



UNIVERSITY
of
OTAGO
Te Whare Wānanga o Otago
NEW ZEALAND

2014

ANNUAL REPORT







2014

ANNUAL REPORT



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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 tōna Ikeiketanga.

Mission

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

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

Contents

Vision and Mission	3
University Governance	6
Organisation Chart	7
Council of the University	8
Executive Group	9
Chancellor's Introduction	10
Vice-Chancellor's Review	12
Significant Events	17
Excellence in Research	20
Excellence in Teaching	24
Outstanding Student Experiences	28
Outstanding Campus Environments	32
Commitment as a Local, National and Global Citizen	36
Strong External Engagement	40
Sustaining Capability	44
Reporting by Outputs	47
Statement of Service Performance	50
Statement of Resources	58
Group Entities Report	66
Financial Review	70
Statement of Responsibility	71
Statement of Accounting Policies	72
Statement of Financial Performance	79
Statement of Comprehensive Income	80
Statement of Changes in Equity	80
Statement of Financial Position	81
Statement of Cash Flows	82
Reconciliation of the Net Surplus	83
Statement of Commitments and Contingencies	84
Notes to the Financial Statements	85
Independent Auditor's Report	116
Student Services Levy Report	118
Summary Facts and Figures	120
Graphs	127



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 may, from time to time, establish special working parties to examine particular issues.

The Senate

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

University autonomy and academic freedom

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

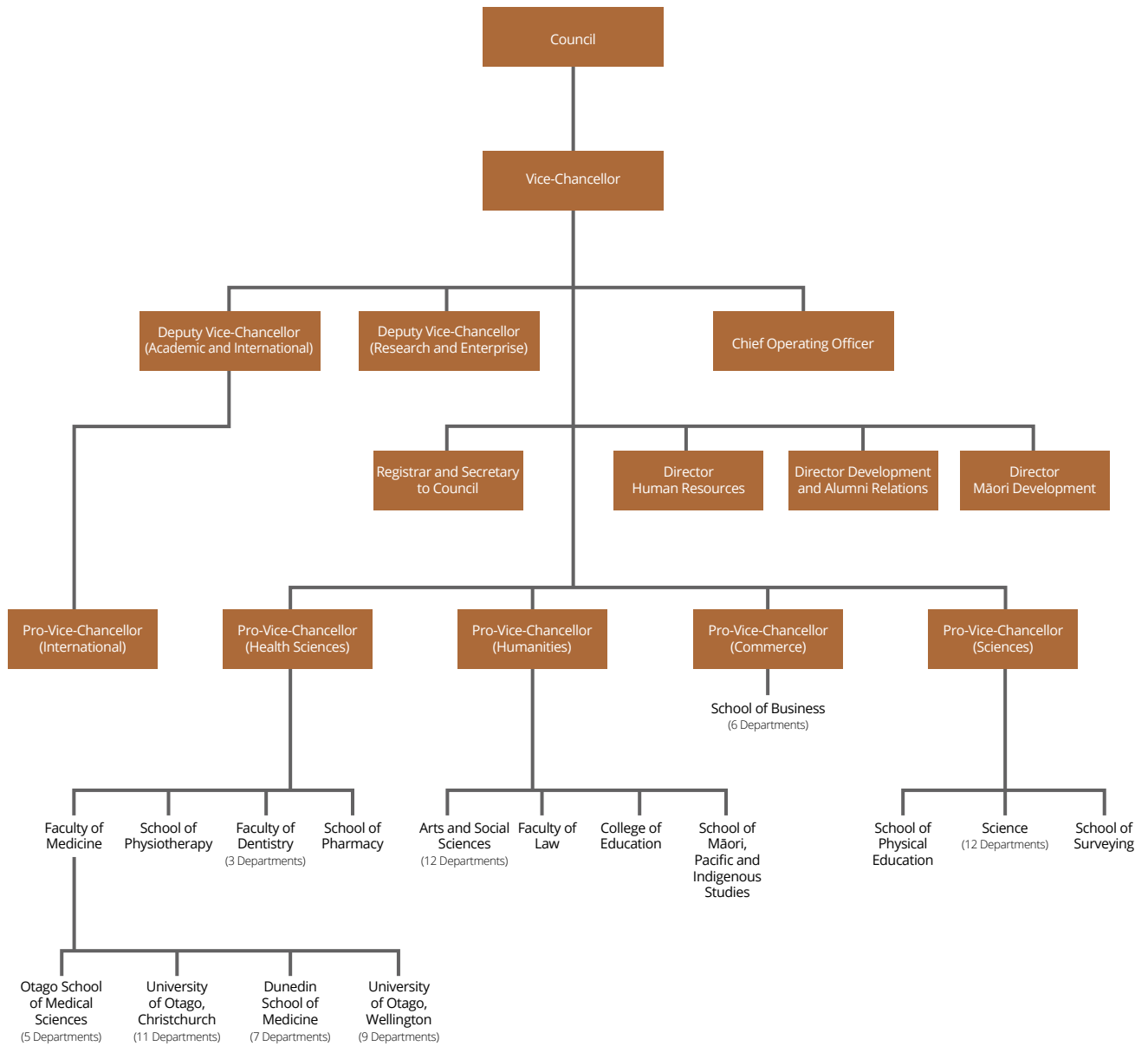
Governance documents

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

The University strategic plan, Strategic Direction to 2020, provides a framework for the development of the University.

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

Organisational chart



Council

University of Otago 2014

Ex Officio



Professor Harlene Hayne
(Vice-Chancellor)
ONZM BA(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)

Secretary to Council



Ms Jan A. Flood
DipPhEd(Otago)

Elected by the Court of Convocation



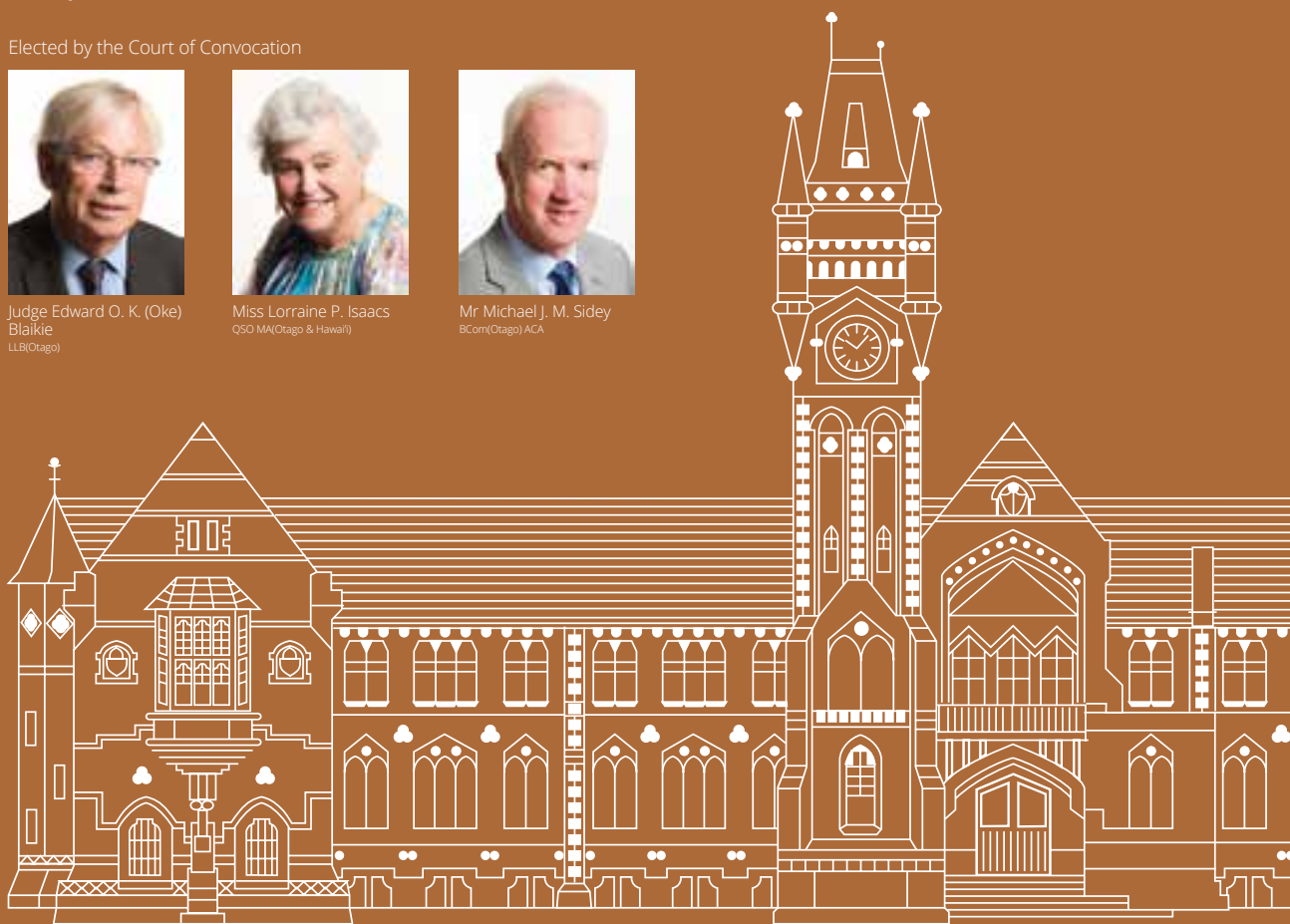
Judge Edward O. K. (Oke)
Blaikie
LLB(Otago)



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



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



Executive group

University of Otago 2014

Elected by General Staff



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

Appointed by the
Dunedin City Council



Mr David C. Cull
BA PGDipArts(Otago)

Elected by Students



Ms R. A. Sycamore-Smith



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)

Vice-Chancellor

Professor Harlene Hayne

ONZM BA(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 Helen Nicholson BSc(Hons) MB ChB MD(Brist)

Director of Human Resources

Mr Kevin J. Seales BCom(Cant) MHRINZ

Registrar and Secretary to Council

Ms Jan A. Flood DipPhEd(Otago)



Chancellor's introduction

I am delighted to once again introduce the University of Otago's Annual Report.

2014 was another very good year for the University. We continued to rank well internationally; our research strengths were recognised with leadership roles in two new Centres of Research Excellence; we became a partner in all of the National Science Challenges for which funding has so far been announced; and, at the individual level, our staff and students also received national and international accolades.

The University of Otago is a significant institution. With almost 21,000 students, a turnover of more than \$600 million and assets of around \$1.9 billion, the University's economic impact on both Dunedin and the wider country is considerable. The Economic Impact Report released in 2014 estimated the total economic impact of the University's activities (including downstream effects) was around \$1.59 billion, supporting around 14,000 full-time equivalent jobs across New Zealand, including 12,500 within the Dunedin economy.

This impact will continue. In 2014, Council approved a Priority Development Plan prioritising building developments to the value of \$650 million that the University plans to undertake as funding and other constraints permit. At the top of the list is a new Dental School, as well as facilities in the Health Sciences and Sciences precincts.

In overseeing such a substantial business it is important that we have the right people around the Council table. As both the Chancellor of the University of Otago and as chair of the New Zealand Chancellors' Group, I have been actively involved in discussions concerning the Minister of Tertiary Education's proposal to make changes to University governance, in particular to reduce the size of councils and to amend their representative structure. The legislation pertaining to these changes was passed early in 2015.

In my opinion contributions from our Council members have been a significant factor in the success of this University over many years and we have maintained our support of a representative model. However, we will embrace the forthcoming changes and continue to work in the best interests of this fine institution.

Each year I have the privilege to personally congratulate our graduates as they leave us to make their way in the world. In 2014 we hosted 12 graduation ceremonies, attended by 3,470 of the University's 4,998 new graduates and their families.

A special highlight of these ceremonies was the conferring of honorary degrees on three of our esteemed alumni. In May, Emeritus Professor Sir Alan Mark (Botany) received an Honorary Doctor of Science degree and Justice Christine French an Honorary Doctor of Laws degree. And, in December, retired Dunedin business leader and philanthropist Mr Graeme Marsh received an Honorary Doctor of Commerce degree, the first time such a degree has been conferred by the University.

The University's relationship with its alumni is important and I value the opportunities I have to meet and engage with our alumni groups, both here in New Zealand and around the world.

Almost without exception, I hear stories of how our alumni attribute their successes to their time at the University of Otago, not only to their academic education, but to the many other skills they acquired from the unique Otago lifestyle – skills that have served them so well in their lives since graduating.

Many of our alumni are now giving back to the University and their support is greatly appreciated. In 2014 the University's \$50 million Leading Thinkers Initiative celebrated its 10th anniversary. This was an ambitious – and very successful campaign – through which the University has been able to attract world-leading experts in areas of strategic importance. As a result of their generosity, our donors have also helped embed a culture of philanthropy which will become a growing focus for the University in the years ahead.

As covered in depth elsewhere in this report, the University of Otago continues to be in a sound financial position. We have achieved a satisfactory financial result for the year under review, but Council members are mindful of what lies ahead. In this fiscally constrained environment and with large capital commitments, funding will be an ongoing concern.

There are some serious challenges to be dealt with in the 2015 year, including operating a significant institution in such a time of constrained funding. Whilst our balance sheet is healthy and relatively liquid, the significant capital projects that are being considered will require careful management and significant focus. There may be some pain to be endured before the anticipated benefits from these completed projects ensue, and the need to look for alternative sources of income will become increasingly important.

Finally, I would like to thank my fellow members of Council for their diligence, care and support. The University of Otago has been fortunate to have such a knowledgeable group of individuals who have worked with enthusiasm and commitment throughout the year. I also wish to thank Vice-Chancellor Professor Harlene Hayne and her executive members for the enterprise, commitment and leadership they have shown during the past year. Collectively, the University Council and the Vice-Chancellor have worked together in a professional and collegial manner and we look forward to the year ahead.

J F Ward
Chancellor



“In 2014 we hosted 12 graduation ceremonies, attended by 3,470 of the University’s 4,998 new graduates and their families.”

Vice-Chancellor's review

In reviewing the 2014 year, I believe the University of Otago has much to be proud of. We rank among the best universities in the world, our researchers are nationally and internationally recognised, and our students continue to excel both in and outside the classroom. As we head towards our 150th anniversary, we are setting an exciting new path, maximising our existing strengths and addressing new challenges. We are also about to embark on the first phase of our Priority Development Plan which signals a number of substantial projects to be undertaken on our campuses over the next 15 years.

Otago is a university of international significance. In rankings released in 2014, the University was again placed in the 201-300 band in the ARWU (Shanghai) Rankings, was ranked 159th in the Quacquarelli Symonds (QS) Rankings, and in the 251-275 band of the Times Higher Education World University Rankings. With more than 10,000 universities around the globe, these rankings put Otago in the top 1-3% of universities worldwide. Proudly, we were the highest placed New Zealand university for rankings components relating to research intensiveness and citations per faculty.

Our research excellence was further highlighted by Otago gaining leadership roles in two new Centres of Research Excellence (CoREs). Otago is to host the Dodd-Walls Centre for Photonic and Quantum Technologies, and to co-host Brain Research New Zealand – Rangahau Roro Aotearoa, together with the University of Auckland. Being selected to lead these two very different CoREs underscores the diversity of Otago's research strength. These new CoREs will bring us into closer working relationships with other New Zealand universities and research institutes, and will help us to share ideas and energy across the sector that will be of great benefit to the country.

Research and teaching are core values of this University and the achievements of many of our outstanding researchers and teachers are canvassed in the pages of this report. I would, however, like to note some particular highlights. The 28-member *He Kainga Oranga*/Housing and Health Research Programme, hosted by the University of Otago, Wellington, and led by Professor Philippa Howden-Chapman, was awarded the 2014 Prime Minister's Science Prize. This is the second time that this prestigious prize has been presented to Otago researchers since it was inaugurated in 2009. It recognises transformational science that has had a significant impact on New Zealand or internationally. Professor Howden-Chapman and her team have most certainly achieved this impact by demonstrating the major health, social and economic benefits that accrue from improving the condition of people's homes.

Dr Karl Iremonger, from the Department of Physiology, was also awarded the Prime Minister's MacDiarmid Emerging Scientist Prize. This was another outstanding achievement and he is a wonderful example of the many talented up-and-coming researchers at Otago who are poised to become this country's future research leaders.

Just as our researchers were being recognised at the highest levels, so were our teachers. In particular, Dr Karyn Paringatai won the Prime Minister's Supreme Award for Tertiary Teaching Excellence. The fact that Dr Paringatai won the award less than a year after receiving her PhD is truly remarkable. This was the third year in succession that an Otago academic was been presented with this prestigious teaching prize and the fifth in the past 12 years, an achievement unrivalled by any other institution.

The University of Otago was New Zealand's first university and, as we move towards our 150th anniversary in 2019, we are increasingly aware – and proud – of the significant role this institution has played in educating generations of young people,

“Our relationship with the communities within which we live and work is highly valued by the University. In 2014 we became actively involved in a number of important initiatives that have been fabulous examples of how town and gown can work together.”



and its contribution to research that has impacted on the lives and well-being of people not only in this country, but around the world. However, we must not be complacent and, with our *Strategic Direction to 2020* adopted in 2013, we are setting a bold new course, building on existing strengths and addressing new challenges. Throughout the last year working groups – comprising both staff and student representatives – have been working to develop action plans to enable us to achieve our goals. As you will read in the following pages of this report, we have already made substantial progress towards our goals.

In June, Council approved, in principle, a Priority Development Plan (PDP) which is a \$650 million programme of building developments to be completed over the next 15 years. The projects on the PDP include teaching and research facilities and a new facility for our national Dental School.

Our relationship with the communities within which we live and work is highly valued by the University. In 2014 we became actively involved in a number of important initiatives that have been fabulous examples of how town and gown can work together. The University provided strong support to the city of Dunedin in its successful bid to win the Chorus Gigatown competition. Staff, students and alumni pulled together with the wider community to help ensure Dunedin won this competition, the results of which

promise immeasurable benefits for the city and the University. We also played an important role in Dunedin's bid to gain prestigious UNESCO City of Literature status that, too, will have far-reaching benefits for town and gown.

In what was a first not only for Otago, but also for any New Zealand university, the University of Otago became a major sponsor of the Highlanders Super Rugby team. This decision was based on a number of strong synergies, with the team representing provinces south of the Waitaki (including Otago and Southland); the wide range of skills required by a professional rugby franchise, many of which are provided by our students, staff and graduates; and, of course, the visibility this provides to our markets across New Zealand and overseas, attracting the best and brightest to study here.

We remain committed to recruiting the best and brightest students to Otago – a strategic decision bravely taken in 2011. At that time, we increased the requirements to gain entry to Otago and we tightened the academic requirements to remain here. It was very pleasing to see that, for the third successive year, our first-year domestic enrolments were up, and overall domestic enrolments increased for the first time since the new admissions and academic progress policies were introduced. However, our overall roll declined as the effects of our more stringent academic

progress policy worked its way through the system. The increase in both Māori and Pacific enrolments has been particularly pleasing, both of which achieved record levels. Māori students now comprise 9.7% and Pacific students 3.9% of total domestic EFTS (equivalent full-time students) respectively.

While academic achievement is vitally important, here at Otago we are also committed to the broader personal development of our students, providing the resources and encouragement for them to become the best people they can be. A particular focus has been on harnessing student altruism, enabling our students to give back to the community that has given them so much. I have been delighted to see so many of our young people signing up as UniCrew at the University Volunteer Centre that was officially launched during Orientation. Throughout 2014, our students gave considerable amounts of time and talent to the community.

Otago students also continue to excel in a wide range of extracurricular activities.

By way of example, the University of Otago rowing team have won the New Zealand Universities Rowing Championships for the past 15 years in a row; in 2014, they won by more points than all the other universities combined. The Women's Championship Eight won the New Zealand Title in 2014 – making this the eighth year in a row that they have earned this title. They have remained unbeaten in New Zealand and in international competitions for the past three years, beating the likes of Yale, Princeton, Pavia and Paris Universities. Ignite Consultants is a group of Otago students who facilitate the development of community organisations in the Dunedin by providing them an eight-week partnership with a team of clever and creative students. In 2014, Ignite Consultants won the Supreme Award at the 2014 TrustPower Dunedin Community Awards.

Once again, the University and OUSA hosted a very successful Orientation programme. Together with the Dunedin Mayor, Mr Dave Cull, I personally welcomed more than 4,000 new students to the University and our city, highlighting the exciting opportunities ahead for them, and reminding them of the responsibilities that go with the amazing privilege of a university education.

Over recent years we have made real progress in addressing concerns around student behaviour with the promotion – and enforcement – of our Student Code of Conduct. I have continued to meet every student who has been in serious trouble as a result of excessive alcohol consumption. Unfortunately, the reality is that we live in a country with a dangerously unhealthy relationship with alcohol. If we are truly serious about making further changes to student behaviour we don't like, we have to tackle the issue of dangerous drinking itself, not just in Dunedin, but throughout New Zealand. At Otago, the vast majority of students who get in trouble with alcohol are remarkable young people who have made a mistake, but who will go on to become good citizens of New Zealand and the rest of the world. As a university, it is our responsibility to do our part to keep students safe while

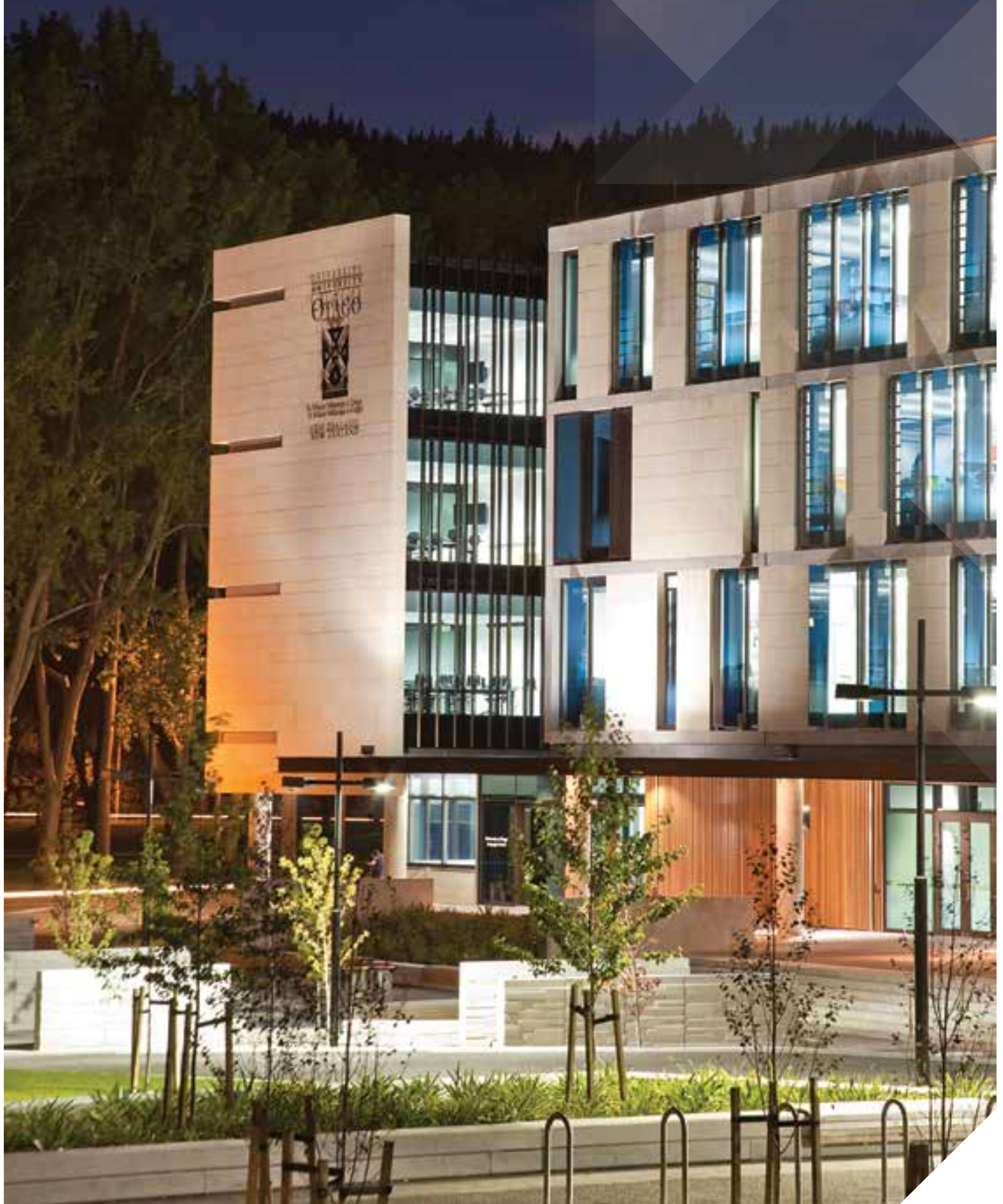
they study with us, but many of the problems we currently face regarding alcohol will only be solved by changes to legislation and culture.

Financially the University is also in a strong position. Although the University's operating surplus was \$4.5 million below budget at \$16.1 million, this was largely due to two one-off, unbudgeted items more fully explained later in this report. 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 above-budget surplus of \$33.6 million, mainly as a result of an excellent year from the Foundation Trust. However, although the University enters 2015 in a fiscally-sound position and has cash reserves set aside for the first phase of our Priority Development Plan, funding is an ongoing concern.

While Otago continues to rank well internationally, we and the other New Zealand universities are gradually slipping in the context of an increasingly competitive global environment. Over the past two decades, New Zealand government funding per student has gradually declined in real terms and, as a result, the numbers of staff per student have been negatively affected. In an increasingly constrained financial environment, Otago continues to look for new opportunities. We will continue to recruit bright students from around the globe to study with us, but while a greater number of international students will help to secure the financial success of Otago, their most important role is to add to the cultural vibrancy of our uniquely residential campus. We will also continue to pursue the successful commercialisation of our world-class research.

In closing, I would like to thank the Council, staff and students of this wonderful University for their dedication, hard work and support throughout 2014. I continue to feel extremely privileged to be the Vice-Chancellor.

Professor Harlene Hayne
Vice-Chancellor





Significant events

Senior appointments

Professor Paul Brunton as Dean of the Faculty of Dentistry.

Professor Richard Cannon, as Director of the Sir John Walsh Research Institute.

Ms Melissa Lethaby as Manager, Disabilities, Information and Support.

Professor Nancy Longnecker to a Chair in Science Communication.

Dr Samir Samman as Professor of Human Nutrition and Head of Department.

Dr Sarah Stein as Director of Distance Learning.

Professor Tim Stokes to the Elaine Gurr Chair in General Practice, Dunedin School of Medicine.

Ms Karyn Thomson as Director of Student Services.

Dr David Tombs to the Howard Paterson Chair in Theology and Public Issues.

Ms Sharon van Turnhout as Chief Financial Officer.

Professor Vernon Ward as Dean of the Otago School of Medical Sciences.

Emeritus professors

The University Council awarded the following academics the status of Emeritus Professor: Professor Colin Campbell-Hunt (Accountancy and Finance), Professor Jean Fleming (Anatomy), Professor David Green (Anatomy), Professor Geoffrey Hall (Law), Professor Ian Jamieson (Zoology), Professor Tom Kardos (Oral Sciences), Professor Alexander McQuillan (Chemistry), Professor Henrik Moller (Centre for Sustainability), Professor Alan Musgrave (Philosophy), Professor Martin Purvis (Information Science), Professor Peter Skegg (Law), Professor John Smillie (Law) and Professor Colin Townsend (Zoology).

Honorary degrees

At the May graduation ceremonies Emeritus Professor Sir Alan Mark (Botany) received an Honorary Doctor of Science degree and Justice Christine French an Honorary Doctor of Laws degree.

