



2004

THE UNIVERSITY OF AUCKLAND
ANNUAL REPORT



**THE UNIVERSITY
OF AUCKLAND**
NEW ZEALAND
Te Whare Wānanga o Tāmaki Makaurau

Annual Report



The University of Auckland

Celebrate
THINKING

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CHANCELLOR'S INTRODUCTION

2004 was a good year for The University of Auckland. The University's Mission is to be a research-led, international university, recognised for excellence in teaching, learning, research, creative work and administration, for the significance of its contributions to the advancement of knowledge and its commitment to serve its local, national and international communities.



On all of these dimensions the University made solid progress during 2004. Stronger relationships with external parties have been central to many of these achievements.

A notable example is the University's long relationship with the Auckland College of Education. In recent years, collaboration in teaching and research between the two institutions has increased. This led to discussions between the two Councils of options for a still closer relationship, resulting in our joint decision to merge. Following approval by the Government, the merger became effective on 1 September 2004, and the former College joined with the University's School of Education to become a new Faculty of Education. This Faculty stands to become a powerhouse of teaching and research in the field of education, and thereby be a major

influence on the shape of New Zealand's early childhood and schools sectors in the future. There is considerable potential to improve educational outcomes in many parts of these sectors, with large social and economic benefits. The University and its Faculty of Education fully recognise this, and are wholeheartedly committed to making the greatest contribution possible. The University itself is heavily dependent on schools, since a capable and diverse student body is our very lifeblood.

The Partnerships for Excellence scheme is another example of how the University – and its stakeholders – are benefiting from the University's forging of strong relationships with a wide range of partners. The University's project to build a world-class Business School was the first to be supported under the Government's relatively new Partnerships for Excellence

scheme, and both of the projects successful in the 2004 round – StarPath and the Institute for Innovation in Biotechnology – were also from this University. Partnerships for Excellence is an innovative scheme under which the Government matches dollar for dollar private contributions for joint projects. The Government offered the University an exceptionally generous \$25 million towards the Business School project, so long as the University could raise a similar amount from private partners. Although this initially seemed an ambitious target, it was passed earlier than expected, in May 2004. Further private support is being obtained. The Institute for Innovation in Biotechnology will provide a platform, in association with other sponsors and providers of research, to develop the University's already considerable strengths in biotechnology research. StarPath: Project for Tertiary Participation and Success aims to achieve a step-change in educational outcomes for students currently under-represented at the tertiary level. The project uses high quality research to identify barriers to participation and success for different groups of New Zealand students during their educational journey, and to generate initiatives and approaches that allow these students to fulfill their potential.

The merger with the College of Education and the University's three Partnerships for Excellence are examples of what the University does well – catalysing relationships with partners, including Government, which result in us doing more together than we could separately. These are significant examples, but are by no means the only ones. Right across the University, curricula gain relevance and immediacy through University-industry interaction, and research is inspired by and applied to the countless difficult questions, social as well as economic, generated by our complex, modern world. Maintaining this culture of connectedness with, and responsiveness to, society, the economy and the many communities which comprise the University's environment, and doing so in a manner which preserves the autonomy of the University and the freedom of its academics, is vital to all our futures.

Also vital to the future, for all concerned, will be putting the University's relationship with one of its most significant

stakeholders, the Government, on a more constructive footing. We will seek to do so by moving the dialogue between us away from the pursuit of state ownership and control, in favour of more productive discussions around issues such as lifting public investment levels in the university system, determining the most appropriate mechanisms for doing this, and the accountability arrangements for such public investment.

In reflecting on the successes during 2004, three people deserve special mention. In mid-2004 our Vice-Chancellor, Dr John Hood, left to take up the same position at Oxford University. His five years of achievement are without parallel, as recognised in his Oxford appointment. John Hood has given this University a shared purpose, momentum and a determination to achieve which were almost unimaginable at the start of his term. In October, Mr John Graham did not seek re-election following five years as Chancellor. John remains a Council member, and we continue to look to him for wisdom and pithy insight. Thirdly, Professor Raewyn Dalziel was Acting Vice-Chancellor for the six months until the arrival at the beginning of 2005 of Professor Stuart McCutcheon. Raewyn admirably maintained the University's momentum.

Council looks forward to 2005 with confident anticipation.



Hugh Fletcher
Chancellor

VICE-CHANCELLOR'S REVIEW

2004 was another year of outstanding success for The University of Auckland, reflecting the energy and momentum that now characterise New Zealand's leading university, the high quality of its staff and students, and the culture of excellence and achievement that they both embody.



The University met all of its significant targets, both financial and in terms of student numbers, for 2004. Total Equivalent Full-Time Students, at 28,158, were up 3.5% on 2003 and closely consistent with budget. The operating surplus before unusual items for the year, at \$19.0m, represented 3.3% of revenue – again consistent with budget and just over the 3% threshold targeted. Although measures such as these testify to the financial health of the institution, and create the necessary base for continued operation, they are not the results on which this report should concentrate. The real results of the University, those that should be given prominence, are the achievements of the people that comprise it.

Auckland's students excelled in international competition in 2004. Against strong fields from many of the world's leading universities, teams from The University of Auckland won competitions in business, business planning, client counselling, mooted, and design and build, in places as far afield as Seattle, Glasgow, Singapore and Sydney. Particularly notable was John Chen's success at the Sydney International Piano Competition. John was both the youngest winner ever of this prestigious competition, and the first winner from Australasia. Auckland student Richard Beal was one of three New Zealand winners of

a Rhodes Scholarship. Students largely initiated and organised spark*, Chiasma and Exposure, the postgraduate student research exposition. All are relatively new, exciting initiatives, demonstrating the energy and creativity of the University's students.

The University continued to implement recommendations from the Student Life Commission. Progress made in 2004 included further surveys of student experience and opinion, the re-positioning of ISpace, in the Student Commons, as the base for an enhanced programme of international activities, and the start of a significant strengthening of the Careers and Employment Office. The Uniguides programme, in which senior students offer support to new students, is expanding rapidly and is achieving a dramatic improvement in retention rates amongst the students involved.

In 2004 the University underwent its third academic audit. The audit, co-ordinated by the New Zealand Universities Academic Audit Unit and undertaken by an external review panel, focussed on teaching and learning issues. The University engaged in an intensive period of self-review, from which a portfolio was developed and submitted to the audit panel. In addition to examining the written submission, the audit panel

conducted a site visit in August to interview nearly 200 staff, students and stakeholders. I am pleased to note that the final public audit report, released in November, broadly endorsed the University's quality improvement programme in the teaching and learning area. The auditors commended many recent initiatives, such as the work of the Student Life and Curriculum Commissions, the Kate Edger Information Commons, the Cecil learning management system, student mentoring schemes, and Library support for student learning. Staff can take pride in these accomplishments. The audit report's recommendations for further improvements, plus the enhancements identified in the self-review portfolio, give us a path forward to strengthen further the University's provision of a high quality education and academic environment.

The Faculty of Business and Economics worked energetically to gain two prestigious international accreditations this year, confirming its leading status in New Zealand, and placing it amongst the top 1% of business schools worldwide. The Faculty of Medical and Health Sciences has been preparing for two years for reaccreditation of its medical programme, which will be a major focus in 2005.

2004 was also notable for the extensive national and international success of the University's staff. The year began with Professors Jane Harding and Garth Cooper being named New Zealanders of the Year by *North and South* magazine. Soon afterwards, Dr Gary Bold of Physics won the Prime Minister's Supreme Award at the National Tertiary Teaching Excellence Awards. Dr Gerard Rowe of Electronic and Computer Engineering also won an award, for sustained excellence in teaching. Among many other distinctions, the success of Distinguished Professor Dame Anne Salmond and Dr Annemarie Jagose in winning the principal Non-Fiction and Fiction awards at the Montana Book Awards was particularly notable. Dame Anne followed up that success by winning the Prime Minister's Award for Literary Achievement. Professor Marston Conder became President-elect of the Royal Society of New Zealand. Professors Brimble, Ihimaera, Dalziel, and Gustafson and Mr Nicoll, were all honoured with admission to the New Zealand Order of Merit. The many recipients of Vice-Chancellor's Research Excellence Awards, Early Career Research Excellence Awards, Teaching Excellence Awards, General Staff Excellence Awards, Universitas 21 Fellowships and Staff Equity Awards show not only the breadth and depth of achievement by staff, but also the University's increasingly active recognition of their achievement.

The University also recorded notable success in 2004 in contestable funding rounds. It won \$10m each for two new Partnerships for Excellence projects – the Institute for Innovation in Biotechnology, a new research institute within the School of Biological Sciences, and the StarPath project. StarPath: Project for Tertiary Participation and Success is an innovative scheme aimed at identifying barriers to participation in education for different groups of New Zealand students, and key factors for the success of initiatives that address those barriers. Three of the four projects so far awarded under Partnerships

for Excellence have been at The University of Auckland. The University was also successful in winning support for projects from the Capability Development Fund and Growth and Innovation Pilots.

The University's research successes continue to impress. New contracts won totalled \$153.7m – \$82.5m through the Research Office and \$71.2m through UniServices. Research revenue for the year was \$130.2m, \$61.6m through the Research Office and \$68.6m through UniServices. The University achieved very good results in the three major external funding rounds this year – winning 21 Marsden awards, submitting 10 successful FoRST proposals and gaining HRC funding for 17 projects. In the FoRST round the University had its best year to date and in the Marsden awards it was the most successful research institution in the country. The first evaluation to be carried out as part of the new Performance-Based Research Fund measured the quality of each institution's researchers, its success in winning external research funding, and research postgraduate degree completions. It is thus a broadly-based measure of university research activity. In summarising the results, the Tertiary Education Commission (TEC) observed that "on virtually any measure, The University of Auckland is the country's leading research university". The University had the highest quality score of any institution, and it also had the highest number and proportion of A-rated researchers in the country. At Auckland 26 of 41 academic units ranked either first or second in New Zealand, and a majority of the 22 academic units nationally to achieve a score of 5.0 or higher were at Auckland. The University gained \$1.6m in revenue as a result of its ranking. This result was a resounding endorsement of the breadth and depth of the University's research activity. It did not, however, come without a significant compliance cost. The time devoted by many colleagues to preparing and reviewing evidence portfolios deserves recognition and sincere appreciation, as does the leadership of Professors Barnes and Black.

During the year the University made two major changes to its structure. The first was the creation of a new faculty, the Faculty of Creative Arts and Industries. This followed the dissolution of the former Faculty of Architecture, Property, Planning and Fine Arts. Property joined the Faculty of Business and Economics, while Music left the Faculty of Arts to join Architecture, Planning and Fine Arts in the new Faculty. The second was the formation of a new Faculty of Education from the University's School of Education and the former Auckland College of Education, following the College's amalgamation with the University on 1 September. I want to acknowledge the leadership of Professor Dalziel and Dr Langley and many of their colleagues from both institutions, who worked very hard to bring the merger about. I also want to welcome the staff and students of the former College to the University community, and look forward to working with them towards realising the exciting vision that drove the merger. Both new Faculties represent powerful disciplinary alignments that should strengthen the University's teaching and research activities.

