division also provided bridging scholarships to help Māori researchers towards academic employment.

The Division of Health Sciences continued to position growth in Māori student numbers and outcomes as a strategic priority. The division's Māori Health Workforce Development Unit (MHWDU) was very active over 2013 with an increase in Māori student numbers in all its programmes. The increase in Māori student entry into health professional tertiary programmes has been maintained from 2012 to 2013, with 64 students entering health professional programmes each year. In 2013 Māori students made up 14% of the School of Medicine's domestic student intake and 13% of the Faculty of Dentistry's domestic student intake.

The Te Ara Hauora programme has been effective in enhancing pathways into the Division of Health Sciences, engaging with numerous students, whānau, schools and communities through recruitment, outreach and science engagement activity. Over 250 Māori secondary sector students have engaged in activities supported by the MHWDU, these activities including a new programme for Year 13 students called REACH (Realising Educational Aspirations for Careers in Health).

In 2013 the MHWDU programmes reached over 500 Māori students within the University. The 18 students in Tū Kahika excelled academically, with all students passing all papers in 2013. Tū Tauira Hauora is the newest MHWDU programme and was established in 2012 to support the achievement, retention and professional development of Māori students in Health Sciences professional programmes and degrees. In 2013 there were 200 Māori students in Health Sciences professional programmes at Otago and retention rates were excellent (>96%).

Te Rohe a Ahikāroa, the Division of Sciences, continued to support Māori development under the korowai of the Māori Strategic Framework and through Te Timatanga, the division's plan for support and development of Māori. The roles of staff in the office of te Manutaki Tuarua Māori (the Associate Dean Māori), were Kaiārahi Sciences, departmental Kaiāwhina and Māori science student support;

Iwi to which Students Affiliated	2013			2012			2011			2010			2009		
	First Affiliation	All Affiliation		First Affiliation	All Affiliation		First Affiliation	All Affiliation		First Affiliation	All Affiliation		First Affiliation	All Affiliation	
Ngāi Tahu / Kāi Tahu	386	439		394	453		381	438		362	419		357	416	
Ngāpuhi	207	277		177	242		192	254		207	289		197	272	
Ngāti Porou	117	177		125	178		134	183		126	164		119	167	
Tainui	85	139		71	118		64	108		62	94		48	76	
Ngāti Maniapoto	57	83		56	77		50	68		54	73		53	73	
Don't know	44	48		33	35		30	33		27	27		24	25	
Ngāti Tūwharetoa	41	75		41	75		39	71		36	74		40	74	
Te Atiawa (Taranaki)	39	67		44	72		42	72		49	68		48	64	
Ngāti Raukawa (Horowhenua – Manawatū)	34	51		34	52		33	48		41	62		44	65	
Ngāti Kahungunu ki Te Wairoa	32	69		34	66		34	58		31	62		33	69	
Ngāti Awa	30	50		30	53		30	51		33	50		38	54	
Te Arawa	29	54		25	48		23	42		17	34		14	25	
Ngāti Kahungunu, region unspecified	29	45		33	48		35	56		32	55		27	50	
Ngāti Kahungunu ki Heretaunga	28	43		25	39		27	41		34	42		37	44	
Te Rarawa	26	57		22	45		24	47		32	59		25	48	
Tūhoe	22	61		23	67		25	62		21	56		26	53	
Ngāti Kahungunu ki Wairarapa	21	35		24	37		22	35		27	39		23	31	
Taranaki	20	27		15	20		12	17		4	11		2	6	
Ngāti Raukawa (Waikato)	19	33		19	34		19	37		20	40		20	40	
Ngāti Raukawa, region unspecified	18	22		9	17		9	18		8	17		7	15	
Whakatōhea	17	33		14	33		15	31		12	28		14	30	
Ngāiterangi	15	29		19	35		20	33		17	32		19	31	
Te Whānau-a-Apanui	14	37		16	37		13	36		13	40		12	37	
Ngāti Whatua	14	29		11	25		12	26		13	31		13	28	
Other	338	771		364	776		377	797		405	826		379	806	
<b>Total</b>	<b>1,682</b>	<b>n/a</b>		<b>1,658</b>	<b>n/a</b>		<b>1,662</b>	<b>n/a</b>		<b>1,683</b>	<b>n/a</b>		<b>1,619</b>	<b>n/a</b>	

Services Provided by the Pacific Islands Centre	2013	2012	2011	2010	2009
Registered with the centre	667	661	702	681	645
Extra tutorials	64	58	72	75	65
Career advisory services seminar	9	4	4	6	12
Students receiving course advice	1,795	739	366	285	420
Pacific postgraduate seminars	15	13	10	11	12
Student gatherings	141	92	31	39	24
Community meetings/consultation	55	54	23	26	25
Community functions attended	98	74	41	45	92
Students receiving counselling	588	391	138	394	85

Kaimahi Pūtaiao, Māori science student transition programme (Tīmata te Pūtaiao); Kaituitui Wānanga, the development and maintenance of key relationships with iwi, hapu and marae and co-ordination of Science Wānanga development and delivery; Kaiwhakahaere Wānanga, to support the Kaituitui Wānanga role.

The office of Manutaki Tuarua Māori worked collaboratively with Sciences Outreach to develop greater participation by Māori students in its programmes and with the wider Māori community linked to the University through Te Huka Mātauraka Whakahou Matauranga (Dunedin youth at risk programme), through the Māori Health Workforce Development Unit (Te Rauawa o te Pahi programme) and through the Chemistry Outreach Team (Te Kura Kaupapa Māori o Ōtepoti Pūtaiao Akoranga). Hikohiko te Uira (Māori Enterprise Internship pilot programme) concluded in 2013. This programme was a collaboration between the University, Industrial Research Ltd (IRL) and the Federation of Māori Authorities, and was designed to boost the science and innovation capability of Māori businesses.

The division continued its outreach through the highly successful Science Wānanga programme. A new model of iwi engagement was developed with an even stronger recognition of iwi partners' aspirations and the science needs of their respective rohe pōtae (tribal regions). There was also a stronger emphasis on professional development for science teachers from contributing schools, in conjunction with the Otago University Advanced School Sciences Academy.

Initially piloted in partnership with Ngāti Porou and schools in the East Coast area in 2007, the Science Wānanga programme has since expanded to include partnerships with Ngāi Tahu Papatipu Rūnanga in Karitane at Puketeraki marae, in Dunedin at Ōtākou marae, in

Invercargill at Murihiku marae, in Southland at Takutai o te Titi marae and in Bluff at Te Rau Aroha marae. The programme continued to expand in 2013, with delivery of wānanga for Te Atiawa (Te Tau Ihu) at Waikawa marae (Marlborough) and Te Rūnanga o Ngāti Whātua around Kaipara Harbour at Waihaua marae, as well as with the Hawke's Bay District Health Board, Kia Ora Hauora and Te Taiwhenua o Heretaunga in Hastings at Matahiwi marae. Further consultations are progressing for possible future wānanga with Whakatū marae in Nelson, with Takahanga marae in Kaikoura and for Ngāti Hine Health Trust in Whangārei.

### Pacific Peoples

669 Pacific students enrolled at the University in 2013, a slight (1.1%) increase from the 662 enrolments in 2012. Proportionally, Pacific students remained at 3.3% of the total domestic student EFTS. 165 Pacific students successfully completed qualifications in 2013, up 7.8% from 2012 (153 completions). 53.2% of first-year Pacific students at the University passed at least two thirds of the academic credits for which they had enrolled, down from 59.4% in 2012.

The drop in the first-year Pacific student pass rate was disappointing. It partly reflects a change in the pre-university academic calibre of the 2013 first-year Pacific cohort, and it partly reflects the variability that can result when extrapolating proportions from small cohorts.

The University's Pacific Islands Centre facilitated an extensive programme of academic and pastoral support services for Pacific students in 2013, with most Pacific students being registered with the centre. Performance data (as per the table on the previous page) shows the centre increased provision of support across all its activities in 2013. The centre also remained active in its outreach to local and

Learning Assistance Support for Students with Disabilities	2013	2012	2011	2010	2009
Note-taking	342	290	235	212	296
Tutoring	255	182	164	126	131
Transcription/typing	1	1	3	5	3
Reader	0	0	0	3	0
Assistant	1	0	2	0	0
Examination arrangements	614	335	278	277	271
Scanning	0	0	0	0	0
Other	273	156	120	120	129

national Pacific communities; activities included a special study support programme for Pacific students in Dunedin secondary schools.

A package of targeted scholarships has played an ongoing role in supporting Pacific student recruitment and the full-time Pacific Community Liaison Officer has provided a strong community focus to this recruitment. The University has also continued to offer achievement awards, recognising the top Pacific first-year student and top Pacific final-year student in each academic division.

Each of the University's four academic divisions provided tailored support for Pacific students in 2013. This work complements the role of the Pacific Islands Centre and provides course-relevant responsive support engaging with students over academic pathways and outcomes.

The School of Business appointed a Pacific Island student academic adviser in 2013. The adviser works with the small cohort of Pacific Students in the division and has implemented the intervention programme already in place in the Division of Humanities. A stronger network of Commerce Pacific Island students is growing and the space dedicated for them two years ago continues to be well used.

The strong programme of work supported by the *Division of Health Sciences Pacific Strategic Framework 2011-2015* continued in 2013. This work is supported by the Associate Dean (Pacific) in the Division of Health Sciences, whose role is to recruit, retain and ensure a high completion rate for Pacific students in the division. The Associate Dean (Pacific) also heads the division's Pacific Islands Research and Student Support Unit (PIRSSU).

One of the major work streams undertaken through the auspices of the PIRSSU is the Pacific Orientation Programme @ Otago (POPO). Piloted in 2011, POPO combines an early residential orientation programme and peer-led mentoring with academic support.

The Pacific Foundation Programme (PFP), which is run through the University's Foundation Studies subsidiary, supports New Zealand high school leavers of Pacific descent to prepare for first-year study in Health Sciences. Students are given the opportunity to review material they might have covered at high school, while being introduced to university-level material. Students also learn to address the various challenges that students face when they leave home for the first time to study at Otago.

### 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 2013, the University enrolled 1,000 students who identified as having a disability affecting study (2012: 869). Support in the form of learning assistance and/or special equipment requiring a specific financial commitment was provided to 518 students with disabilities in 2013 (2012: 508). 1,213 instances of support were provided in the form of note-taking, assistance with examinations, tutoring, transcription or typing (2012: 808) along with many hours of individual consultations with students provided by the team of trained advisors.

The end of 2013 was marked by the sad and unexpected passing of Donna-Rose McKay, Head of the Disability Information and Support Service, who had served at the University of Otago since 1992. Donna-Rose was the first person to be appointed to such a role in a New Zealand university. She will be remembered for her very considerable determination, energy and fearless advocacy.

Two Alumni Disability Support Scholarships of \$5,000 were made available during 2013. These scholarships are offered to students who have demonstrated academic ability and who can show financial need arising from a disability.

Disability Information and Support staff hosted or participated in a number of teaching initiatives or disability awareness raising events across the University in 2013, including sessions with residential college staff, Library staff and Campus Watch on disability awareness. The 2013 Inclusive Teaching Award was also presented as part of the OUSA Teaching Awards, and Disability Information and Support Appreciation Awards acknowledged outstanding work by University staff in this area.

### Equal Employment Opportunities

In 2013, the number of women in senior academic positions (senior lecturer and above) increased by 13 FTE (4.9%) to 270 FTE staff. Women now comprise 36.4% of staff at these levels, compared to 35.3% in 2012 and 24.7% as recently as 2005.

While the majority of general staff are female, women continue to be under-represented at the senior levels within the general and management staff.

An Equity Advisory Committee was established by the Vice-Chancellor in 2013. The committee will serve as an approved conduit for receiving and reviewing equity-related information, and initiating appropriate responses. The committee's initial work will involve reaching out to the University community, forming communication channels and documenting existing equity groups.

A new equity website was launched to provide staff with easy access to equity-related information, and to enable submission of comments and feedback to the Equity Office.

Otago continued to support the Universities New Zealand Women in Leadership Programme, sending six senior women to the programme in 2013. The Women's Professional Development Programme (jointly co-ordinated between the Higher Education Development Centre and Human Resources), including Women in Leadership at Otago (WiLO), continues. The mentoring programme was supported by career development workshops held across the Dunedin, Wellington and Christchurch campuses. The workshops were attended by 64 women.

The University continued to provide both the Treaty of Waitangi education programme and introductory te reo classes for staff in 2013. Seven te reo classes organized by Human Resources were held with a total of 124 participants. Regular lunchtime te reo classes (Café Reo) were offered to all interested staff.



The Pacific Awareness course was run twice in 2013 and attended by 37 staff. The 2013 professional development programme also included workshops covering cross-cultural awareness; international students: cultural differences and their impact; diversity; understanding and valuing difference; and creating an inclusive environment.

### Other Staff Support Initiatives

During 2013 an online Health and Safety management system was rolled out. As a consequence, reporting levels of hazards and near-miss events have increased, allowing targeted preventive actions to be taken. The University retained tertiary-level accreditation in the ACC Partnership Programme, with 133 work-related ACC claims in 2013. The Health and Safety Office has been leading a group to further define the rehabilitation and management of non-work-related illnesses and injuries, and this has made good progress. The Health and Safety training programme continues to be well attended.

The Employee Assistance Programme (EAP) continued providing confidential, short-term counselling sessions free of charge to University staff.

Support for childcare continued to be provided through the Otago University Childcare Association, with the University covering the rental cost of premises for the association's pre-school care facilities and delivering further support via an annual lump-sum grant. The association provided childcare for approximately 127 University families, but – as in previous years – waiting lists indicated unmet demand for childcare services around the University. Work commenced mid-2013 on the new, expanded Childcare Centre. The new facility will open in 2014.



The Marsh Study Centre – the former Gardens Tavern – was opened early in 2013.

# 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 64 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 over 350 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. This \$50 million project funded specialist University chairs, with the University raising \$25 million through private donors and the government matching this amount by providing an additional \$25 million.

The investments managed by the Foundation Trust have achieved an average return of 7.1% 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.

### 2013 Achievements

The net investment return for the 2013 year was 6.6% (2012: 12.4%). The total fund value as at 31 December 2013 was \$169.1 million (2012: \$160.7 million).

## University of Otago Foundation Studies Limited

### Overview

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

FSL comprises two distinct functional areas: Foundation Year and the Language Centre. The Foundation Year prepares students for degree-level study at the University. While originally conceived as a programme primarily for international students, Foundation Year has become increasingly important as a transition pathway for New Zealand students as well. It includes the 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.

### 2013 Achievements

In 2013, the Foundation Year provided academic tuition to 341 individual domestic and international students, generating 275 EFTS. The 2013 enrolment represented an increase of 11.5% over the 246 EFTS enrolled in 2012.

The Language Centre had 131 EFTS in 2013.

The company generated an operating surplus of \$675k or 8.4% on external revenue for the year.