In December retired Dunedin business leader and philanthropist Mr Graeme Marsh received an Honorary Doctor of Commerce degree.

Obituary

Professor Jules Kieser (1950–2014). Professor Kieser joined Otago as Chair and Head of Department in Oral Sciences in the Dental School in 1996. He made outstanding contributions to teaching and research at the University, and to forensic services in New Zealand and abroad.





Excellence in research

Leadership of

2

new CoREs

\$31m

from HRC



The University of Otago is committed to advancing its research culture to address questions of national and international importance, particularly in the areas of health, social and environmental well-being, and with an increasing focus on economic and commercial benefit.

22

projects supported
by the
Marsden Fund



Otago's position as one of the leading research institutions in New Zealand was reinforced in 2014 by the outstanding achievements of its research staff and research centres. The University was entrusted with leadership roles in two newly established Centres of Research Excellence (CoREs), staff continued to succeed in competitive external funding rounds and the outstanding achievements of Otago researchers were recognised with the highest national and international accolades.

The University was selected by the Tertiary Education Commission to host the Dodd-Walls Centre for Photonic and Quantum Technologies, and to co-host Brain Research New Zealand – Rangahau Roro Aotearoa, together with the University of Auckland. Associate Professor David Hutchinson (Physics) was named director of the Dodd-Walls Centre, and Professor Cliff Abraham (Psychology) will be co-director of Brain Research New Zealand with Auckland University's Distinguished Professor Richard Faull. Both CoREs involve groundbreaking areas of science that provide scope, not only for studies that generate fundamental knowledge, but also translational research of wider benefit to our economy and society, and that enhances New Zealanders' health and well-being.

For the second time since its inception in 2009, a University of Otago research team won New Zealand's top science honour, the 2014 Prime Minister's Science Prize, valued at \$500,000. The 28-member *He Kainga Oranga*/Housing and Health Research Programme's (hosted by the University of Otago, Wellington) research over more than 15 years has involved thousands of New Zealanders, addressing long-standing quality deficiencies in housing, particularly as they affect vulnerable groups such as children, older people and those with chronic health conditions. This work has informed policy developments for successive New Zealand governments.

The programme is led by Otago's Professor Philippa Howden-Chapman who is the first woman research leader and first social scientist to receive this prestigious award. The team comprises researchers in the areas of social science, epidemiology, biostatistics, engineering, physics, architecture, building science and economics.

University of Otago physiology researcher Dr Karl Iremonger won the 2014 Prime Minister's MacDiarmid Emerging Scientist Prize, recognising his discovery of a new brain cell structure and communication system. His findings are internationally significant and could throw new light on how other neurons regulate different bodily functions, challenging long-held beliefs about how the brain works. Dr Iremonger was also awarded a four-year Sir Charles Hercus fellowship.

The global reach and sustained excellence of Otago's research was highlighted by the University again being ranked first among New Zealand research institutions for papers published in the prestigious journal *Nature* and its 17 related primary research journals. The index showed that Otago had the highest New Zealand ranking over the 2009 – 2013 period, coming 61st in the Asia-Pacific with 39 articles.

The University remains committed to international collaboration across many areas of enquiry. Co-director of the University of

Otago Centre of Global Health Professor John Crump is part of an international coalition investigating zoonotic infectious diseases among poor livestock keepers in northern Tanzania. Promoting the One Health concept of integrated human, animal and environmental health, their work attracted research grants totalling around \$8.8 million.

Professor Lisa Matisoo-Smith (Department of Anatomy, Genetics Otago and the Allan Wilson Centre) is the Asia-Pacific lead researcher for National Geographic's Genographic Project. This uses advanced mitochondrial and Y-chromosome DNA analysis to survey the genetic diversity of the world's populations, the migration histories of more than 2,000 volunteers to be revealed. The outcomes of "The longest journey – Africa to Aotearoa" phase of this project were revealed at Government House, including the results for the Governor-General, the Rt Hon Sir Jerry Mateparae, and other prominent New Zealanders.



Prime Minister's Science Prize Winner Professor Philippa Howden-Chapman with the Rt Hon. John Key.

The Edgar National Centre for Diabetes and Obesity Research celebrated a milestone with its 10-year anniversary in August. The centre has been at the forefront of New Zealand and international research relating to nutrition and health, with a particular focus on dietary sugars and high fat diets. The centre's recent research has featured in *The Lancet* and has contributed to the drafting of World Health Organization Guidelines. The Women's Health Research Centre Trust was also launched in August, to support the centre in its work to improve the health outcomes for New Zealand's women and children.

In November, a Memorandum of Agreement was signed between Kōkiri Marae Seaview and Tū Kotahi Māori Asthma Trust and the University, formalising a relationship that began more than 30 years ago, a collaboration

that has supported research and teaching at the University of Otago, Wellington, and helped researchers access Māori communities in the Hutt Valley.

Otago is equally committed to providing scientists with state-of-the-art equipment to undertake cutting-edge research. A new \$1 million multiphoton microscope, housed in the Department of Physiology, is the first of its kind in New Zealand and one of only a handful throughout the world. Applying a powerful, but harmless, infra-red light, it enables scientists to see into living organs and cells with unparalleled detail and speed. It will be used to study the onset and progression of neurological diseases, and to aid research into other conditions including stroke, arrhythmia, irritable bowel syndrome and wound healing.

Otago researchers continued to be successful in an increasingly difficult research funding environment, reflecting both the calibre of work being undertaken at the University and its potential contribution to health, environmental and social well-being.

Researchers gained more than \$13.9 million from the Marsden Fund for 22 innovative projects, covering a broad range of topics within the mathematical, physical, environmental, biological, biomedical and social sciences. Several projects involve investigations at the frontiers of neuroscience, including studying impairment-causing changes in brain cell connectivity after strokes, the potential role of the so-called "love hormone" oxytocin in blocking stress hormone release, and delving into the function

of a newly identified neuronal circuit involved in the brain's regulation of fertility. Others include an analysis of the history and use of the coconut as a commodity in the Pacific, and the 80-million-year-old secrets hidden within kauri amber.

More than \$31 million was gained by researchers in the 2014 Health Research Council annual funding round. They were awarded 24 contracts, including three multimillion, five-year programmes, 14 projects and seven grants for emerging researchers. These included research into hormonal changes in pregnancy, the complex interplay of risk factors in gout, Legionnaires' disease and an evaluation of New Zealand's alcohol reform legislation.

Professor Greg Cook (Microbiology and Immunology) and Associate Professor John Reynolds (Anatomy) received HRC Explorer Grants for projects aiming to overcome antibiotic resistance and to revolutionise treatment of Parkinson's disease, respectively. Professor Julian Crane (Medicine, Wellington) and Associate Professor Bob Hancox (Preventive and Social Medicine) respectively gained HRC Feasibility Studies Awards for their work exploring the potential of a seaweed extract to prevent the common cold, and beta-blockers as an effective treatment for chronic obstructive pulmonary disease.

A further six University of Otago-led research proposals received \$10.15 million from the 2014 Ministry of Business, Innovation and Employment (MBIE) science investment funding round: Professor Gerald Tannock (Microbiology and Immunology) for his research into a "functional formula" for babies; Associate Professor John Reynolds (Anatomy) to explore the non-invasive delivery of neurochemicals; Associate Professor George Dias (Anatomy) who is investigating the use of low grade wool as a protein source; Dr Mikkel Andersen (Physics) for the development of the next generation of gravimeters; Dr Tim Woodfield (Orthopaedic Surgery and Musculoskeletal Medicine, Christchurch) to develop titanium implants that amplify bone growth; and Professor Tony Blakely (Public Health, Wellington) for the mathematical modelling of health-care costs and benefits. Dr Chris Hepburn (Marine Science) also gained \$180,000 from the MBIE Vision Mātauranga Capability Fund for work within Ngāi Tahu to conduct scientific surveys of marine species in customary protection areas.

The recognition of research excellence is central to the University's commitment to fostering a strong research culture. Professor Greg Cook (Microbiology and Immunology) was the 2014 recipient of the University's highest accolade, the Distinguished Research Medal. Professor Cook is a world-leading authority on how bacteria grow and survive in extreme conditions, and has gained an international reputation for his innovative studies into bacterial physiology.

Associate Professor Haxby Abbott (Surgical Sciences) and Dr Peter Fineran (Microbiology and Immunology) were co-recipients of the University's Carl Smith Medal and Rowheath Trust Award, recognising outstanding research performance of early career staff at the University.

Dr Anita Dunbier (Biochemistry), Dr Khaled Greish (Pharmacology and Toxicology), Dr Jason Gurney (Public Health, Wellington), Dr Anna Pilbrow (Medicine, Christchurch) and Dr Zach Weber (Philosophy) received the 2014 Early Career Awards for Distinction in Research.

Many researchers also gained national and international recognition for their work. These included:

Associate Professor Lisette Burrows (Physical Education, Sport and Exercise Sciences) who received Physical Education New Zealand's Sir Alexander Gillies Medal.

Professor Catherine Day (Biochemistry), Professor Ewan Fordyce (Geology), Professor Neil McNaughton (Psychology) and Professor Iain Raeburn (Mathematics and Statistics) who were elected Fellows of the Royal Society of New Zealand.

Associate Professor Peter Dearden (Biochemistry) who received the Royal Society's Callaghan Medal for science communication and the Genetics Society of AustralAsia [sic] Ross Crozier Medal for outstanding contributions to genetics.

Professor Parry Guilford (Biochemistry) who won the Health Research Council's Beaven Medal, recognising excellence in translating research into clinical practice. He also won the Royal Society's Sir Charles Hercus Medal for excellence in biomedical and health sciences.

Leading environmental and chemical oceanographer Professor Keith Hunter who was the co-recipient of the New Zealand Association of Scientists' prestigious Marsden Medal recognising a lifetime of outstanding services to science. Professor Hunter is the University of Otago's Pro-Vice-Chancellor (Sciences) and co-director of the NIWA-University of Otago Centre for Chemical and Physical Oceanography.

Dr Rob Middag (Chemistry) who received a 2014 Heineken Young Scientists Award from the Royal Netherlands Academy of Arts and Sciences in recognition of his contributions to oceanic trace elements research.

Director of the Dunedin Multidisciplinary Health and Development Study Professor Richie Poulton who was named as one of only four New Zealand researchers in the top one per cent of the worldwide 2014 Thomson Reuters Highly Cited Researchers List.

Professor Murray Thomson (Oral Sciences) who received the 2014 International Association for Dental Research Distinguished Scientist Award in geriatric oral research.

Professor Colin Townsend (Zoology) who received the 2014 Award of Excellence of the Society for Freshwater Science.

A number of staff and students won scholarships to pursue further research and study. Professor Craig Rodger (Physics) and Associate Professor Sarah Young (Pathology) received Fulbright New Zealand Scholar Awards; Dr Charlotte King and Dr Karen Reader (Anatomy), and Dr Matthew Sagar (Geology) were awarded 2014 Rutherford Foundation Postdoctoral Fellowships; Elisabeth Liddle (Geography) and Max Wilkinson (Biochemistry) gained Cambridge-Rutherford Memorial PhD Scholarships.

Andrew Highton won a Nuffield postdoctoral Fellowship to Oxford University; Benjamin Ayto received a Robertson Scholarship to study at Duke University; and Fulbright Scholarships were awarded to Anton Venter, George Archibald, Clare Burn, Lucy Carter, Braeden Donaldson and Mahendra Naidoo.



He kōnohi kainukere

A keen eye for detail

Excellence in teaching

159th
in QS rankings



Teaching excellence is a priority at the University of Otago. In 2014 this was reinforced by the University's success in external rankings, and the outstanding performances of its staff and students.

191

programmes offered

18,830
EFTS



Otago was one of the highest performing universities in New Zealand in educational performance indicators released by the Tertiary Education Commission (TEC). The University was ranked first for course completion and student retention, second for qualification completion and third for student progression.

Otago also continued to feature strongly in international rankings. The University was ranked 159th in the 2014 Quacquarelli Symonds (QS) Rankings, was placed in the 201-300 band of the 2014 Academic Ranking of World Universities (Shanghai) rankings, and in the 251-275 band of the 2014 Times Higher Education World University Rankings.

In 2014, 191 undergraduate and postgraduate degree, diploma and certificate programmes were offered. This included new one-year coursework masters degrees in Wildlife Management, Applied Science, Peace and Conflict Studies, Business Data Science, Finance, Higher Education, and Teaching and Learning. A three-year Bachelor of Performing Arts was also introduced, as well as a new undergraduate major in oceanography offered by the Department of Marine Science.

The Business School's accountancy programme was re-accredited by CPA (Certified Practising Accountants) until 2018 and it was decided to make the Master of Business Administration (MBA) available online as well as on campus from 2015. This will make the degree available to students who live anywhere, work full-time and study part-time.

While Otago is a predominately campus-based university, it remains committed to providing programmes by Distance Learning, particularly at the postgraduate level and in areas where there is particular expertise. The 2014 Distance Learning programme comprised papers from across all academic divisions. Overall, there were 72 individual programmes and 74 endorsements offered, with the majority of qualifications being at postgraduate diploma and postgraduate certificate levels. An updated version of the University's Distance Education Strategy (to 2020) was produced and professional development opportunities for staff were provided.

A further 60 papers were offered in the 14th Otago Summer School. Most papers (52) were taught on the Dunedin campus, with two taught in Auckland, two in Wellington and four taught by distance. Seven papers were taught by visiting international academics especially contracted for Summer School.

The Summer School attracted 2,066 enrolments from 1,682 students – a total of 294.2 domestic EFTS (equivalent full-time students). Of these, 8.7% were international students. Two additional Summer School papers were offered in November/December, between them attracting 109 enrolments and an additional 12.95 EFTS.

The University experienced a slight decline in overall enrolments in 2014, down 0.2% from 2013. The total of 18,830 EFTS comprised 18,570 University EFTS, the balance coming from the University's Foundation Studies subsidiary, and was generated by 20,942 individual students. (Please see pages 120-122)

Within this total, domestic student enrolments increased by 41 EFTS (0.2%), representing the first overall increase in domestic enrolments since the tightening of Otago's admission and academic progress policies in 2011 and 2012 respectively.

The key driver of domestic growth was a third successive year of increasing first-year numbers, rising by 3.1% in 2014, after gains of 3.8% in 2013 and 4.3% in 2012. This was supplemented by solid growth in domestic enrolments for Otago's Foundation Studies programmes. Together, these positive factors were sufficient to offset the lingering negative pipeline effects of tighter academic

progress standards and previous changes to Government student loans and allowances access, as well as the impact of economic recovery (which tends to reduce the number of students staying on to complete double and second degrees).

Full-fee international enrolments declined by 48 EFTS for the University, and by 37 EFTS for Foundation Studies. The reasons for international decline are complex, and include the winding down of a number of contracts with overseas governments for professional degrees, and the flow-on impact of a reduction in the size of the international student cohort in New Zealand secondary schools. The high New Zealand dollar also impacted on Otago's international competitiveness, particularly in attracting non-doctoral postgraduate students. Positives in the international arena included significant growth in recruitment from China, Brazil and the United States (which continues to provide the largest country enrolment by head count). The University received its first cohort of 19 Brazilian government-sponsored students under the Science Without Borders programme. International Study Abroad enrolments increased by 11.5%.

The proportion of commencing students attracted from outside the University's Otago/Southland home catchment increased slightly to reach 73.7%, the highest in the University's history. There were also a record 1,776 Māori students enrolled, representing 8.5% of total enrolments and 9.7% of total domestic EFTS. Pacific enrolments were at all-time high levels as well, with 751 students, representing 3.6% of total enrolments (head count) and 3.9% of total domestic EFTS.

The number of new students recruited from Australia was 214 (2013: 206), including a commencing cohort of 45 students (2013: 36). Approximately half of this group were New Zealand citizens returning from Australia.

Overall the number of postgraduate students was up slightly (2014: 4,272; 2013: 4,179) and doctoral enrolments increased to a record high of 1,388 by the end of 2014 (2013: 1,359). Enrolments were slightly down for both master's level (2014: 1,214; 2013: 1,216) and honours' degrees (2014: 361; 2013: 390), while enrolments in postgraduate diplomas and certificates increased (2014: 1,388; 2013: 1,383). There were 242 doctoral candidates who successfully completed their studies in 2014 (2013: 245) and 287 thesis masters' candidates also finished (2013: 306).

Excellent, inspiring teachers are central to the University's ongoing commitment to quality teaching and each year this is celebrated in the annual teaching excellence awards. In 2014 awards were presented to Dr Ros Whiting (Accountancy and Finance), Dr Lynnette Jones (School of Physical Education, Sport and Exercise Sciences) and Dr Timothy Cooper (Theology). Two new kaupapa Māori awards presented to Dr Suzanne Pitama (Māori/Indigenous Health Institute, Christchurch) and Dr Karyn Paringatai (Te Tumu – School of Māori, Pacific and Indigenous Studies).

Dr Paringatai went on to win New Zealand's top prize for tertiary teaching, the Prime Minister's 2014 Supreme Award for Tertiary Teaching Excellence. This award recognised Dr Paringatai's 12 years of teaching students from a wide variety of backgrounds to become a "whānau of champions" for the revitalisation of te reo Māori. This was the third successive year an Otago academic has received the Supreme Award, and the fifth in the past 12 years, a level of success unmatched by any other New Zealand tertiary institution.

The Otago University Students' Association's (OUSA) top teaching award was presented to Dr Kristin Hillman (Psychology), with the awards for top tutor/lab demonstrator and most inclusive teacher going to Physics PhD student Malcolm Smeaton and Dr Gill Rutherford (Education) respectively. Associate Professor Ruth



2014 Teaching Excellence Award winners (from left): Dr Timothy Cooper, Dr Suzanne Pitama, Dr Karyn Paringatai, Dr Ros Whiting and Dr Lynnette Jones.

Fitzgerald (Anthropology and Archaeology) was named OUSA postgraduate supervisor of the year.

The Graduate Research School held a Graduate Research Festival over two weeks in October, celebrating, showcasing and supporting graduate research at Otago. Events included the annual OUSA Supervisor of the Year Awards (see above), workshops by the “Thesis Whisperer” Dr Inger Mewburn from the Australian National University, a new “Thesis in Three Pictures” competition, and a networking event. The Graduate Research School offered an expanded workshop programme for graduate research candidates including a new series focusing on careers and professional development for the workplace, and Occupatus, a group for staff at the University who are also undertaking a thesis.

An inaugural “bootcamp” was held in June to train and inspire around 30 PhD students to translate their research into tangible work that benefits the community. The Translation and Commercialisation course was run by the Division of Health Sciences, the Research Office and Otago Innovation Ltd, with the aim of encouraging more engaged and entrepreneurial research.

The Evaluation, Research and Development section of the Higher Education Development Centre undertook 2,839 teaching and course evaluations in 2014, 107 more than the previous year, reflecting the ongoing desire of staff to refine and improve their teaching.

The University is committed to embracing new technologies to enhance teaching and learning. In a first for New Zealand, the University released a virtual desktop experience to students in 2014, allowing them to access key University applications on their own devices when, where and how they want. This provides access to learning anywhere, on any device, at any time. It will also allow distance students and students on placements to have remote access to University applications that are not installed on their own devices. The virtual environment, using Citrix Systems, has reduced student log-in time from four minutes to 25 seconds. Having previously supported 1,600 University-provided desktops servicing 21,000 students, using the new virtual environment the University is now able to cater for its entire student body across 23,500 devices, including up to 7,000 concurrent connections.

The University of Otago Library continues to be an essential source of information to enhance research, teaching and learning across the University community. The printed collection contains 2,837,416 books, serial volumes and other materials. Electronic resources include 164,304 e-journals and there was an increase in accessible e-books of more than 30%, to 672,789. There are now 4,388 seating places across the library system, an increase of 68 from 2013. (Further information on Library resources and information technology is on pages 58-59.)



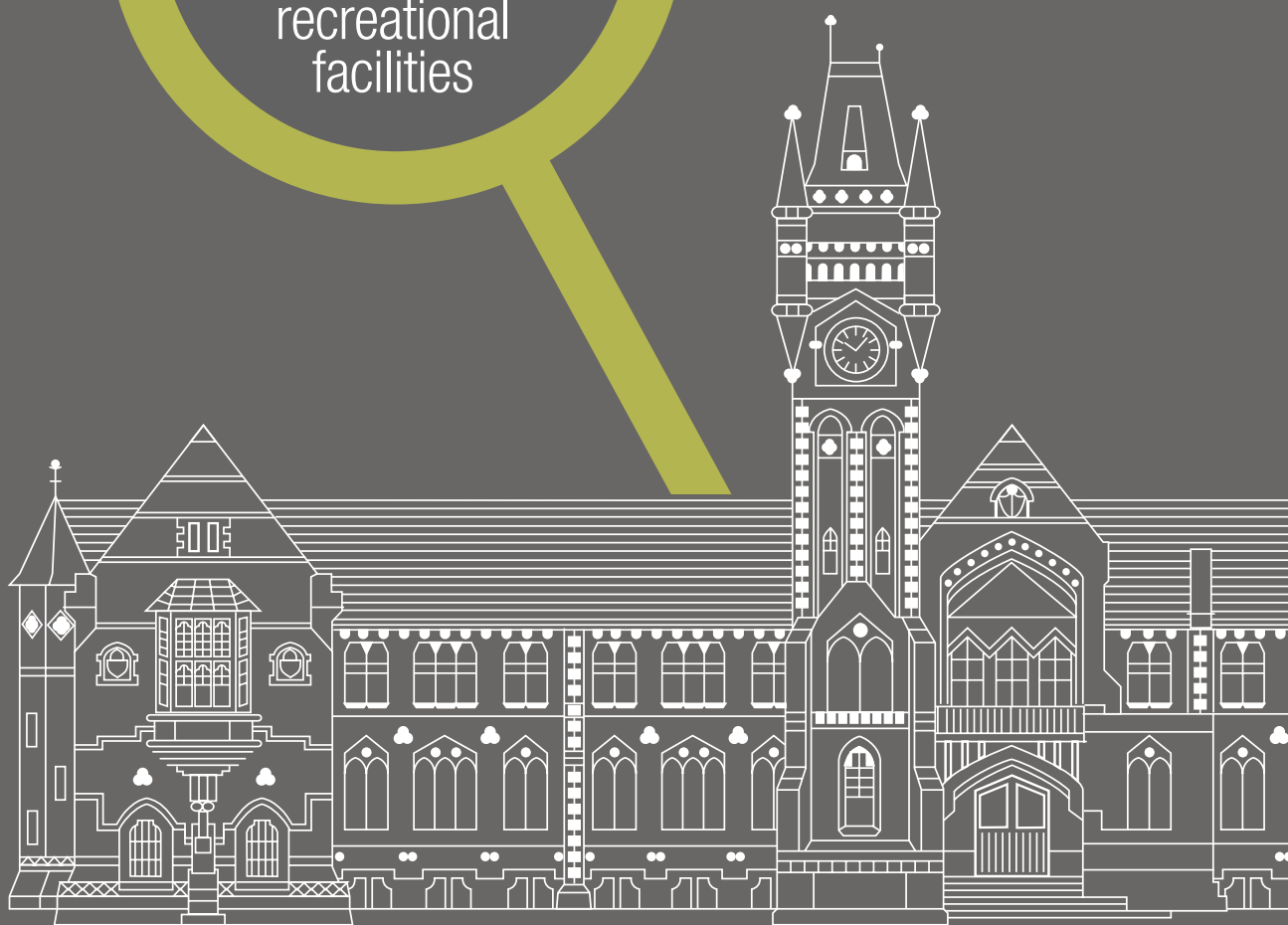
Whaowhia te kete mātauranga

Fill the basket of knowledge

Outstanding student experiences

97.7%

positive about
recreational
facilities



The Otago experience – encompassing social, cultural and sporting activities as well as the pursuit of academic excellence – is one of the defining features of this University. There is a commitment to working together with students to ensure that this continues, by nurturing healthy and sustainable lifestyles, and harnessing student altruism to produce graduates who are both work-ready and ready to deploy their talents more broadly as citizens.

3,571

students in
residential
colleges

19,925

Student Learning
Centre contact
hours



With more than 80 per cent of students coming to Otago from outside Dunedin, the University has fostered a distinctive residential lifestyle that, for most students, has its beginning in one of the 15 residential colleges located on or around the campus. In 2014, 3,571 students were accommodated in these colleges, including 75 at Abbey College, New Zealand's first postgraduate college.

The 15th residential college was officially opened in February 2014 in the former LivingSpace hotel on Castle Street, in time for the start of the academic year. Named Te Rangi Hiroa College in honour of Otago's first Māori graduate, Te Rangi Hiroa, also known as Sir Peter Buck, the new college caters for 126 undergraduate students and its facilities include single rooms with en suite bathrooms, a small theatre, large common room, full diningroom service, academic tutorial facilities and games area.

The University also owns and operates flats for international students providing accommodation for 568 students. A new housing initiative for Pacifica students was launched in 2014. The University of Otago Fofoa Accommodation Awards entitled 10 first-year students of Pacific Islands descent to reside in one of the University's managed flats on campus. The aim is to foster academic and culturally congruent learning pathways for Pacific first-year students. With a senior student also living in the flat, the Fofoa students became active and happy members of the Uni Flats community.

As New Zealand's only true residential university, Otago has a strong commitment to pastoral care. Much of this is provided within the residential colleges, with the Locals Programme also offering academic and pastoral support for local first-year students. The University provides a comprehensive range of services for all students, including University Chaplains, Student Health and Counselling, Career Development Centre, Recreation Services and the Student Learning Centre.

More than 2,968 students attended Student Learning Centre workshops across the University's campuses. A further 1,107 students accessed one-to-one consultations; 116 weekly peer-assisted study session groups (PASS) were held on the Dunedin campus during the academic year, with a total of 19,925 student contact hours. The Student Learning Centre also offered a range of peer-led academic support programmes. Professional development and training in group facilitation, communication and leadership skills was offered to all students working in these programmes. The University enrolled 1,076 students with disabilities affecting study and provided more than 1,338 instances of learning assistance, note-taking, tutoring and other forms of support.

As well as helping students to achieve academically, the University is also strongly committed to nurturing safe and sustainable lifestyles, providing opportunities for high-quality extra-curricular activities, and to harnessing student altruism, fostering attributes that will stand students in good stead after they graduate – helping them to become good citizens.

For the third successive year the University and OUSA jointly hosted a successful Orientation programme. A week of music, sport and other festivities was again formally opened by the Vice-Chancellor, Professor Harlene Hayne, and Dunedin Mayor, Mr Dave Cull, at a UniSmart event at Forsyth Barr Stadium. Initiatives to promote the Student Code of Conduct and, particularly, the dangers of excessive alcohol consumption continued throughout the year.

The orientation programme for international students was revamped in 2014 to make it more accessible for all international students. The Otago International Friendship Network (formerly

the International Mentor Programme) continued to support new international students with Otago student mentors to help them settle into Dunedin and adjust to life at the University.

The University Volunteer Centre (UVC) was officially launched in Orientation Week with more than 250 students registering to become UniCrew volunteers. Five residential colleges collectively engaged 216 of their residents in volunteering activities during the week, helping 18 different community organisations. The UVC worked closely with the Cancer Society and the OUSA club Cancer Core to deliver the first New Zealand University Relay for Life, hosted at the University in April.

In May, a memorandum of understanding was signed between the UVC and Volunteering Otago, to share information and promote opportunities by both centres. The UVC and OUSA together presented the inaugural Volunteer Fair in July to raise awareness of volunteer opportunities on campus and in Dunedin: 24 Dunedin community organisations participated with around 800 volunteers signing up.

Ignite Consultants, a charitable organisation set up by Otago students to help not-for-profit organisations, won the 2014 TrustPower Dunedin Community Award. A volunteer programme run by law students, Law for Change, was established to help Otago Corrections Facility prisoners.