The University's academic structure and administrative

processes have also received attention. The academic restructuring project made significant progress towards its objective of, by 2006, converting all qualifications to a 120 credit year and including a general education component in all undergraduate degrees. Two initiatives recommended by the Head of Department Taskforce were also progressed during the year. A review of key administrative processes identified a number of improvements that will eliminate waste and improve service levels, and a new Vice-Chancellor's Advisory Committee, the Administration Review Committee, chaired by Professor Hool, was convened. The Administration Review Committee will oversee cyclical reviews of the University's administrative functions analogous with the reviews of academic departments that have been in place for some time.

Implementation of the University's Capital Plan, which aims to bring its physical resources for teaching, learning and research up to the same standard as benchmark universities in Australia, continued during the year. Highlights were the opening of the Grafton Information Commons and staff and student amenities, the School of Population Health at Tamaki and the Fale Pasifika on the City Campus. The Fale, which is architecturally one of the most striking buildings constructed in Auckland for some time, is also a landmark in the development of the University's relationship with the communities of the Pacific. It will strengthen the University's relationship with Pacific peoples, provide a platform for engagement of Pacific people with each other and the University, and act as a catalyst for enhanced teaching and research in the field of Pacific Studies. During the year the University reconceptualised its plans for development of the Business School Complex site on Wynyard St. This led to a significant enhancement of the University facilities – principally additional carparking, additional large lecture theatres and a new data centre for the City Campus – provided for within the complex. As a result the development will be more cost-effective for the University. In addition to providing the facilities that the Faculty of Business and Economics needs to implement its academic plan, Agenda for Action, it will provide a number of other facilities badly needed on the City Campus. Construction work is well under way, and the initial fundraising target of \$25m was passed in June. In another development, a special capex allocation was set aside to enable the purchase of large items of specialist equipment beyond the capacity of faculty based capex allocations. Three purchases were approved – a Micro-computed Tomography system for the Bioengineering Institute, an Environmental Scanning Electron Microscope for Engineering and a Fourier Transform Mass Spectrometer for Science. Each will consolidate the position of the University's researchers at the forefront of their fields in Australasia.

The University also invested significant time and resources in its planning and accountability processes. The PBRF evaluation and the Academic Audit are qualitative assessments of key areas of the University's research and educational performance, and are an important part of the University's public accountability. The University welcomes independent, rigorous and expert scrutiny of its affairs, and is pleased that such scrutiny continues to show the strength and quality of its performance. Internal and external accountability for financial management also continues to be strong. The University has reviewed and re-established its internal audit function. Internal and external audit, and the University's new risk management function, report

regularly to Council's Audit Committee, providing advice and assurance independently of University management. The University's revised Charter was approved by both the Council and the Minister. The University's Profile for 2005-7 was approved by TEC without amendment. Work is underway on reviews of the University's Strategic Plan, Academic Plan and Research Plan, which will be a major focus in the early months of 2005.

All of these achievements demonstrate how well the University is meeting its obligations to the Government and other stakeholders. Its teaching is strong. Its research overall is the best in the country. Its public accountability is broad-based and effective.

The University's obligations to the Government and to the country can be simply stated. It should carry out its role, as described in its Charter: Government subsidies for tuition account for one third of the University's revenue, and it must be diligent in its stewardship of that funding, and openly accountable for it. This is also true of the other two thirds of the University's revenue, principally sourced from students and research sponsors. The Government is the representative voice of the people of New Zealand, and it sets the agenda for the development of New Zealand's society and economy. Since the University interacts with and serves New Zealand's society and economy in so many ways, the voice of the Government on these matters is of vital interest to the University.

The Government's obligations to the University can also be described simply. There are essentially two. The first – which is in fact a statutory obligation – is to preserve and enhance university autonomy and academic freedom. The second – which is a generally accepted obligation of governments in liberal democracies – is to provide universities with resources to support their work. These are the two great enablers of a university – an environment of free enquiry, and the financial and physical resources to support freely enquiring minds.

The rewards to the Government and the University (and to New Zealand) if each meets its obligations to the other are substantial. The training of minds to think through problems and apply skills to their solution, and the discovery of new knowledge and new ways to apply knowledge are the crucial and unique contributions that research universities make to building stronger communities, an open and inclusive society, and a prosperous economy.

This report demonstrates how the University has done its utmost to meet its obligations to the Government, and has achieved impressive results. The University's teaching and research performance continues to be outstanding, in both local and international contexts. The University's accountability for the funding it receives, from all sources, continues to be extensive and thorough, and the University has been open in its willingness to further strengthen its accountability wherever necessary. In all of its planning and decision-making processes, the University has serious regard for the views of the Government, as expressed through its Tertiary Education Strategy and Statement of Tertiary Education Priorities. It has kept its part of the bargain, but some aspects of the University's relationship with Government remain of concern.

Late in 2003 the Government involved the universities in its reform of the legislation relating to Crown entities. Universities have been Crown entities for over a decade, but until now this



has had no significance to universities other than that they became subject to five sections of the Public Finance Act – which regulated how universities kept bank accounts and made investments, and required them to prepare annual financial statements and have them audited. These provisions have never troubled universities, and they did not impinge on either autonomy or academic freedom. New legislation passed in late 2004, however, changes in a fundamental way what it means to be a Crown entity. A Crown entity is now defined as an organisation in which the State has a controlling interest. This University, and the New Zealand Vice-Chancellors' Committee on behalf of all universities, repeatedly put to the Government the argument that if universities are to continue to be autonomous of the Government, they can no longer be defined as Crown entities and, as such, State-controlled. The Government declined to accept that argument, and the threats to university autonomy remain of very real concern to us.

The Government's second obligation to universities is to contribute to the funding required to enable the institutions to achieve the mission identified and accepted in their Charter. The University has conducted studies comparing its funding with universities in the OECD generally and with comparable research-intensive universities in Australia in particular. Both comparisons show The University of Auckland's Government funding to be low by approximately \$170m per annum. In both cases about half the shortfall is the result of New Zealand having a relatively low GDP per capita, and about half is due to the funding of research-intensive universities being less of a priority to the New Zealand Government than it is to governments in Australia and in most other OECD nations. Raising New Zealand's per capita GDP to the level of Australia is, realistically, not going to happen quickly (and is unlikely to happen at all without a well-supported, effectively-performing university system) so a substantial element of the systemic underfunding to which the University is exposed is likely to continue into the medium and long term. There is no reason, however, why the New Zealand Government should not accord funding of research-intensive universities as much priority as do

the governments of most developed nations, and this will continue to be the subject of vigorous advocacy by the University. Certainly, our performance to date indicates quite clearly that we represent "value for money".

The University hopes to be able to move the focus of discussions with the Government away from questions of State ownership and control, in favour of a more productive focus on the outcomes New Zealand, through the Government and other stakeholders, seeks from The University of Auckland and the levels of investment needed to achieve those outcomes.

During 2004 the University was led by its outstanding former Vice-Chancellor, Dr John Hood, for the first half of the year, and by Professor Raewyn Dalziel as Acting Vice-Chancellor from July. I want to acknowledge their leadership, and that of the University Council and management team, and the contributions of all of the staff and students of the University. In my initial period at the University, since January 2005, I have concentrated on listening to what the members of the University community have to say about our institution, and I have been consistently impressed with the sense of goodwill and enthusiasm evident, and the amazing range of talents that the members of the University bring to bear in its name. A University is nothing but the people who come together under its wings. The staff and students who together comprise The University of Auckland make up an institution with awesome power to shape and improve the world we live in and our understanding of it. It is a privilege to be able to both guide and support their work.

Professor Stuart McCutcheon
Vice-Chancellor

KEY FACTS AND FIGURES

	2004 INCLUDING EPSOM	2004 ACTUAL	2003 ACTUAL	2002 ACTUAL
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FULL-TIME EQUIVALENT STAFF (FTE)

Academic	1,933	1,751	1,740	1,692
General	2,288	1,943	1,877	1,841
Total	4,221	3,694	3,617	3,533

STUDENTS

EFTS	31,375	28,158	27,205	25,979
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GENDER

Male	16,866	15,833	15,462	14,854
Female	23,632	18,735	17,764	16,648
Total	40,498	34,568	33,226	31,502

STATUS

Full-time	24,397	22,346	21,465	20,429
Part-time	16,101	12,222	11,761	11,073
Total	40,498	34,568	33,226	31,502

ETHNICITY

European	16,901	13,541	13,859	13,191
Māori	2,996	1,995	1,823	1,650
Pacific Island	3,231	2,278	2,069	1,780
Asian	12,871	12,474	11,420	9,619
Other	2,074	1,857	1,655	1,360
No response	2,425	2,423	2,400	3,902
Total	40,498	34,568	33,226	31,502

AGE GROUP

18 or Less	5,479	5,265	4,995	4,981
19-20	9,235	8,811	8,465	7,919
21-23	9,008	8,485	7,908	7,183
24-29	5,698	4,909	4,760	4,353
30-39	5,119	3,777	3,932	3,981
40+	5,959	3,321	3,166	3,085
Total	40,498	34,568	33,226	31,502

	2004 INCLUDING EPSOM	2004 ACTUAL	2003 ACTUAL	2002 ACTUAL
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STUDENT ENROLMENT BY QUALIFICATION (EFTS)

Doctor of Philosophy	1,102	1,102	1,039	996
Other Doctoral Degree	87	87	76	55
Master Degree	1,794	1,745	1,767	1,598
Conjoint Degree	3,145	3,145	2,973	2,950
Bachelor Honours	391	391	383	388
Bachelor Degree	20,405	18,601	17,952	16,969
Diploma	2,782	1,725	1,787	1,752
Certificate	1,427	1,160	1,030	897
Other Programme	91	91	150	147
Total	31,224	28,047	27,157	25,752

	2004 ACTUAL	2003 ACTUAL	2002 ACTUAL
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ALL PROGRAMMES

Arts	7,268	7,181	7,142
Business and Economics	8,191	7,944	7,278
Creative Arts and Industries	2,027	2,036	1,663
Education*	7,428	831	813
Engineering	2,647	2,554	2,431
Law	1,569	1,487	1,409
Medical and Health Sciences	3,366	3,010	2,728
Science	7,225	7,112	7,177
Theology	221	263	289
University Programmes	2,602	2,667	1,949
Total	42,544	35,085	33,130

NOTE:

- Conjoint, PhD and other doctorate enrolments are reported with their sponsoring faculty. For example, a student enrolled in BA/BSc will be distributed to both Science and Arts 50/50.
- 2002 and 2003 student numbers have been recast to reflect the 2004 faculty boundaries.

* Including Epsom Campus.