## 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.

There has also been significant broadening of Otago Innovation's commercialisation work, including projects in departments that have not traditionally been involved with Otago Innovation (e.g. music, philosophy, computer science).

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. These include:

- **BLIS Technologies Limited** – formed in 2000 and utilising technology from the University of Otago's Department of Microbiology and Immunology to pursue the commercialisation of BLIS bacteriocin-like inhibitory substances
- **Pacific Edge Ltd** – a biomedical company formed in 2001 that develops novel diagnostic and therapeutic products to manage cancer and other diseases. The company's share value increased dramatically in 2013 following the signing of contracts with two major US health providers. Pacific Edge was also the 2013 Supreme Winner of the NZ Innovators Award (for Cxbladder, its gene test for the detection and management of bladder cancer)
- **Photonic Innovations Limited** – formed in 2005 to commercialise sensor technology developed within the University of Otago
- **Immune Solutions Limited** – formed in late 2002 to commercialise the Oral Delivery Technology platform (an oral dose lipid matrix delivery system designed to replace injections, aerosols and patches).

Otago Innovation also runs an annual Otago Innovation Proof of Concept Grant competition. The grant, which is valued at \$50,000 and awarded to a University of Otago researcher, is 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.

### 2013 Achievements

The 2013 Otago Innovation Proof of Concept Grant competition was won by Associate Professor Chris Pemberton (of the Christchurch Heart Institute, University of Otago, Christchurch). In total there were 13 applications received, however only 10 were put before the assessment panel.

Otago Innovation was involved in a significant number of initiatives in 2013, which included (but were not restricted to):

- Otago Innovation won the 2013 BNZ Commercial Deal award for commercialising the TOXINZ database. The database contains more than 190,000 documents with comprehensive up-to-date information on poisonous chemicals, pharmaceuticals, plants and animals. Subscriptions to TOXINZ are currently being sold to poison centres, hospitals, state governments and health boards
- Photonic Innovations Limited successfully raised capital from Angel investors during the year. Its management team has expanded and the company is now developing its first gas sensor device for industry
- Novel diagnostic tests developed by Otago researchers became available for commercialisation, including tests for acute coronary syndrome (particularly myocardial infarction), unstable angina, and ovarian function
- The mobile applications Flora Finder, Bonedoc, HelpMePublish were released. Flora Finder allows users to instantly identify native plants using a smart phone's camera. Bonedoc is a serious game which allows users to perform virtual orthopaedic surgery. HelpMePublish is a tool designed to help researchers analyse, harness and contribute to the publication of research. HelpMePublish provides databases on 13 major subject areas containing information on more than 6000 reputable academic journals provided by journal editors, subject experts and academic users.

## New Zealand Genomics Limited

### Overview

New Zealand Genomics Limited (NZGL) was established in 2010 as a genomics infrastructure service provider to the New Zealand science community and started delivering services from the final quarter of 2011.

Genomics<sup>1</sup> 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.

<sup>1</sup> Genomics is a branch of molecular biology concerned with the structure, function, evolution and mapping of genomes.

NZGL seeks to provide New Zealand scientists with access to the specialist equipment needed for large-scale genomics projects. It also provides a framework for co-ordinating projects, analytical and bioinformatics support, and data storage and sharing.

Since becoming operational, 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.

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, the Crown will contribute \$40.7 million and the collaborating universities a further \$29.3 million.

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.

## 2013 Achievements

In 2013, NZGL had 458 enquiries and agreed 189 service agreements with clients from across the country. This compared with 482 enquiries and 112 service agreements in 2012, and 15 enquiries and 13 service agreements in 2011. NZGL made available a genomics infrastructure worth \$5.6 million to the community and services valued at \$3.6 million were contracted (2012: \$3.9 million; 2011: \$2.5 million). The total billed amount to clients was \$2.1 million. This compared with \$1.2 million in 2012.

NZGL's clients were derived from universities (68.0%), Crown Research Institutes (21.0%) and private companies or other organisations (11.0%). Outcomes thus included academic, industry and public good deliverables. Projects involving NZGL that received strong media coverage included: continuing debate on personal genomics in New Zealand, the increasing role of genomics in clinical practice, and the purchase of additional HiSeq genomic sequencing equipment to increase capacity offered to New Zealand scientists.





# Financial

## review

The University and its controlled entities achieved a satisfying financial result in 2013.

The University's operating surplus for the year was \$36.5 million, a return of 5.9% on revenue and 3.0% on net assets. The surplus was \$20.6 million above the budget of \$15.9 million and \$21.9 million greater than the \$14.6 million surplus achieved in 2012. The five-year moving average surplus, for the period 2009 to 2013, was \$26.6 million, which was a 2.3% return on net assets and exceeded the University's own financial performance target of 2.0%.

The University saw a decline in enrolments in 2013, with a final result of 18,600 EFTS. This was 351 EFTS (1.9%) fewer than in 2012, and 525 EFTS (2.7%) fewer than the budget target of 19,125 EFTS. A number of factors combined to produce this result. These included the pipeline impact of measures taken internally in recent years, notably the tightening of academic progress policies, to advance the University strategically in terms of the calibre and nature of its student cohort. At the same time a number of external factors impacted adversely on enrolments. These included the general strengthening of the national economy, the winding down of a major overseas teaching contract and the impact of the high New Zealand dollar on international competitiveness.

2013 was a relatively quiet year for capital expenditure, which, at \$62.0 million, was well below the budget of \$91.2 million and slightly less than 2012. This was largely due to timing as a number of major building projects, which were expected to begin construction during the year, were still in the planning phase at year end. Several of these projects are very large and complex and it is taking more time than expected to fully address design, staging and decanting issues.

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, produced an operating surplus of \$45.9 million for the year. This surplus was \$22.5 million (96.2%) better than the budget and \$13.8 million (43.3%) more than the 2012 result.

The Group surplus represented a return of 7.2% on revenue of \$635.9 million and 3.1% on net assets of \$1.492 billion. These were comfortably above the Tertiary Education Commission's minimum guidelines of 3.0% and 1.2% respectively.

This was a good outcome for both the University and the Group and, although the majority of the favourable variance from budget in the operating surplus was caused by three one-off items, part was attributable to careful budget management by staff from all areas of the University.

The most significant one-off variance, at \$10.8 million, was the result of reaching early agreement with the University's insurers on the final costs of the repairs to the medical school buildings in Christchurch, which were badly damaged in the 2011 earthquake.

The repairs were extensive and took place over several years, and the final costs were agreed with the insurers late in 2013. While the recovery of \$14.8 million was included in the surplus figure for the year, the majority of the cash will not be received until early 2014.

The second one-off variance was attributable to success in the marketplace by Pacific Edge Limited, a publicly-listed biotechnology company, which originated at the University of Otago. The University enjoyed unrealised gains of almost \$2.5 million from the increase in the value of its shareholding in Pacific Edge at year end.

A further \$1.9 million was added to the surplus following a reduction in the estimated cost of future liabilities for staff retiring gratuities, long service leave and sick leave. This liability, which is calculated annually, can fluctuate significantly from year to year due to movements in the interest rates which are used by actuaries to discount future liability values to present day ones. For this reason movements are not budgeted.

These three items were non-cash in nature, so it was pleasing to achieve cash-flows from operations for both the University and the Group that were very close to budget.

Maintaining strong cash-flows is the key to funding investment in new equipment and campus infrastructure, particularly the major building projects on the University's Priority Development Plan, such as the expansion and renovation of the Dental School, which is in the planning stages and will be the single largest construction project ever undertaken by this University.

The financial position of the University and the Group continues to be strong, with equity now totalling \$1.492 billion and no significant external debt.

The University's cash on hand at year end was \$93.1 million, which was \$43.4 million higher than budget. Much of this variance was caused by the underspending of the capital expenditure budget referred to above and by the timing of cash outflows for project expenditure.

This accumulation of cash is a deliberate strategy to help fund the large projects on the Priority Development Plan.

Financially, 2013 has been a very good year achieved in quite difficult times. The University community has worked hard to make savings and to live within budget. The excellent results, even after allowing for the one-off items described above, are testament to their prudent financial management. A strong balance sheet with high levels of liquidity is a solid foundation for the University as it begins to see many of the projects on the Priority Development Plan move from planning to construction. These exciting developments will change the face of the campus over the next decade.

A J Patrick  
Chief Operating Officer







# Statement of responsibility

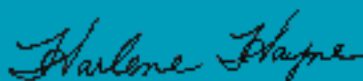
## 2013 Financial Statements

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 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 financial year ended 31 December 2013 fairly reflect the financial position and operations of the University of Otago.

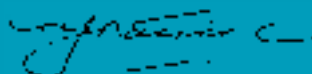
Chancellor



Vice-Chancellor



Chief Operating Officer



8 April, 2014

# Statement

of accounting policies  
for the year ended 31 December 2013

## THE REPORTING ENTITY

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

The financial statements presented here are for the reporting entity, University of Otago (Parent), and the Group consisting of the 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. 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. Owns 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.
- ~ New Zealand Centre for Reproductive Medicine Limited. No longer trading – business assets sold. 50% owned by University of Otago Holdings Limited.
- ~ Unihealth Limited. Not trading. 50% owned by University of Otago Holdings Limited.
- ~ LCO New Zealand Limited. Owns and operates a software system for libraries serving four Universities. 31% owned by University of Otago Holdings Limited.
- ~ BPAC NZ Limited. This company works with the Division of Health Sciences to provide best practice advocacy services to primary, secondary and tertiary health providers in the area of medication prescribing. 20% owned by University of Otago Holdings Limited.
- ~ Upstart Incubation Trustee Company Limited. 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. 57.1% owned by Otago Innovation Limited.
- ~ Menixis Limited. Developing particle analysis technology. 17% owned by Otago Innovation Limited.

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

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

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

The financial statements of the University and Group are for the year ended 31 December 2013. The financial statements were authorised for issue by Council on 8 April 2014.

## BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

The accounting principles followed by the Group are those recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis, with the exception that certain property, plant and equipment have been revalued and some other financial assets have been shown at fair value (Refer Accounting Policy 12).

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

The functional currency of the University of Otago is New Zealand dollars.

The financial statements include:

- ~ Statement of Financial Performance,
- ~ Statement of Comprehensive Income,
- ~ Statement of Changes in Equity,
- ~ Statement of Financial Position,
- ~ Statement of Cash Flows,
- ~ Reconciliation of the Net Surplus with the Net Cash Flows from Operating Activities,
- ~ Statement of Commitments and Contingencies, and
- ~ Notes to and Forming Part of the Financial Statements.

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 financial performance and the share of post-acquisition increases/decreases in net assets in the University's Statement of Financial Position.

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

## ACCOUNTING POLICIES

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

### 1. Revenues

#### Government Grants and Student Fees

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

#### Research Funds

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

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

#### Pledged Donations

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

#### Other

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

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

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

## 2. Budgets

The budgets reported in these Financial Statements are those approved by University Council on 27 November 2012.

## 3. Foreign Currencies

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

## 4. Trade and Other Receivables

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

## 5. Property, Plant and Equipment

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

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

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

No revaluation was deemed necessary in 2013.

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 16)

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

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

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

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

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

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

## 6. Intangible Assets

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

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

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

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

### Amortisation

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

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

Computer software	3 to 25 years	4% to 33.3%.
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## 7. Inventory

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

## 8. Goods and Services Tax (GST)

The financial statements are prepared on a basis which excludes GST. Accounts receivable and accounts payable are GST inclusive. GST owing to the Inland Revenue Department as at 31 December 2013 is included in accounts payable.

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

## 9. Employee Entitlements

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

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

## 10. Finance Leases

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

## 11. Operating Leases

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

## 12. Other Financial Assets

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

**Financial assets at fair value through the Statement of Financial Performance**

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

**Loans and receivables**

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

**Held-to-maturity investments**

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

**Available-for-sale assets**

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

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



### 13. Accounting for Derivative Financial Instruments and Hedging Activities

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

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

### 14. Financial Instruments

The University is party to financial instruments as part of its everyday operations. These financial instruments give rise to both a financial asset at one enterprise and a financial liability or equity instrument at another enterprise. These financial assets and liabilities include bank accounts, term deposits, accounts receivables, prepayments and accounts payable.

Revenues and expenses including gains and losses in relation to all financial instruments are recognised in the Statement of Financial Performance. All financial instruments are shown at their estimated fair value.

### 15. Statement of Cash Flows

- ~ Cash & Cash Equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.
- ~ Operating Activities include cash received from all income sources and record the cash payments made for the supply of goods and services.
- ~ Investing Activities are those activities relating to the acquisition and disposal of non-current assets.
- ~ Financing Activities comprise activities that change the debt structure of the University.

### 16. Taxation

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

### 17. ACC Partnership Programme

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

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

The value of the liability is measured at the present value of the future payments for which the University has responsibility using a risk free discount rate. The value of the liability includes a risk margin that represents the inherent uncertainty of the present value of the expected future payments. No allowance has been made in the financial statements for an ACC liability, as it is deemed to be immaterial.

### 18. Superannuation Schemes

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

Defined benefit schemes: The University belongs to the Government Superannuation Fund and the NPFDB scheme which are Defined Benefit Plan Contribution Schemes. The University has no underwriting responsibilities as any shortfall is met by the Government. As such, the schemes are accounted for as defined contribution plans. (Refer Note 12)

### 19. Critical Accounting Estimates and Assumptions

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

### 20. Prior Period Comparatives:

Where necessary prior period comparatives have been restated in line with current year's reporting.