The fostering of entrepreneurial skills amongst students was another area of focus. Otago students Jacinda Murphy, James Little, Milner Riley and Hilary Derrick took out second place at the prestigious 2014 Asian Business Case Competition in Singapore, hosted by Nanyang Technological University.

The year-long Audacious Business Challenge was ultimately won by Alice Marsh and Hamish Macintosh for their organic yoghurt business. Logan Edgar, Josie Cochrane, Taylor Wheeler and Ryan Edgar won the New Zealand Marketing Association National Brand Challenge, and the Otago team of William McVeagh, Johnny Martin, Scott Malpas and Blair Shepherd won the 5th Annual SDS 2014 International Business Case Competition.

The UniPol Gymnasium, located at University Plaza adjacent to the Forsyth Barr Stadium, continued to be very popular with students, with a total of 661,725 visits for the year.

The Otago University Rowing Club had exceptional success in 2014: the senior women's rowing eight won all three events in an international universities three-regatta series in China and the senior men won a test series against Russian champions St Petersburg State University.

The Otago University Debating Society also had an excellent year winning the Joynt Challenge Scroll, New Zealand's oldest and most respected national university debating tournament, reached the quarter-finals of the Australasian Intersarsity Debating Championships and was ranked in the top tier of competitors for the World Universities Debating Championships.

The 2014 Student Opinion Survey indicated an overwhelming level of satisfaction with the campus and services provided to students: 97.7% of participants gave a positive assessment of sport and recreational facilities; 96.0% expressed satisfaction with the University libraries; 91.9% expressed satisfaction with information technology and teaching facilities; 94.4% provided positive feedback about the University's administrative and support services and 93.4% gave a positive assessment of their colleges.



During Orientation Week Knox College residents volunteered to work around George Street Normal School.



He manu hou ahau, he pī ka rere
A fledgling, ready to fly

Outstanding campus environments

\$650m

planned
developments



As a primarily residential destination university, Otago is committed to ensuring that its campuses provide a high-quality and safe environment for students, staff and visitors. Every campus project reflects the University's vision for excellence, with sustainability embedded as a principle against which all developments are considered.

96.2%

satisfaction with
campus
environments

99%

of students
positive about
safety





The Otago University Childcare Association – Te Pā – comprises a sympathetic restoration of villas on Castle Street.

Early in the year a number of new facilities were officially opened – the Visitors' Centre on the Cumberland Street (northwest) façade of the St David Theatre complex, and the Otago University Childcare Association's new premises. This facility – Te Pā – is now located on campus between Castle Street and Montgomery Avenue. It comprises a sympathetic restoration of six single-storey villas and bungalows along Castle Street and a new purpose-built facility on Montgomery Avenue – a modern interpretation of the classic villa. The facility provides high-quality childcare and learning amenities for 140 children in a safe, comfortable and aesthetically pleasing environment.

In June 2014 Council approved, in principle, the University's Priority Development Plan. This follows the guiding principles of, and many of the projects signalled in, the 2010 Campus Master Plan, with building developments totalling around \$650 million planned over the next 15 years.

At the top of the list is the new Dental School upgrade and extension, recognising the importance of Otago's school as the only tertiary training facility for dentists in New Zealand. Preliminary design work has begun and is expected to be completed in early 2015. Also given high priority are major renovations of the Science precinct and upgrading of research project facilities mainly for Health Sciences in Dunedin. Planning has also begun on improvements to the Commerce Building and refurbishment at the University of Otago, Wellington.

Other projects listed in the Priority Development Plan include:

- a new marine science teaching facility and aquarium, preferably in the Harbour Basin area
- new arts and biomedical research buildings
- new music facility (incorporating a new Centre of Performing Arts) and new facilities for the Department of Botany
- new research facility in the Christchurch Health Precinct for the University of Otago, Christchurch

redevelopment of the former Unipol building, and a new student and academic services hub

redevelopment of the Gregory Building for Sciences and a new building for Property Services

refurbishment of buildings in the University's historic precinct.

Seismic strengthening of the University's campuses continued, with tranches one to five of the seismic assessment programme now completed. Work to strengthen the Aquinas College gymnasium and priory was completed by the start of the 2014 academic year, and strengthening of the St David II building was scheduled for completion in February 2015.

In November, Council formally approved the Central Campus Landscape Improvement project. Detailed plans have been completed for stretches of Castle Street, Castle Walk and Union Street (including the Union Street Bridge) within the heritage area of campus and work is expected to start in the second quarter of 2015.

The Otago Regional Council (ORC) Leith Lindsay Flood Protection Scheme continued, with work on the Clocktower reach completed by the end of the year. Improvements have been made to the riverbed and banks to help prevent flooding. Terracing, steps and a new pathway now provide access to the Leith. The University has worked closely with the ORC to ensure that the scheme meets the needs of both parties and that it enhances Otago's exceptional campus environment.

The University has been working with both the Dunedin City Council (DCC) and Otago Polytechnic on improvements to the "tertiary streets precinct". This collaborative, long-term project aims to improve overall aesthetic of the wider campus area, to make the area more of a destination (instead of a through route), to be more attractive for walking and cycling, and to support sustainable transport options.



The University and Polytechnic are also contributing to the development of the DCC's new District Plan. This is timetabled for notification in mid-2015, and proposed changes within the campus area include a revised approach to parking, improved street frontage amenity and more flexibility around housing density.

From the beginning of 2014, all University of Otago campuses became totally smokefree and, in recognition of this, the University received an award from Smokefree Otago, a coalition of groups including the Asthma Society, Cancer Society, Heart Foundation, Plunket, Public Health South and the Southern PHO. The award acknowledged the commitment to the health and well-being of students, staff and visitors.

A draft Sustainability Strategic Framework and sustainability communications strategy were developed. This included a revision of the sustainability website and the development of resources to establish and support "green teams" working to promote sustainability practices across the University.

The success of OUSA's Sustainability Week, Fair Trade Fortnight, presentations at the General Staff Conference, the Academic

Leadership Development Programme sustainability workshop, and the integration of sustainability into the University's internal academic and administrative reviews helped to increase staff understanding of how sustainability connects to their work, enhances their practices and how they can contribute personally to the University's sustainability transition.

A comprehensive greenhouse gas inventory (from a 2010 baseline) continued throughout 2014 and is expected to be completed early in 2015. An e-waste and e-cycle centre was officially launched in October. This enables responsible disposal and recycling of computer equipment and computer parts.

To foster and maintain a secure and safe campus environment, Campus Watch teams are on patrol 24 hours a day, seven days a week. They provide information, "safety patrols" and are pro-active in discouraging any negative behaviours. In the annual Student Opinion Survey, 99.0% of students reported a positive assessment of personal safety on campus and 96.2% were happy with the general campus environment.



Tē kīa nei he marae puehu

The marae is always maintained

Commitment as a local, national and global citizen

94.6%

of academic staff
involved in
community
service



The University seeks to play an active role in debates about New Zealand's future direction and engage in areas of global betterment, with particular regard to health and well-being, society and the environment. It continues to support under-represented groups in university study, extending its partnership with Māori and strengthening links with Pacific communities. Community service and outreach activities that enhance the town-gown relationship also continue to be a priority.

\$1.59b

economic
impact

1,776

Māori students
enrolled



In addition to undertaking research in areas that contribute to national and international well-being (see Excellence in Research pages 20-23), the University is committed to encouraging and supporting under-represented groups in University study, through both outreach activities and programmes to support transition into University study.

In August a pilot Aspire Programme was launched, providing an after-school, campus-based experience that connects with Year-8 students about to transition into secondary school. It aims to support these students with their academic and social preparation, introduce the opportunities that come with a university education and build the confidence and motivation needed for educational success. University students act as volunteer coaches to deliver set literacy and numeracy projects.

The annual Hands-On Science programme was attended by 234 senior secondary school students. For the past 25 years this programme has been introducing young people to research science, encouraging them to pursue a science career. The highly successful Science Wānanga programme also continued, providing science camps for provincial/rural secondary school Māori students. This represents a tangible outcome of the University's relationships with its iwi partners. The Otago University Advanced School Sciences Academy (OUASSA) held two residential camps for talented senior students from provincial or rural, small and low-decile schools, as well as a parallel residential Teacher Professional Development programme. A feature of the 2014 OUASSA camps was the high numbers of Māori and Pacific students taking part – 25% and 7% respectively.

A further 19 students took part in the Tū Kahika programme, a culturally-responsive Health Sciences foundation programme that prepares young Māori students for tertiary study and a future in Māori health. Over the past five years, 80 students have completed Tū Kahika, which, together with Te Ara Hauora, Te Whakapuāwai and Tū Tauira Hauora, is one of four Māori health workforce development programmes now offered.

The development and success of Māori is strategically important to the University and, throughout 2014, the Office of Māori Development continued to implement the Māori Strategic Framework across University activities. A number of key appointments were made to the roles of Associate Dean Māori, including Professor John Broughton (Te Kaupeka Pūniho / Faculty of Dentistry) and Associate Professor Michelle Thompson-Fawcett (Division of Humanities).

The Tairāwhiti Inter-Professional Education Programme, a joint initiative between the University and the Eastern Institute of Technology (funded by Health Workforce New Zealand) was ongoing, aiming to improve the recruitment and retention of health professionals in rural localities by enabling dentistry, dietetics, medicine, nursing, pharmacy and physiotherapy students to live, study and work together in a rural Māori community.

He Kākano, an innovative entrepreneurial programme for Māori in its second year, was again a success. This is a collaborative project between the University, Otago Polytechnic, powerHouse and a number of local businesses.

The Ngāi Tahu Research Consultation Committee considered 697 research propositions from November 2013–October 2014.

2014 marked the 25th anniversary of Te Huka Mātauraka (the Māori Centre) which provides academic and pastoral support for Māori students, from Orientation through to end of the exam period. This includes coordinating Turaka Hou (orientation programme), Ka Rikarika-a-Tāne (mentoring programme), Kaituitui Mātauraka (tutorial programme) and as a general contact point for Māori students. (Further information about Māori development can be found on pages 60-62.)

In 2014 there were a record 1,776 Māori students enrolled, representing 8.5% of total enrolments (head count) and 9.7% of total domestic EFTS.

The University is also strategically committed to improving academic outcomes for Pacific students. The Pacific Strategic Framework, launched in 2013, is being introduced across the University by the newly established Pacific Development Office. In 2014 a number of priority projects were identified which include: researching the needs of current Pacific students and the development of a comprehensive web resource for them; undertaking a stocktake of Pacific-related research across the University; the promotion of Pacific research protocols; and reviewing current Pacific-related curricula, education and training in the Pacific region.

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. Further support was provided by the Pacific Islands Research and Student Support Unit (PIRSSU) for health sciences students, and POPO (the Pacific Orientation Programme @ Otago) which combines a residential orientation programme with peer-led mentoring



Manager of the Māori Centre Pearl Matahiki (far right) adjusts regalia for a group photo at a Māori pre-graduation ceremony.

and academic support. (Further information about Pacific development can be found on pages 62-63.)

At 751 students, Pacific enrolments were also at their highest level ever, representing 3.6% of total enrolments (head count) and 3.9% of total domestic EFTS.

The University is a strong contributor to the New Zealand economy, at both local and national levels. The 2013 Economic Impact Report, released in 2014, estimated that the University's overall direct impact to the country in 2013 was \$894.4 million (2012: \$897.0 million). This included \$799.4 million in Dunedin, \$45.2 million in Christchurch, \$46.3 million in Wellington, \$2.9 million in Invercargill and \$0.6 million in Auckland. The total economic impact of the University's activities (including downstream effects) was estimated at \$1.59 billion (2012: 1.66 billion), supporting around 14,000 FTE jobs across New Zealand (including 12,500 within the Dunedin economy).

Community service activities are another significant area in which the University contributes to society with the total work done in 2014 valued at \$30.1 million. A survey of academic staff found that 94.6% of respondents had dedicated work time to community service in the past year and that, on average, they had spent 9.0% of their work time on such service. The types of service undertaken included giving lectures, talks or presentations to non-university groups (84.8%), holding a post in an organisation or association relevant to their area of expertise (68.5%), providing general services to the public sector (73.9%), editing or serving on the editorial boards of publications (63.0%) and serving on Government advisory boards and committees (34.8%).

Through these activities many staff received national and international recognition. For example:

Professor Tony Binns (Geography) was awarded an honorary chieftanship of Kayima, a town in northeast Sierra Leone with which he has had close research links for 40 years.

Professor Kevin Clements, Director of the National Centre for Peace and Conflict Studies, received the 2014 Peacemaker Award from the New Zealand Peace Foundation recognising his contribution to peace education and peace development in New Zealand and globally.

Archaeologist Professor Charles Higham (Anthropology and Archaeology) was awarded the Royal Society's Mason Durie Medal for social sciences for his work to understand social change in Southeast Asia over three millennia.

Associate Professor Keith Probert (Marine Science) received a Lifetime Achievement Award from the New Zealand Marine Science Society.

Professor Glenn Summerhayes (Anthropology and Archaeology) was made an Officer of the Order of Logohu by the Papua New Guinea Governor-General in recognition of his decades-long contributions to the archaeology of that country.

The University also provides a number of services for the community. Notable amongst these is the National Poisons Centre (NPC) that is based in the Department of Preventive and Social Medicine and provides a 24-hour, 365-days-a-year free phone service to the people of New Zealand. Around 35,000 acute poisoning enquiries are answered annually. The centre also 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. As part of its social responsibility commitment, the NPC participates in the WHO HINARI Access to Research in Health Programme, providing free access to its TOXINZ database to developing countries. In New Zealand, the NPC works towards the reduction of harm in the community from poisonings through prevention, education and surveillance programmes.

2014 marked the 10th anniversary of the annual Dental Care Project to the Cook Islands. This Faculty of Dentistry volunteer programme provides free dental care, health-care education, professional development for dental and medical health-care workers, and training of oral-health-care providers for the remote outer Cook Islands, and provides tens of thousands of dollars of dental supplies and equipment. Each year, a group of final-year University of Otago dental students give up their mid-semester break to take part in this dental-care project.

The School of Pharmacy also ran a number of free community clinics on medicines and health literacy, with the help of funding from Ako Aotearoa. In addition to benefiting patients, the clinics also provided an important learning opportunity for students.

Otago continued to contribute to the national good and its documentary heritage through its commitment to the arts and its library collections. Otago's arts fellowships are of national significance. In 2014 these were held by Majella Cullinane (Robert Burns Fellow), Melinda Szymanik (University of Otago College of Education /Creative New Zealand Children's Writer in Residence), Patrick Lundberg (Frances Hodgkins Fellow), Jeremy Mayall (Mozart Fellow) and Louise Potiki Bryant (Caroline Plummer Fellow in Community Dance). Scottish novelist Janice Galloway was the inaugural University of Otago Scottish Writers Fellow. The Division of Humanities again supported the annual University of Otago Sheila Winn Shakespeare Festival for secondary school students, and the Department of Music and Theatre Studies staged 129 public performances throughout the year. These performances contribute to the cultural life of Dunedin, as well as providing valuable experience for students.

The Hocken Collections is one of the foremost research and heritage collections in New Zealand, and its services were boosted in 2014 by a major upgrade of the Hākena search tool for unpublished material. Over 7,000 researchers accessed more than 23,000 collection items and more than 4,000 image reproductions were completed. Many of those images appeared in publications, exhibitions and displays, brochures, websites and theses.

Four exhibitions were mounted in the Hocken Gallery to support University activities and to mark significant events. A highlight, *Whakapono: Faith and Foundations* was exhibited in conjunction with the launch of the Marsden Online Archive, a collaborative project with the University's Centre for Research on Colonial Culture. It is now possible to discover the Hocken's Church Missionary Society journals and letters through the online archive.

The Library's Special Collections hosted Peter Vangioni as the 2014 Printer in Residence who produced a book in collaboration with Port Chalmers artist Michael Morley titled *XXXXXwords*. Four exhibitions were viewed by 3,000 people including *Celebrating Botany (1924-2014)* held to celebrate the 90th anniversary of the Department of Botany.



Inā te mahi, he rangatira

Through their deeds it can be said they are a leader

Strong external engagement

34.8%

staff served on
government
advisory
boards

644

open-to-the-public
lectures



With Otago's main campus geographically distant from New Zealand's main centres of political and economic decision-making, strong external engagement is vital for the University. Building relationships with political, business, professional and community leaders, as well as gaining representation on key educational, health and research bodies were priorities in 2014.

Contact
with
95,000
alumni



The University's senior staff were again well represented across research, health and business networks. Vice-Chancellor Professor Harlene Hayne was acting chair of Universities New Zealand, formally taking over as chair from 1 January 2015. She is a non-executive member of the New Zealand Treasury Board and deputy chair of the board of Fulbright New Zealand. She is also an associate editor of the Journal *Memory*; co-director of the New Zealand Innocence Project; a member of the UK Advisory Board for interviewing children; co-chair of the Office of the Prime Minister's Science Advisory Committee Working Party on Reducing Social and Psychological Morbidity during Adolescence, and a member of the New Zealand-China Council.

Deputy Vice-Chancellor (Academic and International) Professor Vernon Squire serves on the governance boards of the Riddet Institute and the MacDiarmid Institute. Deputy Vice-Chancellor (Research and Enterprise) Professor Richard Blaikie serves on the boards of Gravida – the National Centre for Growth and Development; the Dodd-Walls Centre for Quantum and Photonic Technologies; and Brain Research New Zealand – Rangahau Roro Aotearoa. He is also a principal investigator of the MacDiarmid Institute.

Pro-Vice-Chancellor Health Sciences Professor Peter Crampton is a member of the Medical Deans Australia New Zealand executive, Medical Workforce Taskforce Governance Group, the Christchurch Health Precinct Steering Group and Academic Council, the Health Workforce New Zealand Working Group to progress Initiatives for Prevocational Trainees in General Practice, and the Medical Council of New Zealand's Stakeholder Advisory Group for its review of prevocational training requirements for doctors in New Zealand.

Professor Brian Moloughney (Pro-Vice-Chancellor, Humanities) is a member of the Advisory Board of Australasian Consortium of Humanities Research Centres, an associate director of the New Zealand Contemporary China Research Centre, and a member of the advisory board of the New Zealand India Research Institute.

Professor Keith Hunter (Pro-Vice-Chancellor, Sciences) is on the board of the Research Centre for Oceanography, a member of the Royal Society of New Zealand Advisory Committee on Marine Science, a New Zealand delegate to the Scientific Committee on Oceanic research, and co-editor of Marine & Freshwater Research.

Professor George Benwell (Pro-Vice-Chancellor, Commerce) is the president of the Association of Asia Pacific Business Schools, and a director of the UpStart Trust and the Otago Chamber of Commerce.

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

In 2014, 34.8% of academic staff served on government advisory boards and committees, and 73.9% provided services to public sector departments, statutory authorities, agencies, boards, committees and/or non-governmental organisations.

In its determination to maintain strong external connections, the University has continued to develop partnerships and collaborative agreements.

The University became a partner in all four National Science Challenges for which funding had been announced. The four challenges focus on: developing high-value foods with health benefits; understanding the role of the Antarctic and Southern Ocean in determining climate and future environment; protecting and managing New Zealand's biodiversity, improving its biosecurity and enhancing resilience to harmful organisms;

and enhancing the use of New Zealand's marine resources within environmental and biological constraints. Addressing some of the biggest and most complex science-based issues and opportunities facing New Zealand, these challenges draw researchers together from different institutions and across disciplines to achieve a common goal through collaboration.

One of the world's largest medical technology companies, GE Healthcare, has signed a partnership agreement with the University of Otago, Christchurch's Centre for Bioengineering to work together on medical imaging technology projects.

The World Health Organization's (WHO) Collaborating Centre for Dental Epidemiology and Public Health at the University of Otago was redesignated for a further four years (until October 2018). The centre, which provides oral health consultancy advice and assistance to WHO and developing countries in the region, is one of only three such centres in the western Pacific region.

The University of Otago satellite office of the Auckland Confucius Institute was formally launched in 2014. This also marked the development of a Memorandum of Understanding that will see the University work with the Confucius Institute at the University of Canterbury to facilitate the promotion of Chinese language and culture in schools and the community of Dunedin.

Together with Otago Polytechnic and the Dunedin City Council, the Business School set up a new StartUp Space for entrepreneurs. Located on the University's Dunedin campus, it offers entrepreneurs desk space for a year, experts to consult with and collegial support. Its aim is to provide a nurturing environment in which budding entrepreneurs learn the skills and develop confidence to take their concept further, leading to the establishment of new businesses. The 2014 Audacious Business programme attracted entries from more than 150 students.

The University also signed a Collaboration Agreement with the Canterbury Earthquake Recovery Authority (CERA), the University of Canterbury, the Canterbury District Health Board and the Christchurch Polytechnic Institute of Technology. The parties will use their collective resources to create a Te Papa Hauora / Health Precinct in Christchurch, providing a unified centre for health services, teaching and research, innovation and private sector participation.

The International Division (renamed as such to reflect the importance the University places on internationalisation in its commitment to external engagement) strengthened its relationship with Education New Zealand, working more closely with Dunedin city's Export Education Uplift project (Study Dunedin) and leveraging off the Dunedin-Shanghai sister city relationship. Pro-Vice-Chancellor International Professor Helen Nicholson was part of the Mayoral delegation that visited Shanghai and Qingdao in October, resulting in the signing of an education agreement between the Shanghai Education Ministry and Dunedin, the development of new links with two universities in Qingdao as well as discussions to strengthen existing relationships with Fudan and Shanghai Jiao Tong Universities. New student exchange agreements were signed with National Taiwan Normal University and Kelley Business School – MBA (Indiana University).

The activities of the Matariki Network, of which Otago is a founding partner, continued to flourish during 2014, facilitated by the appointment of a permanent secretariat. As well as being represented at a cybersecurity research meeting held in Durham, Otago also hosted two Matariki events. The Brain and Mind Integrative Neuroscience conference in December, hosted by the University's Brain Health Research Centre, drew participants from all seven Matariki partners, highlighting the strengths in this area across the network. Also in December, the Division of Humanities

in association with the Library hosted the first in a series of Matariki Humanities Colloquia which led to the development of a shared website, advancement of the Libraries' benchmarking project and agreement to share resources.

These were just two of the many conferences and world-leading international experts who were hosted on the University's campuses throughout the year. In its 49th year, the Otago Foreign Policy School was titled "Global Resource Scarcity: Catalyst for Conflict or Collaboration?" and focused on issues including global phosphorus security, rare earth metals, the water footprint of hydraulic fracturing, the politics of scarcity, China's quest for natural resources in the South Pacific, deep sea mining, and business risks and opportunities related to water scarcity.

Professor Michael Baker (University of Otago, Wellington) initiated the inaugural New Zealand Population Health Conference, attended by more than 600 delegates – the largest public health conference to be held in New Zealand. The inaugural Māori and Indigenous Suicide Prevention Symposium (another University of Otago, Wellington initiative) attracted more than 300 participants and more than 1,000 people attended the two-day, biennial International Science Festival University Science Expo in July.

The Otago International Health Research Network Conference – held annually to foster collaboration on the developing world's most pressing health problems – attracted experts from Switzerland, Myanmar, Canada and Thailand. The keynote speech focused on the One Health concept and the added value of closer co-operation between human and veterinary medicine.

Visitors on campus included Lord Robert Winston, world-leading British medical researcher and science communicator (hosted by Genetics Otago); the Scottish Secretary for Education, Mr Michael Russell, who gave a public lecture on "Scotland's Choice: the Referendum on Independence" (hosted by the Centre for Irish and Scottish Studies); internationally-acclaimed hip-hop artist Boots Riley (hosted by the Department of Media, Film and Communication); the Archbishop of York, Dr John Sentamu, who delivered a symposium on global and local poverty; and Dr Robin Jackson, chief executive and secretary of the British Academy who gave a public lecture entitled "Messy, Debatable and Unquantifiable: Championing the Humanities". Nobel Prize winner and former US Secretary of Energy Professor Steven Chu was on campus in December as the Department of Physics James and Jean Davis Visitor, delivering a public lecture and a graduation address.

Te Tumu, School of Māori, Pacific and Indigenous Studies also hosted Sir Tamati Reedy to give the 2014 Fulbright Lecture: *Nga Wai Whakaata O Hine-Kauorohia: The Reflecting Waters of Hine Kauorohia*; and 2014 De Carle Distinguished Lecturer, Professor Haun Saussy, a leading scholar in Chinese and comparative literature at the University of Chicago, delivered a series of lectures and masterclasses at Otago throughout September.

A total of 644 open-to-the-public lectures, seminars and community education courses were held during the year, including 15 Inaugural Professorial Lectures, three lectures in the Winter Lecture Series offered in Auckland, Wellington and Queenstown, and five in the Summer School Series (S3). Three short courses were held collaboratively with the Southern Sinfonia and 13 held in association with U3A (University of the Third Age).

There were also four continuing education short courses offered as part of Summer School and 31 short courses were offered in the 18th Public Health Summer School held at the University of Otago Wellington.

The Continuing Education Fund supported various offerings by departments through four application rounds, with 22 workshops or symposia, 11 short courses and nine lectures or seminars.

The New Zealand Marine Studies Centre, the outreach arm of the Department of Marine Science, again provided a variety of community engagement and educational programmes, including school and science extension programmes for students around the South Island, educational resources and professional development for teachers, and its successful Citizen Science project monitoring the New Zealand seashore. In 2014 more than 4,080 students and teachers attended curriculum-linked educational programmes, 3,487 people took part in group marine experiences, and a further 3,668 participated in outreach activities in the Nelson/Marlborough/Tasman area.

Maintaining mutually beneficial relationships with alumni, both in New Zealand and internationally, is highly valued at Otago. The University maintained contact with more than 95,000 alumni via electronic and print communications, including the University of Otago Magazine, which was published in February, June and November. The eConnect alumni electronic newsletter launched by the Development and Alumni Relations Office in December 2013, continued in 2014, with issues sent out in February, July and December. The University's connection with its alumni community was further enhanced by a revamped Development and Alumni Relations website, which offers alumni more opportunities to communicate directly with the University and each other.

The Development and Alumni Relations Office organised 21 alumni social events in New Zealand and around the world, including gatherings in Dunedin, Malaysia, Hong Kong, China, Nelson, Blenheim, Auckland, London, Edmonton, Toronto and various locations in the US. The office also assisted with events hosted by Otago's regional networks in New Zealand, the USA, Australia, China and Indonesia, and with celebrations organised by residential colleges. In addition, the office supported a number of reunions organised by class groups. Alumni gathered on campus in 2014 for a number of significant celebrations including the Allen Hall centenary reunion, the Department of Botany's 90th anniversary, the Department of Psychology's 50th anniversary, the 21st anniversary of Te Roopu Whai Putake (the Māori Law Students' Association) and the 25th anniversary of Cumberland College.

Fifteen 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 alumni in the US, the UK, Canada and Malaysia resulted in funding for new prizes, scholarships and research activities. Alumni around the world have also set up volunteer networks to support Otago undergraduate students who spend a semester or a year studying at one of the University's 90 partner institutions, through the Otago Global Student Exchange programme.



He rangatira, he hoa matenga

A chief is a loyal friend always

Sustaining capability

\$33.6m

Group operating surplus



The University is committed to an ongoing investment in staff and the resources required to achieve and sustain excellence as a broad-based, research-led university. While advocating for adequate levels of Government funding, there is a recognition that an increasingly diverse funding base must also be found. And, as the University is likely to be operating in a fiscally-constrained environment during the coming years, activities and structures will be scrutinised for efficiency and effectiveness.