	2004 ACTUAL	2003 ACTUAL	2002 ACTUAL
UNDERGRADUATE ENROLMENT (EFTS)			
Arts	4,779	4,538	4,378
Business and Economics	5,420	5,347	4,849
Creative Arts and Industries	1,255	1,211	1,146
Education*	3,333	256	304
Engineering	1,876	1,734	1,644
Law	1,005	1,016	989
Medical and Health Sciences	1,964	1,756	1,608
Science	5,802	5,541	5,511
Theology	130	139	154
University Programmes	685	840	795
Total	26,249	22,378	21,378

	2004 ACTUAL	2003 ACTUAL	2002 ACTUAL
POSTGRADUATE ENROLMENT (EFTS)			
Arts	825	832	774
Business and Economics	855	872	793
Creative Arts and Industries	268	288	274
Education*	546	372	403
Engineering	347	370	320
Law	134	102	115
Medical and Health Sciences	801	754	690
Science	1,168	1,156	974
Theology	30	35	31
Total	4,794	4,781	4,374

NOTE:

- University Programmes include Tertiary Foundation Certificate and Certificate of Proficiency.
- The EFTS figures are based on EFTS taught by teaching faculty.
- 2002 and 2003 undergraduate and postgraduate EFTS have been recast to reflect the 2004 faculty boundaries.

* Including Epsom Campus.

	2004 ACTUAL	2003 ACTUAL	2002 ACTUAL
QUALIFICATIONS AWARDED (BY FACULTY)			
APPFA	-	369	342
Arts (including School of Education)	1,897	1,835	1,860
Business and Economics	2,011	1,725	1,641
Creative Arts and Industries	505	-	-
Engineering	457	468	444
Law	285	299	265
Medical and Health Sciences	916	579	501
Science	1,572	1,493	1,370
Theology	51	58	53
Total	7,694	6,826	6,476

NOTE:

- APPFA is the former Faculty of Architecture, Property, Planning and Fine Arts

	2004 ACTUAL	2003 ACTUAL	2002 ACTUAL
INTERNATIONAL STUDENTS			
China	3,024	2,606	1,765
USA	427	305	213
Korea	231	198	184
Malaysia	209	202	190
Germany	207	161	124
India	142	154	101
Hong Kong	104	115	119
Norway	104	110	74
Japan	81	85	77
Fiji	74	88	84
Vietnam	70	53	29
United Kingdom	68	43	49
Indonesia	63	72	90
Canada	61	35	32
Russian Federation	49	31	17
Taiwan	48	51	62
Sweden	35	52	60
Singapore	35	37	34
France	33	31	27
Denmark	23	23	18
Samoa	22	32	35
Thailand	17	26	26
Other	249	250	263
Total	5,376	4,760	3,673

UNIVERSITY GOVERNANCE

The University was founded in 1883 as a constituent College of the University of New Zealand. Under the University of Auckland Act 1961 the College became an autonomous University. The University is currently administered under the 1961 Act and the Education Act 1989.

The University's mission is to be an internationally recognised, research-led university, known for the excellence of its teaching, research and service to its local, national and international communities.

UNIVERSITY AUTONOMY AND ACADEMIC FREEDOM

The Education Act 1989 gives statutory protection to the institutional autonomy of the University and the academic freedom of its staff and students. The Act also binds the Council, the Vice-Chancellor, Ministers and agencies of the Crown to act in all respects so as to preserve and enhance university autonomy and academic freedom.

UNIVERSITY LEADERSHIP

THE COUNCIL

The University's governing body is the Council ("Council"), which comprises elected staff, students and graduates, Council appointees and Ministerial appointees. Two executives – the Vice-Chancellor and one of the Deputy Vice-Chancellors – are also members of Council. Council is chaired by the Chancellor, who is a lay member of Council.

Under the Education Act 1989, Council has the following functions:

- Appoint a chief executive
- Prepare, negotiate and adopt the University Charter
- Adopt the Profile
- Ensure that the institution is managed in accordance with the Charter and Profile
- Determine the policies of the institution in relation to the implementation of its Charter and the carrying out of the Profile and, subject to the State Sector Act 1988, the management of its affairs.

In carrying out its functions, and particularly when considering the University's Charter and Profile, Council is guided by the statutory characteristics of universities, which are defined in the Education Act 1989 as:

- They are primarily concerned with more advanced learning, the principal aim being to develop intellectual independence
- Their research and teaching are closely interdependent and most of their teaching is done by people who are active in advancing knowledge
- They meet international standards of research and teaching
- They are a repository of knowledge and expertise
- They accept a role as critic and conscience of society.

A university, according to the Act, is characterised by a wide diversity of teaching and research, especially at a higher level, that maintains, advances, disseminates and assists the application of knowledge, develops intellectual independence and promotes community learning.

Council is required, when performing its functions, to fulfil various duties. These include:

- Striving to ensure that the University attains the highest standards of excellence in education, training and research
- Acknowledging the principles of the Treaty of Waitangi
- Encouraging the greatest possible participation by the communities served by the University, especially by under-represented groups
- Ensuring that the University does not discriminate unfairly against any person
- Ensuring proper standards of integrity, conduct and concern for the public interest and the well-being of students
- Ensuring that systems are in place for the responsible use of resources.

THE VICE-CHANCELLOR

The Education Act 1989 entrusts the Chief Executive Officer (Vice-Chancellor) with the management of the academic and administrative matters of the University. The Vice-Chancellor is the employer of all staff. The Vice-Chancellor is supported by an Advisory Group comprising:

- The Deputy Vice-Chancellors Academic and Research
- The Pro Vice-Chancellors Equal Opportunities, International, Māori and Tamaki
- The Deans
- The Registrar and the Directors of Administration, Human Resources and External Relations.

THE SENATE

On academic matters, Council is bound to consult the Senate which the Vice-Chancellor chairs. This body includes all the professors, and representatives of sub-professorial staff and students. The Senate takes advice from the Education and Research Committees and from a number of other committees.

Council has delegated to Senate the following responsibilities and functions:

- Making recommendations or reports to Council on any matter affecting the University
- Furthering and coordinating the work of faculties and departments, the Library and University Press
- Encouraging scholarship and research
- Appointing standing committees as required

- Delegating authority to its committees
- As delegate of Council, the Senate operates as a Committee of Council.

THE FACULTIES

Each Faculty is a Committee of Senate and is headed by a Dean who is responsible for management of the teaching, research and administrative activities of the Faculty. Each Faculty has established its own structure of Associate and Assistant Deans, and committees. Deans have primary financial responsibility for their Faculties.

CHARTER AND PROFILE

The University's Charter is a high-level governance document that defines broad strategy and sets out the University's mission and role. The Charter was developed after a range of meetings and forums with key groups that provided the University's stakeholders with the opportunity to express their views on the direction of The University of Auckland. The Charter has been approved by Council and the Associate Minister of Tertiary Education until December 2011.

The University's Charter provides the basis for the development of its Profile. The Profile is a rolling annual statement describing the University's plans and activities for the next three years, outlining how these will give effect to the broad strategies and mission set out in the Charter. The Profile under the Education Act 1989 is also the base document which the Tertiary Commission must utilise to release general funding.

CAPITAL PLAN AND FINANCIAL PROJECTIONS

The Capital Plan is updated annually and sets out the investment required to maintain and enhance the University's infrastructure and resources over a ten-year period.

The property capital expenditure programme is reviewed by the Capital Planning and Budgeting Committee with specific project approvals sought from Council. Faculty capital requirements are established subject to an annual Asset Management Plan ensuring internal processes for prioritisation and appraisal are in place, whilst the Information Technology spending programme is reviewed by the IT Strategy and Policy Committee before being approved by the Capital Planning and Budgeting Committee. The Library Committee oversees the Library's capital expenditure allocation.

A projection of the University's financial performance and position over ten years is prepared as part of the Capital Plan.

The financial projections are based on a consolidation of financial projections established within each Faculty and a series of assumptions regarding the operations of other aspects of the University. These projections of operating income and expenditure are then combined with the capital requirements determined in the Capital Plan to establish an overall projection of the University's financial position and financing requirements over a ten-year period.

FINANCE COMMITTEE

The financial affairs of the University, both long-term and short-term, are considered by the Finance Committee appointed by Council. The Finance Committee works closely with the Vice-Chancellor and management to review all aspects of the financial performance of the University.

Council receives reports from, and relies upon the advice of, the Finance Committee in relation to financial performance.

AUDIT COMMITTEE

The members of the Audit Committee are appointed by Council and are chosen from the lay members of Council. The Audit Committee also has the power to co-opt an additional member from Senate.

The Audit Committee's principal task is to ensure that all financial statements released to the public, stakeholders, lenders or any regulatory body comply with accounting standards, are true and fair and are not misleading. The Audit Committee reviews the system of internal control throughout the University.

Risk management and internal audit activities are overseen by the Audit Committee. The University's risk management framework directs activities towards a high-level, process-based approach taking into consideration the external operating environment and including strategic, operational and financial risks. Risk management activities will focus on identifying control gaps in existing processes and systems, and on aligning and embedding the various processes so that risk-based decisions can be made on a consistent basis.

The Audit Committee also oversees the relationship with the University's external auditors, Deloitte, on behalf of the Auditor-General. Deloitte is appointed by the Office of the Auditor-General for a three-year term. The Audit Committee receives regular reports on any matters which arise in connection with the performance of the external audit, including the adequacy of internal controls and the truth and fairness of the financial reports.

Internal audit is an integral part of the University's risk management framework. Certain internal audit services are contracted in from PricewaterhouseCoopers for a three-year

UNIVERSITY GOVERNANCE (CONTINUED)



term. To provide an effective service as well as the required level of assurance on a wide range of issues, a “core” audit programme has been developed, consisting of “financial” audits and audit areas matching the expertise of the principal audit provider. Audit requirements not covered by the “core” programme will be resourced on a flexible, co-sourced basis, to allow drawing on the knowledge, skills and resources of both the University staff and specialist providers.

Central to the proposed approach is the development of a business-wide “risk based” audit plan, which considers all critical business issues, operational risks, risk management processes, compliance with key legislative requirements, and the effectiveness of internal financial and operational controls.

ETHICAL STANDARDS

The University of Auckland maintains high ethical standards for research and teaching involving animals and humans. The following three committees report directly to Council:

The University’s **Animal Ethics Committee** and its sub-committees ensure that the protocols for use of animals in research and teaching are in accordance with legislative requirements.

The **Biological Safety Committee** assesses applications in accordance with the delegation by Environmental Risk

Management Authority (ERMA) in order to identify all potential effects on people including researchers, the community and the environment. Applications are determined in accordance with the Hazardous Substances and New Organisms (HSNO) Act and any relevant supporting protocols issued by ERMA. In addition the Biological Safety Committee monitors ongoing work within the University and makes recommendations on containment issues as appropriate. The Committee has a system for consultation with Māori.

The **Human Participants Ethics Committee** reviews all proposed research and teaching projects which involve human subjects, other than projects which require Regional Health Authority ethics approval, to ensure compliance with the highest ethical standards. In addition, this Committee provides advice and assistance to Council and the University community with respect to ethical standards and issues involving human subjects.