## CHANGES IN ACCOUNTING POLICIES

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

## Statement of Financial Performance

for the year ended 31 December 2013

		Consolidated			University		
	Note	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
<b>INCOME</b>							
Government Grants	1	<b>217,527</b>	217,633	216,239	<b>216,587</b>	216,705	215,449
Domestic Tuition Fees		<b>97,247</b>	100,442	94,226	<b>96,773</b>	100,060	93,858
International Tuition Fees		<b>44,013</b>	44,982	45,377	<b>38,907</b>	40,045	39,986
Investment Income	2	<b>20,473</b>	17,255	26,278	<b>8,738</b>	4,373	6,445
Externally Funded Research		<b>85,342</b>	85,477	88,332	<b>84,672</b>	85,387	88,176
Performance Based Research Funding		<b>53,389</b>	55,251	52,132	<b>53,389</b>	55,251	52,132
Distributions from Trust Funds		-	-	-	<b>6,145</b>	5,087	4,075
Consulting and Commercial Income		<b>74,282</b>	71,883	71,220	<b>72,870</b>	69,347	70,256
Sale of Intellectual Property		<b>1,028</b>	856	123	<b>351</b>	437	4
Trust Donations		<b>4,789</b>	1,845	2,831	-	-	-
Other Income		<b>37,859</b>	23,021	24,970	<b>37,211</b>	22,201	24,011
<b>Total Income</b>		<b>635,949</b>	<b>618,645</b>	<b>621,728</b>	<b>615,643</b>	<b>598,893</b>	<b>594,392</b>
<b>EXPENDITURE</b>							
Salaries – Academic		<b>194,593</b>	194,918	193,182	<b>192,450</b>	192,924	191,042
Salaries – General		<b>145,938</b>	145,782	142,853	<b>142,519</b>	142,333	139,295
Staff Related Costs		<b>19,228</b>	20,700	24,758	<b>19,039</b>	20,502	24,625
Consumables and General		<b>104,523</b>	107,450	102,357	<b>99,846</b>	101,329	98,707
Depreciation & Amortisation	3	<b>56,850</b>	57,642	56,922	<b>56,650</b>	57,394	56,669
Occupancy Costs		<b>39,321</b>	37,569	38,889	<b>39,235</b>	37,463	38,792
Scholarships		<b>29,550</b>	31,168	30,697	<b>29,387</b>	31,026	30,652
<b>Total Expenditure</b>	<b>3</b>	<b>590,003</b>	<b>595,229</b>	<b>589,658</b>	<b>579,126</b>	<b>582,971</b>	<b>579,782</b>
<b>Net Surplus for the Year</b>		<b>45,946</b>	<b>23,416</b>	<b>32,070</b>	<b>36,517</b>	<b>15,922</b>	<b>14,610</b>

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

## Statement of Comprehensive Income

for the year ended 31 December 2013

		Consolidated			University		
	Note	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Net Surplus for the Year		<b>45,946</b>	23,416	32,070	<b>36,517</b>	15,922	14,610
<b>Other Comprehensive Income</b>							
Revaluation / (Impairment) of Fixed Assets	8	-	-	(7)	-	-	(7)
Other		-	-	2,394	-	-	-
Total Other Comprehensive Income		-	-	2,387	-	-	(7)
<b>Total Comprehensive Income</b>		<b>45,946</b>	<b>23,416</b>	<b>34,457</b>	<b>36,517</b>	<b>15,922</b>	<b>14,603</b>

## Statement of Changes in Equity

for the year ended 31 December 2013

		Consolidated			University		
	Note	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Opening Equity Balance		<b>1,445,831</b>	1,436,842	1,411,376	<b>1,189,262</b>	1,188,200	1,174,661
Total Comprehensive Income for the Year		<b>45,946</b>	23,416	34,457	<b>36,517</b>	15,922	14,603
Adjustments		-	6	(2)	-	-	(2)
<b>Closing Equity Balance</b>		<b>1,491,777</b>	<b>1,460,264</b>	<b>1,445,831</b>	<b>1,225,779</b>	<b>1,204,122</b>	<b>1,189,262</b>

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

## Statement of Financial Position

as at 31 December 2013

			Consolidated			University	
	Note	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and Cash Equivalents	4	19,037	11,755	12,621	5,310	5,000	5,745
Other Financial Assets	5	108,065	83,397	104,196	87,806	44,690	68,800
Trade & Other Receivables and Prepayments	6	33,767	24,602	22,391	34,558	23,968	22,163
Inventory		705	592	594	705	592	594
<b>Total Current Assets</b>		<b>161,574</b>	<b>120,346</b>	<b>139,802</b>	<b>128,379</b>	<b>74,250</b>	<b>97,302</b>
<b>Non-Current Assets</b>							
Investments in Associates	7	2,833	3,514	3,409	-	-	-
Other Financial Assets	5	169,310	150,007	148,831	49,149	47,410	42,982
Property, Plant & Equipment	8	1,305,472	1,361,027	1,304,200	1,184,091	1,238,796	1,183,775
Intangible Assets – Internally Generated	9	544	-	1,115	544	-	1,115
Intangible Assets – Externally Generated	9	21,261	151	16,287	21,206	-	16,217
<b>Total Non-Current Assets</b>		<b>1,499,420</b>	<b>1,514,699</b>	<b>1,473,842</b>	<b>1,254,990</b>	<b>1,286,206</b>	<b>1,244,089</b>
<b>TOTAL ASSETS</b>		<b>1,660,994</b>	<b>1,635,045</b>	<b>1,613,644</b>	<b>1,383,369</b>	<b>1,360,456</b>	<b>1,341,391</b>
<b>LIABILITIES</b>							
<b>Current Liabilities</b>							
Trade & Other Payables and Accruals	10	44,828	43,365	38,905	49,321	46,452	43,900
Funds Received in Advance	11	48,080	55,223	51,519	32,736	34,388	31,561
Employee Entitlements	12	43,635	43,053	42,893	43,423	42,898	42,703
<b>Total Current Liabilities</b>		<b>136,543</b>	<b>141,641</b>	<b>133,317</b>	<b>125,480</b>	<b>123,738</b>	<b>118,164</b>
<b>Non-Current Liabilities</b>							
Employee Entitlements	12	32,110	32,596	33,965	32,110	32,596	33,965
Loans and Leases	13	564	544	531	-	-	-
<b>Total Non-Current Liabilities</b>		<b>32,674</b>	<b>33,140</b>	<b>34,496</b>	<b>32,110</b>	<b>32,596</b>	<b>33,965</b>
<b>EQUITY</b>							
General Reserve	14	901,327	869,807	855,381	635,329	613,665	598,812
Property Revaluation Reserve	14	590,450	590,457	590,450	590,450	590,457	590,450
<b>Total Equity</b>		<b>1,491,777</b>	<b>1,460,264</b>	<b>1,445,831</b>	<b>1,225,779</b>	<b>1,204,122</b>	<b>1,189,262</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>1,660,994</b>	<b>1,635,045</b>	<b>1,613,644</b>	<b>1,383,369</b>	<b>1,360,456</b>	<b>1,341,391</b>

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

## Statement of Cash Flows

for the year ended 31 December 2013

	Note	This Year \$'000	Consolidated Budget \$'000	Last Year \$'000	This Year \$'000	University Budget \$'000	Last Year \$'000
<b>OPERATING ACTIVITIES</b>							
<i>Cash was provided from:</i>							
Government Grant/PBRF		271,829	272,891	268,455	270,877	271,953	267,636
Revenue from Fees		152,541	156,799	140,468	146,511	151,509	134,583
Revenue from Services		179,063	172,978	183,860	181,222	172,050	182,238
Investment Income		14,261	14,013	10,667	5,851	4,692	4,492
		617,694	616,681	603,450	604,461	600,204	588,949
<i>Cash was applied to:</i>							
Employees and Suppliers		535,992	534,131	520,225	525,538	522,318	510,282
		535,992	534,131	520,225	525,538	522,318	510,282
<b>Net Cash Flows from Operating Activities</b>		<b>81,702</b>	<b>82,550</b>	<b>83,225</b>	<b>78,923</b>	<b>77,886</b>	<b>78,667</b>
<b>INVESTING ACTIVITIES</b>							
<i>Cash was provided from:</i>							
Investments		29,929	16,550	36,614	1,687	16,550	613
Investments – Subsidiaries, Associates & Other		-	-	-	-	805	5,000
Sale of Property, Plant & Equipment		204	-	88	204	-	88
		30,133	16,550	36,702	1,891	17,355	5,701
<i>Cash was applied to:</i>							
Investments		48,266	14,441	58,042	24,175	6,367	17,331
Investments – Subsidiaries, Associates & Other		-	-	-	-	1,861	2,493
Property, Plant & Equipment Acquired		57,155	87,139	67,916	57,074	87,013	67,777
		105,421	101,580	125,958	81,249	95,241	87,601
<b>Net Cash Flows from Investing Activities</b>		<b>(75,288)</b>	<b>(85,030)</b>	<b>(89,256)</b>	<b>(79,358)</b>	<b>(77,886)</b>	<b>(81,900)</b>
<b>FINANCING ACTIVITIES</b>							
<i>Cash was provided from:</i>							
Loans raised		2	7	-	-	-	-
		2	7	-	-	-	-
<i>Cash was applied to:</i>							
Reduce liabilities		-	-	759	-	-	-
		-	-	759	-	-	-
<b>Net Cash Flows from Financing Activities</b>		<b>2</b>	<b>7</b>	<b>(759)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Cash Flows</b>		<b>6,416</b>	<b>(2,473)</b>	<b>(6,790)</b>	<b>(435)</b>	<b>-</b>	<b>(3,233)</b>
Opening Balance		12,621	14,228	19,411	5,745	5,000	8,978
<b>Closing Balance</b>		<b>19,037</b>	<b>11,755</b>	<b>12,621</b>	<b>5,310</b>	<b>5,000</b>	<b>5,745</b>
<i>Represented by:</i>							
Cash and Cash Equivalents	4	19,037	11,755	12,621	5,310	5,000	5,745

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

## Reconciliation of the Net Surplus

with the Net Cash Flows from Operating Activities  
for the year ended 31 December 2013

	Consolidated		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Net Surplus	45,946	32,070	36,517	14,610
<i>Plus (Less) Non-Cash Items:</i>				
Adjustment to Staff Entitlements	(1,855)	5,011	(1,855)	5,011
Non-Cash Dividends Received	(2,579)	(2,097)	-	-
Adjustment to Investments	(3,394)	(13,401)	(2,685)	(1,339)
Dunedin City Tertiary Accommodation Trust	(523)	(539)	-	-
Increase (Decrease) in Loans from External Trust Funds	32	64	-	-
Non-Cash Donations	(491)	(232)	-	-
Share of Associates Surpluses	(31)	(30)	-	-
Depreciation and Property, Plant & Equipment Written Off	56,850	56,922	56,650	56,669
Gain/(Loss) on Disposal of Property, Plant & Equipment	116	140	129	140
Other Non-Cash Items	540	(1)	-	-
<b>Total Non-Cash Items</b>	<b>48,665</b>	<b>45,837</b>	<b>52,239</b>	<b>60,481</b>
<i>Plus (less) movements in other working capital items:</i>				
Decrease (Increase) in Trade & Other Receivables	(10,764)	3,222	(11,999)	2,124
Decrease (Increase) in Prepayments	(294)	76	(294)	76
Decrease (Increase) in Inventory	(111)	(39)	(111)	(39)
Increase (Decrease) in Trade & Other Payables	958	3,567	677	4,002
Increase (Decrease) in Employee Entitlements	741	1,239	719	1,167
Increase (Decrease) in Funds Received in Advance	(3,439)	(2,747)	1,175	(3,754)
<b>Total Movements in Other Working Capital Items</b>	<b>(12,909)</b>	<b>5,318</b>	<b>(9,833)</b>	<b>3,576</b>
<b>Net Cash Flows from Operating Activities</b>	<b>81,702</b>	<b>83,225</b>	<b>78,923</b>	<b>78,667</b>

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



## Statement of Commitments and Contingencies

for the year ended 31 December 2013

	University and Consolidated	
	This Year \$000	Last Year \$000
<b>COMMITMENTS</b>		
<i>Capital works and equipment:</i>		
Capital Works	17,746	4,712
Equipment and Other	1,326	4,417
	<u>19,072</u>	<u>9,129</u>
<b>Non-cancellable property operating leases:</b>		
The University and Group leases property in the normal course of its business. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:		
Not later than 1 year	3,120	2,954
Later than 1 year and not later than 2 years	2,300	2,183
Later than 2 years and not later than 5 years	4,987	3,286
Later than 5 years	3,185	3,868
	<u>13,592</u>	<u>12,291</u>
Total Commitment	13,592	12,291
<b>Total Commitments</b>	<b>32,664</b>	<b>21,420</b>

	University and Consolidated	
	This Year \$000	Last Year \$000
<b>CONTINGENT LIABILITIES</b>		
The University provided a guarantee to the Bank of New Zealand for a bond given by the bank to the Dunedin City Council, over the siting of some temporary buildings.	50	50
There were several personal grievance and employment-related claims against the University.	25	3

### CONTINGENT ASSETS

#### Insurance Proceeds:

The University had two key insurance policies relevant to the Christchurch earthquakes – material damage and business interruption. As at 31 December 2012 the University disclosed a contingent asset in relation to outstanding claims under these policies. The quantum of any likely proceeds could not be reliably measured at the time due to the wide range of possible outcomes that would be negotiated with the University's insurers following completion of the detailed engineering and financial assessments.

These claims were settled with the insurers during 2013, and the resulting proceeds have been included in the financial result for the year.

There were no other Contingent Assets.

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

## Notes to and Forming Part of the Financial Statements for the year ended 31 December 2013

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
<b>Note 1 GOVERNMENT GRANTS</b>						
Vote Education	215,257	215,276	214,068	214,317	214,348	213,278
Vote Health	2,270	2,357	2,171	2,270	2,357	2,171
<b>Total Government Grants</b>	<b>217,527</b>	<b>217,633</b>	<b>216,239</b>	<b>216,587</b>	<b>216,705</b>	<b>215,449</b>

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

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
<b>Note 2 INVESTMENT INCOME</b>						
Interest from Bank Term Deposits	7,359	6,189	6,584	6,053	4,373	5,106
<i>Loans and Receivables</i>						
Interest from Loans and Advances	-	-	170	-	-	-
Interest from Government and Public Stock	617	607	528	-	-	-
Interest from Corporate Bonds and Notes	2,656	2,536	2,661	-	-	-
Income from Associate Companies	31	79	104	-	-	-
Dividends from New Zealand Company Equities	2,779	2,566	2,447	-	-	-
Dividends from Australian & Global Company Equities	1,757	1,779	1,548	-	-	-
Realised Gains/(Losses) on Sale of Equities	1,845	-	(1,220)	191	-	44
Realised Foreign Exchange Gains/(Losses)	23	-	(9)	-	-	-
Unrealised Gains/(Losses) on Revaluations of Investments	7,614	3,499	14,954	2,494	-	1,295
Unrealised Foreign Exchange Gains/(Losses)	(4,208)	-	(1,489)	-	-	-
<b>Total Investment Income</b>	<b>20,473</b>	<b>17,255</b>	<b>26,278</b>	<b>8,738</b>	<b>4,373</b>	<b>6,445</b>

Note 3 REQUIRED DISCLOSURES

**Statement of Financial Performance**

Total Expenditure includes:

*Fees to Principal Auditor (Audit NZ)*

	This Year \$000	Consolidated Budget \$000	Last Year \$000	This Year \$000	University Budget \$000	Last Year \$000
– Audit fees for Financial Statement audit	300	264	280	183	170	174
– Fees for other services * <sup>1</sup>	9	63	9	9	63	9
– Audit Disbursements	15	-	-	15	-	-

<b>Total</b>	<b>324</b>	<b>327</b>	<b>289</b>	<b>207</b>	<b>233</b>	<b>183</b>
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\*<sup>1</sup> Relates to the audit of the Vice-Chancellor's declaration on the Performance-Based Research Fund External Research Income component.