Group
assets of
\$1.9b

1,250
staff attended
HR workshops



To support the vision of being a research-led University with an international reputation for excellence, it is important to generate sufficient resources, and to target those resources effectively. As outlined in further detail in the Financial Review on page 70 the University's financial performance in 2014 was below budget, although the Group result – an operating surplus of \$33.6 million – exceeded budget due primarily to an excellent result from the University of Otago Foundation Trust.

The tertiary sector is currently operating in a constrained funding environment with several years of government funding without adjustments for inflation, and flat student demand – while costs continue to grow. While the University will start 2015 in a strong financial position, the challenges posed by this environment will require careful fiscal management if the high quality of teaching, research and community service is to be maintained and adequate funds are to be provided for the infrastructure projects on the University's Priority Development Plan.

There is a growing focus on entrepreneurial activities and the commercialisation of intellectual property to help diversify the University's funding base. In 2014 this was reflected in more than 50 commercial opportunities presented to Otago Innovation Ltd, the University's commercialisation company, almost twice as many as in 2013.

Otago Innovation's annual \$50,000 Proof of Concept competition was also strongly contested with a record 18 entries. The winner was Dr Elspeth Gold (Anatomy) for her work in developing a biomarker for the diagnosis of prostate cancer. This diagnostic tool has the potential to differentiate between aggressive and latent prostate cancer, enabling earlier diagnosis for those who need treatment. Dr Monica Gerth (Biochemistry) was runner up with a proposal to develop antimicrobial enzymes that can be used to prevent the formation of biofilms that cause at least 65 per cent of all human infections.

During the course of 2014 several technologies were successfully commercialised and, while some remain confidential, one that particularly attracted attention was a qPCR (quantitative polymerase chain reaction) device. The project was led by Dr Jo-Ann Stanton (Anatomy) and is being developed by Ubiquitome. This portable device, known as Freedom4, can multiply a small amount of DNA and identify a micro-organism in about one hour, without the need for samples to be taken back to a laboratory. It has widespread application in both medicine and environmental science, and may have potential in the fight against ebola.

(Further information about Otago Innovation and spin-off companies can be found in the Group Entities Report pages 66-68.)

The University recognises the importance of staff being well engaged in their own academic and professional callings. The Human Resources Division operates a programme of regularly-reviewed and responsive professional development programmes to facilitate this. The Academic Leadership Development Programme, which has been running since 2009, again provided a schedule of activities in Dunedin, Christchurch and Wellington for senior academic staff to develop leadership skills, learn from their Otago peers and to strengthen networks. The Women in Leadership at Otago (WiLO) programme was attended by 24 participants from three campuses and the three-day Essential Management Programme was attended by 20 managers.

During 2014 Human Resources held a total of 100 workshops, with 1,250 participants. Thirty eight of these workshops, attended by 352 staff, were customised training for teams or workplaces focusing primarily on communication (team work, communication skills or writing skills) or customer service skills. An online career reflection tool (Pathways) was piloted in 2014 and initial staff feedback indicated that staff found this beneficial to their career planning and PDR discussions. Te Reo language courses continued to be popular, with six workshops attended by 84 staff, with a particular increase in numbers at the intermediate-level workshop.

A very successful General Staff Conference was held in August, attended by 209 staff from across all campuses. The conference focused on linking with University communities and fostering collaboration across roles and areas. The 2014 University of Otago Award for Exceptional Performance by General Staff was presented to Mr Mark Brunton, Research Manager Māori, from the Office of Māori Development. (Further information on staff support is on page 65.)

The UniForum bench-marking project, which began in 2012, provides the University of Otago with valuable data and analysis on its support services and compares this with the results of 18 other universities in Australia and New Zealand. The first three-year cycle of the project has now concluded and the second three-year cycle will begin in 2015.



Rākau papa pangā ka hei ki te marae

Knowledge is passed down through the generations

Reporting by outputs

	Actual \$000s	Total Budget \$000s	Last Year \$000s
Teaching and Learning Output			
Campus Based Teaching and Learning	199,156	209,427	199,951
Total Cost of Outputs	199,156	209,427	199,951
Research Output			
Postgraduate Thesis Supervision	64,041	65,280	63,649
Teaching Related Research	24,382	25,313	22,665
Project Based Research	-	-	-
- University Funded	96,012	89,448	81,755
- Externally Funded	105,745	97,385	101,165
Total Cost of Outputs	290,180	277,426	269,234
Community Service	30,118	29,569	28,378





Statement of service performance

for the year ended 31 December 2014

Strategic Objective One: Excellence In Research

#	KEY PERFORMANCE INDICATORS	2012 Actual	2013 Actual	2014 Target	2014 Actual
1.1	Increasing the number of quality-assured research outputs as measured by a three-year rolling average ¹ .	3-year rolling average of 4,544	3-year rolling average of 4,544	> previous year	3-year rolling average of 4,624
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 \$90.6 million (100.7%)	3-year rolling average of \$88.1 million (97.3%)	≥ 105.0% of 2013	3-year rolling average of \$86.1 million (97.7%)
1.3	Increasing the proportion of postgraduate research EFTS within University EFTS ² .	9.0%	8.6%	> previous year	8.8%
1.4	Increasing the number of research degree completions.	524	569	> previous year	570
1.5	At least 90% of research degree respondents to the Graduate Opinion Survey reporting overall satisfaction with the quality of supervision.	87.5%	89.5%	≥ 90.0%	89.5%
1.6	At least maintaining the number of staff attending conferences of national and international standing.	1,238	1,307	≥ previous year	1,180
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 four of its seven performance targets relating to this strategic objective and equalled 2013 achievement in another. The small increase in the number of quality-assured research outputs is normal for this stage of the PBRF cycle; research outputs decline for a year or so following the PBRF audit, then steadily increase as academic staff push to produce research outputs for inclusion in the next PBRF round. Otago's continued strong performance in the citation components of the annual ARWU and QS World University Rankings provides welcome external evidence of the University's research intensive nature. External research funding decreased in 2014. The drop in the three-year rolling average used for this measure reflects 2012 and 2013 funding decreases, while a small increase was noted for 2014. It is anticipated that this upward trajectory will continue in 2015 and lift the rolling average.

The continued strong number of research degree completions reflects the ongoing flow-through to graduation of additional doctoral enrolments that have been generated by the government allowing overseas students to pay domestic fees while undertaking doctoral study in New Zealand. The small increase in the proportion of research degree EFTS was driven by increases in doctoral and honours enrolments, which counter-balanced the small enrolment decreases in other postgraduate programmes. While satisfaction with the quality of research degree supervision has yet to achieve the ≥ 90.0% target, performance against this measure is now close to target. The small drop in the number of staff attending conferences of national and international standing may reflect the tightening of some divisional budgets in the light of recent, small year-on-year EFTS decreases.

¹ Due to the time required to collate and vet research output data, the outputs reported for this measure are always a year in arrears (i.e. outputs reported against 2014 are those published in 2013, etc.). Research outputs are only included once evidence of their quality-assured status has been obtained. The definition of quality-assured research outputs employed for this measure is consistent with that specified by the Tertiary Education Commission for PBRF reporting purposes.

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

Strategic Objective Two: Excellence In Teaching

#	KEY PERFORMANCE INDICATORS	2012 Actual	2013 Actual	2014 Target	2014 Actual
2.1	Increasing the proportion of postgraduate EFTS within University EFTS.	16.6%	16.1%	> previous year	16.1%
2.2	Increasing the proportion of undergraduate degree-level commencing students admitted with NCEA Level 3 or an equivalent qualification.	90.2%	90.7%	> previous year	91.1%
2.3	At least 80% of commencing students passing at least two thirds of their academic credits in their first year of study.	84.5%	82.1 %	> 80%	78.6%
2.4	Maintaining an average pass rate for papers within 2% of the average for the previous three years.	89.9% (3-year average 89.2%)	90.0% (3-year average 89.7%)	+/- 2.0% of rolling average	89.5% (3-year average 89.8%)
2.5	Increasing the number of students successfully completing qualifications at both undergraduate and postgraduate levels.	3,961 (UG) 1,501 (PG)	3,726 (UG) 1,711 (PG)	> previous year	3,527 (UG) 1,630 (PG)
2.6	At least 90% of respondents to the annual Student and Graduate Opinion Surveys ³ providing a positive assessment of the quality of teaching.	83.1%	86.9%	≥ 90.0%	84.0%
2.7	Enrolling a diversified international student population ⁴ constituting no more than:				
	15% of total University EFTS;	11.4%	11.1%	≤15.0%	11.1%
	25% of the international cohort from one country.	19.9%	17.9%	≤ 25.0%	20.1%
2.8	At least 90% of respondents to the Graduate Opinion Survey reporting progression to employment or further study following completion of their qualification, with at least 85% in full-time work, full-time study or a combination thereof, as measured by a three-year rolling average.	94.2% and 88.5%	93.2% and 87.3%	≥ 90.0% and 85.0%	93.6% and 85.5%

Five of nine performance targets relating to this strategic objective were achieved and 2013 performance was equalled in one further area. 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 3.5% decrease in the proportion of first-year students successfully completing two thirds of their academic credits. The causes of this decrease are complex and steps are being taken to address this matter in 2015. It is also anticipated that the new University Entrance requirement⁵ implemented for the 2015 commencing cohort may go some way towards ameliorating this recent decline.

The numbers of students successfully completing undergraduate and postgraduate qualifications both declined, though postgraduate completions remained ahead of 2012 and earlier. The drop in undergraduate completions is partly a pipeline effect of the low intake of first-year students in 2011, while postgraduate completions have been affected by external factors including the strengthening job market. The percentage of respondents positively assessing the quality of teaching at the University in 2014 dipped slightly from 2013, but remained ahead of 2012. Improved performance against this measure remains a priority. The proportion of international EFTS remained static at 11.1%. A decline in the number of students from Malaysia (following the scheduled winding down of the teaching contract with the Malaysian Government) was countered by strong growth from China and modest growth from the United States.

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

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

5 nzqa.govt.nz/qualifications-standards/awards/university-entrance/review-of-university-entrance/

Strategic Objective Three: Outstanding Student Experiences

#	KEY PERFORMANCE INDICATORS	2012 Actual	2013 Actual	2014 Target	2014 Actual
3.1	At least 90% of residential college respondents to the annual Student Opinion Survey ⁶ providing a positive assessment of their colleges.	90.1%	94.9%	≥ 90.0%	93.4%
3.2	At least 90% of respondents to the annual Student Opinion Survey providing a positive assessment of:				
	The helpfulness of staff;	97.3%	88.6%	≥ 90.0%	90.5%
	Administrative services and support services;	95.4%	95.4%	≥ 90.0%	94.4%
	The quality of sport and recreational facilities;	96.5%	96.8%	≥ 90.0%	97.7%
	Student health and counselling services;	93.7%	93.3%	≥ 90.0%	92.1%
	The University's careers advisory service;	93.9%	93.8%	≥ 90.0%	91.8%
	Support from the Otago University Students' Association.	96.3%	94.8%	≥ 90.0%	94.9%
3.3	At least 90% of respondents to the Graduate Opinion Survey ⁷ reporting some, moderate or extensive development of the following attributes:				
	A willingness to learn;	96.6%	94.5%	≥ 90.0%	96.8%
	Teamwork skills;	74.5%	78.6%	≥ 90.0%	87.3%
	Communication skills;	91.1%	90.1%	≥ 90.0%	93.0%
	The skills to plan my own work;	95.1%	92.9%	≥ 90.0%	94.9%
	The ability to solve problems;	92.8%	94.0%	≥ 90.0%	95.2%
	Independent judgement;	92.6%	94.2%	≥ 90.0%	94.8%
	Academic rigour;	93.8%	92.5%	≥ 90.0%	93.7%
	A multidisciplinary perspective;	85.2%	87.7%	≥ 90.0%	90.3%
	Analytical skills;	95.1%	95.6%	≥ 90.0%	95.5%
	Flexibility and adaptability;	92.2%	92.7%	≥ 90.0%	92.7%
	An awareness of ethical issues;	85.9%	87.2%	≥ 90.0%	92.7%
	A global perspective†;	N/A	87.7%	≥ 90.0%	86.5%
	Cultural understanding†;	N/A	85.6%	≥ 90.0%	84.7%
	Environmental literacy†;	N/A	74.7%	≥ 90.0%	79.7%
	Research skills†;	N/A	92.8%	≥ 90.0%	93.8%
	Information literacy†.	N/A	93.8%	≥ 90.0%	95.5%

† 2012 data is unavailable for these attributes, which were surveyed for the first time in 2013.

The University achieved 19 of 23 targets relating to this strategic objective. Student satisfaction with residential colleges, staff helpfulness, student support services, recreational facilities and the Otago University Students' Association remained high. Results for the Graduate Opinion Survey were similar to previous years, with pleasing improvements noted in teamwork skills, awareness of ethical issues and environmental literacy. Two of the four attributes that did not reach the ≥ 90.0% target in 2014 still improved upon their 2013 equivalents, while the remaining two were close.

6 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 2014, 8,230 students were invited to complete the Academic Experience component of the survey and there were 4,570 respondents (a 55.5% response rate). (2013: 4,148 surveyed; 2,365 respondents; 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.)

7 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 2014, 2,150 students were invited to complete the survey and there were 1006 respondents (a 46.8% response rate). (2013: 1,093 surveyed; 561 respondents; 51.3% response rate.)

Strategic Objective Four: Outstanding Campus Environments

#	KEY PERFORMANCE INDICATORS	2012 Actual	2013 Actual	2014 Target	2014 Actual
4.1	At least 90% of respondents to the annual Student Opinion Survey providing a positive assessment of:				
	The general campus environment;	93.9%	95.4%	≥ 90.0%	96.2%
	Personal safety on campus;	98.5%	98.7%	≥ 90.0%	99.0%
	University libraries ⁸ ;	94.7%	93.0%	≥ 90.0%	96.0%
	University information technology and teaching facilities;	92.7%	90.8%	≥ 90.0%	91.9%
	University Union, including food and beverage service.	91.7%	93.1%	≥ 90.0%	89.4%
4.2	Providing learning assistance and/or access to special equipment for at least 450 students with a disability affecting study.	508	518	≥ 450	546
4.3	Providing annual funding for capital expenditure no less than the sum of depreciation and the adjusted surplus (i.e. the surplus adjusted for carry forwards, extraordinary items and capital injections to group companies).	Funding ≥ depreciation + adjusted surplus	Funding ≥ depreciation + adjusted surplus	Funding ≥ depreciation + adjusted surplus	Funding ≥ depreciation + adjusted surplus

The University achieved six of seven targets relating to this strategic objective. The Student Opinion Survey captured pleasingly high levels of student satisfaction with the campus environment, personal safety, University libraries and ITS facilities, though a slight dip was evident for University Union services. The University's Disability Information and Support team continued to expand its programme of support for students with a disability affecting study.

⁸ In 2013 the Library section of the Student Opinion Survey – Support Services was redesigned and the source of the University libraries indicator was changed from an average score across a set of library-related items to a score based on a single item asking about overall satisfaction with the Library.

Strategic Objective Five: Commitment as a Local, National and Global Citizen

#	KEY PERFORMANCE INDICATORS	2012 Actual	2013 Actual	2014 Target	2014 Actual
5.1	Maintaining or increasing the number of national print, radio and television media articles featuring comment by University of Otago academic staff on matters relating to their professional expertise.	1,780	2,105	≥ previous year	2,171
5.2	At least 80% of University academic staff involved in community service activities ⁹ .	87.1%	90.2%	≥ 80.0%	94.6%
5.3	Holding at least 400 open lectures, public seminars, and adult and community education courses per annum.	424	351	≥ 400	644
5.4	Providing at least 100 performing arts activities open to the public per annum.	127	129	≥ 100	129
5.5	To maintain the University's status as a Fair Trade university.	Prepared application for Fair Trade status	Fair Trade status achieved	Maintain Fair Trade status	Fair Trade status maintained
5.6	Increasing the number of research projects being undertaken in association with Māori ¹⁰ .	678	680	> previous year	687
5.7	Raising Māori student participation and achievement by:				
	Increasing the number of Māori students enrolled and Māori EFTS as a percentage of total domestic student EFTS;	1,658 enrolments, 8.8% of EFTS	1,682 enrolments, 9.2% of EFTS	> previous year	1,776 enrolments, 9.7% of EFTS
	Increasing the percentage of first-year Māori students passing at least two thirds of their academic credits;	77.8%	72.7%	> previous year	67.3%
	Increasing the number of Māori students completing qualifications at both undergraduate and postgraduate levels.	284 (UG) 98 (PG)	275 (UG) 108 (PG)	> previous year	299 (UG) 93 (PG)
5.8	Raising Pacific student participation and achievement by:				
	Increasing the number of Pacific students enrolled and domestic Pacific EFTS as a percentage of total domestic student EFTS;	662 enrolments, 3.3% of EFTS	669 enrolments, 3.3% of EFTS	> previous year	751 enrolments, 3.9% of EFTS
	Increasing the percentage of first-year Pacific students passing at least two thirds of their academic credits;	59.4%	53.2%	> previous year	54.6%
	Increasing the number of Pacific students completing qualifications at both undergraduate and postgraduate levels.	108 (UG) 45 (PG)	111 (UG) 54 (PG)	> previous year	102 (UG) 40 (PG)

⁹ 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 2014, 200 academic staff were invited to complete the survey. There were 92 respondents (46.0% response rate). In 2013, 200 academic staff were invited to complete the survey, and there were 82 respondents (41.0% response rate).

¹⁰ This KPI captures the number of research projects appropriately engaging with consultation procedures outlined in the University's Research Consultation with Māori Policy.

The University made good progress in its commitments as a local, national and international citizen, achieving nine of 12 performance targets against this strategic objective. The increase in media articles reflected (among other things) Otago's strong national presence during election year discussions. The improvement in University academic staff involved in community service activities was driven by increases in both survey responses and reported participation within particular academic divisions. The apparent growth in the number of open lectures, public seminars, and adult and community education courses was largely due to the implementation of a new data collection process in 2014 that more rigorously captured electronic notification of Continuing Education type events. It is anticipated that any future increases will be more modest. The University remained committed to providing performing arts activities to the public, and retained its status as a Fair Trade university. There was also an increase in the number of research projects engaging appropriately with the University's Research Consultation with Māori policy.

The overall numbers of Māori and Pacific enrolments increased in 2014, continuing the growth noted in previous years. Proportionally, Māori and Pacific EFTS increased to all-time highs for Otago. The University also recorded an increase in the numbers of Māori students completing undergraduate qualifications and an increase in the percentage of first-year Pacific students passing at least two thirds of their academic credits. These encouraging results were, however, countered by declines in Māori first-year pass rates and postgraduate qualification completions, and declining numbers of Pacific students completing undergraduate and postgraduate qualifications. These drops are concerning, though they seem to mirror the general trends (for the overall student population) discussed under Strategic Objective Two (page 51).

Strategic Objective Six: Strong External Engagement

#	KEY PERFORMANCE INDICATORS	2012 Actual	2013 Actual	2014 Target	2014 Actual
6.1	Hosting at least 600 academic visitors to the University per annum.	551	762	≥ 600	800
6.2	Maintaining appropriate formal agreements for collaboration with other organisations for joint research and/or teaching and for the commercialisation of research.	388 agreements in place	385 agreements in place	Existing agreements reviewed, new agreements entered into as appropriate	357 agreements in place (comprising 156 agreements with existing partners, and 201 agreements with new partners) ¹¹
6.3	At least 25% of academic staff serving on government advisory boards and committees.	35.6%	20.7%	≥ 25.0%	34.8%
6.4	At least 50% of academic staff providing services to public sector departments, statutory authorities, agencies, boards, committees or inquiries, or to non-governmental organisations.	69.3%	70.7%	≥ 50.0%	73.9%
6.5	At least 50% of academic staff holding posts in an organisation or association relevant to their area of professional expertise.	72.3%	73.2%	≥ 50.0%	68.5%

All of the University's performance targets related to strengthening external engagement were achieved. This strong result reflects the University of Otago's ongoing and substantial commitment to engaging with its local, national and international communities. The 2014 proportion of academic staff serving on government advisory boards and committees was similar to the 2012 level. The strong results for 2014 and 2012 were driven by higher rates of participation within the Division of Health Sciences.

¹¹ KPI 6.2 shows the number of new agreements the University of Otago has entered into each year with partner organisations. To ensure clear alignment with the wording of the KPI target, the overall 2014 result has been disaggregated (within brackets) to show the numbers of new agreements entered into with existing and with new partners. Research and Enterprise's data capture systems have broadened and developed over the 2012-2014 reporting period, making retrospective disaggregation of the 2012 and 2013 figures prohibitively complex and time intensive. The overall results for 2012 and 2013 have thus been retained as historically reported, and can be compared to the overall result for 2014. Future reporting against this KPI will follow the approach used for the 2014 results.

Strategic Objective Seven: Sustaining Capability

#	KEY PERFORMANCE INDICATORS	2012 Actual	2013 Actual	2014 Target	2014 Actual
7.1	Achieving or exceeding the following University and University Group EFTS enrolment targets ¹² .	18,951 & 19,197	18,600 & 18,875	18,918 & 19,196	18,570 & 18,830
7.2	Achieving an operating surplus such that the moving five-year average is at least 2% of net assets (excluding extraordinary items).	2.0% of net assets	2.3% of net assets	≥ 2.0% of net assets	1.9% of net assets
7.3	Maintaining a liquid ratio of no worse than 1:1.	1.8:1	2.1:1	≥ 1:1	2.3:1
7.4	Ensuring that net interest paid is no greater than one-third of the operating surplus.	1.8%	0.7%	≤ 33.3%	1.6%
7.5	Maintaining at least 50% of University income from diverse sources other than government grant funding.	54.6%	56.3%	≥ 50.0%	55.4%
7.6	Increasing the consulting, commercial and intellectual property income of the University Group by at least 5% per annum as measured by a three-year rolling average.	\$69.1 million (102.4%)	\$71.1 million (102.9%)	≥ 105.0% of 2013	\$72.8 million (102.5%)
7.7	To reduce energy use per m2 of floor space as measured by a three-year rolling average ¹³ .	3-year rolling average of 233.3 kWh/m2	3-year rolling average of 223.2 kWh/m2	≥ previous year	3-year rolling average of 214.2 kWh/m2
7.8	At least maintaining the number of academic staff undertaking research and study leave.	126	133		146

The University again performed strongly against its financial targets, with five of the eight performance targets in this area achieved, and another showing improvement against previous years. The continued reduction of energy underscores the University's prudent stewardship of its resources and an increased focus upon sustainability. The causes of the shortfalls against EFTS targets are complex and are discussed in detail elsewhere in the Annual Report.

12 University Group EFTS include those generated by Foundation programmes operated by the University's wholly-owned Foundation Studies subsidiary.

13 Floor space measured by gross area (Dunedin campus only).

Statement of resources 2014

Land, Buildings and Capital Development

There was no change in the amount of land owned by, or held in Crown title for, the University. The University's net assignable floor space decreased by 7,340m² (3.2%) in 2014 to 222,589m². This was mainly due to the transfer of Te Rangi Hiroa College (formerly the LivingSpace building) to the Accommodation Division following its completion as a residential college¹.

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 the University's Priority Development Plan (PDP), which identifies high priority projects for development over a rolling six-to-eight-year period. The updated PDP was approved in principle by Council in June 2014. At the top of the priority list is the new Dental School. The latest phase of design work for this project commenced in 2014 and is expected to be completed early 2015.

Other high priority projects on the PDP include major improvements to the Sciences precinct and the upgrading of research facilities (mainly for Health Sciences) in Dunedin. Initial planning is also under way for improvements to the Commerce Building and for refurbishment at the University of Otago, Wellington.

A number of new facilities were officially opened in early 2014, including the Visitors' Centre on Cumberland Street and the Otago University Childcare Association's new premises. The new childcare facility – Te Pā – provides high-quality childcare and learning amenities for 140 children in a safe, comfortable and aesthetically pleasing environment.

The Otago Regional Council (ORC) Leith Lindsay Flood Protection Scheme continued throughout 2014, with work on the Clocktower reach completed by the end of the year. Improvements have been made to the riverbed and banks to help prevent flooding, and terracing, steps and a new pathway now provide access to the Leith. The University has worked closely with the ORC to ensure that the scheme meets the needs of both parties and that it enhances Otago's exceptional campus environment.

The University's seismic strengthening programme continued in 2014. The gym and priory blocks at Aquinas College were completed and strengthening of the St David II building was commenced. This is scheduled for completion in early 2015.

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 further development of both the physical and online collections.

Consistent with the move towards a digital repository, the library's online collections increased from 725,422 items in 2013

(comprising 215,047 electronic serials and 510,375 e-books) to 837,093 items in 2014 (164,304 electronic serials and 672,789 e-books) – an overall increase of 111,671 items (15.4%). 97.7% of all serials were received in electronic rather than print form in 2014. The library's on-site collections decreased by 301,405 items (9.6%) from 2013 to comprise a total of 2,837,416 items. The number of seating places across the library system increased by 1.6% (68 seats) to reach 4,388.

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.

A highlight for 2014 was the upgrade of the Hākena Search tool for unpublished material in the Hocken Collections. Utilising this tool, over 7,000 researchers accessed more than 23,000 collection items and over 4,000 image reproductions were completed. Many of those images appeared in publications, exhibitions and displays, brochures, websites and theses.

Information Technology

The volume of off-campus computer and telecommunications network traffic increased from 315,164 gigabytes in 2013 to 419,555 gigabytes in 2014 (an increase of 33.1%). 1,295 seating places were provided in student computer laboratories in 2014 (2013: 1,348), and 39,837 enquiries were processed through the Information Technology Services (ITS) Service Desk, down 11.0% from 44,751 in 2013. (The Service Desk changed its call monitoring software in early 2014, and the decline in processed enquiries may reflect differences between the systems.)

Throughout 2014, increased utilisation of the University's two central datacentres resulted in the number of virtual systems increasing by 44.0% and the unit costs of hosting services being driven down. In April 2014, ITS implemented the first stage of its storage strategy with the deployment of High Capacity Storage. This allowed large datasets to be stored centrally on high performance equipment replicated across the two datacentres. By the end of 2014, 324 terabytes of storage had been allocated. ITS also implemented mobile access technology (Syncplicity Sync & Share) that allows files to be accessed on multiple client devices from anywhere and at any time. This has proved very popular with 925 clients (who were allocated over five terabytes of storage) using the service by the end of 2014.

The wired network upgrade and wireless expansion projects also made significant progress, with work beginning on the physical roll-out of network infrastructure. This will ultimately include approximately 2,100 kilometres of Fibre Optic cable installed in the ground (and a further 380 kilometres in buildings), 500 kilometres of copper cable, and around 2,000 additional wireless access points. These projects have become increasingly "visible" with various civil works being carried out on campuses and surrounding streets, and there has also been significant behind-the-scenes progress including setting up the identity services for access to the new networks.

¹ The University's net assignable floor space data excludes University-owned flats and residential colleges.

ITS played a significant role in the deployment of the new Student Management System during 2014. This replaced in-house Student Management software that had served the University well for over 20 years.

A project to replace the current student desktop with a virtual environment began in 2014. The new desktop is now accessible from students' own devices and non-teaching spaces (such as eStops, libraries and residential colleges). The project will finish in April 2015 when the desktop becomes available in teaching spaces. ITS and the Division of Health Sciences also began a project in 2014 to implement a staff version of the service in the University's Christchurch campus. It is expected that this will also be rolled out in the first half of 2015.

A new lecture recording system – Otago Capture – was installed at 35 locations throughout 2014, with very positive feedback received from staff and students.

Another important achievement in 2014 was the deployment of an Otago data transfer service as part of our contribution to the National eScience Infrastructure (NeSI) project. This was connected via a new 10 gigabyte-capable link to NeSI infrastructure across New Zealand.