The Occupational Environmental Safety and Health Advisory Committee is a forum of nominated or elected management and staff representatives that enables staff and unions to communicate to management issues of interest and concern related to health and safety and to encourage staff participation in the ongoing maintenance and improvement of a safe and healthy environment. The Committee reports to the Staff Advisory Committee, a consultative committee to the Vice-Chancellor.

OFFICERS OF THE UNIVERSITY AND BUSINESS DETAILS

(As of 31 December 2004)

Chancellor	Hugh Fletcher MBA <i>Stanford</i> , BSc MCom
Pro-Chancellor	Jennifer Gibbs MA
Vice-Chancellor	Professor Raewyn Dalziel (Acting) ONZM, BA (Hons) PhD <i>Well</i> .
Deputy Vice-Chancellors	
Academic	Professor Julie Maxton (Acting) LLB <i>Lond.</i> , LLM <i>Cant.</i> , PhD
Research	Professor Tom Barnes MSc PhD <i>UMIST.</i> , FRSNZ
Pro Vice-Chancellors	
Equal Opportunity	Distinguished Professor Dame Anne Salmond DBE, CBE, MA, PhD <i>Penn.</i> , FRSNZ
International	Associate Professor Chris Tremewan MA PhD <i>Cant.</i> , MPA <i>Harv.</i>
Māori	Adjunct Professor Michael Brown CNZM, Hon. LLD
Tamaki	Professor Ralph Cooney BSc PhD DSc <i>Qld.</i> , FRSNZ, FRACI, FNZIC
Deans	
Arts	Professor John Morrow MA <i>Cant.</i> , PhD <i>York (Can.)</i>
Business and Economics	Professor Barry Spicer BCom <i>Qld.</i> , PhD <i>Wash.</i>
Creative Arts and Industries	Professor Sharman Pretty BMus (Hons) <i>Adel.</i> , Reifeprüfung, <i>Freiburg-im-Breisgau</i>
Education	Dr John Langley MEd PhD <i>Cant.</i> , AdvDipTchg <i>CCE.</i>
Engineering	Professor Peter Brothers BSc BE, PhD <i>Col. State</i> , MASME, MASHRAE
Law	Professor Peter Watts (Acting) LLB <i>Cant.</i> , LLM <i>Camb.</i>
Medical and Health Sciences	Professor Peter Smith MBBS BSc MD <i>Qld.</i> , FRACP, FRCPA
Science	Professor Dick Bellamy CNZM, BSc NZ, MSc PhD, FRSNZ

Postgraduate Dean	Professor Philippa Black (Acting) BSc NZ, MSc PhD, FMSAm, FRSNZ
Registrar	Timothy P. Greville LLB
Director of Administration	Jonathan Blakeman MPP <i>Well.</i> , BCom Dip LGA, FNZIM, CA
University Librarian	Janet Copey DipNZLS <i>Well.</i> , BA DipBus, FNZLIA
Chief Executive, Auckland UniServices Ltd	Dr John Kernohan MSc, PhD <i>Boston</i>
Directors	
External Relations	John Taylor MA <i>Well.</i>
Finance	Marin Matulovic BCom, DipMan <i>Henley</i> , CTR, CA
Human Resources	Kath Clarke BA
Information Technology Systems and Services	Stephen Whiteside BCom <i>Cant.</i> , CA, MNZCS
International	Andrew Holloway BA (Hons) DipEd <i>WAust.</i>
Planning	Pamela Moss BHSc <i>Otago</i>
Property Services	Maurice Matthewson BE NZ
Schools Partnership Office	Colin Prentice MA
Student Administration	Wayne Clark MEd PhD <i>Pret.</i> , BA SA., HDipEd <i>Witw.</i>
Business Details	
Bankers	Bank of New Zealand
Auditors	Deloitte – on behalf of the Auditor-General
Valuers	DTZ New Zealand Ltd

COUNCIL MEMBERS



HUGH FLETCHER
MBA *Stanford*, BSc MCom
Chancellor
from October 2004
Pro-Chancellor
until October 2004
Appointed by Minister of Education



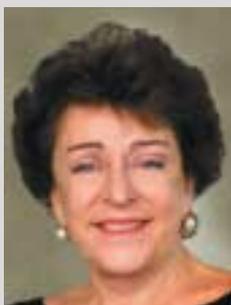
JOHN GRAHAM
CBE, MA
Chancellor
until October 2004
Appointed by Minister of Education



DR JOHN HOOD
MPhil *Oxford*, BE PhD
Vice-Chancellor
until June 2004
Ex officio



PROFESSOR RAEWYN DALZIEL
ONZM, BA (Hons) PhD *Well.*
Acting Vice-Chancellor
from June 2004
Deputy Vice-Chancellor (Academic)
until June 2004
Ex officio



JENNIFER GIBBS
MA
Pro-Chancellor
from October 2004
Appointed by Council



GREG TAYLOR
MA
Appointed by Minister of Education



ALISON THOM
DipSocWk *Well.*, MBA *Waik.*
until August 2004
Appointed by Minister of Education



LINDSAY CORBAN
MA
from August 2004
Appointed by Minister of Education



ROGER FRANCE
BCom, CA
Appointed by Council



PETER MENZIES
ME
Appointed by Council



LYN STEVENS QC
 BCL *Oxford*, BA LLB (Hons)
 Elected by Court of Convocation



JOHN MORRIS
 MA
 Elected by Court of Convocation



DR JILL HOLT
 MA PhD
until September 2004
 Elected by Court of Convocation



MONIQUE CORNISH
 BSc, MSc *Oxford*
 Elected by Students



GARY REESE
 BA
 Elected by Students



PROFESSOR RICHARD FAULL
 BMedSc MBChB *Otago*,
 PhD DSc, FRSNZ
 Elected by Academic Staff



**PROFESSOR
 DIANNE MCCARTHY**
 BA MSc PhD
 Elected by Senate



JANET COPSEY
 DipNZLS *Well.*, BA DipBus, FNZLIA
 Elected by General Staff



**ASSOCIATE PROFESSOR
 KEN LARSEN**
 PhL STL *Rome*, MA PhD *Camb.*
 Elected by Lecturers

SPOTLIGHT ON STUDENT ACHIEVEMENT AT THE UNIVERSITY OF AUCKLAND

Students make up the sum and substance of any university. The University of Auckland has a keen interest in providing an environment in which students are encouraged to succeed. This University is distinguished by a strong body of students, and this year there are a number of good examples of what our students can achieve.

It has undoubtedly been a year of outstanding achievement. Students have excelled in many ways, initiating excellent and important projects, succeeding at international competitions and reaching exceptional scholarly pinnacles. In this report, students from every faculty at Auckland are showcased.

STUDENT INITIATIVES

A variety of student-initiated projects has been launched recently, including the biotechnology group Chiasma, entrepreneur challenge spark* (profiled on page 49) and postgraduate research exposition Exposure. In 2004, these endeavours developed into commendably effective ventures with outstanding results.



An opportunity to appreciate the range and depth of postgraduate research at Auckland, Exposure is an initiative hosted by the Postgraduate Students' Association (PGSA). It aims to celebrate and foster research networks across the University, raise awareness of postgraduate research across the wider community, and showcase the best in postgraduate research for industry, government and society.

This year more than 300 students presented their research at



Best overall multimedia presentation for 2004:
Helga Fassonaki – Creative Arts and Industries.

the multidisciplinary four-day event in October. Every faculty was represented and the quality of work reaching the finals impressed both judges and visitors.

Not simply an exhibition, Exposure is a competition designed to reward students for their hard work and talent. Students were competing for \$15,000 worth of prizes in three categories: oral, multimedia and poster presentations. The PGSA promises Exposure 2005 will be even bigger and better.



In 2004, students from the biotech-related faculties launched Chiasma, a student group with a vision to enhance professional development, encourage biomedical innovation across the University, and build networks and linkages.

The grand launch of Chiasma in September brought together over 250 people: students, scientists, senior staff members across the University and members of the biotech industry, government and CRIs. Chiasma is a student-led initiative, run in conjunction with its University partners: the Faculty of Medical and Health Sciences, the School of Biological Sciences, the Bioengineering Institute, the Business School and its foundation sponsor, the National Research Centre for Growth and Development.

Chiasma will enable students to hear from industry experts and discuss recruitment options, explore internship opportunities, and become aware of research taking place in the industry via its BioTech Expos, its close association with the newly formed Auckland Biotech Chapter of NZBio, and through exciting upcoming industry events such as the NZBio Biotech Conference in March 2005.

Chiasma CEO, Priv Bradoo, believes students want to leave university with the experience and skills that make them job-ready and enterprise-savvy. She explains: "The New Zealand biotech sector has huge potential, but the best and brightest students are often going offshore as they aren't aware of the many opportunities available in this country. Through Chiasma, students will gain access to industry leaders and key organisations in the biotech industry."

The three key components to Chiasma are Careers Catalyst, which is a professional development programme with industry mentors, the I-Volve Challenge which fosters biomedical innovation by developing novel ideas, and the bioTechExpo, providing the opportunity for companies to promote their research and for students to network with the industry. Chiasma currently has more than 230 student members and the first Chiasma event, Careers Catalyst, attracted close to 90 registrants. Careers Catalyst, a free two-day workshop run in conjunction with the University's Postgraduate Careers Centre, focused on skills such as leadership, team-building, communication, marketing and commercialisation. These skills were developed



The Chiasma team and guest speakers at the September launch: From top: Nanda Surendran, Andy Change, Dean Peter Smith, Daniel Sun, Anchal Bassi, Swati Sharma, (COO), Priv Bradoo (CEO), Dr Siman Malpas (Telemetry Research), Dr Clair McGowan (NZBio Auckland), Prof Garth Cooper (Protemix), Geoff Whitcher (Steering Committee), and bottom: Nagarajan Kannan, Bryce Davies, Megha Punreddy and Omer Aziz.

through working with mentors and tutors from biotech-related industries and group activities that simulated real-life scenarios.

The next big Chiasma event is the I-Volve Challenge, open to students and staff at the University. Three cash prizes will be awarded from a total prize pool of \$6,500 for the winning innovative idea or concept in the biotechnology field.

INTERNATIONAL COMPETITION

This year saw an extraordinary number of teams succeed at characteristically tough international competitions. Teams won the inaugural Universitas 21 Business Competition in Singapore, the Weir-Warman Design and Build Competition in Sydney, the Boston Consulting Group Business Case Competition at the University of New South Wales and the Global Business Challenge in Seattle. Law students performed exceptionally well in winning several international contests. And finally, Performance Music student John Chen achieved a remarkable result, winning the prestigious Sydney International Piano Competition.

WEIR-WARMAN DESIGN AND BUILD COMPETITION

A team of students from the Faculty of Engineering bested teams from around Australasia to win the prestigious Weir-Warman Design and Build Competition held in Sydney in September. The annual competition, now in its 18th year, challenges second-year Mechanical Engineering students to solve practical problems set up by Weir-Warman International and Engineers Australia.