*Depreciation/Amortisation*

Depreciation – Property Plant & Equipment (see Note 8) **53,638** 53,609 53,315 **53,462** 53,424 53,099

Amortisation – Intangible Assets (see Note 9) **3,212** 4,033 3,607 **3,188** 3,970 3,570

<b>Total Depreciation/Amortisation</b>	<b>56,850</b>	<b>57,642</b>	<b>56,922</b>	<b>56,650</b>	<b>57,394</b>	<b>56,669</b>
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Profit/Loss on Disposal of Fixed Assets **116** (20) 140 **129** (20) 140

Interest Expense **15** 45 259 **263** 154 259

Bad Debts Written Off **97** 125 153 **97** 125 131

Lease Payments **5,428** 5,743 5,456 **5,428** 5,743 5,456

Losses from Associate Companies **63** 16 59 - - -

Directors Remuneration **123** 138 139 - - -

Trustees Remuneration **7** 10 9 - - -

Fees paid to Lay Council Members (see below) **77** 108 79 **77** 108 79

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

Council Member	This Year \$000	Last Year \$000
E O K Blaikie	3	3
D C Cull	2	3
L Edgar	5	4
J D Every-Palmer	-	1
F B Hernandez	4	-
S J Higgs	-	1
L P Isaacs	15	15
S J McLauchlan	5	7
D C Matahaere-Atariki	2	3
J K Rowe	-	5
M J M Sidey	4	3
R J Somerville	7	5
R H Tobin	4	4
J F Ward	26	25
<b>Total Earned</b>	<b>77</b>	<b>79</b>

Note: Council members who are also employees do not receive attendance fees.

The following Director and Trustee remuneration was earned by members of the University Council who are directors/trustees of group organisations:

Council Member	This Year \$000	Last Year \$000
S J Higgs	15	2
L P Isaacs	1	2
S J McLauchlan	11	11
M J Sidey	1	1
R J Somerville	2	1
J F Ward	21	17
<b>Total Earned</b>	<b>51</b>	<b>34</b>

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Note 4 CASH AND CASH EQUIVALENTS						
Cash at bank and in hand	474	127	1,687	339	-	1,635
Bank on call deposits	8,911	10,628	7,934	3,971	5,000	4,110
Short term deposits maturing 3 months or less from date of acquisition	9,652	1,000	3,000	1,000	-	-
<b>Total Cash and Cash Equivalents</b>	<b>19,037</b>	<b>11,755</b>	<b>12,621</b>	<b>5,310</b>	<b>5,000</b>	<b>5,745</b>

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Note 5 OTHER FINANCIAL ASSETS						
<b>Current Portion</b>						
<i>Loans and Receivables</i>						
Other loans	806	856	800	806	856	800
Pledged Donations	820	570	790	-	-	-
Short term deposits with maturities of greater than 3 months from date of acquisition	101,245	75,464	95,455	87,000	43,834	68,000
<i>Fair value through Statement of Financial Performance</i>						
Local Body & SOE Stock & Corporate Bonds	5,194	6,507	7,151	-	-	-
<b>Total Current Portion</b>	<b>108,065</b>	<b>83,397</b>	<b>104,196</b>	<b>87,806</b>	<b>44,690</b>	<b>68,800</b>
<b>Non-Current Portion</b>						
<i>Loans and Receivables</i>						
Other loans	12,518	13,774	8,096	12,518	13,774	8,096
Pledged Donations	1,090	1,090	1,660	-	-	-
<i>Fair value through Statement of Financial Performance</i>						
Short term deposits with maturities of 1-5 years	2,010	-	2,011	-	-	-
Local Body & SOE Stock & Corporate Bonds	44,640	42,330	46,694	-	-	-
Shares in listed equities	108,948	92,709	90,175	3,845	850	2,100
Shares in other companies	104	104	195	-	-	-
<i>Shares in Subsidiary</i>						
Shares in Subsidiary	-	-	-	7,786	7,786	7,786
Investment in-substance subsidiary	-	-	-	25,000	25,000	25,000
<b>Total Non Current Portion</b>	<b>169,310</b>	<b>150,007</b>	<b>148,831</b>	<b>49,149</b>	<b>47,410</b>	<b>42,982</b>
<b>Total Other Financial Assets</b>	<b>277,375</b>	<b>233,404</b>	<b>253,027</b>	<b>136,955</b>	<b>92,100</b>	<b>111,782</b>

The maturity profile for other investments is as follows:

	This Year \$000	Consolidated Interest rate	Last Year \$000	This Year \$000	University Interest rate	Last Year \$000
<b>Less than 1 Year</b>						
<i>Loans and Receivables</i>						
Other loans	806	1.00%	800	806	1.00%	800
Pledged Donations	820		790	-		-
Short term deposits with maturities of greater than 3 months from date of acquisition	101,245	4.41%	95,455	87,000	4.42%	68,000
<i>Fair value through Statement of Financial Performance</i>						
Local Body & SOE Stock & Corporate Bonds	5,194	7.23%	7,151	-		-
<b>Total Current Portion</b>	<b>108,065</b>		<b>104,196</b>	<b>87,806</b>		<b>68,800</b>
<b>1 to 5 years</b>						
<i>Loans and Receivables</i>						
Other loans	3,332	1.00%	3,027	3,332	0.00%	3,027
Pledged Donations	990		1,460	-		-
<i>Fair value through Statement of Financial Performance</i>						
Short term deposits with maturities of 1-5 years	2,010	5.40%	2,011	-		-
Local Body & SOE Stock & Corporate Bonds	33,161	5.77%	32,231	-		-
<b>More than 5 years</b>						
<i>Loans and Receivables</i>						
Other loans	9,186	1.00%	5,069	9,186	0.00%	5,069
Pledged Donations	100		200	-		-
<i>Fair value through Statement of Financial Performance</i>						
Local Body & SOE Stock & Corporate Bonds	11,479	5.70%	14,463	-		-
Shares in Listed Companies	108,948		90,175	3,845		2,100
Shares in Other Companies	104		195	-		-
<b>Other</b>						
Shares in Subsidiary	-		-	7,786		7,786
Investment in in-substance subsidiary	-		-	25,000	0.00%	25,000
<b>Total Term Portion</b>	<b>169,310</b>		<b>148,831</b>	<b>49,149</b>		<b>42,982</b>
<b>Total Loans and Receivables</b>	<b>277,375</b>		<b>253,027</b>	<b>136,955</b>		<b>111,782</b>



### Investments

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

### Nil Interest 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 nil interest loans outstanding are \$10.705 million (2012: \$7.715 million). The net present value of these loans at a discount rate of 4% is \$7.600 million (2012: \$5.924 million).

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
<b>Note 6 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS</b>						
Trade Receivables	<b>11,877</b>	11,617	10,765	<b>11,523</b>	10,791	10,274
Other Receivables	<b>17,104</b>	7,568	7,319	<b>18,534</b>	7,765	7,682
Prepayments	<b>4,786</b>	5,417	4,307	<b>4,501</b>	5,412	4,207
<b>Total Trade &amp; Other Receivables and Prepayments</b>	<b>33,767</b>	<b>24,602</b>	<b>22,391</b>	<b>34,558</b>	<b>23,968</b>	<b>22,163</b>

	Consolidated		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
<b>TRADE RECEIVABLES</b>				
Current	<b>8,948</b>	8,527	<b>8,830</b>	8,148
2 to 3 months	<b>982</b>	576	<b>755</b>	465
> 3 months	<b>1,947</b>	1,662	<b>1,938</b>	1,661
<b>Carrying Amount</b>	<b>11,877</b>	<b>10,765</b>	<b>11,523</b>	<b>10,274</b>

Any impairment or write-off of trade receivables is based on an analysis of past collection history, and a review of specific debtors' balances greater than 3 months.

	This Year \$000	Consolidated Budget \$000	Last Year \$000	This Year \$000	University Budget \$000	Last Year \$000
<b>Note 7 INVESTMENTS IN ASSOCIATES</b>						
<b>University of Otago Holdings Limited</b>						
University Union Limited	2,551	2,600	2,520	-	-	-
LCO New Zealand Limited	203	832	795	-	-	-
NZ Centre for Reproductive Medicine Ltd	60	60	60	-	-	-
	2,814	3,492	3,375	-	-	-
<b>Otago Innovation Limited</b>						
Photonic Innovations Limited	11	22	26	-	-	-
Menixis Limited	8	-	8	-	-	-
	19	22	34	-	-	-
<b>Total Investments in Associates</b>	<b>2,833</b>	<b>3,514</b>	<b>3,409</b>	<b>-</b>	<b>-</b>	<b>-</b>

	This Year \$000	Consolidated Budget \$000	Last Year \$000
University of Otago Holdings Limited's Associates:			
<b>Name of entity: Unihealth Limited</b>			
Principal activity: Not operating			
Ownership: 50% (31 December 2012 - 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 2012 - 50%)			
Balance date: 31 December			
Investment at Deemed Cost	1,992	1,992	1,992
Share of Increase (Decrease) in the net assets of the Associate (previous years)	528	529	439
Share of Increase (Decrease) in the net assets of the Associate (current year)	31	79	89
<b>Total Investment</b>	<b>2,551</b>	<b>2,600</b>	<b>2,520</b>

	This Year \$000	Consolidated Budget \$000	Last Year \$000
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**Name of entity: LCO New Zealand Limited**

Principal activity: Owner and operator of library system

Ownership: 31% (31 December 2012 - 31%)

Balance date: 31 December

Investment at Deemed Cost	792	792	792
Share of Increase (Decrease) in the net assets of the Associate (previous years)	3	48	24
Capital Repayment	(544)	-	-
Share of Increase (Decrease) in the net assets of the Associate (current year)	(48)	(8)	(21)

<b>Total Investment</b>	<b>203</b>	<b>832</b>	<b>795</b>
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**Name of entity: New Zealand Centre for Reproductive Medicine Limited**

Principal activity: Not operating, formerly involved in the provision of human fertility services

Ownership: 50% (31 December 2012 - 50%)

Balance date: 30 June

Investment at Deemed Cost	60	60	60
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<b>Total Investment</b>	<b>60</b>	<b>60</b>	<b>60</b>
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**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: 20% (31 December 2012 - 20%)

Balance date: 30 June

Value: UOHL doesn't 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 2012 - 33.33%)

Otago Innovation Limited's Associates:

**Name of entity: Photonic Innovations Limited**

Principal activity: Development of infra-red laser technology

Ownership: 57.1% (31 December 2012 - 50%)

Balance date: 31 December

Unlisted ordinary shares	59	59	59
Share of Increase (Decrease) in the net assets of the Associate (previous years)	(33)	(29)	(29)
Share of Increase (Decrease) in the net assets of the Associate (current year)	(15)	(8)	(4)

<b>Total Investment</b>	<b>11</b>	<b>22</b>	<b>26</b>
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	This Year \$000	Consolidated Budget \$000	Last Year \$000
<b>Name of entity: Menixis Limited</b>			
Principal activity: Developing particle analysis technology			
Ownership: 17% (31 December 2012 - 22.7%)			
Balance date: 31 December			
Unlisted ordinary shares	12	-	12
Share of Increase (Decrease) in the net assets of the Associate (previous years)	(4)	-	-
Share of Increase (Decrease) in the net assets of the Associate (current year)	-	-	(4)
<b>Total Investment</b>	<b>8</b>	<b>-</b>	<b>8</b>

Note 8 PROPERTY, PLANT AND EQUIPMENT – PARENT

Cost	Land \$000	Buildings \$000	Computers \$000	Furniture \$000	Artworks \$000	Library Books \$000	Hocken Collections \$000	Rare Books \$000	Equipment \$000	Total \$000
<i>Balance at 1 January 2012</i>										
Items at cost	5,569	54,212	70,922	23,619	10,074	103,386	3,089	9,486	193,971	474,328
Items at valuation	197,842	821,520	-	-	-	-	-	-	-	1,019,362
	203,411	875,732	70,922	23,619	10,074	103,386	3,089	9,486	193,971	1,493,690
Revaluations / (impairment)	-	(7)	-	-	-	-	-	-	-	(7)
Additions	5,500	28,802	5,533	981	45	3,353	353	51	12,657	57,275
Disposals	-	(105)	(5,772)	(7,382)	-	(51,014)	-	-	(919)	(65,192)
Transfers between categories	-	-	28	8	-	-	-	-	(36)	-
Other adjustments	-	(3)	1	-	-	(1)	-	-	(19)	(22)
<b>Balance at 31 December 2012</b>	<b>208,911</b>	<b>904,419</b>	<b>70,712</b>	<b>17,226</b>	<b>10,119</b>	<b>55,724</b>	<b>3,442</b>	<b>9,537</b>	<b>205,654</b>	<b>1,485,744</b>
<i>Balance at 1 January 2013</i>										
Items at cost	11,069	82,906	70,712	17,226	10,119	55,724	3,442	9,537	205,654	466,389
Items at valuation	197,842	821,513	-	-	-	-	-	-	-	1,019,355
	208,911	904,419	70,712	17,226	10,119	55,724	3,442	9,537	205,654	1,485,744
Revaluations / (impairment)	-	-	-	-	-	-	-	-	-	-
Additions	1,279	22,863	6,031	1,492	116	2,528	266	65	19,618	54,258
Disposals	-	(79)	(4,860)	(2,039)	-	(114)	-	-	(3,100)	(10,192)
Transfers between categories	-	458	1	356	-	-	-	-	(815)	-
Other adjustments	-	(41)	-	44	-	(1)	-	-	(149)	(147)
<b>Balance at 31 December 2013</b>	<b>210,190</b>	<b>927,620</b>	<b>71,884</b>	<b>17,079</b>	<b>10,235</b>	<b>58,137</b>	<b>3,708</b>	<b>9,602</b>	<b>221,208</b>	<b>1,529,663</b>

## PROPERTY, PLANT AND EQUIPMENT – PARENT (continued)

	Land	Buildings	Computers	Furniture	Artworks	Library Books	Hocken Collections	Rare Books	Equipment	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Accumulated Depreciation and Impairment Losses</b>										
<i>Balance at 1 January 2012</i>	-	25,910	57,986	14,457	-	84,519	-	-	130,963	313,835
Revaluations / (impairment)	-	-	-	-	-	-	-	-	-	-
Depreciation	-	27,180	5,744	1,626	-	5,119	-	-	13,430	53,099
Revaluations – write back accum. Depn	-	-	-	-	-	-	-	-	-	-
Disposals	-	(6)	(5,753)	(7,382)	-	(51,014)	-	-	(809)	(64,964)
Transfers between categories	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	(1)	-	-	-	-	-	-	(1)
<b>Balance at 31 December 2012</b>	<b>-</b>	<b>53,084</b>	<b>57,976</b>	<b>8,701</b>	<b>-</b>	<b>38,624</b>	<b>-</b>	<b>-</b>	<b>143,584</b>	<b>301,969</b>
<i>Balance at 1 January 2013</i>	-	53,084	57,976	8,701	-	38,624	-	-	143,584	301,969
Revaluations / (impairment)	-	-	-	-	-	-	-	-	-	-
Depreciation	-	28,358	5,128	1,672	-	5,146	-	-	13,158	53,462
Revaluations - write back accum. Depn	-	-	-	-	-	-	-	-	-	-
Disposals	-	(6)	(4,835)	(2,038)	-	(114)	-	-	(2,871)	(9,864)
Transfers between categories	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	6	-	-	-	-	-	-	(1)	5
<b>Balance at 31 December 2013</b>	<b>-</b>	<b>81,442</b>	<b>58,269</b>	<b>8,335</b>	<b>-</b>	<b>43,656</b>	<b>-</b>	<b>-</b>	<b>153,870</b>	<b>345,572</b>