Human Resources

The number of staff employed by the University in 2014 increased slightly to total 3,788 in full-time equivalent (FTE) terms (2013: 3,752).

Overall, the number of academic and research-only staff increased by 11 FTE (0.7%) to 1,611, while the number of general staff increased by 25 FTE (1.2%) to 2,177. Within the academic ranks, the number of professors increased by two FTE to 203, and the number of associate professors increased by seven FTE

to 167 (4.4%). The number of senior lecturers increased by three FTE to 376, while the number of lecturers decreased by nine FTE to 167. The number of research-only staff on academic contracts increased by three FTE to 423.

The recruitment environment remained buoyant, with an average of 28.2 applications per academic staff position (2013: 22.7) and 33.3 applications per general staff position (2013: 34.2).

Equal Opportunities Report 2014

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

Relationships with iwi and Māori providers are paramount for the success of Māori and this is demonstrated by the University's cornerstone relationship with Te Rūnanga o Ngāi Tahu, and its relationships with Ngāti Whātua, Waikato-Tainui and Ngāti Toa Rangatira. The University also has memoranda of agreement with a number of Māori health and social providers throughout the country. New memoranda were signed in 2014 with Kōkiri Marae Keriana Olsen Trust and Tū Kotahi Māori Asthma Trust in Wellington and Ōnuku Rūnanga in Canterbury. These agreements recognise the longstanding relationships between the providers and the University of Otago.

The University of Otago's Māori Strategic Framework gives shape to the University's partnerships with its primary Treaty-partner Ngāi Tahu, and other iwi/Māori organisations. Excellent progress was made in 2014 towards achieving the framework's objectives regarding the success of Māori students and staff 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. Strong progress was also made towards developing a 2015-2022 update

Summary Staff Profile	2014	2013	2012	2011	2010
Full time Equivalent (FTE) Teaching and Research Staff					
Females	512	509	496	491	487
Males	676	670	666	669	680
Total	1,188	1,179	1,162	1,160	1,167
Full time Equivalent (FTE) Research-only Staff (excludes general research-only staff)					
Females	240	243	244	266	264
Males	183	178	170	189	169
Total	423	420	414	455	432
Full time Equivalent (FTE) General Staff					
Females	1,407	1,402	1,409	1,385	1,411
Males	770	750	771	748	741
Total	2,177	2,152	2,180	2,133	2,152
Total Staff	3,788	3,752	3,755	3,749	3,751

of the Māori Strategic Framework, and this is expected to be completed in 2015.

The Office of Māori Development is responsible for allocating the Māori component of Tertiary Education Commission Equity Funding within the University and this year supported a number of initiatives that contribute to the recruitment and success of Māori students. These included the Science Wānanga programme, recruitment and retention projects across the academic and service divisions, the provision of Māori scholarships, Māori business and mentoring projects, and kāiawhina positions within the academic and service divisions to provide much needed support to Māori students. The Office of Māori Development also co-ordinates the Ngāi Tahu Research Consultation Committee, which considers all research proposals at the University of Otago and provides advice on research that can impact on Māori within the Otago region and beyond. The committee was again busy in 2014.

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. The University of Otago Pacific Strategic Framework 2013-2020 formalises the University's commitment to its Pacific communities and articulates the University's commitment to improving academic outcomes for Pacific students. This work is co-ordinated by the Office of Director of Pacific Development and supported by Associate Deans Pacific and other representatives in the academic and service divisions.

The Office of Director of Pacific Development is also responsible for allocating the Pacific component of Equity Funding which, in 2014, was awarded to a variety of initiatives in support of Pacific student success.

Equal Educational Opportunities

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

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

Māori

The number of Māori students enrolled at Otago increased from 1,682 in 2013 to an all-time high of 1,776 in 2014, comprising 9.7% of the University's total domestic student EFTS, up from 9.2% in 2013.

In 2014, 67.3% of first-year Māori students at the University passed at least two thirds of the academic credits for which they had enrolled, down from 72.7% in 2013. 392 Māori students

successfully completed qualifications in 2014; a small increase from 2013 (383). The growth in undergraduate qualification completions, from 275 in 2013 to 299 in 2014, was especially pleasing.

The drop in the first-year Māori student pass rate was disappointing and the University has worked with some urgency to determine the reasons.

Te Huka Mātauraka, the Māori Centre, continued providing academic, cultural and counselling services to new and returning Māori students. Te Huka Mātauraka supports Māori students with transition into the University, with their degree-level study and academic advancement, and with celebrating their success. 2014 saw a high number of Māori students gain entry to the Division of Health Sciences professional courses and most of these students used the centre's academic support programmes. Working with the Schools Liaison Officer, Māori Resource Liaison staff and divisional kaiārahi co-ordinated the inaugural 2014 Māori academic orientation programme for first-year students. The centre also convened the 2014 National Māori Liaison Officers conference.

Special recognition of the academic achievement of Māori students was given in pre-graduation ceremonies. In 2014, students of Māori Studies 120 ("Introducing the Māori World") assisted the Māori Centre with pre-graduation ceremonies. This was well received by staff, graduands and whānau. The centre's new entrance, courtyard and other renovations have proven very welcoming and this has had a positive effect upon Te Huka Mātauraka's presence on campus for Māori students and visitors. The connection to the Te Roopu Māori/Māori Students Association space via the courtyard has affirmed the link between the Māori Centre and Te Roopu Māori.

Each of the University's four academic divisions provided tailored support for Māori students in 2014. The aim of this work is to complement the role of the Māori Centre and provide course-relevant responsive support around academic pathways and outcomes.

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

The Office of the Associate Dean Māori in the School of Business provides leadership and strategic advice on matters relating to the University's Māori Strategic Framework. The school continues its early intervention programme providing targeted assistance to first-year Māori students. Also, in collaboration with the Māori Centre's Kā Rikarika-ā-Tāne co-ordinator, the school is establishing a mentoring programme for commerce students. A number of research projects that aim to improve Māori students' experience in commerce are also being undertaken in the school.

He Kākano is an intensive four-week kaupapa Māori innovative enterprise experience for Māori business starters. He Kākano was run for the second time in 2014, assisted by one-off funding from Te Puni Kōkiri. This collaborative, cross-discipline pilot has been so successful that it is now being developed as a flagship programme unique to Otago.

Iwi to which Students Affiliated	2014			2013			2012			2011			2010		
	First Affiliation	All Affiliation		First Affiliation	All Affiliation		First Affiliation	All Affiliation		First Affiliation	All Affiliation		First Affiliation	All Affiliation	
Ngāi Tahu / Kai Tahu	396	455		386	439		394	453		381	438		362	419	
Ngāpuhi	216	285		207	277		177	242		192	254		207	289	
Ngāti Porou	147	226		117	177		125	178		134	183		126	164	
Tainui	84	137		85	139		71	118		64	108		62	94	
Don't know	56	62		44	48		33	35		30	33		27	27	
Ngāti Tūwharetoa	52	90		41	75		41	75		39	71		36	74	
Ngāti Kahungunu ki Te Wairoa	47	81		32	69		34	66		34	58		31	62	
Ngāti Maniapoto	44	74		57	83		56	77		50	68		54	73	
Te Arawa	35	60		29	54		25	48		23	42		17	34	
Ngāti Kahungunu, region unspecified	32	52		29	45		33	48		35	56		32	55	
Ngāti Raukawa (Horowhenua/Manawatū)	32	46		34	51		34	52		33	48		41	62	
Te Atiawa (Taranaki)	31	58		39	67		44	72		42	72		49	68	
Ngāti Kahungunu ki Heretaunga	29	44		28	43		25	39		27	41		34	42	
Ngāti Awa	28	51		30	50		30	53		30	51		33	50	
Tūhoe	26	62		22	61		23	67		25	62		21	56	
Te Rarawa	24	61		26	57		22	45		24	47		32	59	
Ngāti Kahungunu ki Wairarapa	23	38		21	35		24	37		22	35		27	39	
Ngāti Whātua	23	38		14	29		11	25		12	26		13	31	
Ngaiterangi	21	40		15	29		19	35		20	33		17	32	
Taranaki	20	31		20	27		15	20		12	17		4	11	
Te Ati Haunui-a-Pāpārangi	18	29		14	27		17	31		7	21		9	19	
Ngāti Raukawa, region unspecified	17	28		18	22		9	17		9	18		8	17	
Waikato	17	32		13	35		13	31		13	32		18	35	
Ngāti Raukawa (Waikato)	16	30		19	33		19	34		19	37		20	40	
Ngāti Ruanui	16	33		11	21		12	24		9	22		10	24	
Other	326	800		331	758		352	760		376	789		393	816	
Total	1,776	n/a		1682	n/a		1658	n/a		1662	n/a		1683	n/a	

Biz4Taiohi – an interactive, informative half-day programme – was run for the first time in 2014 to showcase business, commerce, entrepreneurship and tourism to senior Māori students in Dunedin secondary schools.

To help Māori students build local Māori business networks, the school funded eight annual memberships for Māori Commerce students to take part in Te Kupeka Umaka Māori ki Araiteuru (KUMA, the Southern Māori Business Network). It also continued to work with KUMA, which celebrates its 10th anniversary in 2015.

The Division of Health Sciences achieved major gains in recruitment, retention and outcomes for Māori students. In 2014 there were 235 Māori students in Health Sciences professional programmes at Otago and retention rates were excellent (>97%).

The division's Māori Health Workforce Development Unit (MHWDU) was very busy in 2014, with a further increase in Māori student numbers across many of its programmes. Of note, the number of Māori students entering Health Sciences First Year (HSFY) increased from 102 in 2013 to 142 in 2014, and this increase coincided with an enhanced programme for Māori HSFY support. With increased numbers of students and very good academic outcomes, a record number of 79 Māori students gained places in Health Sciences professional programmes in 2014.

The Te Ara Hauora programme has been effective in enhancing pathways into Health Sciences through recruitment, outreach and science engagement activity. Over 250 Māori secondary sector students have engaged in activities supported by the MHWDU. Successful programmes included the Year-13 student programme REACH (Realising Educational Aspirations for Careers in Health). In addition, 40 Year-9 to Year-11 Māori students attended the Te Rauawa o te Pahi and Rangatahi o te Moana programmes that were run as part of a partnership with Ōtākou marae, Marine Studies and the MHWDU.

MHWDU's programmes reached over 500 Māori students within the University in 2014. The 18 students in Tū Kahika excelled academically and all are expected to return to the University in 2015. Tū Taura 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.

The Division of Humanities continued with its early intervention project to assist new students. The Kaiāwhina Māori (Humanities) established Te Tai Taura – a group comprising Māori student representatives from each department in the division. Monthly hui were held following Te Tai Taura's establishment in May. The division also facilitated the launch of HMSA roopu (Humanities Māori Students' Association). Among other things, the roopu held pre-exam study nights and held social events and a sports day to grow whakawhanaungatanga within the division and with other Māori student roopu (including Te Roopu Māori). Students were also supported by divisional and departmental kaiāwhina Māori, and through various hui and workshops. The division also awarded bridging scholarships to help Māori students transition from undergraduate study to postgraduate research.

The Division of Sciences, supported implementation of the Māori Strategic Framework through Te Timatanga, the division's plan for support and development of Māori, and the Office of Te Manutaki Tuarua Māori (the Associate Dean Māori). The office worked collaboratively with Sciences Outreach to develop greater participation by Māori students in its programmes, and linked with the wider Māori community through Te Huka Mātauraka Whakahou Matauranga (Dunedin youth at risk programme) and through the Chemistry outreach team (Te Kura Kaupapa Māori o Ōtepoti Pūtaiao Akoranga).

Pūtaiao ā-ringā (Hands-On Science) supported a strong cohort of 58 Year-11 and Year-12 Māori students (25.0% of the intake). Te Kohanga Pūtaiao o Te Whare Wānanga o Otago (Otago University Advanced School Sciences Academy) promoted academic achievement in science for Year-13 Māori students, with 21.0% of their intake being Māori. He Kākano, a student entrepreneurial experience for Māori business starters was also supported, with Māori science students identified and assisted to apply for this programme. Māori students were also supported to transition to postgraduate study through summer research experience.

The division continued its outreach through the 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 increased emphasis on professional development for science teachers from contributing schools, in conjunction with the Otago University Advanced School Sciences Academy.

The Science Wānanga programme was piloted in partnership with Ngāti Porou and schools in the East Coast area in 2007, and subsequently 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 has continued to expand in 2014 with delivery of wānanga for Te Atiawa (Te Tau Ihu) at Waikawa Marae (Marlborough) and Te Rūnanga o Ngāti Whātua around Kaipara Harbour at Ngā Tai Whakrongorua marae, as well as with the Hawke's Bay District Health Board, Kia Ora Hauora and Te Taiwhenua o Heretaunga in Hastings at Omahu 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

A massive rise in first-year Pacific enrolments record played a key role in pushing total Pacific enrolments at Otago to an all-time high of 751 students. This was a 12.3% increase from 2013 (669 Pacific enrolments). Proportionally, Pacific students increased to 3.9% of total domestic student EFTS (2013: 3.3%).

142 Pacific students successfully completed qualifications in 2014, down from 2013 (165 completions). 54.6% of first-year Pacific students at the University passed at least two thirds of the academic credits for which they had enrolled, up from 53.2% in 2013.

Services Provided by the Pacific Islands Centre	2014	2013	2012	2011	2010
Registered with the centre	742	667	661	702	681
Extra tutorials	79	64	58	72	75
Career advisory services seminar	11	9	4	4	6
Students receiving course advice	3,084	1,795	739	366	285
Pacific postgraduate seminars	12	15	13	10	11
Student gatherings	177	141	92	31	39
Community meetings/consultation	124	55	54	23	26
Community functions attended	76	98	74	41	45
Students receiving counselling	983	588	391	138	394

The decrease in Pacific qualification completions was partly a pipeline effect of a low intake of first-year students in 2011, and partly a reflection of the strengthening job market (and other external factors). The increase in the first-year Pacific student pass rate was pleasing, and the University remains committed to further improvement.

The University's Pacific Islands Centre facilitated an extensive programme of academic and pastoral support services for Pacific students in 2014. Performance data (as per the table above) shows the centre increased provision of support across the majority of its activities in 2014. The centre also remained active in its outreach to local and national Pacific communities; activities included a special study support programme for Pacific students in Dunedin secondary schools.

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

The Fofoa Accommodation Scheme, which was piloted in 2014, provided accommodation for Pacific first-year students in flats near the Dunedin campus. Along with live-in residential assistant support, the flats were supported by the Pacific Islands Centre. All students in the scheme were required to attend tutorials run by University departments and the Pacific Islands Centre, and pass rates among these students were higher than the Pacific first-year average. The scheme will continue in 2015.

Each of the University's four academic divisions provided tailored support for Pacific students in 2014. 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 Division of Commerce implemented an early intervention programme similar to that already in place in the Division of Humanities. A network of Commerce Pacific Island students is growing and the space dedicated for them two years ago

continues to be well used. Improved academic performance among the division's first-year Pacific students was a notable aspect of the University's overall improvement in Pacific first-year pass rates in 2014.

The Division of Health Sciences continues to prioritise growth and support for Pacific students and staff. In 2014, an Associate Dean (Pacific) position was established to support strategic Pacific endeavours on the Christchurch Campus. There are now Associate Deans (Pacific) at a divisional level, at the Wellington and Christchurch campuses, and in the Dunedin School of Medicine.

The division's Pacific Islands Research and Student Support Unit (PIRSSU) runs comprehensive and targeted support and has seen increased participation and numbers across all programmes. Since the implementation of the Division of Health Sciences Pacific Strategic Plan in 2011, the number of Pacific students in health professional tertiary programmes has increased by 28.0%. There have been pronounced increases in the medicine and dentistry programmes, with 18 students starting medicine and four starting dentistry in 2014. Pacific students made up 6.0% in both programmes' domestic student intake.

In 2014, an increase in the number of Pacific Health Sciences First Year (HSFY) saw the Pacific Orientation Programme at Otago (POPO) grow from 66 in 2013 to 108. The support programme provides mentoring and targeted academic tutorials to help offset any unpreparedness among students entering the University.

The senior student programme, POPO PLUS, continued to develop in 2014 with more students in the health professional programmes and Otago School of Medical Sciences (OSMS). There was a 98.0% pass rate for Pacific students in the health professional programmes and 68.0% pass rate for students in the OSMS – the highest pass rate seen thus far for this cohort.

The Pacific Foundation Programme (PFP), which operates through the University's Foundation Studies subsidiary, ran for its third year in 2014, with 13 students being offered a scholarship. Of the 20 students who have completed the programme in 2012 and 2013, 17 have continued on to health-related undergraduate study.

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 2014, the University enrolled 1,076 students who identified as having a disability affecting study (2013: 1,000). Support in the form of learning assistance and/or special equipment requiring a specific financial commitment was provided to 546 students with disabilities in 2014 (2013: 518). 1,338 instances of support were provided in the form of note-taking, assistance with examinations, tutoring, transcription or typing (2013: 1,213) along with many hours of individual consultations with students provided by the team of trained advisors.

A new manager was appointed to Disability Information and Support in 2014, following the passing in late 2013 of Donna-Rose McKay, who had served at the University since 1992. A great deal of 2014 was dedicated to rebuilding the team and ensuring the work started by Donna-Rose progressed. In addition, Paul Gibson, Disability Rights Commissioner with the Human Rights Commission, delivered a memorial lecture for Donna-Rose titled *Te mana o uenuku: The critic and conscience to an increasingly diverse society*.

The two Alumni Disability Support Scholarships created in 2013 were renamed the Donna-Rose McKay Disability Scholarships. The scholarships were awarded in 2014 to students with demonstrated academic ability and identified financial need arising from a disability. In addition, the NG Stewart Scholarship (valued at \$1,500) was awarded to a student with academic ability and a commitment to the area of disability.

Disability Information and Support hosted or participated in a number of teaching initiatives and disability awareness-raising events at the University in 2014, including a keynote presentation at the General Staff Conference, sessions with residential college staff, library staff and other University staff. The 2014 Inclusive Teaching Award was also presented as part of the OUSA Teaching Awards, and 19 individuals or groups were presented with a Disability Information and Support Appreciation Award. This acknowledged the outstanding work by University staff in this area.

Equal Employment Opportunities

In 2014, the number of women in senior academic positions (senior lecturer and above) increased by 5 FTE (1.9%) to 275 FTE staff. Women comprised 36.5% of all staff at this level (2013: 36.4%). This proportion represents a significant improvement on the 24.7% seen as recently as 2005.

While the majority of general staff are female, women continue to be under-represented at the senior manager level of general staff (comprising 43.3% in 2014) – though this is less pronounced than the disproportionality evident among senior academic staff.

The Women's Professional Development Programme was extended in 2014 with a joint (Higher Education Development Centre and Human Resources) mentoring programme promoted through the Staff Women's Caucus and providing mentors for 26 female staff from the Dunedin and Wellington campuses. Career development workshops were attended by a total of 36 women, and an online career reflection tool (Pathways) was piloted across all campuses and accessed by 141 women. The University continued its support of the Universities New Zealand Women in Leadership Programme, sending five senior women to the programme in 2014.

The University provided four Treaty of Waitangi workshops and two advanced Treaty of Waitangi workshops, and these were attended by 113 staff. Six *te reo* workshops were conducted in 2014; attended by 91 staff. Workshops were also run on the Policy for Research Consultation with Māori and these were attended by 17 staff.

The Professional Development Programme promoted diversity and inclusivity through the following workshops: creating an inclusive environment; cross cultural awareness; diversity: raising awareness; international students: cultural differences and their impact; mental health: face to face with student issues; and Pacific awareness. The Pacific awareness workshop was held twice in 2014 and attended by 30 staff. Diversity topics were also included into the two main programmes delivered by Professional Development: The Essential Management Programme and Supervisory Skills.

Learning Assistance Support for Students With Disabilities	2014	2013	2012	2011	2010
Note-taking	497	342	290	235	212
Tutoring	310	255	182	164	126
Transcription/typing	3	1	1	3	5
Reader	1	0	0	0	3
Assistant	3	1	0	2	0
Examination arrangements	524	614	335	278	277
Scanning	0	0	0	0	0
Other	292	273	156	120	120

Other Staff Support Initiatives

The Health and Safety training programme drew strong attendance in 2014. Reporting levels for hazards and near-miss events increased, allowing targeted preventive actions to be taken. There were 136 work-related ACC claims for the year and the University retained its tertiary-level accreditation in the ACC Partnership Programme. Approximately 2,000 staff were vaccinated against influenza by the Health and Safety team.

The Employee Assistance Programme 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 providing a grant to support the association's pre-school care facilities. The new, expanded Childcare Centre opened in May 2014, and the association accommodated childcare for approximately 170 University children.

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 72 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 354 individual trust funds. Each fund has specific terms and conditions stating the purpose for which the funds can be distributed to the University.

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

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

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

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

The investments managed by the Foundation Trust have achieved an average return of 7.0% per annum over the last 10 years. Although the global financial crisis has affected returns in several of these years, the impact was less than that suffered by other similar funds.

2014 achievements

The net investment return for the 2014 year was 11.4% (2013: 6.6%). The total fund value as at 31 December 2014 was \$184.6 million (2013: \$169.1 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.

2014 achievements

In 2014, the Foundation Year provided academic tuition to 300 individual domestic and international students, generating 261 EFTS enrolments. This was 5.0% (25 EFTS) lower than for 2013 (275 EFTS). The decline was centred upon international enrolments, which decreased from 161 EFTS (2013) to 125 EFTS (2014) – a drop of 36 EFTS or 22.7%. Partly counterbalancing the decrease in international EFTS, domestic EFTS enrolments were up by 23 EFTS or 20.2% (2014: 136 EFTS; 2013: 113 EFTS).

The Language Centre had 148 EFTS in 2014, a 13.0% increase from 2013 (131 EFTS). This improved performance stemmed, in part, from increased numbers of Japanese, Korean and Thai students.

FSL generated an overall operating surplus of \$451k for the year, which was 33.2% lower than 2013 (a surplus of \$675k). The drop in operating reflected the decrease in full-fee international enrolments, though this was partially offset by strong domestic enrolments and growth in Language Centre EFTS.

Otago Innovation Limited

Overview

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

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:

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.

2014 achievements

Reflecting the University's increased emphasis on commercialisation, the number of commercial opportunities presented to Otago Innovation increased from 28 in 2013 to 51 in 2014.

The Otago Innovation Proof of Concept Grant competition was contested by a record 18 entries in 2014. The winner was

Dr Elspeth Gold, a lecturer and researcher in the Department of Anatomy, whose proposal to further develop testing for a biomarker of prostate cancer could revolutionise the diagnosis of this cancer. The runner-up was Dr Monica Gerth, an early-career researcher in Biochemistry. Dr Gerth's proposal is to develop antimicrobial enzymes that can be used to prevent biofilm formation¹.

Several technologies were successfully commercialised over the course of 2014. One that captured significant media and international interest was "Freedom4", a qPCR (quantitative polymerase chain reaction) device that is being commercialised by Ubiquitome. Freedom4 is a portable device that can multiply a small amount of DNA and identify a micro-organism in about one hour. It has widespread application, including in medicine and environmental science.

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.

Genomics² 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.

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.

1 Biofilms cause at least 65% of all human infections.

2 Genomics is a branch of molecular biology concerned with the structure, function, evolution and mapping of genomes.

2014 achievements

In 2014, NZGL had 612 enquiries and agreed 274 service agreements with clients from across the country. This compares with 458 enquiries and 189 service agreements in 2013. NZGL made available a genomics infrastructure worth \$5.9 million to the community, and services valued at \$5.0 million were contracted (2013: \$5.6 million; \$3.6 million). The total billed amount to clients was \$2.8 million (2013: \$2.1 million).

NZGL also assisted with the development of genomics research capability amongst scientists across New Zealand by supporting the production of over 100 research publication outputs and running 43 workshops and seminars to promote the use of genomics. NZGL worked alongside principal investigators in the following sectors: DHBs 1.0%, private companies 3.0%, CRIs 25.0%, research institutes 4.0% and universities 67.0%. Outcomes thus included academic, industry and public good deliverables.

NZGL attracted media coverage for its role in data transfer solutions for research organisations, for the breadth of research supported by facilitating access to genomics technologies and for the purchase of nanoString genomic nCounter Analysis system equipment to increase capacity offered to New Zealand scientists.



Financial review 2014

The University's final enrolment for 2014 was a total of 18,830 equivalent full-time students (EFTS), and included 261 EFTS enrolled in the University's Foundation Studies subsidiary. This was a small decline of 44 EFTS (0.2%) compared to 2013 as the welcome return to domestic growth for the first year since 2010 was not quite sufficient to offset international enrolment decline.

Domestic growth was largely due to the positive pipeline impact of a third successive year of first-year domestic growth. This growth exceeded the fading negative pipeline impact of measures taken internally, starting in 2011, to lift the academic calibre of the student cohort by raising entry standards and tightening academic progress requirements.

The reasons for the small international decline were complex and included the winding down of a number of contracts with overseas governments for professional degrees, and the flow-on impact of a reduction in the size of the international student cohort in New Zealand secondary schools.

The final total of Student Achievement Component (SAC) eligible enrolments for the 2014 calendar year fell short of the number of places funded by the Tertiary Education Commission by 1.5% in both EFTS and dollar terms. Under the terms of the government's 99% to 105% funding threshold rules, this result triggered a requirement to repay \$1.2 million in SAC funding. This repayment, which represented 0.5% of the University's SAC funding for 2014, has been accounted for in the 2014 financial statements.

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 \$33.6 million for the year. The surplus was \$4.3 million (14.6%) higher than the budget, mainly due to the excellent performance of the University of Otago Foundation Trust. The surplus was \$12.4 million (26.9%) lower than last year, mostly due to the recognition of \$10.8 million of earthquake related insurance recoveries in 2013. This surplus represented a return of 5.3% on revenue of \$638.4 million and 2.0% on equity of \$1.7 billion. This was above the Tertiary Education Commission's guidelines of 3.0% and 1.2% respectively.

The University's operating surplus for the year was \$16.1 million. This was \$4.5 million (21.6%) lower than budget mainly due to two one-off, and unbudgeted, items. The first was an increase in the cost of long-term staff benefits of \$2.7 million. This is calculated actuarially and increases when there is a fall in the long-term interest rates that are used to discount future costs back to present values. The second was a reduction in the value of the University's shareholding in Pacific Edge Limited. The share price fell from \$1.33 per share at 31 December 2013 to \$0.85 per share at 31 December 2014, an adverse impact of \$1.3 million.

The University of Otago Foundation Trust provided an operating surplus of \$15.5 million for the year, which was \$7.8 million (100.3%) higher than budget. The diversified investment portfolio of the Trust continued to produce good returns with a net return on investment for the year of 11.4%. The average net return over the last 10 years was 7.02%.

The companies owned by University of Otago Holdings Limited produced a surplus of \$1.0 million for the year, which was \$0.4 million better than budget and an improvement over the 2013 break-even position.

Total cash flow for the Group for the year was a net outflow of \$4.7 million, which was very close to the budgeted outflow of \$4.8 million.

The University continued to invest heavily in fixed assets, with cash outflow for capital expenditure of \$63.8 million for the year. While this was \$6.7 million higher than last year, it fell short of budget by \$19.0 million. This was largely due to the longer than expected planning phase for the top three projects on the Priority Development Plan – the refurbishment and extension of the Dental School, the construction of a new research facilities building in the Health Precinct and the extensive laboratory redevelopment in the Sciences Precinct. It is pleasing to report that all three of these projects are nearing the end of their design phase and are expected to enter construction in late 2015, early 2016.

To fund these projects the University has accumulated cash over several years and now has \$109.2 million in hand at year end. This is a planned strategy to limit borrowing during the construction period.