The competition is a significant challenge to second-year students in terms of existing design skills. Teams must develop their innovative ideas into a proven conceptual design, while communicating the design effectively. Dr Bickerton, Senior Lecturer in Mechanical Engineering and mentor to teams for the last five years, says students are encouraged to participate each year as it is a great learning experience. Students have the opportunity to be involved in projects from the initial rules stage through to concepts, design, construction, and finally testing their invention.

The Auckland team of Kelvin Peng, Eric Yang and Rob Horsley competed with 16 other universities to claim first prize. The 2004 challenge, called Project Potential Energy Propulsion, was to design a transport system that utilised potential energy from a falling 4kg weight. This energy was to be used to propel a device and weight of rice as far along a ramp as possible. The total weight of the device and the rice it transported was not to exceed 4kg. Teams scored on how far their device travelled up the ramp and the weight of rice they transported.



The design and build team with their prize-winning device.

Dr Bickerton explains the team's design had several smart concepts and these, combined with the design's simplicity, helped them win. "There were some very impressive devices with some teams coming up with a 4-wheel drive style car. Our students designed a very simple rolling cylinder which only weighed 400g and transported 3.6kg of rice." The judges were impressed with the clever concepts of energy efficiency employed by the team's device.

The Auckland team went well prepared, having proven their ability at the local round of the competition in August. The winning trio spent some time perfecting their invention following the local round and credit the strong local competition for their success, saying that they took inspiration from fellow students to improve their design.

In the final, the Auckland team met and managed to outclass the defending champions and winners for the past two years, the University of Western Australia.

JOHN CHEN – BEST AT SYDNEY INTERNATIONAL PIANO COMPETITION

John Chen, a student from the Faculty of Creative Arts and Industries, has had an extraordinary year. John is 18 years old and is in his final year of study for a Bachelor of Music degree with Honours in Performance at the School of Music. In July, John took the stage at the Sydney Opera House to win the prestigious Sydney International Piano Competition.

Established in 1977, the competition is internationally recognised as one of the world's great piano competitions. Selected from over 200 auditions worldwide, John was chosen over the 36 other finalists from 22 different countries to win the overall first prize. He also won several major performance prizes; best performance of a Mozart sonata, best performances of works by Schubert and Beethoven, best chamber performance and best performance of a 19th or 20th century concerto.

In the finals, John played Mozart's Concerto KV453 in G Major with his own cadenzas, accompanied by the Australian Chamber Orchestra, and Rachmaninov's Piano Concerto No 3, Opus 30 in D Minor, accompanied by the Sydney Symphony Orchestra. John was one of the two youngest finalists in the

competition, which offers prize money totalling A\$120,000.

John's talent is undeniable. His teacher, Rae de Lisle, a Senior Tutor at the School of Music, explains: "He is a truly remarkable young man who draws the listener right to the core of the music. The beauty of the sound that he was able to draw from the Kawai grand piano was spellbinding and he was the only competitor who really played as a whole with the orchestra."

John began learning the piano at age three, but was seven before he began individual lessons with Ms de Lisle. He had written his first symphony by the time he was ten years old. At age 14 he came second in New Zealand in Bursary Scholarship examinations. He began his studies in music performance at Auckland when he was 15.



John Chen

UNIVERSITAS 21 BUSINESS PLAN COMPETITION

The U21 Business Plan Competition was hosted by the National University of Singapore in July. The Auckland team, composed of Engineering and Commerce students, beat 17 teams from U21 universities to claim first prize with their commercialisation plan for contactless energy technology.

A panel of judges unanimously voted the Auckland team comprising Fady Mishriki, Margaret Zhu, Thomas Hong, Martin Cox and Thomas Griffiths (guest student from the University of Edinburgh) into first place, with the University of Virginia and the University of Queensland taking second and third places. The winning presentation was a commercialisation plan for technology based on wireless energy, which allows power transfer without direct physical contact.

The Team Manager, Dr Patrick Hu, a lecturer in the Electrical and Computer Engineering Department, says the students had prepared well and worked together wonderfully. Dr Hu says the idea of taking a multidisciplinary team paid off with students being able to contribute in their areas of expertise. "In the real world professionals don't work in isolation and multidisciplinary teams help ensure that you have all the expertise you need. Our product was quite technical and it was important that all the members understood the technology really well."

The team was well equipped, with members having cut their teeth in the University's own business challenge competition, spark*. spark*'s "Vision to Business" course, covering the essential elements of business success, also played an important part in helping the team prepare for the competition.

Held in conjunction with the U21 "Global Technology Entrepreneurship" Summer School and Symposium, the competition aimed to encourage a global and entrepreneurial mindset among the students through interactive learning and exposure to opportunities outside their own countries.

EXCELLENCE IN MOOTING AND CLIENT COUNSELLING

For the first time since the competition's first year in 1976, an Auckland team won the Minter Ellison Australasian Law Students Annual Mooting Competition. The champion team, consisting of Isaac Hikaka, Jesse Wilson and Gemma Anderson, has had a stunning year.

Twenty-six universities from Australia and New Zealand competed in the contest, which took place in Sydney in July as part of the annual Australasian Law Students Association Conference. The team managed a clean sweep, winning all six of their moots including arguments on vicarious liability, contractual consideration, restraints of trade, trade practices law, constitutional law and employment law. The final moot was heard before a five-judge bench, comprising a number of Supreme Court judges and commercial counsel. Here the team met the University of Western Australia, the title holders from 2003.

Following the win, two members of the same team (Jesse Wilson and Isaac Hikaka) went on to win the New Zealand Law Students' Association National Mooting Competition. Here they beat the home team, Victoria University, in the final and consequently won the right to represent New Zealand at the Philip C. Jessup International Law Moot Court Competition in Washington DC in 2005. The team also went on to win the Chen Palmer & Partners New Zealand Bill of Rights Mooting Competition.

The success of Auckland's mooters follows on from other



Jesse Wilson, Isaac Hikaka and Gemma Anderson with the Australasian Cup.

recent successes including Jesse Wilson and Isaac Hikaka taking out the world finals of the prestigious Manfred Lachs Space Law Moot Court Competition in Bremen, Germany in October 2003, and Jesse Wilson and Jonathan Orpin reaching the semi-finals of the World Debating Championships in Singapore at the end of 2003.

Another Auckland Law team won the final round of the Louis M. Brown International Client Counselling Competition (ICCC) in Scotland, hosted by the Glasgow Graduate School of Law. Other teams came from Australia, Canada, England and Wales, Hong Kong, India, Northern Ireland, the Republic of Ireland, Scotland, South Africa, Sri Lanka, and the United States of America. Team members Craig Ulyatt and Dan Jones had won the right to represent New Zealand by winning the national finals in 2003.

The ICCC is designed to test the skills of the teams in eliciting from a client, played by an actor, all the relevant information to a dispute, identifying any ethical issues, and then giving preliminary advice, while building a rapport with the client.

After preliminary rounds, Auckland competed against Canada (represented by the University of Victoria, British Columbia) in the final. This was judged by Lord Bonomy (a Scottish High Court judge), together with the President of the Law Society of Scotland and the Head of the Psychology Department at the University of Strathclyde among others.

BUSINESS CASE COMPETITION

A multidisciplinary Auckland business case team has also enjoyed a very successful year. The team, comprising Vanessa Franklin (Marketing), Rachael Germann (Finance and Law), Mark Paterson (Finance and Law), Rochelle Scanlon (MER), Richard Hellaby (Marketing) and Sarah Young (Arts and Engineering), won the New South Wales round of the Boston Consulting Group Business Case Competition at the University of New South Wales in July. The team was competing against other universities from Australasia and was announced the "clear and unanimous winner".

Each team was given three hours to develop a strategy for a music retailer considering entry into the music download market. The team then had ten minutes to present their strategy and a further ten minutes to answer questions from the panel. The case was challenging but the team applied all of their



Coach Brendon Potter with the full team: Rochelle Scanlon, Mark Paterson, Rachael Germann, Sarah Young, Richard Hellaby and Vanessa Franklin

theory and knowledge in a very professional presentation.

To prepare for the competition the team worked hard, practising for six hours a week and presenting dummy cases to business experts and case competition alumni.

After success in the regional round, the team won a place in the finals in September. In the final round, the Auckland team was narrowly beaten by the University of Queensland. With intense competition leading to a split decision from the panel, the team once again took "silver" as they had done in 2003.

SCHOLARSHIP WINNERS

Richard Beal and Heather Brown were among those winning major scholarships to study at prestigious international universities.

Richard Beal is one of three Rhodes Scholars selected from across the country. Tenable at Oxford University, Rhodes Scholarships constitute the pinnacle of achievement for graduates wishing to pursue postgraduate study at one of the world's leading universities. The prestigious scholarship covers fees at Oxford University, provides about \$30,000 for accommodation and living expenses, and a return airfare.

Richard, an Engineering graduate, is described as an excellent, all-round, high-achieving scholar with strong sporting interests and culture and community involvement, including membership of the University choir Campus Cantoris.

At Oxford, he intends undertaking a DPhil in the Department of Materials Science with a focus on sustainable technologies.

Next year Heather Brown, Woolf Fisher Scholar, will travel to Cambridge University in Britain to study for her PhD in immunology. Heather is one of three students awarded the scholarship in 2004, worth \$100,000 a year.

She recently finished a Bachelor of Science (Honours) degree in biochemistry and molecular biology. Her work will focus on immunology and the disease lupus, a chronic illness in which the

immune system becomes hyperactive, for unknown reasons, and attacks normal tissue.

The Woolf Fisher Trust rewards excellence in education. Woolf Fisher scholars typically have first-class academic records but are also rewarded for integrity, kindness, generosity, leadership and boldness of vision, along with exceptional zeal, keenness and capacity for work.



RICHARD BEAL



HEATHER BROWN

TEACHING AND RESEARCH REPORTS



ARTS

The Faculty of Arts comprises 26 subject departments and research centres covering areas as diverse as Classics and Ancient History, Philosophy, Anthropology and Sociology, as well as the teaching of 19 languages. The results from the Performance-Based Research Fund (PBRF) assessment of the Faculty of Arts this year establish the Faculty as pre-eminent nationally in research and scholarship in the humanities and social sciences. The Faculty PBRF assessment was one of the strongest in the University, with Arts ranking first in six of the designated subject areas and second in a further five.

The School of Music and the School of Creative and Performing Arts migrated to the new Faculty of Creative Arts and Industries in January, along with several performance subjects. The School of Education joined the new Faculty of Education following the amalgamation between the Auckland College of Education and The University of Auckland in September.

In 2004 the reshaped Faculty had an increase of 4.7% on 2003 enrolments, with considerable growth in undergraduate programmes. The Faculty is continuing to attract increasing

numbers of international students, with about one third in the School of Asian Studies, and the Department of Applied Language Studies and Linguistics.

The Faculty appointed two equity coordinators in 2004 responsible for the Tuākana Programme. They have evaluated the effectiveness of equity initiatives across the Faculty, and have developed a programme aimed at increasing and coordinating the effective mentoring and academic support for targeted students.