## Carrying Amounts

At 1 January 2012	203,411	849,822	12,936	9,162	10,074	18,867	3,089	9,486	63,008	1,179,855
At 31 December 2012 & 1 January 2013	208,911	851,335	12,736	8,525	10,119	17,100	3,442	9,537	62,070	1,183,775
At 31 December 2013	210,190	846,178	13,615	8,744	10,235	14,481	3,708	9,602	67,338	1,184,091



## PROPERTY, PLANT AND EQUIPMENT – CONSOLIDATED

## Cost

Balance at 1 January 2012

	Land \$000	Buildings \$000	Computers \$000	Furniture \$000	Artworks \$000	Library Books \$000	Hocken Collections \$000	Rare Books \$000	Equipment \$000	Total \$000
Items at cost	8,013	59,555	71,214	23,801	10,074	103,386	112,826	9,486	194,536	592,891
Items at valuation	197,842	821,520	-	-	-	-	-	-	-	1,019,362
	205,855	881,075	71,214	23,801	10,074	103,386	112,826	9,486	194,536	1,612,253
Revaluations / (impairment)	-	(7)	-	-	-	-	-	-	-	(7)
Additions	5,666	29,899	5,568	1,185	45	3,353	1,175	51	13,020	59,962
Disposals	-	(174)	(5,772)	(7,382)	-	(51,014)	-	-	(1,008)	(65,350)
Transfers between categories	-	-	28	8	-	-	-	-	(36)	-
Other adjustments	-	(3)	1	-	-	(1)	-	-	(19)	(22)

Balance at 31 December 2012

	211,521	910,790	71,039	17,612	10,119	55,724	114,001	9,537	206,493	1,606,836
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Balance at 1 January 2013

Items at cost	13,679	89,277	71,039	17,612	10,119	55,724	114,001	9,537	206,493	587,481
Items at valuation	197,842	821,513	-	-	-	-	-	-	-	1,019,355
	211,521	910,790	71,039	17,612	10,119	55,724	114,001	9,537	206,493	1,606,836
Revaluations / (impairment)	-	-	-	-	-	-	-	-	-	-
Additions	1,439	23,209	6,088	1,513	116	2,528	757	65	19,677	55,392
Disposals	-	(79)	(4,861)	(2,039)	-	(114)	-	-	(3,142)	(10,235)
Transfers between categories	-	458	1	356	-	-	-	-	(815)	-
Other adjustments	-	(41)	-	44	-	(1)	-	-	(149)	(147)

Balance at 31 December 2013

	212,960	934,337	72,267	17,486	10,235	58,137	114,758	9,602	222,064	1,651,846
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**PROPERTY, PLANT AND EQUIPMENT – CONSOLIDATED (continued)**

	Land	Buildings	Computers	Furniture	Artworks	Library Books	Hocken Collections	Rare Books	Equipment	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Accumulated Depreciation &amp; Impairment Losses</b>										
<i>Balance at 1 January 2012</i>	-	25,979	58,211	14,525	-	84,519	-	-	131,210	314,444
Revaluations / (impairment)	-	-	-	-	-	-	-	-	-	-
Depreciation	-	27,243	5,793	1,675	-	5,119	-	-	13,485	53,315
Disposals	-	(75)	(5,745)	(7,382)	-	(51,014)	-	-	(906)	(65,122)
Transfers between categories	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	(1)	-	-	-	-	-	-	(1)
<b>Balance at 31 December 2012</b>	<b>-</b>	<b>53,147</b>	<b>58,258</b>	<b>8,818</b>	<b>-</b>	<b>38,624</b>	<b>-</b>	<b>-</b>	<b>143,789</b>	<b>302,636</b>
<i>Balance at 1 January 2013</i>	-	53,147	58,258	8,818	-	38,624	-	-	143,789	302,636
Revaluations / (impairment)	-	-	-	-	-	-	-	-	-	-
Depreciation	-	28,397	5,160	1,724	-	5,146	-	-	13,211	53,638
Disposals	-	(6)	(4,835)	(2,038)	-	(114)	-	-	(2,912)	(9,905)
Transfers between categories	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	6	-	-	-	-	-	-	(1)	5
<b>Balance at 31 December 2013</b>	<b>-</b>	<b>81,544</b>	<b>58,583</b>	<b>8,504</b>	<b>-</b>	<b>43,656</b>	<b>-</b>	<b>-</b>	<b>154,087</b>	<b>346,374</b>
<b>Carrying Amounts</b>										
At 1 January 2012	205,855	855,096	13,003	9,276	10,074	18,867	112,826	9,486	63,326	1,297,809
At 31 December 2012 & 1 January 2013	211,521	857,643	12,781	8,794	10,119	17,100	114,001	9,537	62,704	1,304,200
At 31 December 2013	212,960	852,793	13,684	8,982	10,235	14,481	114,758	9,602	67,977	1,305,472

Buildings at Cost includes Work in Progress \$11.244 million (2012: \$21.661 million).

## Note 9 INTANGIBLE ASSETS – PARENT

	Externally Generated \$'000	Internally Generated \$'000	Total \$'000
<b>Cost</b>			
<i>Balance at 1 January 2012</i>	24,677	3,705	28,382
Additions	6,026	104	6,130
Disposals	-	-	-
Other adjustments	2	-	2
<b>Balance at 31 December 2012</b>	<b>30,705</b>	<b>3,809</b>	<b>34,514</b>
<i>Balance at 1 January 2013</i>	30,705	3,809	34,514
Additions	7,699	6	7,705
Disposals	(1,323)	-	(1,323)
Other adjustments	(99)	-	(99)
<b>Balance at 31 December 2013</b>	<b>36,982</b>	<b>3,815</b>	<b>40,797</b>
<b>Accumulated Amortisation &amp; Impairment Losses</b>			
<i>Balance at 1 January 2012</i>	11,629	1,983	13,612
Amortisation	2,859	711	3,570
Disposals	-	-	-
Other adjustments	-	-	-
<b>Balance at 31 December 2012</b>	<b>14,488</b>	<b>2,694</b>	<b>17,182</b>
<i>Balance at 1 January 2013</i>	14,488	2,694	17,182
Amortisation	2,611	577	3,188
Disposals	(1,323)	-	(1,323)
Other adjustments	-	-	-
<b>Balance at 31 December 2013</b>	<b>15,776</b>	<b>3,271</b>	<b>19,047</b>
<b>Carrying Amounts</b>			
At 1 January 2012	13,048	1,722	14,770
At 31 December 2012 & 1 January 2013	16,217	1,115	17,332
At 31 December 2013	21,206	544	21,750

## INTANGIBLE ASSETS – CONSOLIDATED

	Externally Generated \$000	Internally Generated \$000	Total \$000
<b>Cost</b>			
<i>Balance at 1 January 2012</i>	24,823	3,705	28,528
Additions	6,034	104	6,138
Disposals	-	-	-
Other adjustments	2	-	2
<b>Balance at 31 December 2012</b>	<b>30,859</b>	<b>3,809</b>	<b>34,668</b>
<i>Balance at 1 January 2013</i>	30,859	3,809	34,668
Additions	7,708	6	7,714
Disposals	(1,323)	-	(1,323)
Other adjustments	(99)	-	(99)
<b>Balance at 31 December 2013</b>	<b>37,145</b>	<b>3,815</b>	<b>40,960</b>
<b>Accumulated Amortisation &amp; Impairment Losses</b>			
<i>Balance at 1 January 2012</i>	11,676	1,983	13,659
Amortisation	2,896	711	3,607
Disposals	-	-	-
Other adjustments	-	-	-
<b>Balance at 31 December 2012</b>	<b>14,572</b>	<b>2,694</b>	<b>17,266</b>
<i>Balance at 1 January 2013</i>	14,572	2,694	17,266
Amortisation	2,635	577	3,212
Disposals	(1,323)	-	(1,323)
Other adjustments	-	-	-
<b>Balance at 31 December 2013</b>	<b>15,884</b>	<b>3,271</b>	<b>19,155</b>
<b>Carrying Amounts</b>			
At 1 January 2012	13,147	1,722	14,869
At 31 December 2012 & 1 January 2013	16,287	1,115	17,402
At 31 December 2013	21,261	544	21,805

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Note 10 <b>TRADE &amp; OTHER PAYABLES AND ACCRUALS</b>						
Trade Payables	<b>9,700</b>	9,717	11,638	<b>9,700</b>	8,998	11,608
Other Payables	<b>18,590</b>	19,042	15,402	<b>23,788</b>	23,431	21,392
Accruals	<b>16,538</b>	14,606	11,865	<b>15,833</b>	14,023	10,900

<b>Total Trade &amp; Other Payables and Accruals</b>	<b>44,828</b>	<b>43,365</b>	<b>38,905</b>	<b>49,321</b>	<b>46,452</b>	<b>43,900</b>
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	Consolidated			University	
	This Year \$000	Last Year \$000		This Year \$000	Last Year \$000
TRADE PAYABLES					
Current	9,397	9,699		9,397	9,669
2 to 3 months	16	1,354		16	1,354
> 3 months	287	585		287	585
Carrying Amount	9,700	11,638		9,700	11,608

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$00
Note 11 <b>FUNDS RECEIVED IN ADVANCE</b>						
Research Funding	<b>23,172</b>	24,653	23,414	<b>23,172</b>	24,653	23,414
Student Fees	<b>8,185</b>	8,056	7,347	<b>5,784</b>	6,453	5,292
Other	<b>16,723</b>	22,514	20,758	<b>3,780</b>	3,282	2,855
<b>Total Funds Received in Advance</b>	<b>48,080</b>	<b>55,223</b>	<b>51,519</b>	<b>32,736</b>	<b>34,388</b>	<b>31,561</b>

## Note 12 EMPLOYEE ENTITLEMENTS

Current Portion of Employee Entitlements:

	This Year \$000	Consolidated Budget \$000	Last Year \$000	This Year \$000	University Budget \$000	Last Year \$000
Annual Leave	28,968	29,015	28,978	28,756	28,860	28,788
Long-Service Leave	937	972	906	937	972	906
Retirement Gratuities	13,730	13,066	13,009	13,730	13,066	13,009

<b>Total Current Portion</b>	<b>43,635</b>	<b>43,053</b>	<b>42,893</b>	<b>43,423</b>	<b>42,898</b>	<b>42,703</b>
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Non-Current Portion of the Employee Entitlements:

Long-Service Leave	1,052	805	1,453	1,052	805	1,453
Retirement Gratuities	30,176	30,927	31,650	30,176	30,927	31,650
Sick Leave	882	864	862	882	864	862

<b>Total Non Current Portion</b>	<b>32,110</b>	<b>32,596</b>	<b>33,965</b>	<b>32,110</b>	<b>32,596</b>	<b>33,965</b>
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<b>Total Employee Entitlements</b>	<b>75,745</b>	<b>75,649</b>	<b>76,858</b>	<b>75,533</b>	<b>75,494</b>	<b>76,668</b>
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## Calculation of Sick Leave, Long-Service Leave and Retirement Gratuities

An actuarial assessment of the accrued sick leave, long-service leave and retirement gratuities of the University of Otago in respect of current employees was carried out as at 31 December 2013. A range of discount rates from 2.84% to 5.50% (2012: 2.44% to 6.00%) and a salary growth rate of 3.00% (2012: 3.00%) have been applied in the calculation of the non-current sick leave, long-service leave and retirement gratuity entitlements. Discount rates are those assessed as the interest rates (before tax) attaching to Government Stock with terms to maturity that match, as closely as possible, the terms of the related liabilities. The salary growth rate is based on the projected long-term annual rate of inflation. The assumed retirement age of all staff is 69 (2012: 69).

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

	This Year \$000	Consolidated Last Year \$000	This Year \$000	University Last Year \$000
Employer Contributions to Multi-Employer Defined Benefit Plans	3,275	3,649	3,275	3,649



## Note 13 LOANS AND LEASES

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Non-Current Loans & Leases	564	544	531	-	-	-
<b>Total Loans and Leases</b>	<b>564</b>	<b>544</b>	<b>531</b>	<b>-</b>	<b>-</b>	<b>-</b>

Non-Current Loans represent funds held on behalf of two external trusts where the University of Otago is not the sole beneficiary plus a small loan provided by an associate. The carrying amount (fair value) of the loans has been estimated to be the 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. The loan provided by an associate was to finance the purchase of units in a related partnership.

	Consolidated			University		
	This Year \$000	Weighted interest rate	Last Year \$000	This Year \$000	Weighted interest rate	Last Year \$000
<b>Non-Current</b>						
Maturity analysis						
1 - 5 years	-	-	-	-	-	-
> 5 years	564	0.00%	531	-	0.00%	-
<b>Total Loans</b>	<b>564</b>		<b>531</b>	<b>-</b>		<b>-</b>

## Note 14 EQUITY

	Consolidated		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
<b>General Reserve</b>				
As at 1 January	855,381	820,919	598,812	584,204
Surplus for year	45,946	32,070	36,517	14,610
Adjustment & Other Comprehensive Income	-	2,392	-	(2)
<b>As at 31 December</b>	<b>901,327</b>	<b>855,381</b>	<b>635,329</b>	<b>598,812</b>
<b>Property Revaluation Reserve</b>				
As at 1 January	590,450	590,457	590,450	590,457
Revaluation / (Impairment) Fixed Assets	-	(7)	-	(7)
<b>As at 31 December</b>	<b>590,450</b>	<b>590,450</b>	<b>590,450</b>	<b>590,450</b>
<b>Total Equity</b>	<b>1,491,777</b>	<b>1,445,831</b>	<b>1,225,779</b>	<b>1,189,262</b>

## Note 15 FINANCIAL INSTRUMENTS

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

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

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

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
	Fair Value	Fair Value	Fair Value	Fair Value
Forward foreign exchange contracts	9,060	10,314	9,060	10,314

**Foreign Exchange Risk**

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

At 31 December 2013, the University held the following amounts of foreign currency within its current and call deposit accounts:

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
<b>Currency</b>				
Expressed in original currency value				
US Dollars	74	824	74	824
Australian Dollars	84	164	58	58
Euros	64	15	64	15
Great Britain Pounds	11	242	11	242

In early 2014, the majority of the above funds were used to pay overseas creditors.

*Sensitivity analysis*

At 31 December 2013, if the NZD had weakened / strengthened by 5% against the US dollar, Australian dollar, Euros or GB pound, with all other variables held constant, the surplus / deficit for the year would have been \$15k / \$16k (2012: \$82k / \$90k) higher / lower. This movement is attributable to the foreign exchange gains / losses on translation of foreign denominated bank accounts held in the Group.