Total assets for the Group were \$1.9 billion at year end, an increase of \$218.8 million over 2013, due to a net increase of fixed assets of \$191.4 million, an increase in investments of \$25.5 million and an increase in current assets of \$1.9 million.

Conclusion

Overall, the financial outcome for 2014 was pleasing, given the current environment of constrained revenue growth and increasing costs. The operating surplus achieved was, in no small part, the result of careful budget management by staff from across the University.

Strong cash flows were again a feature of the year and resulted in an increase in the University's cash holdings at year end. This will be particularly important to meet the funding requirements of the Priority Development Plan which includes a number of key building projects for the University over the next decade.

While the University will enter 2015 in a very strong financial position, it would not be prudent to underestimate the challenges ahead. Maintaining the high quality of the University's services to students and other stakeholders, while also generating sufficient cash to make planned improvements to the University's infrastructure, will require careful fiscal management and innovative growth strategies.

A J Patrick
Chief Operating Officer

Statement of responsibility

2014 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 2014 fairly reflect the financial position and operations of the University of Otago.

Chancellor

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31 March 2015

Vice-Chancellor

[]

31 March 2015

Chief Operating Officer

[]

31 March 2015

Statement of accounting policies

for the year ended 31 December 2014

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

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

The Group Subsidiary and Associate companies are:

- University of Otago Holdings Limited. Holding company. 100% owned by the University.
- Otago Innovation Limited. Company to hold and develop the commercial interests of the University. 100% owned by University of Otago Holdings Limited.
- University of Otago Foundation Studies Limited. Operates the foundation year programme and an English language school. 100% owned by University of Otago Holdings Limited.
- New Zealand Genomics Limited. Was set up in collaboration with the University of Auckland and Massey University with the objective of creating a national infrastructure for making advanced genomics technologies accessible and affordable for New Zealand scientists, while also being accessible to commercial organisations. 100% owned by University of Otago Holdings Limited.
- Unipol Recreation Limited. 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. 28% 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. 40% owned by Otago Innovation Limited.

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

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

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

The financial statements of the University and Group are for the year ended 31 December 2014. The financial statements were authorised for issue by Council on 31 March 2015.

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

Funding 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 recorded at their fair value being either their face value, or net present value, depending on the value of the pledge and the length of time over which the pledged donations will be received. Refer to Note 19 for the discounted value of the pledges.

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 income has been established.

Revenue from the 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 2013.

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 2014 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).

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.

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

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	2.0%
Structure including walls	30 to 250	0.4% to 3.3%
Roof	25 to 100	1.0% to 4.0%
Plumbing	40 to 50	2.0% to 2.5%
Lifts	40	2.5%
Heating and ventilation	30 to 50	2.0% 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	40 to 60	1.7% to 2.5%
Electrical	40 to 50	2.0% to 2.5%
Data network	20	5.0%
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 60	1.7% to 25.0%
Computers and photocopiers	4 to 10	10.0% to 25.0%
iPads & similar tablet devices	3	33.3%
Library collections	5 to 10	10.0% to 20.0%

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 2014 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. Loans

Borrowings are recognised at their face value.

13. 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.

14. 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.

15. Financial Instruments

Financial instruments are contracts that give rise to financial assets and liabilities or an equity instrument in another enterprise. A financial instrument is recognised when the Group becomes party to its contractual provisions.

A financial asset is cash, a contractual right to receive cash or another financial instrument from another enterprise. A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument to another enterprise. An equity instrument is any contract that evidences a residual interest in the assets of another enterprise after deducting all of its liabilities.

Categories of investment and financial assets held by the Group

Loans and receivables (including cash and cash equivalents, trade and other receivables and other financial assets)

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

Available for sale securities (other financial assets)

Available for sale investments are those non-derivative financial assets, principally equity securities, that are designated as available for sale or not otherwise classified in previous categories. After initial recognition available for sale securities are measured at fair value with gains or losses being recognised through surplus or deficit in the Statement of Financial Performance.

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the Statement of Financial Position date. For investments with no active market, fair values are determined using valuation methods. Investments whose fair values cannot be reliably measured are accounted for at cost and amortised where necessary.

Impairment of financial assets

At each balance date, the University and Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the Statement of Financial Performance or Statement of Comprehensive Income.

Loans and receivables (including cash and cash equivalents, trade and other receivables and other financial assets)

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

16. Statement of Cash Flows

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

17. 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.

18. 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.

19. 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).

20. 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.

21. 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 2014

		This Year \$000	Consolidated Budget \$000	Last Year \$000	This Year \$000	University Budget \$000	Last Year \$000
	Note						
INCOME							
Government Grants	1	219,792	220,891	217,527	218,788	219,963	216,587
Domestic Tuition Fees		101,742	103,357	97,247	101,127	102,953	96,773
International Tuition Fees		43,617	47,004	44,013	38,745	41,789	38,907
Investment Income	2	28,001	19,651	20,473	7,195	5,856	8,738
Externally Funded Research		86,201	81,221	85,342	85,471	80,459	84,672
Performance Based Research Funding		55,664	55,507	53,389	55,664	55,507	53,389
Distributions from Trust Funds		-	-	-	8,031	6,893	6,145
Consulting and Commercial Income		75,520	75,289	74,282	75,042	72,673	72,870
Sale of Intellectual Property		518	1,176	1,028	68	426	351
Trust Donations		5,385	2,173	4,789	-	-	-
Other Income		21,949	23,760	37,859	21,456	22,994	37,211
Total Income		638,389	630,029	635,949	611,587	609,513	615,643
EXPENDITURE							
Salaries - Academic		199,560	196,125	194,593	197,235	194,237	192,450
Salaries - General		151,242	148,639	145,938	148,127	145,313	142,519
Staff Related Costs		23,984	21,159	19,228	23,790	20,865	19,039
Consumables and General		108,229	110,473	104,523	104,955	104,635	99,846
Depreciation and Amortisation	3	56,314	55,932	56,850	56,112	55,726	56,650
Occupancy Costs		33,926	37,116	39,321	33,833	37,028	39,235
Scholarships		31,559	31,278	29,550	31,392	31,112	29,387
Total Expenditure	3	604,814	600,722	590,003	595,444	588,916	579,126
Net Surplus for the Year		33,575	29,307	45,946	16,143	20,597	36,517

Statement of Comprehensive Income

for the year ended 31 December 2014

		This Year	Consolidated	Last Year	This Year	University	Last Year
	Note	\$000	Budget \$000	\$000	\$000	Budget \$000	\$000
Net Surplus for the Year		33,575	29,307	45,946	16,143	20,597	36,517
Other Comprehensive Income							
Revaluation / (Impairment) of Fixed Assets	8	183,399	-	-	183,399	-	-
Other		(181)	-	-	-	-	-
Total Other Comprehensive Income		183,218	-	-	183,399	-	-
Total Comprehensive Income		216,793	29,307	45,946	199,542	20,597	36,517

Statement of Changes in Equity

for the year ended 31 December 2014

		This Year	Consolidated	Last Year	This Year	University	Last Year
	Note	\$000	Budget \$000	\$000	\$000	Budget \$000	\$000
Opening Equity Balance		1,491,777	1,478,361	1,445,831	1,225,779	1,210,636	1,189,262
Total Comprehensive Income for the Year		216,793	29,307	45,946	199,542	20,597	36,517
Adjustments		(1)	-	-	(1)	-	-
Closing Equity Balance		1,708,569	1,507,668	1,491,777	1,425,320	1,231,233	1,225,779

Statement of Financial Position

as at 31 December 2014

			Consolidated			University	
	Note	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
ASSETS							
Current Assets							
Cash and Cash Equivalents	4	14,375	11,965	19,037	4,183	5,000	5,310
Other Financial Assets	5	117,196	104,710	108,065	101,858	82,936	87,806
Trade and Other Receivables and Prepayments	6	31,170	22,762	33,767	33,036	23,113	34,558
Inventory		783	636	705	783	636	705
Total Current Assets		163,524	140,073	161,574	139,860	111,685	128,379
Non-Current Assets							
Investments in Associates	7	2,797	3,607	2,833	-	-	-
Other Financial Assets	5	194,846	176,165	169,310	52,127	47,240	49,149
Property, Plant and Equipment	8	1,491,579	1,362,223	1,305,472	1,369,336	1,239,586	1,184,091
Intangible Assets - Internally Generated	9	179	-	544	179	-	544
Intangible Assets - Externally Generated	9	26,881	23	21,261	26,820	-	21,206
Total Non-Current Assets		1,716,282	1,542,018	1,499,420	1,448,462	1,286,826	1,254,990
TOTAL ASSETS		1,879,806	1,682,091	1,660,994	1,588,322	1,398,511	1,383,369
LIABILITIES							
Current Liabilities							
Trade and Other Payables and Accruals	10	48,379	47,155	44,828	53,166	50,694	49,321
Funds Received in Advance	11	42,382	45,010	48,080	30,179	35,181	32,736
Employee Entitlements	12	44,999	45,340	43,635	44,804	45,088	43,423
Total Current Liabilities		135,760	137,505	136,543	128,149	130,963	125,480
Non-Current Liabilities							
Employee Entitlements	12	34,853	36,315	32,110	34,853	36,315	32,110
Loans and Leases	13	624	603	564	-	-	-
Total Non-Current Liabilities		35,477	36,918	32,674	34,853	36,315	32,110
EQUITY							
General Reserve	14	934,720	907,780	901,327	651,471	631,345	635,329
Property Revaluation Reserve	14	773,849	599,888	590,450	773,849	599,888	590,450
Total Equity		1,708,569	1,507,668	1,491,777	1,425,320	1,231,233	1,225,779
TOTAL LIABILITIES AND EQUITY		1,879,806	1,682,091	1,660,994	1,588,322	1,398,511	1,383,369

The Statement of Accounting Policies and the Notes to the Financial Statements form part of and are to be read in conjunction with this statement.

Statement of Cash Flows

for the year ended 31 December 2014

		Consolidated			University		
	Note	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
OPERATING ACTIVITIES							
<i>Cash was provided from:</i>							
Government Grant/PBRF		274,510	271,797	271,829	273,502	270,859	270,877
Revenue from Fees		155,132	163,333	152,541	150,176	157,593	146,511
Revenue from Services		179,801	167,371	179,063	184,126	172,442	181,222
Investment Income		12,714	12,741	14,261	6,538	6,092	5,851
		622,157	615,242	617,694	614,342	606,986	604,461
<i>Cash was applied to:</i>							
Employees and Suppliers		542,234	539,195	535,992	533,620	528,412	525,538
		542,234	539,195	535,992	533,620	528,412	525,538
Net Cash Flows from Operating Activities		79,923	76,047	81,702	80,722	78,574	78,923
INVESTING ACTIVITIES							
<i>Cash was provided from:</i>							
Investments		15,874	8,539	29,929	913	5,039	1,687
Investments - Subsidiaries, Associates and Other		-	-	-	-	(299)	-
Sale of Property, Plant and Equipment		184	50	204	184	50	204
		16,058	8,589	30,133	1,097	4,790	1,891
<i>Cash was applied to:</i>							
Investments		36,829	6,677	48,266	19,250	4,417	24,175
Investments - Subsidiaries, Associates and Other		-	-	-	-	(99)	-
Property, Plant and Equipment Acquired		63,814	82,765	57,155	63,696	82,645	57,074
		100,643	89,442	105,421	82,946	86,963	81,249
Net Cash Flows from Investing Activities		(84,585)	(80,853)	(75,288)	(81,849)	(82,173)	(79,358)
FINANCING ACTIVITIES							
<i>Cash was provided from:</i>							
Loans raised		-	-	2	-	-	-
Decrease in University Current Account		-	-	-	-	-	-
		-	-	2	-	-	-
<i>Cash was applied to:</i>							
Increase in University Current Account		-	-	-	-	-	-
Reduce Liabilities		-	-	-	-	-	-
		-	-	-	-	-	-
Net Cash Flows from Financing Activities		-	-	2	-	-	-
Total Cash Flows		(4,662)	(4,806)	6,416	(1,127)	(3,599)	(435)
Opening Balance		19,037	16,771	12,621	5,310	8,599	5,745
Closing Balance		14,375	11,965	19,037	4,183	5,000	5,310
<i>Represented by:</i>							
Cash and Cash Equivalents	4	14,375	11,965	19,037	4,183	5,000	5,310

The Statement of Accounting Policies and the Notes to the Financial Statements form part of and are to be read in conjunction with this statement.

Reconciliation of the Net Surplus

with the net cash flows from operating activities
for the year ended 31 December 2014

Note	Consolidated		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Net Surplus	33,575	45,946	16,143	36,517
<i>Plus (Less) Non-Cash Items</i>				
Adjustment to Staff Entitlements	2,743	(1,855)	2,743	(1,855)
Non-Cash Dividends Received	(2,074)	(2,579)	-	-
Adjustment to Investments	(12,255)	(3,394)	(9)	(2,685)
Dunedin City Tertiary Accommodation Trust	(358)	(523)	-	-
Increase (Decrease) in Loans from External Trust Funds	59	32	-	-
Non-Cash Donations	(1,234)	(491)	-	-
Share of Associates Surpluses	(91)	(31)	-	-
Depreciation and Property, Plant and Equipment Written Off	56,314	56,850	56,112	56,650
Gain/(Loss) on Disposal of Property, Plant and Equipment	48	116	48	129
Other Non-Cash Items	(181)	540	-	-
Total Non-Cash Items	42,971	48,665	58,894	52,239
<i>Plus (less) movements in other working capital items:</i>				
Decrease (Increase) in Trade and Other Receivables	4,561	(10,764)	3,796	(11,999)
Decrease (Increase) in Prepayments	(2,036)	(294)	(2,036)	(294)
Decrease (Increase) in Inventory	(78)	(111)	(78)	(111)
Increase (Decrease) in Trade and Other Payables	5,264	958	5,179	677
Increase (Decrease) in Employee Entitlements	1,364	741	1,381	719
Increase (Decrease) in Funds Received in Advance	(5,698)	(3,439)	(2,557)	1,175
Total Movements in Other Working Capital Items	3,377	(12,909)	5,685	(9,833)
Net Cash Flows from Operating Activities	79,923	81,702	80,722	78,923

Statement of Commitments and Contingencies

as at 31 December 2014

	University and Consolidated This Year \$000	Last Year \$000
COMMITMENTS		
<i>Capital works and equipment:</i>		
Capital Works	7,294	17,746
Equipment and Other	1,079	1,326
	8,373	19,072
Non-cancellable property operating leases:		
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	3,790	3,120
Later than 1 year and not later than 2 years	3,578	2,300
Later than 2 years and not later than 5 years	5,321	4,987
Later than 5 years	3,327	3,185
Total Commitment	16,016	13,592
Total Commitments	24,389	32,664

CONTINGENT LIABILITIES

The University provided a guarantee to the Bank of New Zealand for a bond given by the bank to the Dunedin City Council, over the siting of some temporary buildings.

50 50

There were several personal grievance and employment related claims against the University.

2 25

Legal proceedings against the University

125 -

CONTINGENT ASSETS

There were no Contingent Assets.

Notes to and Forming Part of the Financial Statements

for the year ended 31 December 2014

	This Year \$000	Consolidated Budget \$000	Last Year \$000	This Year \$000	University Budget \$000	Last Year \$000
Note 1 GOVERNMENT GRANTS						
Vote Education	217,578	218,660	215,257	216,574	217,732	214,317
Vote Health	2,214	2,231	2,270	2,214	2,231	2,270
Total Government Grants	219,792	220,891	217,527	218,788	219,963	216,587

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.

	This Year \$000	Consolidated Budget \$000	Last Year \$000	This Year \$000	University Budget \$000	Last Year \$000
Note 2 INVESTMENT INCOME						
Interest from Bank Term Deposits	8,152	6,695	7,359	7,020	5,700	6,053
Loans and Receivables						
Interest from Loans and Advances	166	156	-	166	156	-
Interest from Government and Public Stock	568	581	617	-	-	-
Interest from Corporate Bonds and Notes	2,399	2,699	2,656	-	-	-
Income from Associate Companies	693	65	31	-	-	-
Dividends from New Zealand Company Equities	2,734	2,677	2,779	-	-	-
Dividends from Australian and Global Company Equities	2,072	1,962	1,757	-	-	-
Realised Gains/(Losses) on Sale of Equities	(246)	-	1,845	9	-	191
Realised Foreign Exchange Gains/(Losses)	(395)	-	23	-	-	-
Unrealised Gains/(Losses) on Revaluations of Investments	12,105	4,816	7,614	-	-	2,494
Unrealised Foreign Exchange Gains/(Losses)	(247)	-	(4,208)	-	-	-
Total Investment Income	28,001	19,651	20,473	7,195	5,856	8,738

	This Year \$000	Consolidated Budget \$000	Last Year \$000	This Year \$000	University Budget \$000	Last Year \$000
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Note 3 REQUIRED DISCLOSURES

Statement of Financial Performance

Total Expenditure includes:

Fees to Principal Auditor (Audit NZ)

- Audit fees for Financial Statement audit	313	294	300	191	175	183
- Fees for Other Services *1	9	9	9	9	9	9
- Audit Disbursements	8	8	15	8	8	15

Total	330	311	324	208	192	207
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*1 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 and Equipment (refer Note 8)	53,774	52,923	53,638	53,600	52,740	53,462
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Amortisation - Intangible Assets (refer Note 9)	2,540	3,009	3,212	2,512	2,986	3,188
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Total Depreciation/Amortisation	56,314	55,932	56,850	56,112	55,726	56,650
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Profit/(Loss) on Disposal of Fixed Assets	48	(19)	116	48	(19)	129
Interest Expense	259	154	15	259	154	263
Bad Debts Written Off	71	134	97	67	134	97
Lease Payments	5,307	5,280	5,428	5,307	5,280	5,428
Losses from Associate Companies	-	-	63	-	-	-
Directors Remuneration	143	138	123	-	-	-
Trustees Remuneration	7	12	7	-	-	-
Fees paid to Lay Council Members (see below)	79	108	80	79	108	80

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	4	3
D C Cull	2	2
L Edgar (term ceased Dec 2013)	-	5
F B Hernandez	3	4
S J Higgs	3	4
L P Isaacs	14	15
S J McLauchlan	5	5
D C Matahaere-Atariki	3	2
M J M Sidey	4	4
R J Somerville	7	7
R A Sycamore-Smith (term Jan - Nov 2014)	5	-
R H Tobin	4	4
J F Ward	25	25
Total Earned	79	80

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	16	15
L P Isaacs	2	1
S J McLauchlan	11	11
M J Sidey	1	1
R J Somerville	1	2
J F Ward	22	21
Total Earned	53	51

	This Year \$000	Consolidated Budget \$000	Last Year \$000	This Year \$000	University Budget \$000	Last Year \$000
Note 4 CASH AND CASH EQUIVALENTS						
Cash at Bank and In Hand	768	164	474	630	-	339
Bank On-Call Deposits	8,007	9,801	8,911	3,553	5,000	3,971
Short-term Deposits maturing 3 months or less from date of acquisition	5,600	2,000	9,652	-	-	1,000
Total Cash and Cash Equivalents	14,375	11,965	19,037	4,183	5,000	5,310

	This Year \$000	Consolidated Budget \$000	Last Year \$000	This Year \$000	University Budget \$000	Last Year \$000
Note 5 OTHER FINANCIAL ASSETS						
Current Portion						
<i>Loans and receivables</i>						
Other Loans	858	936	806	858	936	806
Pledged Donations	686	320	820	-	-	-
Short-term Deposits with maturities of greater than 3 months from date of acquisition	113,101	100,800	101,245	101,000	82,000	87,000
<i>Fair value through Statement of Financial Performance</i>						
Local Body and SOE Stock and Corporate Bonds	2,551	2,654	5,194	-	-	-
Total Current Portion	117,196	104,710	108,065	101,858	82,936	87,806
Non-Current Portion						
<i>Loans and receivables</i>						
Other Loans	12,872	12,856	12,518	12,872	12,856	12,518
Pledged Donations	1,861	620	1,090	-	-	-
<i>Fair value through Statement of Financial Performance</i>						
Term Deposits with maturities of 1-5 years	9,029	2,000	2,010	4,000	-	-
Local Body and SOE Stock and Corporate Bonds	42,499	51,451	44,640	-	-	-
Shares in Listed Equities	128,060	109,134	108,948	2,469	1,598	3,845
Shares in Other Companies	525	104	104	-	-	-
<i>Shares in Subsidiary</i>						
Shares in Subsidiary	-	-	-	7,786	7,786	7,786
Investment in in-substance Subsidiary	-	-	-	25,000	25,000	25,000
Total Non-Current Portion	194,846	176,165	169,310	52,127	47,240	49,149
Total Other Financial Assets	312,042	280,875	277,375	153,985	130,176	136,955

The maturity profile for other financial assets is as follows:

	This Year \$000	Consolidated Interest rate	Last Year \$000	This Year \$000	University Interest rate	Last Year \$000
Less than One year						
<i>Loans and Receivables</i>						
Other Loans	858	1.00%	806	858	1.00%	806
Pledged Donations	686		820	-		-
Short term Deposits with maturities of greater than 3 months from date of acquisition	113,101	4.41%	101,245	101,000	4.77%	87,000
<i>Fair value through Statement of Financial Performance</i>						
Local Body and SOE Stock and Corporate Bonds	2,551	7.23%	5,194	-	-	-
Total Current Portion	117,196		108,065	101,858		87,806
1 to 5 years						
<i>Loans and Receivables</i>						
Other Loans	3,439	1.00%	3,332	3,439	1.00%	3,332
Pledged Donations	976		990	-		-
<i>Fair value through Statement of Financial Performance</i>						
Term Deposits with maturities of 1-5 years	9,029	5.40%	2,010	4,000	5.28%	-
Local Body and SOE Stock and Corporate Bonds	37,748	5.77%	33,161	-		-
More than Five years						
<i>Loans and Receivables</i>						
Other loans	9,433	1.00%	9,186	9,433	1.00%	9,186
Pledged Donations	885		100	-		-
<i>Fair value through Statement of Financial Performance</i>						
Local Body and SOE Stock and Corporate Bonds	4,751	5.70%	11,479	-		-
Shares in Listed Companies	128,060		108,948	2,469		3,845
Shares in Other Companies	525		104	-		-
Other						
Shares in Subsidiary	-		-	7,786		7,786
Investment in in-substance Subsidiary	-		-	25,000	0.00%	25,000
Total Term Portion	194,846		169,310	52,127		49,149
Total Loans and Receivables	312,042		277,375	153,985		136,955

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.

Interest Free Loans

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

Total interest free loans outstanding are \$10.696 million (2013: \$10.705 million). The net present value of these loans at a discount rate of 4% is \$7.305 million (2013: \$7.600 million).

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Note 6						
TRADE AND OTHER RECEIVABLES AND PREPAYMENTS						
Trade Receivables	14,432	10,530	11,877	13,655	10,530	11,523
Other Receivables	10,151	7,758	17,104	12,845	8,180	18,534
Prepayments	6,587	4,474	4,786	6,536	4,403	4,501
Total Trade and Other Receivables and Prepayments	31,170	22,762	33,767	33,036	23,113	34,558

	Consolidated			University		
	This Year \$000		Last Year \$000	This Year \$000		Last Year \$000
TRADE RECEIVABLES						
Current	10,989		8,948	10,294		8,830
2 to 3 months	1,204		982	1,109		755
> 3 months	2,239		1,947	2,252		1,938
Carrying Amount	14,432		11,877	13,655		11,523

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.

Note 7 INVESTMENTS IN ASSOCIATES**University of Otago Holdings Limited**

	This Year \$000	Consolidated Budget \$000	Last Year \$000	This Year \$000	University Budget \$000	Last Year \$000
University Union Limited	2,608	2,622	2,551	-	-	-
LCO New Zealand Limited	189	762	203	-	-	-
NZ Centre for Reproductive Medicine Ltd	-	60	60	-	-	-
	2,797	3,444	2,814	-	-	-

Otago Innovation Limited

Photonic Innovations Limited	-	154	11	-	-	-
Menixis Limited	-	9	8	-	-	-
	-	163	19	-	-	-

Total Investments in Associates	2,797	3,607	2,833	-	-	-
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	This Year \$000	Consolidated Budget \$000	Last Year \$000
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University of Otago Holdings Limited's Associates:**Name of entity: Unihealth Limited**

Principal activity: Not operating

Ownership: 50% (31 December 2013 - 50%)

Balance date: 31 December

Name of entity: University Union Limited

Principal activity: Owner of University Union Building,

University of Otago

Ownership: 50% (31 December 2013 - 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)	559	565	528
Share of Increase (Decrease) in the net assets of the Associate (current year)	58	65	31
Adjustment	(1)	-	-

Total Investment	2,608	2,622	2,551
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	This Year \$000	Consolidated Budget \$000	Last Year \$000
Name of entity: LCO New Zealand Limited			
Principal activity: Owner and operator of library system			
Ownership: 28% (31 December 2013 - 31%)			
Balance date: 31 December			
Investment at Deemed Cost	203	762	792
Share of Increase (Decrease) in the net assets of the Associate (previous years)	-	-	3
Capital Repayment	-	-	(544)
Share of Increase (Decrease) in the net assets of the Associate (current year)	(14)	-	(48)
Total Investment	189	762	203

Name of entity: New Zealand Centre for Reproductive Medicine Limited			
Principal activity: Not operating, formerly involved in the provision of human fertility services			
Placed in voluntary liquidation in 2014			
Ownership: 50% (31 December 2013 - 50%)			
Balance date: 30 June			
Investment at Deemed Cost	60	60	60
Share of Increase (Decrease) in the net assets of the Associate (previous years)	-	-	-
Share of Increase (Decrease) in the net assets of the Associate (current year)	33	-	-
Final Distribution transferred to Other Receivables (refer Note 6)	(93)	-	-
Total Investment	-	60	60

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 2013 - 20%)

Balance date: 30 June

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

Name of entity: Upstart Incubation Trustee Company Limited

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

Ownership: 33.33% (31 December 2013 - 33.33%).