The principal developments in the Faculty's teaching programmes have been in the restructuring of its degrees and other qualifications for 2006. The increase in enrolments in the School of Asian Studies reflects the popularity of the new Asian Studies major, which was introduced in 2003. The graduate programme in Museums and Cultural Heritage was offered for the first time in 2004 and attracted a strong cohort of students. The MTESOL for distance students was also offered for the first time in 2004. Pacific Studies has been submitted for approval as a subject for PhD, beginning from 2005, and a one-year Master of Creative Writing, taught in the Department of English, will begin from 2005.

The Centre for Continuing Education (CCE) is two years into its five-year strategic plan. Despite a reduction in Government funding in 2005 and 2006, CCE will seek to improve access to the University for the wider community. CCE delivered an efficient conference and seminar management service to departments throughout the University, and provided customised orientation programmes and field trips for international Study Abroad groups.

The Faculty of Arts continued to perform strongly in research, as evidenced by 14 new grants through the Research Office, 29 new research projects through UniServices with a total value of \$3.3 million, three new Marsden grants and 61 internally funded research grants.

A large proportion of the growth in external revenue came from funding for the Māori Centre of Research Excellence (Ngā Pae o te Māramatanga – Horizons of Insight), and substantial Ministry of Education research contracts to the School of Education. A number of initiatives have been developed to promote research, including appointing research liaison coordinators in each department to identify research grant opportunities and provide assistance in preparing grant applications. A Faculty Research Fund was also established to support academic staff and doctoral students with specific projects.

In 2004, four students were awarded Top Achiever Doctoral Scholarships. Dr Tracey McIntosh took up a Fulbright Scholarship at the University of Georgetown and the late Dr Scott Allan was presented with a University of Auckland Teaching Excellence Award. Professor Albert Wendt (English) was the recipient of the Nikkei Asia Award in Japan, for contributions to Pacific literature, and also delivered the Macmillan Brown Lectures this year.

A number of members of the Faculty were honoured in the 2004 Montana New Zealand Book Awards. Distinguished Professor Dame Anne Salmond won the Montana Medal for Non-Fiction and the award for History for *The Trial of the Cannibal Dog: Captain Cook in the South Seas*. Associate Professor Annamarie Jagose (Film, Television and Media Studies) won the Deutz Medal for Fiction with *Slow Water*. Professor Albert Wendt, Reina Whaitiri and Robert Sullivan took the Reference and Anthology Award with *Whetu Moana: Contemporary Polynesian Poems in English*. Associate Professor Jagose also won the Vance Palmer Prize for Fiction (part of the Victorian Premiere's Literary Awards in Australia) for *Slow Water*. Distinguished Alumni Awards were presented by the University to Nikki Caro for the film *Whale Rider* and Dame Marie Clay for her contribution to children's education. Two members of the

The Fale is a landmark building for The University of Auckland, and community involvement in this building has been integral to its success.

Faculty had documentaries aired on TV One in the course of 2004: Associate Professor Annie Goldson's documentary *Sheila 28 Years On* and Associate Professor Manying Ip with *New Faces Old Fears*.

The \$6 million Fale Pasifika complex was opened on 1 October by the Prime Minister. The Prime Minister of Samoa and representatives of Pacific governments also attended this high-profile event. The Fale is a landmark building for The University of Auckland, and community involvement in this building has been integral to its success. It will be a focal point for Pacific research and teaching, and will be the symbolic home of more than 2000 Pacific students across the University. The Faculty of Arts has encouraged the development of the New Zealand Centre for Latin American Studies over the last two years and the Centre was officially launched on 21 May by the Minister of Foreign Affairs and Trade. Guests attending the event included the Ambassadors of Chile, Peru and Mexico.

Significant development of the technology used in Faculty teaching and learning has continued. This year, 73% of courses actively used Cecil (the University's learning management system) for flexible learning resources and a continued increase is anticipated. All courses have an online presence on the Faculty website and 86 currently have dedicated websites. Plan case funding was used to employ graduate student research assistants working on 12 projects involving the development of flexible learning resources and to fund technical support for Cecil, web design and digital media.

BUSINESS AND ECONOMICS

The University of Auckland Business School reviewed its mission statement in 2004, which is now closely aligned with national imperatives in higher education in New Zealand and the mission of The University of Auckland. The Business School Mission is twofold. Firstly, to be recognised as one of Asia-Pacific's foremost business schools, known for excellence and innovation in research, learning and partnership with enterprise, and for contributions to enhancing New Zealand's competitiveness and capacity to create wealth and prosperity. And secondly, to educate individuals who will contribute to the enlightened management and leadership of private and public sector organisations, and the development of sound economic and public policy in a globally connected world.

From the beginning of the year, the Department of Property was integrated into the School, adding another dimension to its teaching and research. The School is also in the process of transforming the Graduate School of Business to make it a leading source of research-informed education on growing high-potential ventures, with a strong emphasis on teaching and research focused on creating value through innovation, entrepreneurship and leadership.

In research, the Business School performed well in the PBRF assessment, leading all other business schools in New Zealand on its overall research quality score and in terms of the numbers and proportions of "A"-rated and "B"-rated researchers (one-third of the country's total). Support for the School's research programme has been strengthened with the appointment of a full-time Research Manager and the provision of assistance for writing research grant applications.



A major initiative focused on the accreditation of the Business School and its business programmes by AACSB International (Association to Advance Collegiate Schools of Business) and by EQUIS (European Quality Improvement System) of the European Foundation for Management Development. These are the two premier accrediting organisations for business schools and their programmes worldwide. By the end of the year the Business School had been accredited by AACSB International and EQUIS which, added to prior accreditation by AMBA (Association of MBAs), means that the School has now joined the one percent of business schools in the world that hold all three of these accreditations. In addition, the Business School became the first in New Zealand to have its accounting programme accredited by CPA Australia.

Advancement activities passed a significant milestone with \$25 million raised from the private sector which allowed the full \$25 million in matching funds to be claimed from the Government under the Partnerships for Excellence scheme. This programme proved to be an important catalyst, helping to stimulate a series of involvements and partnerships with individuals, trusts and corporations. With over \$50 million raised the Business School has made significant progress towards achieving its overall fund-raising target of \$75 million.

During the year, the Business School launched the New Hemisphere Speaker Series to provide a more regular forum for dynamic engagement between business, academia and government. The series aims to raise the level of topical business debate in the country by showcasing international leading thinkers. These international leaders included management experts Professor Rosabeth Moss Kanter (Harvard Business School), Professor George Yip (London Business

School), Tokyo-based Dr Kenichi Ohmae, former Irish Prime Minister John Bruton, and Andrew Ferrier, the recently-appointed chief executive of Fonterra. The series was an outstanding success with over 1,300 members of the academic and business communities attending the presentations.

In teaching and learning the Business School has a strong focus on the provision of a variety of flexible learning pathways, recognising the need for life-time learning as career and education needs develop and change over time. To provide learning opportunities, the Business School has developed a range of partnerships with enterprises, including EXCELERATOR – The New Zealand Leadership Institute, the ICEHOUSE, the Centre of Digital Enterprise (CODE), and the Centre for Energy. The Business School has also pursued innovative partnerships to help develop Māori business expertise and business leaders in Northland and Auckland, and is now cooperating with the Forest Research Institute to offer the Postgraduate Diploma in Māori Business in Rotorua, utilising modern video conferencing technology.

The Auckland MBA class travelled to Singapore where, in addition to lectures and tours of business, members of the class assisted a start-up company, nurtured in the ICEHOUSE incubator, to investigate market entry into Singapore.

Other partnerships developed include one with Onehunga High Business School and with 20 Auckland secondary schools through Biowiz, which is focused on biotechnology entrepreneurship education in secondary schools.

In its second year, spark* The University of Auckland Entrepreneurship Challenge attracted even more teams than in 2003, and is clearly helping to change the culture of the

University. In 2004, spark* spawned a new student-inspired and -led group called "Chiasma", which focuses on the development of a biotechnology network with cross-disciplinary support from faculties. At the autumn graduation ceremony, members of the inaugural cohort of Bachelor of Business and Information Management students were awarded their degrees.

A number of student teams enjoyed an exceptionally successful year in international and national case competitions: a team of Business and Law conjoint students won the Global Business Challenge 2004 at the University of Washington, Seattle; a team of Business, Engineering and Science students participated in a Universitas 21 Global Business Planning competition at the National University of Singapore, emerging victorious against teams from 14 other leading international universities; and an undergraduate team competing in the Boston Consulting Group Case Competition in Australia was named runner-up against more than 25 Australasian universities.

Nine Kelly scholarships were awarded to students demonstrating high academic and leadership potential, with four of these scholarships being awarded to students of Māori descent.

CREATIVE ARTS AND INDUSTRIES

The National Institute of Creative Arts and Industries (NICAI) was established as a new faculty from 2004. It comprises the disciplines of music, sound recording and design, dance, fine and visual arts, architecture, planning and urban design. The Faculty actively pursues its vision to be a national centre of innovation and excellence in contemporary creative arts and industries research, education and practice.

Some exciting new senior academic appointments were finalised this year. Distinguished sculptor Derrick Cherrie was appointed Head of Elam School of Fine Arts and Eric Hollis, formerly Director of Initial Studies at the Guildhall School of Music and Drama, was appointed Professor and Head of the School of Music. Nuala Gregory accepted the role of Associate Dean with a focus on issues of teaching and learning quality. Appointments to commence early 2005 include eminent dance educator Dr Ralph Buck as Associate Professor and Head of the Dance Program. Professor Errol Haarhoff, Head of the School of Architecture, will concurrently hold the position of Head of the Department of Planning in 2005. Through the realisation of this leadership potential NICAI is well positioned to advance its standing in the national and international arena in 2005, setting new standards for the delivery of creative arts and industries teaching, learning and research.

NICAI has started to forge a number of strategic relationships internationally, strengthening teaching and research pathways. These include an important link between the Faculty and the European League of Institutes of the Arts, the largest organisation of multidisciplinary creative arts and industries institutions with over 300 member organisations worldwide. The New Zealand Trio joined the University as Ensemble in Residence and will showcase NICAI's excellence in chamber music on the international stage in 2005 and beyond.

NICAI made a strong commitment to curriculum development. The new Master of Urban Design degree is the first of what will over time be a range of degree programmes

developed collegially between disciplines. This degree is jointly offered between the School of Architecture and the Department of Planning, and addresses a key need of the professional planning and architecture communities in New Zealand. Separate studies on Dance and Arts Management programmes have signalled new possibilities in terms of delivery and cross-discipline opportunities.

The new Faculty is focused on establishing links with communities of interest and is building a "hub" for creative partnerships in the creative arts and industries. NICAI maintained strong relationships with the professional communities of architecture and planning, and several staff are invited members of the Auckland City Council Urban Design Panel. Music has a formal link to the Auckland Philharmonia and less formal, though increasingly strong links, with the New Zealand Symphony Orchestra and Chamber Music New Zealand. Elam School of Fine Arts continued to build and maintain strong relationships with the Auckland Art Gallery, local dealers, and the national network of subsidised and private galleries. Staff and students in Planning capitalised on their very successful long-term partnership with Mayfield Primary School in Otara.