At 31 December 2013, if the NZD had weakened / strengthened by 5% against the Australian dollar, or US dollar with all other variables held constant, the surplus / deficit for the year would have been \$2.891 million / \$2.616 million (2012: \$2.102 million / \$1.901 million) higher / lower. This movement is attributable to the foreign exchange gains / losses on translation of foreign equities held in the Group.

### Credit Risk

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

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

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

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

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

### Interest-Rate Risk

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

#### *Sensitivity analysis*

At 31 December 2013, if interest rates on investments had strengthened / weakened by plus or minus 0.5%, the surplus for the year would have been \$532k (2012: \$502k) higher / lower. This movement is attributable to interest earning deposits held.

#### Price Risk

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

#### *Sensitivity analysis*

If the NZX50 and the ASX100 index and the global index at 31 December 2013 had fluctuated by plus or minus 5% and equity instruments moved proportionately, the effect would have been to increase/decrease the fair value by \$5.453 million / \$5.453 million (2012: \$4.406 million / \$4.406 million).

#### Liquidity Risk

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

#### *Management of liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Flexibility in funding is maintained by keeping committed credit lines available. The University and the Group have a maximum amount that can be drawn down against its overdraft facility of \$30 million (2012: \$30 million). There are no restrictions on the use of this facility.

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

## Note 16 RARE BOOKS AND SPECIAL LIBRARY COLLECTIONS

The University holds a number of gifted collections of books, manuscripts, and artworks within the Central, Medical and Dental Libraries. The collections were valued at 31 December 1994, based on net current value, by expert University staff following the generally accepted methodology employed by the Alexander Turnbull Library. The total valuation of the Rare Books and Special Collections is \$9.602 million (2012: \$9.537 million). Additions at cost in 2013 were \$65k (2012: \$51k). (Refer Note 8)

Note 17

**HOCKEN COLLECTIONS**

	Consolidated		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Opening Balance	114,001	112,826	3,442	3,089
Donated Hocken Additions	757	1,175	266	353
<b>Total</b>	<b>114,758</b>	<b>114,001</b>	<b>3,708</b>	<b>3,442</b>
being:				
Assets held in Trust	111,050	110,559	-	-
Assets owned by the University	3,708	3,442	3,708	3,442
<b>Total</b>	<b>114,758</b>	<b>114,001</b>	<b>3,708</b>	<b>3,442</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 \$25.036 million (2012: \$24.864 million).

Note 18 **RELATED PARTY INFORMATION****Crown / Government**

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

**Inter-Group****University of Otago Holdings Limited (UOHL)**

- During the year UOHL repaid term loans of \$Nil (2012: \$1.758 million). Term loans balances at year end for UOHL were \$Nil (2012: \$Nil).
- During the year UOHL repaid current loans of \$Nil (2012: \$370k). Current loan balances at year end for UOHL were \$Nil (2012: \$Nil).
- During the year the University provided no additional equity funding for UOHL (2012: \$Nil).
- UOHL paid the University \$26k for accounting and secretarial services (2012: \$26k).
- UOHL has a current account with the University of Otago. Since 1 January 2008 this account has been interest-bearing, with interest charged to the University at the average rate achieved by the University on its bank call and term deposits. Interest received on this current account amounted to \$43k (2012: \$18k). The balance at year end was \$671k (2012: \$1.291 million).

**University of Otago Foundation Studies Limited (FSL)**

- FSL enters into transactions with the University of Otago, which are made on normal commercial terms and conditions. During the year FSL purchased goods and services from the University to the value of \$1.598 million (2012: \$1.363 million), including building rentals. At year end the amount owing to the University was \$254k (2012: \$143k).
- FSL provided goods and services to the University of Otago to the value of \$1.513 million (2012: \$1.017 million). This included payments of Vote Education funding of \$940k (2012: \$790k) and commissions associated with student recruitment of \$192k (2012: \$181k). At year end the amount owing by the University was \$Nil (2012: \$7k).
- FSL has invested its surplus funds with the University of Otago. Interest is charged to the University at the average rate achieved by the University on its bank call and term deposits. Interest received on these funds amounted to \$132k (2012: \$70k). The balance at year end was \$3.180 million (2012: \$3.180 million).

### Otago Innovation Limited (OIL)

- a. OIL enters into transactions with the University of Otago, which are made on normal commercial terms and conditions. During the year OIL purchased goods and services from the University to the value of \$662k (2012: \$654k). At year end the amount owing to the University was \$16k (2012: \$53k).
- b. During the year OIL supplied services to the University to the value of \$518k (2012: \$618k). At year end the amount owing by the University was \$54k (2012: \$46k).
- c. Immune Solutions Limited enters into transactions with the University of Otago, which are made on normal commercial terms and conditions. During the year Immune Solutions Limited purchased goods and services from the University to the value of \$27k (2012: \$32k). At year end the amount owing to the University was \$Nil (2012: \$3k).
- d. During the year Immune Solutions Limited supplied services to the University to the value of \$Nil (2012: \$35k). At year end the amount owing by the University was \$Nil (2012: \$6k).

### New Zealand Genomics Limited (NZGL)

- a. NZGL enters into transactions with the University of Otago, which are made on normal commercial terms and conditions. During the year NZGL purchased goods and services from the University to the value of \$2.962 million (2012: \$1.938 million), including building rental and collaborator payments. At year end the amount owing to the University was \$354k (2012: \$646k).
- b. NZGL provided goods and services to the University of Otago to the value of \$408k (2012: \$282k). At year end the amount owing by the University was \$9k (2012: \$80k).

### Unipol Recreation Limited (URL)

- a. URL paid the University \$8k for accounting and secretarial services (2012: \$8k).
- b. The University arranges insurance for URL including material damage, business interruption and liability policies. The cost of this insurance was \$4k (2012: \$3k).
- c. URL has a current account with the University of Otago. This account is interest-bearing, with interest charged to the University at the average rate achieved by the University on its bank call and term deposits. Interest received on this current account amounted to \$73k (2012: \$152k). The balance at year end was \$1.740 million (2012: \$1.791 million).
- d. URL sold equipment and vehicles to the University to the value of \$Nil (2012: \$454k).
- e. URL received rent from the University to the value of \$12k (2012: \$Nil).
- f. URL paid the University occupancy costs of \$28k (2012: \$Nil).

### University Union Limited (UUL)

- a. During the year the University entered into transactions with UUL, an associate company of University of Otago Holdings Limited. The transactions were made on commercial terms and conditions. The University paid UUL \$342k for rent (2012: \$314k). UUL paid the University of Otago ground rent of \$105k (2012: \$99k).

### University of Otago Trusts

- a. During the year, the University entered into transactions with its Trusts. These were made on commercial terms and conditions. The University received investment management fees of \$622k (2012: \$556k) and received distributions of \$6.145 million (2012: \$4.075 million). The University has a current account with the Trust. The balance at year end was negative \$1.281 million (2012: \$45k).

### Key Management Personnel

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

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

	Consolidated		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
<i>Key Management Remuneration:</i>				
Salary and Short Term Benefits	3,874	3,706	2,294	2,255
Superannuation	227	217	206	204
University Council fees	77	79	77	79
Directors' Remuneration	123	139	-	-
Trustees' Remuneration	7	9	-	-
<b>Total</b>	<b>4,308</b>	<b>4,150</b>	<b>2,577</b>	<b>2,538</b>

## RELATED PARTIES TRANSACTIONS

### Members of Council

	Year: 2013		Year: 2012	
	Purchased by University during year	Purchased from University during year	Purchased by University during year	Purchased from University during year
	\$000 (GST inclusive)		\$000 (GST inclusive)	

### Judge E O K Blaikie

**Professor A Vicky Cameron**  
University of Otago (Employee)

- - - -

### Mr D C Cull

Alexander McMillan Trust (Board Member)  
Dunedin City Council (Mayor of Dunedin)

2,908 68 5,201 71

### Mr Logan Edgar (term completed Dec 2012)

Otago University Students Association (President)  
Planet Media Dunedin Limited (D)  
Student Job Search Aotearoa Limited (National Councillor)  
University Bookshop Otago Limited (D)  
University of Otago (Student)  
University Union Limited (D)

na na 3,376 113  
na na 108 12  
na na - -  
na na 137 2  
na na - -  
na na 361 1,923

### Dr J D Every-Palmer (term completed Aug 2012)

Russell McVeagh (Partner)  
University of Otago Holdings Limited (D)  
(term completed 19 Sept 2012)

- - - 25  
See intergroup note above See intergroup note above



## Members of Council

	Year: 2013		Year: 2012	
	Purchased by University during year	Purchased from University during year	Purchased by University during year	Purchased from University during year
	\$'000 (GST inclusive)		\$'000 (GST inclusive)	
<b>Professor H Hayne</b>				
A.A.W. Jones Charitable Trust (Trustee)	-	-	-	-
AAW Jones Custodian Limited (D)	-	-	-	-
Alexander McMillan Trust (Trustee)	-	-	-	-
Callaghan Innovation (Advisory Board Member)	138	278	-	-
Fulbright NZ Trust (Inc) (Trustee)	-	-	-	-
John F Kennedy Memorial Trust (Trustee)	-	-	-	-
McMillan Nominees Limited (D)	-	-	-	-
Ministry of Science & Innovation (Board Member)	na	na	-	10,152
NZ Innocence Project (D)	-	-	-	-
Otago Innovation Limited (Deputy Chair)	See intergroup note above		See intergroup note above	
Te Tapuae o Rehua Limited (D)	57	3,074	57	3,268
The Treasury Board (Board member)	-	5	-	-
University of Otago Foundation Trust (Trustee)	See intergroup note above		See intergroup note above	
University of Otago Holdings Limited (D)	See intergroup note above		See intergroup note above	
University of Otago (Vice-Chancellor)	-	-	-	-

**Mr Francisco B Hernandez (term commenced Jan 2013)**

Otago University Students' Association (President)	3,858	110	na	na
Planet Media Dunedin Limited (D)	140	-	na	na
Student Job Search Aotearoa Limited (National Councillor)	-	-	na	na
University Bookshop Otago Limited (D)	140	3	na	na
University of Otago (Student)	-	-	na	na
University Union Limited (D)	393	210	na	na

**Mr S J Higgs (term commenced Aug 2012)**

Polson Higgs Business Advisors (Partner)	24	-	49	-
MotorTrade Finances Ltd (D)	-	-	-	77
University of Otago Foundation Trust (Trustee)	See intergroup note above		See intergroup note above	

Mr Higgs is a director and/or shareholder of numerous other companies that had no related party transactions with the University during the year.

**Miss L P Isaacs**

University of Otago Foundation Trust (Trustee)	See intergroup note above		See intergroup note above	
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**Dr C J Marshall**

Tertiary Education Union Otago (Committee Member)	-	22	-	22
University of Otago (Employee)	-	-	-	-

## Members of Council

Members of Council	Year: 2013		Year: 2012	
	Purchased by University during year	Purchased from University during year	Purchased by University during year	Purchased from University during year
	\$000 (GST inclusive)		\$000 (GST inclusive)	
<b>Mr S J McLauchlan</b>				
AD Instruments PTY Limited (D)	207	-	236	-
Aurora Energy Limited (D)	26	-	43	-
Cargill Hotel 2002 Limited (C)	40	-	33	-
Delta Limited (D)	26	16	35	19
Dunedin International Airport Limited (C)	6	-	6	-
Institute of Directors Otago & Southland (C)	5	-	4	-
Lund South Limited ( D )	42	-	231	-
Otago Community Hospice Trust (C)	11	-	11	-
Otago Southland Employers Assn (Trustee)	8	1	8	2
Pharmac (C)	-	16	-	4
Scenic Circle Hotels Limited (D)	2	-	10	-
Scott Technology Limited (C)	-	-	-	-
Southern DHB (Crown Monitor)	2,500	11,798	2,909	10,499
University of Otago Foundation Studies Limited (D)	See intergroup note above		See intergroup note above	
University of Otago Foundation Trust (Trustee)	See intergroup note above		See intergroup note above	
University of Otago (Pro-Chancellor)	-	-	-	-
University of Otago Rugby Club (Committee)	-	20	-	15
ZNH Limited (D)	-	-	-	-
Mr McLauchlan is a director and/or shareholder of numerous other companies that had no related party transactions with the University during the year.				
<b>Ms D C Matahaere-Atariki</b>				
Arai Te Uru Whare Hauora (Executive Director)	-	1	-	1
Bathgate Park Primary School (C)	-	-	-	-
Brockville Primary School Dunedin (Trustee)	-	-	-	-
Family and Community Services - Advisory Council (Member)	-	-	-	-
Ministry of Health - NGO Working Group (Member)	42	5,634	66	7,658
National Taskforce on Violence (Member)	-	-	-	-
Otakou Runanga (C)	-	-	-	-
Southern Primary Health Organisation (Board Member)	-	20	-	28
<b>Ms MA Morgan</b>				
Arana College (College Council Member)	-	-	-	-
Stuart Residence Halls Council (Board Member)	-	15	-	12
University of Otago (Employee)	-	-	-	-
<b>Mr J K Rowe (term completed Dec 2012)</b>				
Otago University Students' Association (Vice President)	na	na	3,376	113
Planet Media Dunedin Limited (D)	na	na	108	12
University of Otago (Student)	na	na	-	-

## Members of Council

	Year: 2013		Year: 2012	
	Purchased by University during year	Purchased from University during year	Purchased by University during year	Purchased from University during year
	\$000 (GST inclusive)		\$000 (GST inclusive)	
<b>Mr M J M Sidey</b>				
Forsyth Barr Limited (Vice-Chairman) (S)	-	-	-	-
Halberg Trust (Trustee)	-	-	-	-
Last Ocean Trust (Trustee)	-	-	-	-
Excellence in Sport-South Island (D)	-	7	-	-
St Andrew's College Foundation (Trustee)	-	2	-	3
University of Otago Foundation Trust (Trustee)	See intergroup note above		See intergroup note above	
University of Otago Holdings Limited (D)	See intergroup note above		See intergroup note above	

**Associate Professor E Slooten**

New Zealand Whale and Dolphin Trust (Trustee)	-	-	1	-
University of Otago (Employee)	-	-	-	-

**Dr R J Somerville QC**

Environmental Legal Assistance Fund Panel (Ministry for the Environment) (C)	-	-	-	-
Knox College and Salmond College Council Inc. (C)	4,520	638	3,435	308
Otago Foundation Trust Board (Trustee)	na	na	268	1
University of Otago Foundation Trust (Trustee)	See intergroup note above		See intergroup note above	

**Mr R H Tobin**

Logan Park High School (Deputy Principal)	2	6	3	5
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**Mr J F Ward**

Amtex Corporation Limited (C) (S)	-	-	-	-
H & J Smith Holdings Limited (C)	-	-	-	-
Otago Innovation Limited (D)	See intergroup note above		See intergroup note above	
Simner Investments Limited (C) (S)	26	-	32	-
Southland Building Society (C)	See below *	-	See below *	-
University of Otago (Chancellor)	-	-	-	-
University of Otago Foundation Trust (C)	See intergroup note above		See intergroup note above	
University of Otago Holdings Limited (C)	See intergroup note above		See intergroup note above	
Mr Ward is a director and/or shareholder of numerous other companies that had no related party transactions with the University during the year.				