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

Otago Innovation Limited's Associates:

Name of entity: Photonic Innovations Limited

Principal activity: Development of infra-red laser technology

Ownership: 40% (31 December 2013 - 57.1%)

Balance date: 31 December

Unlisted ordinary shares	59	154	59
Share of Increase (Decrease) in the net assets of the Associate (previous years)	(48)	-	(33)
Share of Increase (Decrease) in the net assets of the Associate (current year)	(11)	-	(15)

Total Investment	-	154	11
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Name of entity: Menixis Limited

Principal activity: Developing particle analysis technology

Ownership: 0% (31 December 2013 - 17%)

Balance date: 31 December

Unlisted ordinary shares	12	9	12
Share of Increase (Decrease) in the net assets of the Associate (previous years)	(4)	-	(4)
Share of Increase (Decrease) in the net assets of the Associate (current year)	(8)	-	-

Total Investment	-	9	8
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Note 8 PROPERTY, PLANT & EQUIPMENT
PARENT

Cost

Balance at 1 January 2013

Items at cost

Items at valuation

Revaluations / (impairment)

Additions

Disposals

Transfers between categories

Other adjustments

Balance at 31 December 2013

Balance at 1 January 2014

Items at cost

Items at valuation

Revaluations / (impairment)

Additions

Disposals

Transfers between categories

Other adjustments

Balance at 31 December 2014

Land	Buildings	Computers	Furniture	Artworks	Library Books	Hocken Collection	Rare Books	Equipment	Total
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
11,069	82,906	70,712	17,226	10,119	55,724	3,442	9,537	205,654	466,389
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
-	-	-	-	-	-	-	-	-	-
1,279	22,863	6,031	1,492	116	2,528	266	65	19,618	54,258
-	(79)	(4,860)	(2,039)	-	(114)	-	-	(3,100)	(10,192)
-	458	1	356	-	-	-	-	(815)	-
-	(41)	-	44	-	(1)	-	-	(149)	(147)
210,190	927,620	71,884	17,079	10,235	58,137	3,708	9,602	221,208	1,529,663
12,348	106,107	71,884	17,079	10,235	58,137	3,708	9,602	221,208	510,308
197,842	821,513	-	-	-	-	-	-	-	1,019,355
210,190	927,620	71,884	17,079	10,235	58,137	3,708	9,602	221,208	1,529,663
40,771	32,341	-	-	-	-	-	-	-	73,112
276	23,512	6,124	1,032	81	2,411	252	58	22,072	55,818
-	-	(10,591)	(1,314)	-	(3,982)	-	-	(7,991)	(23,878)
-	(352)	-	409	-	-	-	-	(58)	(1)
-	(135)	3	-	2	-	-	(1)	(8)	(139)
251,237	982,986	67,420	17,206	10,318	56,566	3,960	9,659	235,223	1,634,575

PARENT

Accumulated Depreciation and Impairment Losses

Balance at 1 January 2013

Revaluations / (impairment)

Depreciation

Revaluations - write back accum. Depn

Disposals

Transfers between categories

Other adjustments

Balance at 31 December 2013

Balance at 1 January 2014

Revaluations / (impairment)

Depreciation

Revaluations - write back accum. Depn

Disposals

Transfers between categories

Other adjustments

Balance at 31 December 2014

Carrying Amounts

At 1 January 2013

At 31 December 2013 and 1 January 2014

At 31 December 2014

Land	Buildings	Computers	Furniture	Artworks	Library Books	Hocken Collection	Rare Books	Equipment	Total
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000

-	53,084	57,976	8,701	-	38,624	-	-	143,584	301,969
-	-	-	-	-	-	-	-	-	-
-	28,358	5,128	1,672	-	5,146	-	-	13,158	53,462
-	-	-	-	-	-	-	-	-	-
-	(6)	(4,835)	(2,038)	-	(114)	-	-	(2,871)	(9,864)
-	-	-	-	-	-	-	-	-	-
-	6	-	-	-	-	-	-	(1)	5

-	81,442	58,269	8,335	-	43,656	-	-	153,870	345,572
-	81,442	58,269	8,335	-	43,656	-	-	153,870	345,572
-	-	-	-	-	-	-	-	-	-
-	28,845	5,171	1,726	-	4,485	-	-	13,373	53,600
-	(110,287)	-	-	-	-	-	-	-	(110,287)
-	-	(10,573)	(1,314)	-	(3,982)	-	-	(7,777)	(23,646)
-	-	-	-	-	-	-	-	-	-
-	-	(1)	-	-	-	-	-	1	-

-	-	52,866	8,747	-	44,159	-	-	159,467	265,239
208,911	851,335	12,736	8,525	10,119	17,100	3,442	9,537	62,070	1,183,775
210,190	846,178	13,615	8,744	10,235	14,481	3,708	9,602	67,338	1,184,091
251,237	982,986	14,554	8,459	10,318	12,407	3,960	9,659	75,756	1,369,336

CONSOLIDATED

Cost

Balance at 1 January 2013

Items at cost

Items at valuation

Revaluations / (impairment)

Additions

Disposals

Transfers between categories

Other adjustments

Balance at 31 December 2013

Balance at 1 January 2014

Items at cost

Items at valuation

Revaluations / (impairment)

Additions

Disposals

Transfers between categories

Other adjustments

Balance at 31 December 2014

Land	Buildings	Computers	Furniture	Artworks	Library Books	Hocken Collection	Rare Books	Equipment	Total
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
13,679	89,277	71,039	17,612	10,119	55,724	114,001	9,537	206,493	587,481
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
-	-	-	-	-	-	-	-	-	-
1,439	23,209	6,088	1,513	116	2,528	757	65	19,677	55,392
-	(79)	(4,861)	(2,039)	-	(114)	-	-	(3,142)	(10,235)
-	458	1	356	-	-	-	-	(815)	-
-	(41)	-	44	-	(1)	-	-	(149)	(147)
212,960	934,337	72,267	17,486	10,235	58,137	114,758	9,602	222,064	1,651,846
15,118	112,824	72,267	17,486	10,235	58,137	114,758	9,602	222,064	632,491
197,842	821,513	-	-	-	-	-	-	-	1,019,355
212,960	934,337	72,267	17,486	10,235	58,137	114,758	9,602	222,064	1,651,846
40,771	32,341	-	-	-	-	-	-	-	73,112
386	23,749	6,198	1,041	81	2,411	849	58	22,084	56,857
-	-	(10,620)	(1,314)	-	(3,982)	-	-	(7,991)	(23,907)
-	(352)	-	409	-	-	-	-	(58)	(1)
-	(135)	3	-	2	-	-	(1)	(8)	(139)
254,117	989,940	67,848	17,622	10,318	56,566	115,607	9,659	236,091	1,757,768

CONSOLIDATED

Accumulated Depreciation & Impairment Losses

	Land	Buildings	Computers	Furniture	Artworks	Library Books	Hocken Collection	Rare Books	Equipment	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<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
Balance at 31 December 2013	-	81,544	58,583	8,504	-	43,656	-	-	154,087	346,374
<i>Balance at 1 January 2014</i>	-	81,544	58,583	8,504	-	43,656	-	-	154,087	346,374
Revaluations / (impairment)	-	-	-	-	-	-	-	-	-	-
Depreciation	-	28,882	5,201	1,777	-	4,485	-	-	13,429	53,774
Revaluations - write back accum. Depn	-	(110,287)	-	-	-	-	-	-	-	(110,287)
Disposals	-	-	(10,599)	(1,314)	-	(3,982)	-	-	(7,777)	(23,672)
Transfers between categories	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	(1)	-	-	-	-	-	1	-
Balance at 31 December 2014	-	139	53,184	8,967	-	44,159	-	-	159,740	266,189

Carrying Amounts

At 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 and 1 January 2014	212,960	852,793	13,684	8,982	10,235	14,481	114,758	9,602	67,977	1,305,472
At 31 December 2014	254,117	989,801	14,664	8,655	10,318	12,407	115,607	9,659	76,351	1,491,579

Buildings at Cost includes Work in Progress \$6.978 million (2013: \$11.244 million).

Note 9 INTANGIBLE ASSETS

PARENT

	Externally Generated \$000	Internally Generated \$000	Total \$000
Cost			
<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)
Balance at 31 December 2013	36,982	3,815	40,797
<i>Balance at 1 January 2014</i>	36,982	3,815	40,797
Additions	7,747	14	7,761
Disposals	(390)	-	(390)
Other adjustments	-	-	-
Balance at 31 December 2014	44,339	3,829	48,168
Accumulated Amortisation and Impairment Losses			
<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	-	-	-
Balance at 31 December 2013	15,776	3,271	19,047
<i>Balance at 1 January 2014</i>	15,776	3,271	19,047
Amortisation	2,133	379	2,512
Disposals	(390)	-	(390)
Other adjustments	-	-	-
Balance at 31 December 2014	17,519	3,650	21,169
Carrying Amounts			
At 1 January 2013	16,217	1,115	17,332
At 31 December 2013 and 1 January 2014	21,206	544	21,750
At 31 December 2014	26,820	179	26,999

INTANGIBLE ASSETS
CONSOLIDATED

	Externally Generated \$000	Internally Generated \$000	Total \$000
Cost			
<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)
Balance at 31 December 2013	37,145	3,815	40,960
<i>Balance at 1 January 2014</i>	37,145	3,815	40,960
Additions	7,781	14	7,795
Disposals	(390)	-	(390)
Other adjustments	-	-	-
Balance at 31 December 2014	44,536	3,829	48,365
Accumulated Amortisation and Impairment Losses			
<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	-	-	-
Balance at 31 December 2013	15,884	3,271	19,155
<i>Balance at 1 January 2014</i>	15,884	3,271	19,155
Amortisation	2,161	379	2,540
Disposals	(390)	-	(390)
Other adjustments	-	-	-
Balance at 31 December 2014	17,655	3,650	21,305
Carrying Amounts			
At 1 January 2013	16,287	1,115	17,402
At 31 December 2013 and 1 January 2014	21,261	544	21,805
At 31 December 2014	26,881	179	27,060

Note 10 TRADE AND OTHER PAYABLES
AND ACCRUALS

	This Year \$000	Consolidated Budget \$000	Last Year \$000	This Year \$000	University Budget \$000	Last Year \$000
Trade Payables	7,134	12,147	9,700	7,134	12,147	9,700
Other Payables	23,266	19,298	18,590	28,963	23,819	23,788
Accruals	17,979	15,710	16,538	17,069	14,728	15,833
Total Trade and Other Payables and Accruals	48,379	47,155	44,828	53,166	50,694	49,321

	This Year \$000	Consolidated Last Year \$000	This Year \$000	University Last Year \$000
TRADE PAYABLES				
Current	6,518	9,397	6,518	9,397
2 to 3 months	374	16	374	16
> 3 months	242	287	242	287
Carrying Amount	7,134	9,700	7,134	9,700

Note 11 FUNDS RECEIVED IN ADVANCE

	This Year \$000	Consolidated Budget \$000	Last Year \$000	This Year \$000	University Budget \$000	Last Year \$000
Research Funding	23,114	23,234	23,172	23,114	23,234	23,172
Student Fees	6,847	9,350	8,185	4,818	7,484	5,784
Other	12,421	12,426	16,723	2,247	4,463	3,780
Total Funds Received in Advance	42,382	45,010	48,080	30,179	35,181	32,736

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	28,969	30,441	28,968	28,774	30,189	28,756
Long-Service Leave	968	975	937	968	975	937
Retirement Gratuities	15,062	13,924	13,730	15,062	13,924	13,730

Total Current Portion	44,999	45,340	43,635	44,804	45,088	43,423
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Non-Current Portion of the Employee Entitlements:

Long-Service Leave	1,252	1,554	1,052	1,252	1,554	1,052
Retirement Gratuities	32,708	33,839	30,176	32,708	33,839	30,176
Sick Leave	893	922	882	893	922	882

Total Non-Current Portion	34,853	36,315	32,110	34,853	36,315	32,110
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Total Employee Entitlements	79,852	81,655	75,745	79,657	81,403	75,533
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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 2014. A range of discount rates from 3.52% to 5.50% (2013: 2.84% to 5.50%) and a salary growth rate of 3.00% (2013: 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 (2013: 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	3,028	3,275	3,028	3,275

Note 13 LOANS AND LEASES

Non-Current Loans and Leases

	This Year \$000	Consolidated Budget \$000	Last Year \$000	This Year \$000	University Budget \$000	Last Year \$000
Non-Current Loans and Leases	624	603	564	-	-	-
Total Loans and Leases	624	603	564	-	-	-

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

	This Year \$000	Consolidated Weighted interest rate	Last Year \$000	This Year \$000	University Weighted interest rate	Last Year \$000
Non-Current						
Maturity Analysis						
1 - 5 years	-		-	-		-
> 5 years	624	0.00%	564	-	0.00%	-
Total Loans	624		564	-	-	-

Note 14 EQUITY**General Reserve**

As at 1 January

Surplus for year

Adjustment and Other Comprehensive Income

	This Year \$000	Consolidated Last Year \$000	This Year \$000	University Last Year \$000
As at 1 January	901,327	855,381	635,329	598,812
Surplus for year	33,575	45,946	16,143	36,517
Adjustment and Other Comprehensive Income	(182)	-	(1)	-
As at 31 December	934,720	901,327	651,471	635,329
Property Revaluation Reserve				
As at 1 January	590,450	590,450	590,450	590,450
Revaluation / (Impairment) Fixed Assets	183,399	-	183,399	-
As at 31 December	773,849	590,450	773,849	590,450
Total Equity	1,708,569	1,491,777	1,425,320	1,225,779

Note 15 FINANCIAL INSTRUMENTS

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

	Consolidated		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Financial assets				
Loans and Receivables - held for trading				
Cash and Cash Equivalents	14,375	19,037	4,183	5,310
Debtors and Other Receivables	24,583	28,981	26,500	30,057
Other Financial Assets				
- Bank Term Deposits	122,130	102,800	105,000	87,000
- Corporate Bonds	45,050	49,834	-	-
- Other Loans	13,730	13,324	13,730	13,324
- Pledged Donations	2,547	1,910	-	-
- Shares in Subsidiaries	-	-	7,786	7,786
- Investment in in-substance Subsidiary	-	-	25,000	25,000
Investment in Associates	2,797	2,833	-	-
Total loans and receivables	225,212	218,719	182,199	168,477
Fair value through surplus or deficit - held for trading				
Other Financial Assets				
- Listed Shares	128,060	108,948	2,469	3,845
Total fair value through surplus or deficit	128,060	108,948	2,469	3,845
Fair value through other comprehensive income				
Other Financial Assets				
- Unlisted Shares	525	104	-	-
Total fair value through other comprehensive income	525	104	-	-
Financial liabilities				
Financial liabilities at amortised cost				
Employee Entitlements	79,852	75,745	79,657	75,533
Loans and Leases	624	564	-	-
Creditors and other Payables	48,379	44,828	53,166	49,321
Total financial liabilities at amortised cost	128,855	121,137	132,823	124,854

Fair value hierarchy disclosures

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

- Quoted market price - Financial instruments with quoted prices for identical instruments in active markets.
- Valuation techniques using observable inputs - Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs - Financial instruments valued using models where one or more significant inputs are non observable.

The following table analyses the basis of valuation of classes of financial instruments measured at fair value in the statement of financial position:

	Consolidated		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Financial assets valued at quoted market price				
Cash and Cash Equivalents	14,375	19,037	4,183	5,310
Bank Term Deposits	122,130	102,800	105,000	87,000
Corporate Bonds	45,050	49,834	-	-
Listed Shares	128,060	108,948	2,469	3,845
Total valued at quoted market price	309,615	280,619	111,652	96,155
Financial assets valued using observable inputs				
Shares in Subsidiaries	-	-	7,786	7,786
Investment in Associates	2,797	2,833	-	-
Shares in Unlisted Companies	175	104	-	-
Investment in in-substance Subsidiary	-	-	25,000	25,000
Loans	13,730	13,324	13,730	13,324
Pledged Donations	2,547	1,910	-	-
Total valued using observable inputs	19,249	18,171	46,516	46,110
Financial assets valued using non-observable inputs				
Shares in Unlisted Companies	350	-	-	-
Total valued using non-observable inputs	350	-	-	-

Financial instrument risks

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

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

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. The University and Group's listed share investments and corporate bonds are exposed to price risk. This price risk is managed by diversification of the investment portfolio in accordance with the limits set out in the University and Group's investment policy.

Currency risk

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

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

The University and Group manages currency risks associated with the purchase of goods and services from overseas that are above specified amounts by entering into forward foreign exchange contracts. This allows the University and Group to fix the New Zealand dollar amount payable prior to the payment date. Hedge accounting is not applied. The Group has a Foreign Exchange Risk Management Committee which oversees this risk by applying the foreign exchange policy which is approved by Council.

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

Fair value interest rate risk

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

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Investments purchased at variable interest rates create exposure to cash flow interest rate risk.

Credit risk

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

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

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

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

Credit quality of financial assets

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

	Consolidated		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Counterparties with Credit Ratings				
Cash at Bank and Term Deposits				
AA-	102,483	117,719	78,183	91,310
A+	23,003	3,118	22,000	-
BBB	11,019	1,000	9,000	1,000
Total Cash at Bank and Term Deposits	136,505	121,837	109,183	92,310
Corporate Bonds				
AAA	-	1,038	-	-
AA	3,224	4,781	-	-
AA-	16,346	13,748	-	-
A+	2,021	5,155	-	-
A	1,372	2,384	-	-
A-	1,785	2,193	-	-
BBB+	9,108	9,123	-	-
BBB	2,062	2,021	-	-
BB-	873	846	-	-
Not rated	8,259	8,545	-	-
Total Corporate Bonds	45,050	49,834	-	-
Counterparties without Credit Ratings				
Debtors and other Receivables	24,583	28,981	26,500	30,057
Existing counterparty with no defaults in the past	13,730	13,324	13,730	13,324
Total Counterparties without Credit Ratings	38,313	42,305	40,230	43,381

Liquidity risk

Management of liquidity risk

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

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

Contractual maturity analysis of financial liabilities, excluding derivatives

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

	Carrying amount \$000	Contractual cash flows \$000	Less than 6 mths \$000	6-12 mths \$000	1-2 years \$000	2-3 years \$000	More than 3 years \$000
Parent 2014							
Creditors and other Payables	53,166	53,166	53,166	-	-	-	-
Employee Entitlements - Current	44,804	44,804	44,804	-	-	-	-
Employee Entitlements - Term	34,853	34,853	-	-	-	-	34,853
Total	132,823	132,823	97,970	-	-	-	34,853
Group 2014							
Creditors and other Payables	48,379	48,379	48,379	-	-	-	-
Employee Entitlements - Current	44,999	44,999	44,999	-	-	-	-
Employee Entitlements - Term	34,853	34,853	-	-	-	-	34,853
Total	128,231	128,231	93,378	-	-	-	34,853
Parent 2013							
Creditors and other Payables	49,321	49,321	49,321	-	-	-	-
Employee Entitlements - Current	43,423	43,423	43,423	-	-	-	-
Employee Entitlements - Term	32,110	32,110	-	-	-	-	32,110
Total	124,854	124,854	92,744	-	-	-	32,110
Group 2013							
Creditors and other Payables	44,828	44,828	44,828	-	-	-	-
Employee Entitlements - Current	43,635	43,635	43,635	-	-	-	-
Employee Entitlements - Term	32,110	32,110	-	-	-	-	32,110
Total	120,573	120,573	88,463	-	-	-	32,110

Contractual maturity analysis of derivative financial liabilities

The table below analyses financial liabilities into those that are settled net and those that will be settled on a gross basis into their relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

The amounts disclosed are the contractual undiscounted cash flows.

	Carrying amount \$000	Contractual cash flows \$000	Less than 6 mths \$000	6-12 mths \$000	1-2 years \$000	2-3 years \$000	More than 3 years \$000
Parent and Group 2014							
Gross settled derivatives							
Forward foreign exchange contracts							
- Outflow	9,755	9,755	2,633	6,127	995	-	-
Total	9,755	9,755	2,633	6,127	995	-	-
Parent and Group 2013							
Gross settled derivatives							
Forward foreign exchange contracts							
- Outflow	9,060	9,060	1,807	5,810	1,443	-	-
Total	9,060	9,060	1,807	5,810	1,443	-	-

Sensitivity analysis

The tables below illustrate the potential effect on the surplus or deficit, with all other variables held constant, based on financial instrument exposures at balance date.

	2014 year			
	Consolidated Surplus / (Deficit)		University Surplus / (Deficit)	
	interest rate movement		interest rate movement	
Interest rate risk	+ 0.5%	- 0.5%	+ 0.5%	- 0.5%
2014 Year	\$000	\$000	\$000	\$000
Financial Assets				
Cash and Cash Equivalents	564	(564)	351	(351)
Secured loans	9	(9)	9	(9)
Total Sensitivity	573	(573)	360	(360)
2013 Year				
Financial assets				
Cash and cash equivalents	532	(532)	303	(303)
Total Sensitivity	532	(532)	303	(303)

Explanation of interest rate risk sensitivity

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

	Surplus FX rate movement		Surplus FX rate movement	
	+ 0.5%	- 0.5%	+ 0.5%	- 0.5%
	\$000	\$000	\$000	\$000
Foreign exchange risk				
2014 Year				
Financial Assets				
Cash and Cash Equivalents	(29)	32	(27)	30
Foreign Equities	2,841	3,140	-	-
Total Sensitivity	2,812	3,172	(27)	30
2013 Year				
Financial Assets				
Cash and Cash Equivalents	(15)	16	(13)	15
Foreign Equities	2,616	2,891	-	-
Total Sensitivity	2,601	2,907	(13)	15

Explanation of foreign exchange risk sensitivity

The foreign exchange sensitivity is based on a reasonable movement in foreign exchange rates, with all other variables held constant, measured as a percentage movement in the foreign exchange rate.

	Surplus Mkt price movement		Surplus Mkt price movement	
	+ 0.5%	- 0.5%	+ 0.5%	- 0.5%
	\$000	\$000	\$000	\$000
Other price risk				
2014 year				
Financial Assets				
Listed Shares	6,408	(6,408)	123	(123)
Total Sensitivity	6,408	(6,408)	123	(123)
2013 year				
Financial Assets				
Listed Shares	5,453	(5,453)	192	(192)
Total Sensitivity	5,453	(5,453)	192	(192)

Explanation of other price risk sensitivity

The sensitivity for listed shares has been calculated based on a -5%/+5% movement in the quoted bid share price at year end for the listed shares.

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 \$9.659 million (2013: \$9.602 million). Additions at cost in 2014 were \$57k (2013: \$65k) (refer Note 8).

Note 17 HOCKEN COLLECTIONS

	Consolidated		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Opening Balance	114,758	114,001	3,708	3,442
Donated Hocken Additions	849	757	252	266
Total	115,607	114,758	3,960	3,708
being:				
Assets held in Trust	111,647	111,050	-	-
Assets owned by the University	3,960	3,708	3,960	3,708
Total	115,607	114,758	3,960	3,708

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 \$25.503 million (2013: \$25.036 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)**

- UOHL paid the University \$27k for accounting and secretarial services (2013: \$26k).
- UOHL has a current account with the University of Otago. Since 1 January 2008 this account has been interest-bearing, with interest paid by the University at the average rate achieved by the University on its bank call and term deposits. Interest paid on this current account amounted to \$24k (2013: \$43k). The balance at year end was \$911k (2013: \$671k).

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 \$1.607 million (2013: \$1.598 million), including building rentals. At year end the amount owing to the University was \$321k (2013: \$254k).
- FSL provided goods and services to the University of Otago to the value of \$1.513 million (2013: \$1.598 million). This included payments of Vote Education funding of \$1.004k (2013: \$940k) and commissions associated with student recruitment of \$227k (2013: \$192k). At year end the amount owing by the University was \$Nil (2013: \$Nil).
- FSL has invested its surplus funds with the University of Otago. Interest is paid by the University at the average rate achieved by the University on its bank call and term deposits. Interest paid on these funds amounted to \$140k (2013: \$132k). The balance at year end was \$3.180 million (2013: \$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 \$447k (2013: \$662k). At year end the amount owing to the University was \$7k (2013: \$16k).
- b. During the year OIL supplied services to the University to the value of \$513k (2013: \$518k). At year end the amount owing by the University was \$Nil (2013: \$54k).
- 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 \$Nil (2013: \$27k).

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 \$2.704 million (2013: \$2.962 million), including building rental and collaborator payments. At year end the amount owing to the University was \$581k (2013: \$354k).
- b. NZGL provided goods and services to the University of Otago to the value of \$469k (2013: \$408k). At year end the amount owing by the University was \$Nil (2013: \$9k).

Unipol Recreation Limited (URL)

- a. URL paid the University \$8k for accounting and secretarial services (2013: \$8k).
- b. The University arranges insurance for URL including material damage, business interruption and liability policies. The cost of this insurance was \$5k (2013: \$4k).
- c. URL has a current account with the University of Otago. This account is interest-bearing, with interest paid by the University at the average rate achieved by the University on its bank call and term deposits. Interest paid on this current account amounted to \$76k (2013: \$73k). The balance at year end was \$1.726 million (2013: \$1.740 million).
- d. URL received rent from the University to the value of \$15k (2013: \$12k).
- e. URL paid the University occupancy costs of \$9k (2013: \$28k).

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 \$303k for rent (2013: \$342k). UUL paid the University of Otago ground rent of \$106k (2013: \$105k).

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 and administration fees of \$658k (2013: \$622k) and received distributions of \$8.031 million (2013: \$6.145 million). The University has a current account with the Trust. The balance at year end was negative \$1.947 million (2013: negative \$1.281 million).

Key Management Personnel

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

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

	Consolidated		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
<i>Key Management Remuneration:</i>				
Salary and Short Term Benefits	3,620	3,874	2,395	2,294
Superannuation	235	227	216	206
University Council fees	79	80	79	80
Directors' Remuneration	143	123	-	-
Trustees Remuneration	7	7	-	-
Total	4,084	4,311	2,690	2,580

Related Parties Transactions

Members of Council

Members of Council	Year: 2014		Year: 2013	
	Purchased by University during year	Purchased from University during year	Purchased by University during year	Purchased from University during year
	\$000s (GST Inclusive)		\$000s (GST Inclusive)	
Judge E O K Blaikie				
Professor A V Cameron				
Christchurch Heart Institute (Trustee)	-	43	-	-
University of Otago (Employee)	-	-	-	-
Mr D C Cull				
Dunedin City Council (Mayor of Dunedin)	3,161	84	2,908	68
Mr Logan Edgar (term completed Dec 2013)				
Otago University Students' Association (President)	-	-	3,858	110
Planet Media Dunedin Limited (D)	-	-	140	9
University Bookshop Otago Limited (D)	-	-	140	3
University Union Limited (D)	-	-	393	210
Professor H Hayne				
Callaghan Innovation (Advisory Board Member)	43	373	139	278
Otago Innovation Limited (Deputy Chair)	See intergroup note above		See intergroup note above	
Te Tapuae o Rehua Limited (D)	100	3,345	57	3,074
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				
Health Promotion Agency (Employee)	-	2	-	-
Otago University Students' Association (Ex President)	-	-	3,858	110
Planet Media Dunedin Limited (D)	-	-	140	9
University Bookshop Otago Limited (D)	-	-	140	3
University Union Limited (D)	-	-	393	210
Mr S J Higgs				
Farmlands Co-Operative Society Ltd (D)	3	-	-	-
Immune Solutions Ltd (D)	See intergroup note above		See intergroup note above	
Otago Innovation Ltd (D)	See intergroup note above		See intergroup note above	
Polson Higgs Administration Ltd (D)	-	1	-	-
Polson Higgs & Co Ltd	36	-	24	-
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	
Dr C J Marshall				
Tertiary Education Union Otago (Committee Member)	-	22	-	22
University of Otago (Employee)	-	-	-	-

Members of Council

Members of Council	Year: 2014		Year: 2013	
	Purchased by University during year	Purchased from University during year	Purchased by University during year	Purchased from University during year
	\$000s (GST Inclusive)		\$000s (GST Inclusive)	
Mr S J McLauchlan				
AD Instruments PTY Limited (D)	107	45	207	-
Aurora Energy Limited (D)	27	-	26	-
Cargill Hotel 2002 Limited (C)	21	-	40	-
Delta Limited (D)	86	21	26	16
Dunedin International Airport Limited (C)	8	-	6	-
Institute of Directors Otago and Southland (C)	-	-	5	-
Knox College and Salmond College Council Inc. (C)	90	590	4,520	638
Lund South Limited (D)	-	-	42	-
Otago Community Hospice Trust (C)	11	-	11	-
Otago Southland Employers Assn (Trustee)	12	1	8	1
Pharmac (C)	-	18	-	16
Scenic Circle Hotels Limited (D)	-	-	2	-
Southern DHB (Crown Monitor)	-	-	2,500	11,798
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	-	20
Mr McLauchlan is a director and/or shareholder of numerous other companies that had no related party transactions with the University during the year.				
Ms D C Matahaere-Atariki				
Arai Te Uru Whare Hauora (Director)	-	-	-	1
Ministry of Health - NGO Working Group (Member)	22	6,371	42	5,634
Southern Primary Health Organisation (Board Member)	-	1	-	20
Ms M A Morgan				
Stuart Residence Halls Council (Board Member)	-	10	-	15
University of Otago (Employee)	-	-	-	-
Mr M J M Sidey				
Excellence in Sport-South Island (D)	-	7	-	7
St Andrew's College Foundation (Trustee)	-	-	-	2
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)	12	-	-	-
University of Otago (Employee)	-	-	-	-
Dr R J Somerville QC				
Knox College and Salmond College Council Inc. (C)	90	590	4,520	638
University of Otago Foundation Trust (Trustee)	See intergroup note above		See intergroup note above	
Ms R A Sycamore-Smith (term Jan-Nov 2014)				
Otago University Students' Association (President)	3,690	103	-	-
Planet Media Dunedin Limited (D)	134	9	-	-
University Bookshop Otago Limited (D)	136	2	-	-
University Union Limited (D)	349	140	-	-
Mr R H Tobin				
Logan Park High School (Deputy Principal)	-	-	2	6

Members of Council

	Year: 2014		Year: 2013	
	Purchased by University during year	Purchased from University during year	Purchased by University during year	Purchased from University during year
	\$000s (GST Inclusive)		\$000s (GST Inclusive)	
Mr J F Ward				
Otago Innovation Limited (C)	See intergroup note above		See intergroup note above	
Simner Investments Limited (C) (S)	30	-	26	-
SBS Bank (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	

*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 \$9.0 million (2013: \$1.0 million). Interest earned during the year was \$175k (2013: \$233k).