Staff celebrating success in 2004 include Dr Deidre Brown from the School of Architecture who received the Montana New Zealand National Book Award for the Best First Work in the Non-Fiction category, and Charles Walker, also from Architecture, who was invited by the New Zealand Institute of Architects to prepare a book to mark its 100th centenary.

Jim Speers of Fine Arts was the overall winner of the prestigious Wallace award and Matt Ellwood won the emergent artist category of the same award. Printmaker Tracey Williams was a Goldwater Art Award finalist and Et. Al won the Walters Prize at the Auckland Art Gallery. Her work was also selected to represent New Zealand in the 2005 Venice Biennale, one of the world's most important international art exhibitions.

Students were also successful in awards and competitions during 2004. Among these were Rohan Wealleans, a Fine Arts graduate, who was awarded the 2005 Frances Hodgkins Fellowship, the most prestigious artist residency award for artists under 40 years of age nationwide, and John Chen of Music, who gained first place at the Sydney International Piano Competition in July.

Through the realisation of this leadership potential NICAI is well positioned to advance its standing in the national and international arena in 2005, setting new standards for the delivery of creative arts and industries teaching, learning and research.



EDUCATION

The Auckland College of Education amalgamated with The University of Auckland on 1 September. It was an historic day marked by ceremonies to farewell the 123-year-old College and to welcome the new Faculty of Education. Dr John Langley, the Faculty's first Dean and Principal of the former College, spoke about what had gone before, and the purpose and people involved. Dr Langley also welcomed Professor Viviane Robinson and the staff of the University's School of Education, formerly part of the Faculty of Arts, into the new Faculty.

The Faculty of Education is based largely at the Epsom Campus, the former home of the College. Programmes are also available at the City, Manukau and Tamaki Campuses. The Tai Tokerau Campus in Whangarei offers primary and secondary teacher education. Programmes are also offered at outposts in Kaikohe and Tokoroa.

The Faculty offers a range of qualifications, from bridging programmes to certificate, diploma, degree and postgraduate programmes and programmes for practising teachers, which prepare students to teach in early childhood centres and primary, intermediate or secondary schools. Specialist qualifications are offered for Special Education, Social Work, Physical Education, Te Reo Māori and Pacific Island education. The Faculty also offers degrees for those who wish to study education as an academic discipline or who wish to prepare for a career as an educational researcher.

The Faculty of Education provides teacher support services throughout Auckland and Northland through TEAM solutions, Reading Recovery services and the operations of Education Centres. It also contracts to provide curriculum development, education management and teacher development programmes for both the Ministry of Education and a variety of other funding

agencies. The Faculty has a strong research and contracting base, hosting a number of University research centres and holding research grants and contracts from a range of agencies. It is home to the School Leadership Centre, which offers professional development for present and future school leaders.

The Faculty of Education will build on its current strengths to put in place an enhanced academic portfolio that fosters excellence in the research-led teaching of education as an academic field within the liberal arts and professional frameworks. A strong culture of research, and research-based development and consultancy is central to the Faculty's vision. The Faculty aims to be recognised nationally and internationally for the quality of its educational research activities and outputs.

2005 will be a year of planning for the future direction of the Faculty. A new suite of academic qualifications is being developed ready to unveil in 2006.

ENGINEERING

The Faculty of Engineering maintained solid growth and achievement in 2004.

Students performed well in a variety of national and international student contests. Teams to the inaugural U21 International Business Competition and Weir-Warman Design Competition both gained the highest honours. Of particular note is the success in the Formula SAE race car activity, a long-standing international competition requiring students to design and build a race car. A student-led initiative resulted in 40 students participating and, at the competition in Australia, the team was placed sixth out of a field of 22. In addition, the team won the award for Best Endeavour. One of the Faculty's top scholars, Chemical and Materials Engineering student Richard Beal received a Rhodes Scholarship.

The Faculty was highly successful in the 2004 Foundation for Research, Science and Technology (FoRST) Awards, almost doubling previous externally funded research levels. Higher participation by staff and several years of industry relationship development efforts are seen as key factors.

The Faculty had excellent PBRF results. There was a high number of "A"-rated researchers and a large volume of "B"- and "C"-rated researchers. Staff members were also recognised, with Professor Ian Collins being made a Fellow of the Royal Society of New Zealand and Dr Gerard Rowe receiving a Sustained Excellence Award in the National Tertiary Teaching Excellence Awards. Professor Wei Gao, Professor Peter Hunter and Dr Nicolas Smith were awarded Marsden grants.

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Undergraduate numbers remained capped at an annual intake of 550. Engineering Science moved up to 70 Symonds Street mid-year, with Electrical and Computer Engineering moving into Building 301 across Symonds Street at the end of the year. Funding has been approved to remodel and expand the Engineering Library and for the creation of a dedicated Student Services Centre. This steady alleviation of the Faculty's space shortage means that the increasing demand for engineering education can be met in future years.

Two new degrees, Biomedical Engineering and Mechatronics, had their first cohorts finish. In both cases, staff and students were pleased with the outcomes, and final-year projects went well. Graduates experienced high demand from employers.

The "4 Reunion", a weekend gathering of all alumni who graduated in 1954, '64, '74, '84 and '94, was a great success with almost 400 attendees, culminating in a dinner for all years in the new atrium. A memorable feature of the evening was a panel discussion by representatives of each year which highlighted the changes in engineering education over the last 50 years.

LAW

The Faculty of Law undertook a full review of its undergraduate and postgraduate curricula in 2004. New courses are to be introduced and some existing courses will be altered. The LLM will be reduced to a one-year qualification.

Another important development is the Faculty's contribution of two courses for the General Education programme: "Law and Society" to commence in 2006, and "Globalisation and the Law" to be offered in 2007.

The Faculty hosted an extended visit by Justice Laurie Ackermann, recently retired member of the first Constitutional Court of South Africa. Another key guest was the Honourable Misa Telefoni Retzlaff, Samoa's Deputy Prime Minister and Minister of Finance. Other international visitors included distinguished teachers from the London School of Economics and the Universities of Cambridge, London, Melbourne, Ohio State, Oxford, Singapore, William and Mary, and Windsor. The Faculty is hosting retired Judge of the Court of Appeal, the Right Honourable E.W. Thomas, as its Distinguished Visiting Fellow for two years.

Students performed well in a variety of national and international competitions. For the first time a University of Auckland team won the Minter Ellison Australasian Law Students Annual Mooting Competition. Two members of the same team, Jesse Wilson and Isaac Hikaka, then went on to participate in the New Zealand Law Students' Association National Mooting Competition, where they beat the home team of Victoria University in the final. The Auckland team thus won the right to represent New Zealand at the Philip C. Jessup International Law Moot Court Competition in Washington D.C. in 2005. Later in the year, the team went on to win the Chen Palmer & Partners New Zealand Bill of Rights Mooting Competition.

Another Law team won the final round of the 2004 Louis M. Brown International Client Counselling Competition (ICCC) in Scotland, hosted by the Glasgow Graduate School of Law. There were three preliminary rounds, with 12 teams competing from Australia, Canada, England and Wales, Hong Kong, India, Northern Ireland, the Republic of Ireland, Scotland, South Africa, Sri Lanka and the United States.

For the first time, The University of Auckland also won the National Māori Moot Competition. Stormie Waapu from Te Rakau Ture and the Auckland Law School won the National Māori Issues Moot jointly with a student from the University of Waikato.

The debating team was ranked among the top six teams out of 304 teams competing, representing 130 institutions from over 28 countries.

The University Debating Team, made up of two Auckland Law students, reached the semi-finals of the XXIV World Debating Championships. The debating team was ranked among the top six teams out of 304 teams competing, representing 130 institutions from over 28 countries. And a team consisting of conjoint students from the Faculties of Law and Business and Economics won the 2004 Global Business Challenge, the first win for an Australasian team in the competition's six-year history.

In addition to producing a wide range of publications, staff have written or edited books on a variety of legal topics, while some have won prestigious law prizes for their contributions. Particularly notable are Professor Rick Bigwood's *Exploitative Contracts* and *The Statute: Making And Meaning*; as editor, Associate Professor David Grinlinton's *Torrens in the Twenty-first Century*; and the new two-volume editions of *Land Law in New Zealand* by Emeritus Professor George Hinde and Associate Professor Don McMorland, with contributions from Neil Campbell, Associate Professor Grinlinton and Kate Buchanan. The Faculty's Māori academic staff collectively launched its first Journal of Māori Legal Writing.

Allan Beever was awarded a 12-month von Humboldt Research Fellowship from the Alexander von Humboldt Foundation. Professor Bigwood won the Sir Ian Barker Published Article Award for the best published article by a New Zealand-based author in 2002. His winning article was "Some reflections on the personalty-realty interface in New Zealand". Professor Mike Taggart was the 2003 winner of the J.F. Northey Memorial Book Award for *Private Property and Abuse of Rights in Victorian England: The Story of Edward Pickles and the Bradford Water Supply*. Professor Taggart was also appointed to the Alexander Turner Chair in Law. Paul Sumpter has been appointed as a Member of the Copyright Tribunal.

The Faculty is proud of the number of its students who have recently completed postgraduate study with some having had marked success in doing so: Richard Ekins completed a BCL at Oxford and was offered a FoRST Top Achiever Doctoral Scholarship; Matthew Conaglen completed his PhD at Cambridge and has been appointed to a lectureship in the Faculty of Law there; John Ip finished his LLM at Columbia University in the United States and was named a James Kent Scholar; and Sean Richardson and Amokura Kawharu both completed LLMs at Cambridge with First Class Honours.

There have been a number of significant achievements by the Faculty's alumni: Michael Ring, Harry Waalkens and Miriam Dean have been appointed Queen's Counsel; David Rankin was recently appointed as Chief Executive of Auckland City Council; and recent appointments to the High Court bench include Justices Christopher Allan, Mark Cooper; Helen Winkelmann and Patricia Courtney.

MEDICAL AND HEALTH SCIENCES

The Faculty of Medical and Health Sciences had a successful year, with total revenue of over \$150 million (including \$40 million through UniServices) and the completion of projects that ensure teaching and research are supported by state-of-the-art facilities and technology.

The Faculty is now home to the country's most advanced functional MRI facility, and the University is among the first in the world to house a top-of-the-line Siemens MRI.

The Population Health Complex at the Tamaki Campus was completed. A purpose-built facility, it integrates sustainable design and an open plan to foster multidisciplinary research and teaching. Redevelopments on the Grafton Campus include a new Student Centre, an Information Commons with over 100 computers and a café. The Faculty is now home to the country's most advanced functional MRI facility, and the University is among the first in the world to house a top-of-the-line Siemens MRI. The Biomedical Imaging Research Unit installed a new inverted-microscope with a high sensitivity colour digital camera. The Unit's facilities are used by more than 130 researchers, from within both the University and the commercial sector.