\* The University invests money on term deposit with the Southland Building Society in the normal course of business. At year end the balance invested was \$1.0 million. Interest earned during the year was \$233k.

C = Chairman; D = Director; S = Shareholder

## Note 19 PLEDGED DONATIONS

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

Total pledged donations outstanding are \$1.910 million (2012: \$2.450 million). The Net Present Value of these pledges at an interest rate of 4% (2012: 4%) is \$1.789 million (2012: \$2.259 million).

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
<i>Analysis of pledged donations</i>						
Less than 1 year	820	570	790	-	-	-
More than 1 year but less than 5 years	990	990	1,460	-	-	-
Greater than 5 years	100	100	200	-	-	-
<b>Total Pledged Donations</b>	<b>1,910</b>	<b>1,660</b>	<b>2,450</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Note 20 CAPITAL MANAGEMENT

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

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

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

## Note 21 STANDARDS OR INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

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

NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following three main phases: Phase 1 classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39.

The approach in NZ IFRS 9 is based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus or deficit. The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the University is classified as a Tier 1 reporting entity and it will be required to apply full public sector Public Benefit Entity Accounting Standards (PAS).

These standards are being developed by the XRB and are mainly based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the University expects to transition to the new standards in preparing its 31 December 2015 financial statements. As the PAS are still under development, the University is unable to assess the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

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

Note 22 **EVENTS AFTER THE BALANCE DATE**

There were no significant events after balance date.

## Independent Auditor's Report

### To the readers of the University of Otago and group's financial statements and Statement of Service Performance for the year ended 31 December 2013

The Auditor-General is the auditor of the 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 non-financial performance information of the University and group on her behalf.

We have audited:

- the financial statements of the University and group on pages 64 to 103, that comprise the statement of financial position and statement of commitments and contingencies as at 31 December 2013, the statement of accounting policies, statement of financial performance, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include other explanatory information; and
- the non-financial performance information of the University and group in the statement of service performance on pages 44 to 49 and group entities report on pages 58 to 60.

### Opinion

In our opinion:

- the financial statements of the University and group on pages 64 to 103:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect the University and group's:
    - ~ financial position as at 31 December 2013; and
    - ~ financial performance and cash flows for the year ended on that date;
- the non-financial performance information of the University and group on pages 44 to 49 and pages 58 to 60 fairly reflects the University and group's service performance achievements measured against the performance targets adopted in the investment plan for the year ended 31 December 2013.

Our audit was completed on 8 April 2014. This is the date at which our opinion is expressed.

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

### Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and non-financial performance information 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 non-financial performance information. 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 non-financial performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and non-financial performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the University and group's preparation of the financial statements and non-financial performance information that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the University and group's internal control.

An audit also involves evaluating:

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

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

We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

### Responsibilities of the Council

The Council is responsible for preparing financial statements that:

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

The Council is also responsible for preparing non-financial performance information that fairly reflects the University and group's service performance achievements measured against the performance targets adopted in the investment plan.

The Council is responsible for such internal control as it determines is necessary to enable the preparation of financial statements and non-financial performance information 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 non-financial performance information, whether in printed or electronic form.

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

### Responsibilities of the Auditor

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

### Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the 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  
Dunedin, 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

During 2013, the University and OUSA reviewed the previous year's Service Level Agreement (SLA) and related service level performance. While both parties were very pleased with both the quality and level of outputs, a number of minor improvements were identified and addressed through some minor changes to the 2013 SLA with OUSA and other third party providers. OUSA remained the principal provider of third-party services in 2013. The University also provided a number of services funded from the Student Services Fee.

### 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)**

- 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 Roopū
- Financial support and advice
- Advocacy and pastoral care
- Education Quality Support Network
- Careers guidance through volunteering in conjunction with the University
- Student Job Search.

### Clubs and Societies (Sport and Recreation and Cultural Activities)

- Sports, recreation and cultural activities
- USNZ level sports and games tournaments
- Blues and Golds sports and cultural awards
- Orientation
- Capping Week and Capping Show
- Battle of the Bands
- Market days
- Re-Orientation
- International food festival
- Music gigs
- Postgrad coffee hour
- Film Festival and World Cinema Showcase
- Future DJ
- Art week
- Volunteers
- Te Roopū.

### Media

Student communication activities

- Planet Media Dunedin
- *Critic* Magazine
- Radio One 91FM
- Onefest
- Orientation Magazine
- Facebook presence
- Web presence.

### Childcare Services Provided by the Otago University Childcare Association

**Childcare** Pre-school childcare services for students who are parents.

### Chaplaincy Services Provided by the Otago Tertiary Chaplaincy Trust Board

**Advocacy: Counselling and Pastoral Care** Chaplaincy service provided by the Otago Tertiary Chaplaincy Trust Board.

## Compulsory Student Services Levy Income Statement Summaries

for the year ended 31 December 2013

Services:		Advocacy & Legal Advice	Careers Information, Advice & Guidance	Counselling	Financial Support & Advice	Health	Media	Childcare	Sports & Recreation Facilities	Other Campuses	Total
		\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Income	Levies	809	457	388	96	3,036	563	56	4,589	62	10,056
	Other	-	31	54	12	1,078	-	135	4,682	-	5,992
Expenditure		(842)	(497)	(410)	(79)	(4,103)	(586)	(194)	(9,262)	(52)	(16,025)
Net Surplus/(Deficit)		(33)	(9)	32	29	11	(23)	(3)	9	10	23

# Summary

## facts and figures

### STUDENT ENROLMENTS

	2013	2012	2011	2010	2009
<b>Equivalent Full-time Students (EFTS)</b>					
Commerce	3,082	3,096	3,220	3,526	3,586
Health Sciences	5,815	5,815	5,761	5,620	5,310
Humanities	5,328	5,643	5,910	5,971	5,646
Sciences	4,375	4,362	4,418	4,490	4,318
Other University*	0	35	36	55	43
<b>Subtotal</b>	<b>18,600</b>	<b>18,951</b>	<b>19,344</b>	<b>19,661</b>	<b>18,903</b>
Other Group EFTS**	275	246	224	257	270
<b>Total</b>	<b>18,875</b>	<b>19,197</b>	<b>19,568</b>	<b>19,918</b>	<b>19,172</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.

\*\* Prior to 2009 the Foundation Studies programme figure was for domestic EFTS only. From 2010 international EFTS have also been included.

### Enrolment By Qualification Type

PhD	1,293	1,301	1,259	1,258	1,206
Professional Doctorates	68	76	68	67	64
Masters – by Thesis	1,018	1,059	969	979	921
Masters – by Coursework	197	222	251	207	196
Postgraduate Diplomas	898	939	1,068	1,134	1,095
Postgraduate Certificates	485	538	473	526	525
Graduate Diplomas	416	426	475	487	405
Bachelor Honours	460	524	873	854	843
Bachelors	15,489	15,762	15,593	15,780	15,359
Undergraduate Diplomas	66	74	91	121	121
Undergraduate Certificates	7	18	25	31	48
Certificate of Proficiency	1,228	1,171	1,326	1,450	1,419
Interest Only	0	0	0	223	150
Foundation Studies	303	266	254	273	282
Other	7	6	17	20	25
<b>Total Students</b>	<b>21,113</b>	<b>21,416</b>	<b>21,728</b>	<b>22,139</b>	<b>21,507</b>

	2013	2012	2011	2010	2009
<b>Full-time and Part-time Students</b>					
Full-time	<b>17,370</b>	17,509	17,883	17,953	17,291
Part-time	<b>3,743</b>	3,907	3,845	4,186	4,216

<b>Total</b>	<b>21,113</b>	<b>21,416</b>	<b>21,728</b>	<b>22,139</b>	<b>21,507</b>
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Note: Data for 2009-2011 has been revised to be consistent with the new definition for full-time/part-time study being used by the University, which matches that used by StudyLink for loans and allowances purposes.

<b>Female and Male Students</b>					
Female	<b>12,171</b>	12,233	12,390	12,623	12,197
Male	<b>8,942</b>	9,183	9,338	9,516	9,310

<b>Total</b>	<b>21,113</b>	<b>21,416</b>	<b>21,728</b>	<b>22,139</b>	<b>21,507</b>
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<b>First-Year and Returning Students</b>					
First-Year	<b>4,149</b>	3,996	3,832	4,458	4,453
Returning	<b>16,964</b>	17,420	17,896	17,681	17,054

<b>Total</b>	<b>21,113</b>	<b>21,416</b>	<b>21,728</b>	<b>22,139</b>	<b>21,507</b>
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<b>Ethnicity of Students</b>					
European/Pakeha	<b>74.3%</b>	74.8%	75.0%	75.6%	75.7%
Māori	<b>8.0%</b>	7.8%	7.6%	7.6%	7.5%
Asian	<b>18.6%</b>	18.3%	17.9%	17.2%	16.9%
Pacific Islanders	<b>3.2%</b>	3.1%	3.1%	3.1%	3.0%
Middle Eastern/Latin American/African	<b>3.3%</b>	3.0%	3.0%	3.1%	2.8%
Other / Unknown	<b>3.3%</b>	2.9%	2.9%	2.5%	2.5%

Students who reported more than one ethnic group are counted once in each group reported. This means that the total number of responses for all ethnic groups can be greater than the total number of students who stated their ethnicities. Therefore, totals may be greater than 100%.

<b>Home Area of Students</b>					
Dunedin	<b>3,627</b>	3,903	4,101	4,323	4,315
Otago/Southland	<b>2,309</b>	2,413	2,445	2,431	2,363
Remainder of South Island	<b>3,792</b>	3,695	3,574	3,737	3,558
North Island	<b>8,284</b>	8,276	8,349	8,393	8,117
Overseas (including NZ Citizens Overseas)	<b>3,012</b>	2,986	3,113	3,096	2,984
Unknown	<b>89</b>	143	146	160	170

<b>Total</b>	<b>21,113</b>	<b>21,416</b>	<b>21,728</b>	<b>22,139</b>	<b>21,507</b>
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Note: The majority of NZ Citizens Overseas listed their home area as Australia (105 in 2013). Conversely, 195 of the 290 Australian citizens who enrolled in 2013 were normally resident in New Zealand prior to commencing University study, and so listed a New Zealand home area.

	2013	2012	2011	2010	2009
<b>International Students</b>					
Undergraduate	1,879	1,924	2,036	1,873	1,829
Postgraduate	769	766	762	776	643

<b>Total</b>	<b>2,648</b>	<b>2,690</b>	<b>2,798</b>	<b>2,649</b>	<b>2,472</b>
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#### International Students by Home Country

USA	578	530	652	578	524
China	426	397	329	291	295
Malaysia	405	506	483	473	326
United Kingdom	104	96	100	86	61
India	101	104	97	74	69
Canada	90	97	113	99	112
Saudi Arabia	75	73	82	90	63
Germany	72	85	101	127	138
Brunei	60	70	64	63	60
Iran	50	36	28	20	12
Japan	49	40	45	60	82
Korea (South)	47	50	64	70	86
Singapore	42	31	31	33	35
France	35	42	47	45	49
Thailand	33	36	36	37	36
Vietnam	27	23	26	25	22
Taiwan	24	18	21	22	26
Samoa	24	23	20	15	17
Oman	24	23	25	28	25
Botswana	21	19	16	11	4
Denmark	21	14	16	14	23
Italy	19	19	11	9	13
Norway	18	17	15	17	15
Other	303	341	376	362	379

<b>Total</b>	<b>2,648</b>	<b>2,690</b>	<b>2,798</b>	<b>2,649</b>	<b>2,472</b>
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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	652	636	668	901	891
Otago/Southland	518	547	530	577	549
Remainder of South Island	833	784	675	808	758
North Island	1,822	1,691	1,665	1,772	1,780
Overseas (including NZ Citizens Overseas)	321	321	273	355	424
Unknown	3	17	21	45	51

<b>Total</b>	<b>4,149</b>	<b>3,996</b>	<b>3,832</b>	<b>4,458</b>	<b>4,453</b>
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Note: The majority of NZ Citizens Overseas listed their home area as Australia (23 in 2013). Conversely, 31 of the 46 Australian citizens who enrolled in 2013 were normally resident in New Zealand prior to commencing University study, and so listed a New Zealand home area.

## ACADEMIC ATTAINMENT

	2013	2012	2011	2010	2009
<b>Number of Graduates</b>					
Undergraduate Diplomas & Certificates	<b>318</b>	322	364	397	312
Undergraduate Degrees	<b>3,974</b>	3,975	3,544	3,369	3,411
Postgraduate Diplomas & Certificates	<b>817</b>	907	911	977	851
Postgraduate Degrees	<b>657</b>	618	561	515	480

<b>Total University</b>	<b>5,766</b>	<b>5,822</b>	<b>5,380</b>	<b>5,258</b>	<b>5,054</b>
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Commerce Graduates	<b>765</b>	738	807	794	724
Health Sciences Graduates	<b>1,584</b>	1,655	1,485	1,581	1,379
Humanities Graduates	<b>1,721</b>	1,720	1,541	1,462	1,518
Sciences Graduates	<b>1,547</b>	1,567	1,387	1,262	1,292
Interdivisional Graduates	<b>149</b>	142	160	159	141

<b>Total University</b>	<b>5,766</b>	<b>5,822</b>	<b>5,380</b>	<b>5,258</b>	<b>5,054</b>
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Degrees, Diplomas & Certificates Completed per 100 EFTS Enrolled					
Commerce	<b>24.8</b>	23.8	25.1	22.5	20.2
Health Sciences	<b>27.2</b>	28.5	25.8	28.1	26.0
Humanities	<b>32.3</b>	30.5	26.1	24.5	26.9
Sciences	<b>35.4</b>	35.9	31.4	28.1	29.9

<b>Total</b>	<b>30.2</b>	<b>30.7</b>	<b>27.8</b>	<b>26.7</b>	<b>26.7</b>
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Examination Pass Rates					
Commerce	<b>87.3%</b>	86.7%	86.5%	85.7%	85.0%
Health Sciences	<b>91.9%</b>	91.4%	90.8%	90.7%	90.6%
Humanities	<b>91.8%</b>	92.0%	91.0%	89.7%	88.9%
Sciences	<b>88.1%</b>	88.8%	85.8%	87.6%	86.8%
Other (Foundation Studies)	<b>84.4%</b>	79.6%	79.0%	77.5%	77.3%

<b>Total Pass Rate</b>	<b>90.0%</b>	<b>89.9%</b>	<b>89.3%</b>	<b>88.4%</b>	<b>87.7%</b>
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## STAFF PROFILE