C = Chairman; D = Director; S = Shareholder

Note 19 PLEDGED DONATIONS

Donations are recognised 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 at face value are \$3.110 million (2013: \$1.910 million). The total valuation of these at fair value is \$2.547 million (2013: \$1.789 million).

One pledged donation has been valued at net present value due to the size of the donation and the length of time over which the donation contributions will be received. The face value of this donation is \$2.000 million. The fair value (net present value at an interest rate of 4.00%) is \$1.437 million.

The remaining pledged donations have been valued at face value \$1.110 million (2013: \$1.910 million). The fair value (net present value at an interest rate of 4.00%) is \$1.044 million (2013: \$1.789 million).

	Consolidated			University		
	This Year \$000	Budget \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Analysis of pledged donations						
Less than 1 year	686	320	820	-	-	-
More than 1 year but less than 5 years	976	620	990	-	-	-
Greater than 5 years	885	-	100	-	-	-
Total Pledged Donations	2,547	940	1,910	-	-	-

Note 20 CAPITAL MANAGEMENT

The University's capital is its equity, which comprises 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).

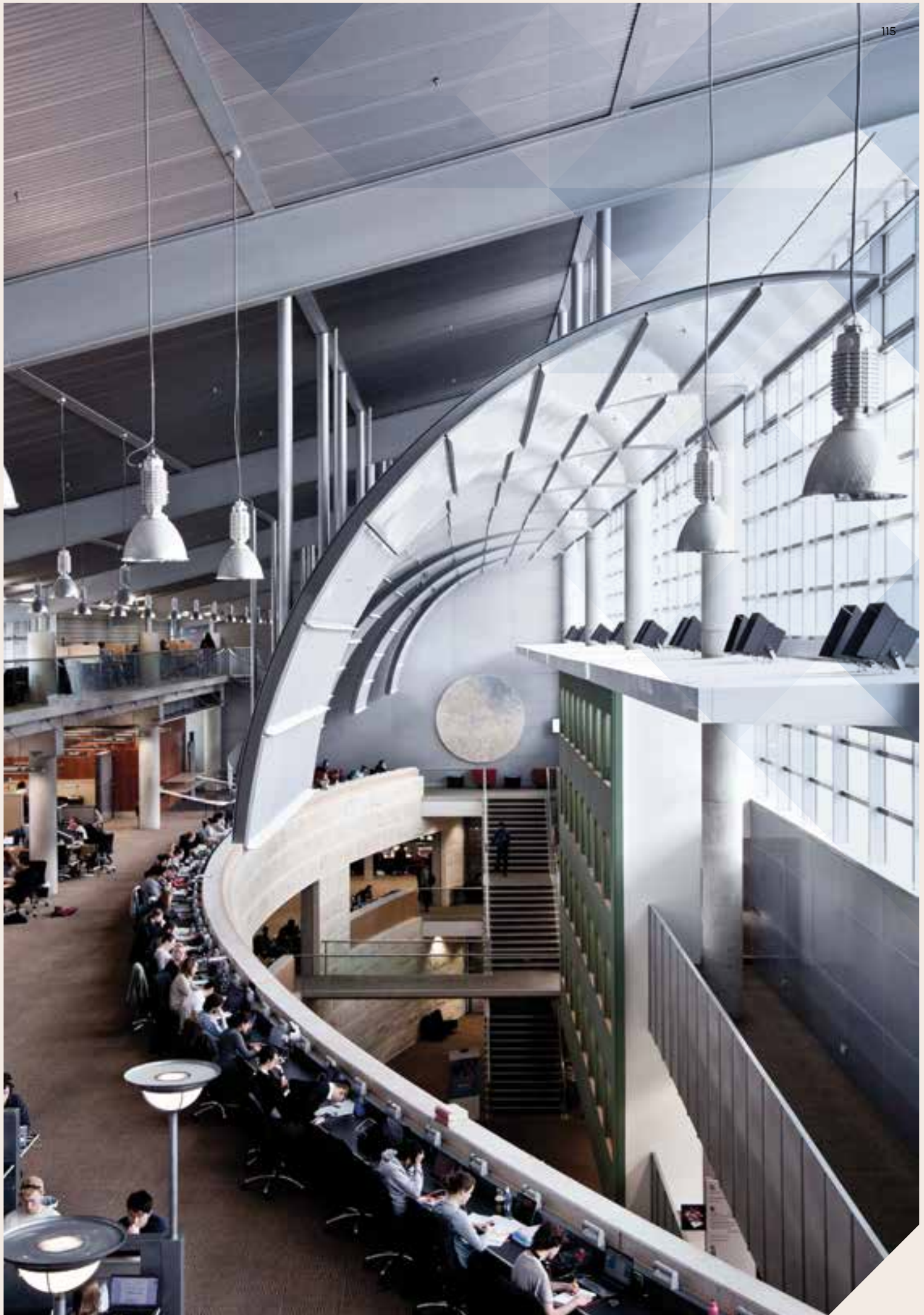
These standards are being developed by the XRB and are mainly based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the University will transition to the new standards in preparing its 31 December 2015 financial statements.

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 University of Otago and group's financial statements and non-financial performance information for the year ended 31 December 2014

The AuditorGeneral is the auditor of University of Otago (the University) and group. The AuditorGeneral 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 72 to 114, that comprise the statement of financial position as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the non-financial performance information of the University and group in the statement of service performance on pages 50 to 57 and group entities report on pages 66 to 68.

Opinion

In our opinion:

- the financial statements of the University and group on pages 72 to 114:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the University and group's:
 - financial position as at 31 December 2014; 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 50 to 57 and group entities report on pages 66 to 68 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 2014.

Our audit was completed on 31 March 2015. 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 AuditorGeneral'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 AuditorGeneral, 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 AuditorGeneral
Christchurch, New Zealand

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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 2014, 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 2014 SLA with OUSA and other third-party providers. OUSA remained the principal provider of third-party services in 2014. 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)	Education Quality Support Network. Through the co-ordination of the system of senate, division, department and class representatives. Advocacy/Student Support Centre programmes. Orientation in collaboration with the University. Support for Te Roopu. Financial support and advice.
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Clubs and Societies (Sport and Recreation and Cultural Activities)

Advocacy and pastoral care.
Careers guidance through volunteering in conjunction with the University.
Student Job Search.
Sports, recreation and cultural activities.
USNZ level sports and games tournaments.
Blues and Golds sports and cultural awards.
Healthy Lifestyles programme.
Orientation.
Capping Week and Capping Show.
Battle of the Bands.
Market days.
Re-Orientation.
International food festival.
Music gigs.
Post grad coffee hour.
Future DJ.
Art week.
Volunteers.
Te Roopu.
Student communication activities
Critic magazine.
Radio One 91FM.
Onefest.
Orientation magazine.
Facebook presence.
Web presence.

Media

Childcare Services Provided by the Otago University Childcare Association

Childcare	Pre-school childcare services for students who are parents.
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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.
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Compulsory Student Services Levy Income Statement Summaries

Year ended 31 December 2014

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			\$1000s		
	Compulsory student services fee	Other	Total revenue	Total expenses	Surplus (deficit)
Advocacy and Legal Advice	776	-	776	(826)	(50)
Careers Information, Advice and Guidance	517	18	535	(553)	(18)
Counselling	388	43	431	(497)	(66)
Financial Support and Advice	21	24	45	(1)	44
Health	3,131	1,016	4,147	(4,171)	(24)
Media	487	0	487	(511)	(24)
Childcare	93	-	93	(98)	(5)
Sports and Recreation Facilities	4,666	798	5,464	(5,033)	431
Other Campuses	68	-	68	(42)	26
Total	10,147	1,899	12,046	(11,732)	314

Summary facts and figures

STUDENT ENROLMENTS

	2014	2013	2012	2011	2010
Equivalent Full-time Students (EFTS)					
Commerce	3,074	3,082	3,096	3,220	3,526
Health Sciences	5,857	5,815	5,815	5,761	5,620
Humanities	5,180	5,328	5,643	5,910	5,971
Sciences	4,458	4,375	4,362	4,418	4,490
Other University*	0	0	35	36	55
Subtotal	18,570	18,600	18,951	19,344	19,661
Other Group EFTS**	261	275	246	224	257
Total	18,830	18,875	19,197	19,568	19,918

* 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.

Note: EFTS figures may not sum to total due to rounding.

Enrolment By Qualification Type

PhD	1,317	1,293	1,301	1,259	1,258
Professional Doctorates	71	68	76	68	67
Masters	1,214	1,216	1,281	1,220	1,186
Postgraduate Diplomas	841	898	939	1,068	1,134
Postgraduate Certificates	547	485	538	473	526
Graduate Diplomas	388	416	426	475	487
Bachelor Honours	434	460	524	873	854
Bachelors	15,136	15,057	15,257	15,079	15,212
Undergraduate Diplomas	60	66	74	91	121
Undergraduate Certificates	5	7	18	25	31
Certificate of Proficiency	1,284	1,228	1,171	1,326	1,450
Interest Only	10	0	0	0	223
Foundation Studies	300	303	266	254	273
Other	6	7	6	17	20
Total Students	20,942	21,113	21,416	21,728	22,139

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

	2014	2013	2012	2011	2010
Gender of Students					
Female	12,004	12,171	12,233	12,390	12,623
Male	8,936	8,942	9,183	9,338	9,516
X	2	N/a	N/a	N/a	N/a
Total	20,942	21,113	21,416	21,728	22,139

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

First Year and Returning Students					
First Year	4,057	4,149	3,996	3,832	4,458
Returning	16,885	16,964	17,420	17,896	17,681
Total	20,942	21,113	21,416	21,728	22,139

Ethnicity of Students					
European/Pakeha	74.3%	74.3%	74.8%	75.0%	75.6%
Māori	8.5%	8.0%	7.8%	7.6%	7.6%
Asian	18.3%	18.6%	18.3%	17.9%	17.2%
Pacific Islanders	3.6%	3.2%	3.1%	3.1%	3.1%
Middle Eastern/Latin American/African	3.5%	3.3%	3.0%	3.0%	3.1%
Other / Unknown	3.2%	3.3%	2.9%	2.9%	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%.

Home Area of Students					
Dunedin	3,407	3,627	3,903	4,101	4,323
Otago/Southland	2,213	2,309	2,413	2,445	2,431
Remainder of South Island	3,895	3,792	3,695	3,574	3,737
North Island	8,425	8,284	8,276	8,349	8,393
Overseas (including NZ Citizens Overseas)	2,938	3,012	2,986	3,113	3,096
Unknown	64	89	143	146	160
Total	20,942	21,113	21,416	21,728	22,139

Note: The majority of NZ Citizens Overseas listed their home area as Australia (120 in 2014). Conversely, 191 of the 281 Australian citizens who enrolled in 2014 were normally resident in New Zealand prior to commencing University study, and as so listed a New Zealand home area.

	2014	2013	2012	2011	2010
International Students					
Undergraduate	1,868	1,879	1,924	2,036	1,873
Postgraduate	825	769	766	762	776
Total	2,693	2,648	2,690	2,798	2,649

International Students by Home Country

United States of America	581	578	530	652	578
China	514	426	397	329	291
Malaysia	294	405	506	483	473
United Kingdom	101	104	96	100	86
India	99	101	104	97	74
Saudi Arabia	84	75	73	82	90
Germany	79	72	85	101	127
Canada	66	90	97	113	99
Brunei	61	60	70	64	63
Japan	60	49	40	45	60
Iran	57	50	36	28	20
Singapore	46	42	31	31	33
France	39	35	42	47	45
South Korea	39	47	50	64	70
Oman	35	24	23	25	28
Thailand	35	33	36	36	37
Norway	31	18	17	15	17
Brazil	30	8	13	16	19
Viet Nam	28	27	23	26	25
Taiwan	27	24	18	21	22
Samoa	23	24	23	20	15
Indonesia	22	12	10	13	8
Denmark	20	21	14	16	14
Other	322	323	356	374	355
Total	2,693	2,648	2,690	2,798	2,649

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	593	652	636	668	901
Otago/Southland	474	518	547	530	577
Remainder of South Island	876	833	784	675	808
North Island	1,882	1,822	1,691	1,665	1,772
Overseas (including NZ Citizens Overseas)	230	321	321	273	355
Unknown	2	3	17	21	45
Total	4,057	4,149	3,996	3,832	4,458

Note: The majority of NZ Citizens Overseas listed their home area as Australia (27 in 2014). Conversely, 42 of the 60 Australian citizens who enrolled in 2014 were normally resident in New Zealand prior to commencing University study, and as so listed a New Zealand home area.

ACADEMIC ATTAINMENT

	2014	2013	2012	2011	2010
Number of Graduates					
Undergraduate Diplomas and Certificates	310	318	322	364	397
Undergraduate Degrees	3,837	3,974	3,975	3,544	3,369
Postgraduate Diplomas and Certificates	740	817	907	911	977
Postgraduate Degrees	920	657	618	561	515
Total University	5,807	5,766	5,822	5,380	5,258
Commerce Graduates	734	765	738	807	794
Health Sciences Graduates	1,488	1,584	1,655	1,485	1,581
Humanities Graduates	1,775	1,721	1,720	1,541	1,462
Sciences Graduates	1,464	1,547	1,567	1,387	1,262
Interdivisional Graduates	346	149	142	160	159
Total University	5,807	5,766	5,822	5,380	5,258
Degrees, Diploma and Certificates Completed per 100 EFTS Enrolled					
Commerce	23.9	24.8	23.8	25.1	22.5
Health Sciences	25.4	27.2	28.5	25.8	28.1
Humanities	34.3	32.3	30.5	26.1	24.5
Sciences	32.8	35.4	35.9	31.4	28.1
Total	29.4	30.2	30.7	27.8	26.7
Examination Pass Rates					
Commerce	85.9%	87.3%	86.7%	86.5%	85.7%
Health Sciences	93.5%	91.9%	91.4%	90.8%	90.7%
Humanities	91.1%	91.8%	92.0%	91.0%	89.7%
Sciences	86.0%	88.1%	88.8%	85.8%	87.6%
Other (Foundation Studies)	81.0%	84.4%	79.6%	79.0%	77.5%
Total Pass Rate	89.6%	90.0%	89.9%	89.3%	88.4%

STAFF PROFILE

	2014	2013	2012	2011	2010
Full-time Equivalent (FTE) Teaching and Research Staff					
Female					
Vice-Chancellor/Senior Academic Managers	2	2	2	2	3
Professors	37	39	29	26	23
Readers/Associate Professors	61	50	53	49	44
Senior Lecturers	176	179	173	172	175
Lecturers	83	90	89	91	102
Other Teaching and Teaching/Research staff	154	149	150	152	140
Research-only staff	240	243	244	266	264
Total Females	752	752	740	757	751
Male					
Vice-Chancellor/Senior Academic Managers	6	6	6	6	5
Professors	166	163	157	161	152
Readers/Associate Professors	107	109	115	108	112
Senior Lecturers	200	194	194	198	201
Lecturers	85	85	83	89	97
Other Teaching and Teaching/Research staff	112	113	111	108	113
Research-only staff	183	178	170	189	169
Total Males	859	848	836	858	848
Total Academic and Research-only Staff	1,611	1,600	1,576	1,616	1,599
Full-time Equivalent (FTE) General Staff					
Female					
Senior Managers	13	10	8	9	8
General Services, Student and Community staff	1,036	1,030	1,011	991	1,003
Librarians and Library Assistants	110	114	113	94	99
Research Support staff and Technicians	247	248	277	290	301
Total Females	1,407	1,402	1,409	1,385	1,411
Male					
Senior Managers	17	21	24	23	24
General Services, Student and Community staff	587	559	559	519	515
Librarians and Library Assistants	23	22	22	15	15
Research Support staff and Technicians	144	148	166	191	187
Total Males	770	750	771	748	741
Total General Staff	2,177	2,152	2,180	2,133	2,152
Total Staff	3,788	3,752	3,755	3,749	3,751

	2014	2013	2012	2011	2010
Student-Academic Staff Ratios					
Commerce	25.2	25.5	28.4	28.7	28.4
Health Sciences	11.9	12.0	12.1	12.3	12.0
Humanities	16.5	17.3	18.1	19.0	18.6
Sciences	17.2	16.7	16.6	16.6	17.7
Overall	15.6	15.8	16.3	16.7	16.8

RESEARCH ACTIVITIES (revised for previous years)

Research Outputs Produced

Total Publications	4,477	4,168	5,226	4,239	4,168
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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

	2014	2013	2012	2011	2010
Land (hectares)					
Land owned by the University	33	33	33	33	33
Land in Crown Title for the University	12	12	11	11	11
Endowment Leasehold	22,243	22,243	22,246	22,246	22,235
Total Land Controlled by the University	22,288	22,288	22,289	22,289	22,279

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

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

Commerce	8,714	8,929	9,022	8,929	8,870
Health Sciences	66,050	66,475	65,984	65,105	65,904
Humanities	20,167	20,163	20,298	20,533	20,600
Science	41,671	41,998	41,580	41,943	42,020
Administration and Other	70,425	75,626	67,868	62,672	59,013
Corporate	759	776	3,139	3,030	3,033
Information Services	15,803	15,962	15,612	16,106	15,793
Total	222,589	229,929	223,504	218,318	215,233

Note: University-owned flats and residential colleges total a further 60,556 sqm.

LIBRARY

	2014	2013	2012	2011	2010
Library Collection					
Books (volumes)	1,212,901	1,095,169	1,119,373	1,109,344	1,096,807
Serials (volumes)	493,941	570,385	544,236	536,242	526,937
Microfilms	N/a	229,984	229,550	229,493	232,546
Non-book materials	N/a	1,243,283	1,228,227	1,221,442	1,221,570
Hocken pictures and photographs	1,130,574	N/a	N/a	N/a	N/a
Total	2,837,416	3,138,821	3,121,386	3,096,521	3,077,860

Print Serials received	3,791	3,932	5,128	6,030	6,210
Electronic Serials received	164,304	215,047	231,681	229,336	174,844
Total	168,095	218,979	236,809	235,366	181,054

eBooks received	672,789	510,375	489,607	380,867	362,526
Space					
Seating places available	4,388	4,320	4,280	4,188	3,776

Note: From 2014 onwards, resource figures are derived differently in the new Library Management System (Alma).

Microfilms and non-book materials are now captured in book and serial counts, and in the new category Hocken pictures and photographs.

INFORMATION TECHNOLOGY SERVICES

Volume of Computer and Telecommunications Traffic

Off-campus network traffic (Megabytes)	419,554,854	315,164,186	315,847,232	464,158,837	421,690,487
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ITS Training and Support Services

Enquiries received by ITS Helpdesk	39,837	44,751	43,587	46,295	45,256
Seating places in student computer laboratories	1,295	1,348	1,361	1,361	749

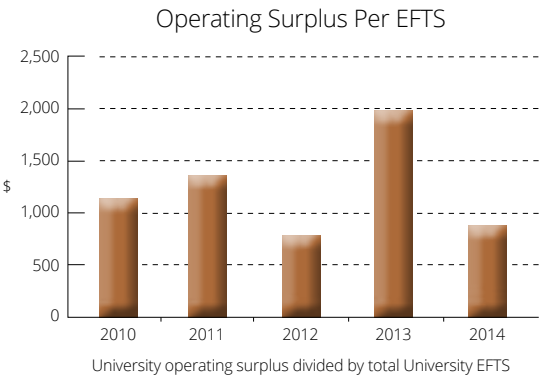
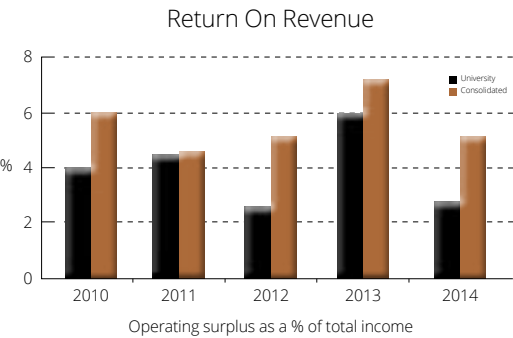
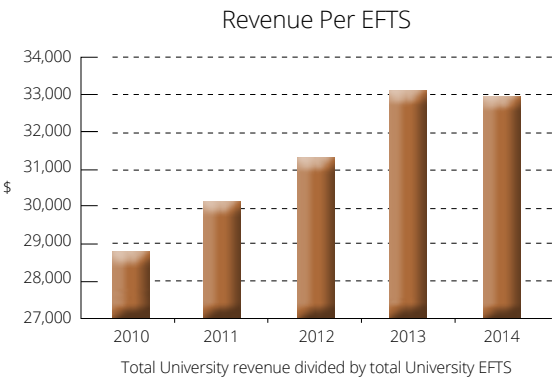
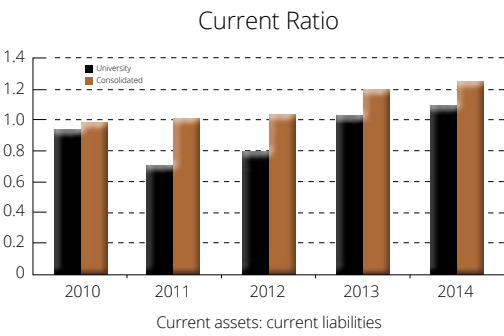
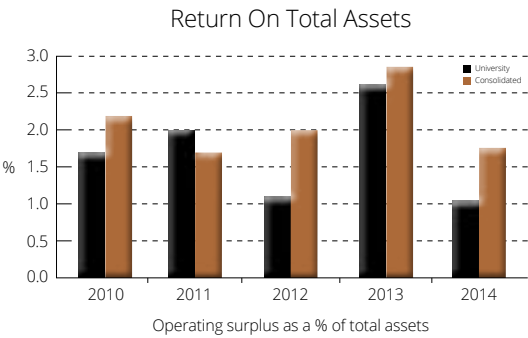
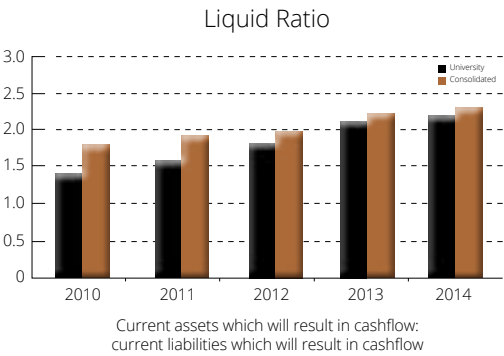
KEY FINANCIAL INDICATORS

Value of Output per EFTS

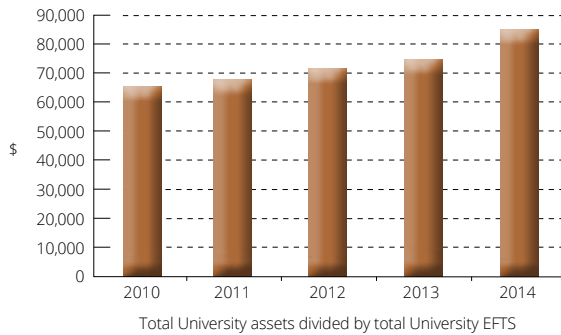
Teaching, Learning and Assessment	\$10,725	\$10,750	\$9,955	\$9,381	\$8,590
Research and Postgraduate Teaching	\$15,626	\$14,475	\$14,349	\$14,294	\$13,420
Community Service	\$1,622	\$1,526	\$1,477	\$1,291	\$1,137

Financial Indicators

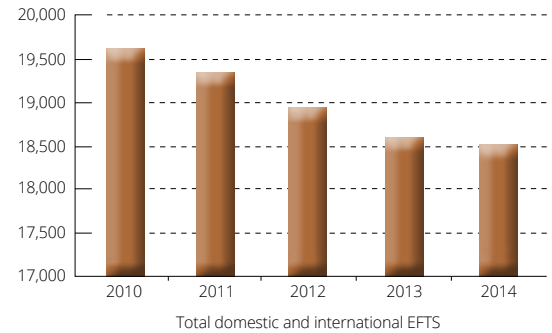
	2014 Consolidated	2013 Consolidated	2012 Consolidated	2011 Consolidated	2010 Consolidated
Current Ratio (Current Assets: Current Liabilities)	1.2	1.2	1.0	1.0	1.0
Liquid Ratio (Current Assets which will result in cashflow: Current Liabilities which will result in cashflow)	2.3	2.2	2.0	1.9	1.8
Level of Debt (Debt to Equity)	2.1%	2.2%	2.4%	2.1%	2.5%
Increase in Net Assets	14.5%	2.2%	2.4%	1.4%	2.3%
Return on Total Assets	1.8%	2.8%	2.0%	1.7%	2.2%
Return on Revenue	5.2%	7.2%	5.2%	4.6%	5.9%



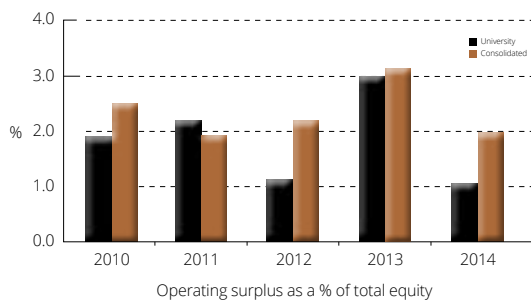
Total Assets Per EFTS



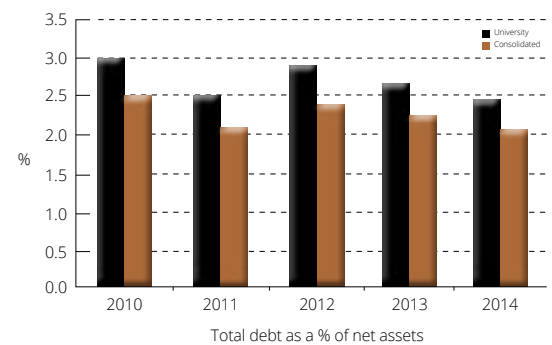
Total EFTS



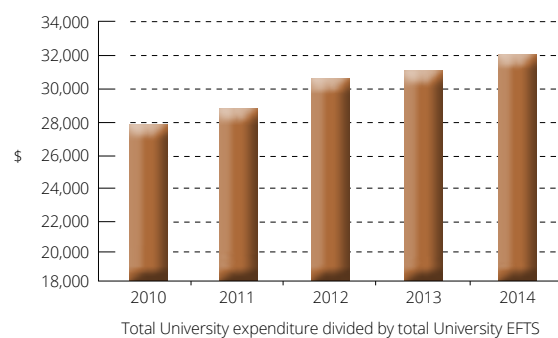
Return On Equity



Level Of Debt (Debt To Equity)



Expenditure Per EFTS





2014

ANNUAL REPORT