	2013	2012	2011	2010	2009
<b>Full-time Equivalent (FTE) Teaching and Research Staff</b>					
<b>Female</b>					
Vice-Chancellor/Senior Academic Managers	2	2	2	3	3
Professors	39	29	26	23	21
Readers/Associate Professors	50	53	49	44	31
Senior Lecturers	179	173	172	175	169
Lecturers	90	89	91	102	118
Other Teaching & Teaching/Research Staff	149	150	152	140	134
Research-only Staff	243	244	266	264	240
<b>Total Females</b>	<b>752</b>	<b>740</b>	<b>757</b>	<b>751</b>	<b>716</b>
<b>Male</b>					
Vice-Chancellor/Senior Academic Managers	6	6	6	5	5
Professors	163	157	161	152	149
Readers/Associate Professors	109	115	108	112	102
Senior Lecturers	194	194	198	201	213
Lecturers	85	83	89	97	109
Other Teaching & Teaching/Research Staff	113	111	108	113	121
Research-only Staff	178	170	189	169	172
<b>Total Males</b>	<b>848</b>	<b>836</b>	<b>858</b>	<b>848</b>	<b>871</b>
<b>Total Academic &amp; Research-Only Staff</b>	<b>1,600</b>	<b>1,576</b>	<b>1,616</b>	<b>1,599</b>	<b>1,587</b>
<b>Full-time Equivalent (FTE) General Staff</b>					
<b>Female</b>					
Senior Managers	10	8	9	8	10
General Services, Student & Community Staff	1,030	1,011	991	1,003	987
Librarians & Library Assistants	114	113	94	99	94
Research Support Staff & Technicians	248	277	290	301	283
<b>Total Females</b>	<b>1,402</b>	<b>1,409</b>	<b>1,385</b>	<b>1,411</b>	<b>1,373</b>
<b>Male</b>					
Senior Managers	21	24	23	24	23
General Services, Student & Community Staff	559	559	519	515	504
Librarians & Library Assistants	22	22	15	15	17
Research Support Staff & Technicians	148	166	191	187	179
<b>Total Males</b>	<b>750</b>	<b>771</b>	<b>748</b>	<b>741</b>	<b>723</b>
<b>Total General Staff</b>	<b>2,152</b>	<b>2,180</b>	<b>2,133</b>	<b>2,152</b>	<b>2,096</b>
<b>Total Staff</b>	<b>3,752</b>	<b>3,755</b>	<b>3,749</b>	<b>3,751</b>	<b>3,683</b>



	2013	2012	2011	2010	2009
<b>Student-Academic Staff Ratios</b>					
Commerce	25.5	28.4	28.7	28.4	27.1
Health Sciences	12.0	12.1	12.3	12.0	11.5
Humanities	17.3	18.1	19.0	18.6	17.0
Sciences	16.7	16.6	16.6	17.7	16.5
<b>Overall</b>	<b>15.8</b>	<b>16.3</b>	<b>16.7</b>	<b>16.8</b>	<b>15.9</b>

## RESEARCH ACTIVITIES (revised for previous years)

### Research Outputs Produced

<b>Total Publications</b>	<b>4,144</b>	<b>5,226</b>	<b>4,239</b>	<b>4,168</b>	<b>4,090</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 & BUILDINGS

	2013	2012	2011	2010	2009
<b>Land (hectares)</b>					
Land owned by the University	33	33	33	33	31
Land in Crown title for the University	12	11	11	11	8
Endowment Leasehold	22,243	22,246	22,246	22,235	25,585
<b>Total Land Controlled by the University</b>	<b>22,288</b>	<b>22,289</b>	<b>22,289</b>	<b>22,279</b>	<b>25,624</b>

Note: Endowment land is tied up in long-term pastoral lease.

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

Commerce	8,929	9,022	8,929	8,870	9,079
Health Sciences	66,475	65,984	65,105	65,904	66,229
Humanities	20,163	20,298	20,533	20,600	19,773
Science	41,998	41,580	41,943	42,020	39,013
Administration & Other	75,626	67,868	62,672	59,013	58,416
Corporate	776	3,139	3,030	3,033	2,923
Information Services	15,962	15,612	16,106	15,793	15,950
<b>Total</b>	<b>229,929</b>	<b>223,504</b>	<b>218,318</b>	<b>215,233</b>	<b>211,383</b>

Note: University-owned flats and residential colleges total a further 55,886 sqm.

## LIBRARY

### Library Collection

	2013	2012	2011	2010	2009
Books (volumes)	1,095,169	1,119,373	1,109,344	1,096,807	1,094,165
Serials (volumes)	570,385	544,236	536,242	526,937	525,512
Microfilms	229,984	229,550	229,493	232,546	224,052
Non-book Materials	1,243,283	1,228,227	1,221,442	1,221,570	1,218,520

<b>Total</b>	<b>3,138,821</b>	<b>3,121,386</b>	<b>3,096,521</b>	<b>3,077,860</b>	<b>3,062,249</b>
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Print Serials Received	3,932	5,128	6,030	6,210	6,813
Electronic Serials Received	215,047	231,681	229,336	174,844	111,919

<b>Total</b>	<b>218,979</b>	<b>236,809</b>	<b>235,366</b>	<b>181,054</b>	<b>118,732</b>
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E-books Received	510,375	489,607	380,867	362,526	348,633
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### Space

Seating Places Available	4,320	4,280	4,188	3,776	3,698
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## INFORMATION TECHNOLOGY SERVICES

### Volume of Computer and Telecommunications Traffic

Off-campus Network Traffic (megabytes)	315,164,186	315,847,232	464,158,837	421,690,487	291,222,821
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### ITS Training and Support Services

Enquiries Received by ITS Helpdesk	44,751	43,587	46,295	45,256	60,502
Seating Places in Student Computer Laboratories	1,348	1,361	1,361	749	702

## KEY FINANCIAL INDICATORS

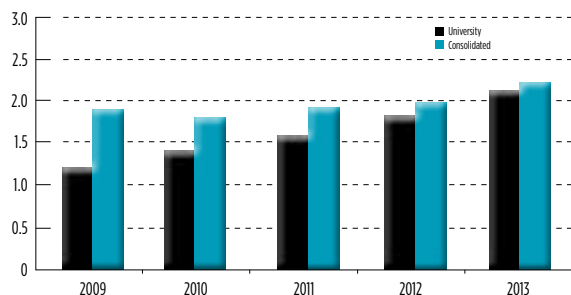
### Value of Output per EFTS

Teaching, Learning & Assessment	\$1,075	\$9,955	\$9,381	\$8,590	\$9,088
Research & Postgraduate Teaching	\$14,475	\$14,349	\$14,294	\$13,420	\$13,134
Community Service	\$1,526	\$1,477	\$1,291	\$1,137	\$1,112

### Financial Indicators

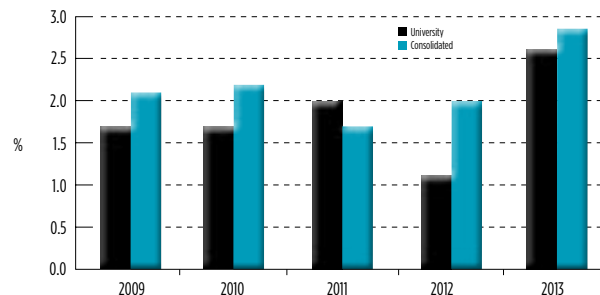
	2013 Consolidated	2012 Consolidated	2011 Consolidated	2010 Consolidated	2009 Consolidated
Current Ratio (current assets: current liabilities)	1.2	1.0	1.0	1.0	0.9
Liquid Ratio (current assets which will result in cashflow: current liabilities which will result in cashflow)	2.2	2.0	1.9	1.8	1.9
Level of Debt (debt to equity)	2.2%	2.4%	2.1%	2.5%	2.3%
Increase in Net Assets	2.2%	2.4%	1.4%	2.3%	2.4%
Return on Total Assets	2.8%	2.0%	1.7%	2.2%	2.1%
Return on Revenue	7.2%	5.2%	4.6%	5.9%	5.5%

LIQUID RATIO



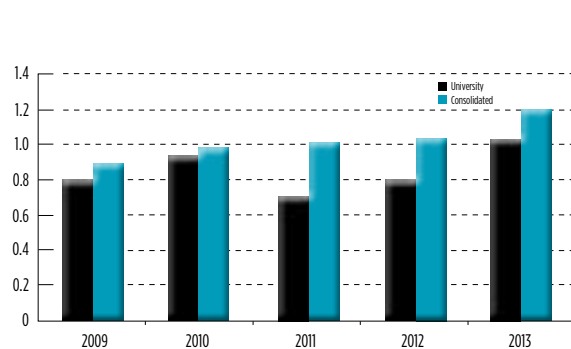
Current assets which will result in cashflow: current liabilities which will result in cashflow

RETURN ON TOTAL ASSETS



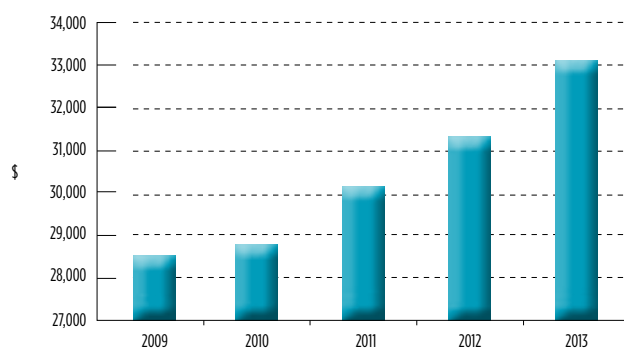
Operating surplus as a % of total assets

CURRENT RATIO



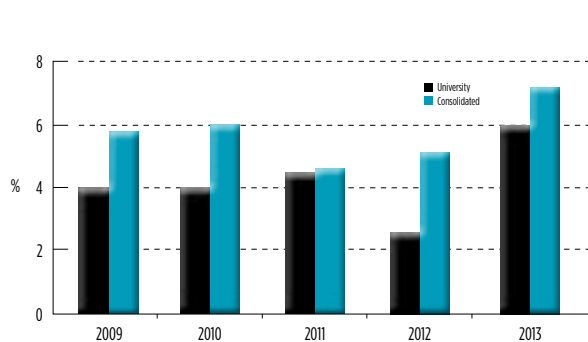
Current assets: current liabilities

REVENUE PER EFTS



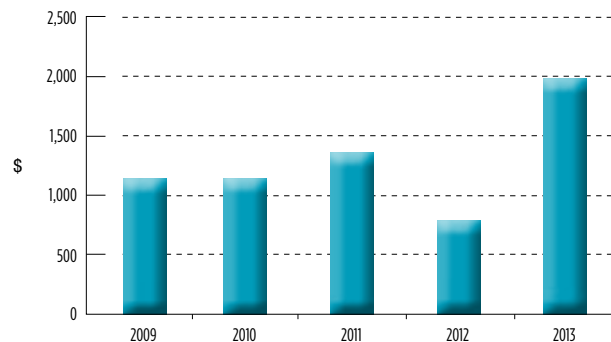
Total University revenue divided by total University EFTS

RETURN ON REVENUE



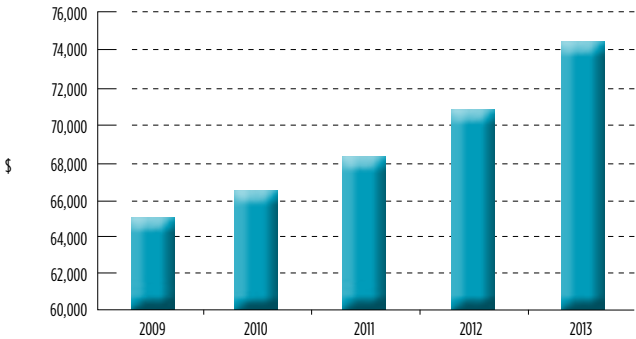
Operating surplus as a % of total income

OPERATING SURPLUS PER EFTS



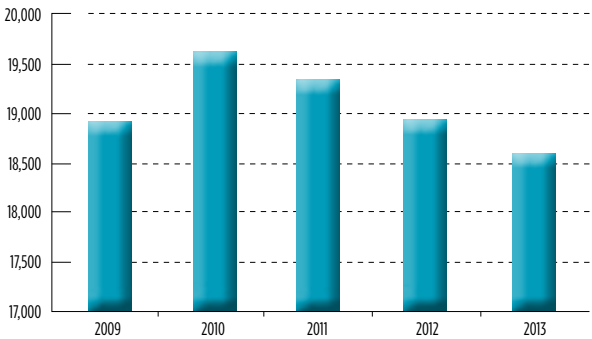
University operating surplus divided by total University EFTS

TOTAL ASSETS PER EFTS



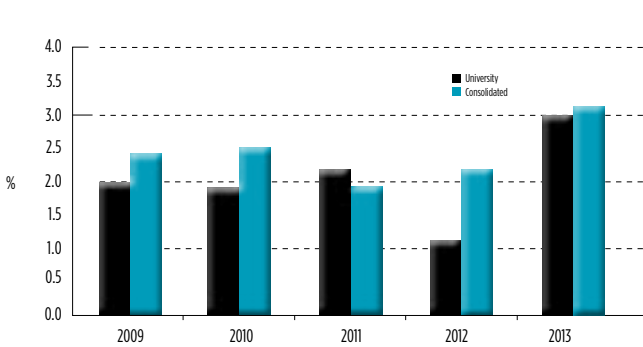
Total University assets divided by total University EFTS

TOTAL EFTS



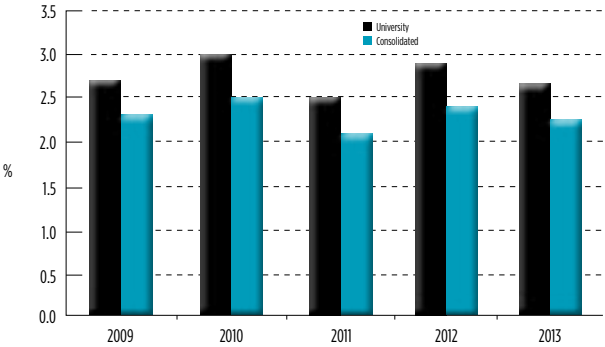
Total domestic and international EFTS

RETURN ON EQUITY



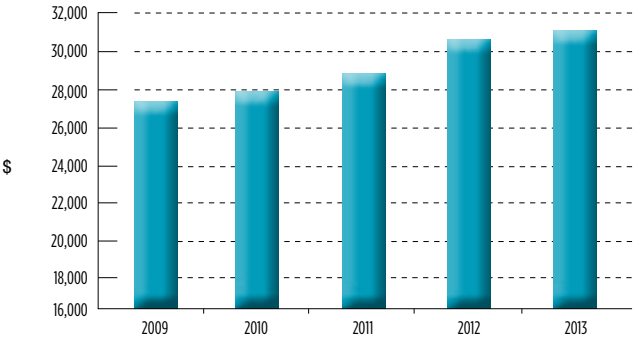
Operating surplus as a % of total equity

LEVEL OF DEBT (DEBT TO EQUITY)



Total debt as a % of net assets

EXPENDITURE PER EFTS



Total University expenditure divided by total University EFTS

# 2013

ANNUAL REPORT