A new Postgraduate Training Centre will shortly be completed on the Mercy Ascot Hospital Campus. This initiative, led by Professor John Windsor of the Department of Surgery, was made possible by a generous donation from the Rawhiti Trust and will enable the Faculty to deliver skills-based courses to health professionals.

Professor Frances Hughes was appointed as the School of Nursing's first Professor, and the appointment of Associate Professor Robyn Dixon, Director of the Centre for Child and Family Health, added a very strong research focus to the School.

The School of Pharmacy continued to grow with 105 new students and it hosted a successful accreditation visit by the New Zealand and Australia Pharmacy Schools Accreditation Committee. The first cohort of Bachelor of Pharmacy graduates completed internship training and Pharmacy was approved as a subject for PhD. A Community Pharmacy Practice Research Network was established jointly with Otago's School of Pharmacy and a number of community pharmacies.

The School of Population Health hosted two high profile academic conferences: a Population Health Symposium and New Zealand's first International Asian Health Conference. Both were well attended, featured national and international speakers and received important support from key Government agencies. The School has also been asked to assist in the development of the Hanoi School of Population Health, funded by Atlantic Philanthropies.

The Department of Paediatrics successfully presented the 2004 Winter Lecture series "Trading in our nation's future – the health of New Zealand children". Professor Innes Asher was awarded the Faculty's 2004 Distinguished Alumni Award and Professor Jane Harding was the *North and South* New Zealander of the Year 2004.

The Oticon Foundation Hearing Education Centre and the Hearing and Tinnitus Clinic were established within the Section of Audiology. The latter will provide a substantial component of the clinical training for Audiology students. An industry partnership was established with Phonak NZ Ltd and Neuromonics Ltd (Australia) to undertake research, clinical trials and to provide hearing devices through the Audiology clinic.

The Institute of Rural Health, within General Practice and Primary Health Care, has been renamed the New Zealand Institute of Rural Health. Kia Mataara Well Health, a joint development between IMAC (Immunisation Advisory Centre) and Māori SIDS, is underway. The Māori Health Section received approval to offer three new qualifications: a postgraduate certificate, postgraduate diploma and a Master of Māori Health.

The Clinical Trials Research Unit received \$2.4 million in research grants. Dr Stuart Dalziel was awarded the Young Investigator Award from the Paediatric Society of New Zealand and Dr Natasha Rafter received the Australasian Research Collaboration Award from HRC.

Medical alumnus, Dr Gregory Brick, established the Brick Family Scholarship to provide a full scholarship for one student per year in years two through five of the MBChB programme.

The Friends of the Liggins Institute Charitable Trust was established and the Institute hosted a visit from Lord Robert Winston to launch a highly successful fund-raising campaign. The Institute developed an internship programme for Māori secondary school students, and Dr Jeffrey Keelan was elected President of the Australian and New Zealand Placental Research Association. The United States Institute of Medicine of the National Academies honoured Liggins Institute Director, Professor Peter Gluckman, with foreign associate membership. He was also elected a foreign member of the American Paediatric Association.

The discipline of Nutrition attained national recognition as programme leaders of the FoRST-funded New Zealand Nutrigenomics Centre for Research Excellence. The Centre for Research Excellence was awarded a \$19.2 million research grant.

The Auckland Cancer Society Research Centre was awarded a number of research grants in 2004, including a United States National Institute of Health five-year programme grant (with Stanford University) on the development of new hypoxic cytotoxins for cancer therapy. Dr Britta Basse was awarded an Alexander von Humboldt Fellowship for mathematical modelling of cancer cell growth and Professor Bill Denny was appointed the United Kingdom Royal Society of Chemistry's Adrien Albert Lecturer for 2005. Proacta Therapeutics Ltd was named "Biotechnology Company of the Year" in the Westpac HiTech Business Awards and also received Series A venture capital funding of \$12.7 million from an Australian/United States/Swiss consortium.

Harry Cundy received the Young Investigator's Award from the NZ Society of Endocrinology, and Gillian Whalley was awarded a Senior Fellowship from the Heart Foundation of

New Zealand. An International Diabetes Translational Research Institute was established in the Waikato Clinical School by Professor David Simmons.

Associate Professors Susan Stott and Rocco Pitto, Department of Surgery, convened the Sir William Stevenson Trust Celebration. Richard Flint, research fellow in the Department, was awarded the Young Investigator Award at the Surgical Research Society and the Louis Barnett Prize at the Annual Scientific Meeting of the Royal Australasian College of Surgeons (NZ).

Professor John Fraser, Head of School of Medical Sciences, was elected to the Fellowship of the Royal Society of New Zealand.

Other staff achievements include: a James Cook Fellowship from the Royal Society of New Zealand was awarded to Associate-Professor Gary Housley (Physiology); and Maree Jensen (Pharmacy), Rhondda Paice (Nursing) and the ADHB Geriatricians Group at Auckland Hospital received the 2004 Dennis Pickup Clinical Teacher Awards.

Dr Maggie Kalev-Zylinska and Dr Patricia Lawlor received the Best Doctoral Thesis Award, while Elizabeth Broadbent, a PhD student in Health Psychology, was selected as one of the International Society of Behavioral Medicine (ISBM) Early Career Award winners. Alexandra Umbers from the Department of Obstetrics and Gynaecology was awarded the Wallath Prize for her Summer Studentship project.

The Faculty hosted a delegation of senior professors from the Health Science Centre, Peking University, which presented at a joint scientific meeting with senior Faculty members, highlighting advances in cancer research, diabetes, biomedicine, mental health and population health.

The discipline of Nutrition attained national recognition as programme leaders of the FoRST-funded New Zealand Nutrigenomics Centre for Research Excellence. The Centre for Research Excellence was awarded a \$19.2 million research grant.

SCIENCE

The outstanding event this year was the Prime Minister's visit to the School of Biological Sciences to announce the Government's contribution of \$10 million of matching funding towards the establishment of a new Institute for Innovation in Biotechnology. With a total project cost of around \$32 million, this public/private joint venture includes the construction of an extension to the Thomas Building to allow increased collaboration and joint graduate supervision between University, CRI and industry researchers.

Other highlights in Biological Sciences include the summer school graduate courses in Biotechnology and Bioentrepreneurship; the launch of the Centre for Biodiversity and Biosecurity jointly with Landcare Research; and major new grant funding – most notably the \$10 million FoRST contract for wine science research, led by Professor Richard Gardner.

Stage three of the Chemistry Building refurbishment was completed in 2004. A 600 MHz NMR spectrometer was purchased and will be installed as part of an NMR Research Centre. Awards and honours for Chemistry staff include Marsden grants to Dr Jadranka Travas-Sejdic and Associate Professor Bob Anderson. Four successful FoRST proposals from the University involve members of the Chemistry Department. Professor Margaret Brimble was made a Member of the New Zealand Order of Merit in recognition of her services to Science.

Two New Economy Research Fund (NERF) grants awarded to Computer Science Department members were renewed in the areas of software security, led by Professor Clark Thomborson, and domain specific tools, led by Professors John Grundy and John Hosking. These two professors also received a grant from the TEC Growth and Innovation Framework Pilot Programme for development of the ICT Innovation Academy to foster an internship culture in local companies. The Software Engineering programme graduated its first cohort and took its first intake into the ME programme.

Dr Gary Brierley, a fluvial geomorphologist, was appointed Professor of Physical Geography in the School of Geography and Environmental Science, commencing 2005. Dr Gretel Boswijk was awarded a Fast Start Marsden grant and Professor Richard Le Heron received a five-year award for Building Research Capacity in the Social Sciences to build linkages and promote graduate research.

Dr Colin Wilson has been appointed to the Chair in Volcanology, commencing January 2005. Other highlights for Geology include Dr Jeff Mauk and his colleagues gaining a FoRST award for over \$1.2 million to study processes affecting the formation of mineral deposits in the North Island, with other funding obtained from industry to supervise a study of the Obalga copper-gold deposit in Mongolia. Dr Phil Shane won the McKay Hammer Award of the New Zealand Geological Society.

Mathematics staff received the following accolades: Professor Marston Conder became the president-elect of the Academy Council of the Royal Society of New Zealand, was elected a Fellow of the Canadian Institute of Combinatorics and Applications and was awarded an inaugural Hood Fellowship; Dr Paul Bonnington was elected President of the Combinatorial Mathematics Society of Australasia; and Professor Boris Pavlov was elected to the Fellowship of the Royal Society of New

Other highlights in Biological Sciences include the summer school graduate courses in Biotechnology and Bioentrepreneurship; the launch of the Centre for Biodiversity and Biosecurity jointly with Landcare Research; and major new grant funding...

Zealand. Associate Professor Eamonn O'Brien was the 2004 recipient of the New Zealand Mathematical Society Research Award. Marsden grants were awarded to Associate Professor Jianbei An, Dr Jiling Cao, Professor Conder, Professor Gaven Martin, Dr Michael Meylan, Dr Warren Moors, Dr Geoffrey Nicholls, Associate Professor O'Brien and Professor James Sneyd. Significant research grants were also awarded to Professors David Gauld and Vaughan Jones, Associate Professor Michael Thomas, Professor Sneyd, Dr Stephen Taylor and Dr Shixiao Wang.

Dr Mark Costello joined the staff at the Leigh Marine Laboratory early in 2004. He is the international chair of Ocean Biogeography Information Systems and has brought with him an ecology-bioinformatics strength. Staff appointments include Dr Shane Lavery and two new postdoctoral fellows for 2005, funded from a mix of internal and external sources. A master plan for the Leigh Marine development project is currently being prepared.

The Department of Optometry and Vision Science received an Equal Opportunities Innovation Award for recruitment of Māori and Pacific students. The initiative involved the production of a video and visits of recent Māori graduates to targeted schools. Another highlight was the first cohort of optometrists completing the requirements for the Ocular Therapeutics programme. Dr Brendan O'Brien obtained Marsden funding for a research programme entitled "Retinal fireworks: shedding light on starburst amacrine cell function".

Dr Gary Bold of the Physics Department was awarded the Prime Minister's Supreme Award for Tertiary Teaching Excellence. Other highlights for Physics included a NERF funding award of \$3.6 million to Professor John Harvey for optoelectronics and non-linear optical fibre research, and a Fast Start Marsden grant for Dr Stephane Coen.

Notable Psychology staff achievements include a Fulbright New Century Scholars Fellowship to Dr Nicola Gavey, a University Excellence in Equal Opportunities Award to Professor Di McCarthy and a Certificate of Outstanding Service from the Audiological Society of Australia awarded to Associate Professor Suzanne Purdy. A notable student achievement was the MacDiarmid Young Scientist of the Year award to PhD student Quentin Atkinson for his work in evolutionary psychology.

The Department of Sport and Exercise Science hosted a two-day Movement Analysis conference attended by 45

delegates. Academic staff received a total of ten research grants from the HRC, the Neurological Foundation, the National Heart Foundation, SPARC, UARC and the Maurice and Phyllis Paykel Trust.

Dr Paul Murrell became Chair-elect of the Statistical Graphics Section of the American Statistical Association, presenting the opening keynote address at the 2004 UseR Conference. Professor Chris Wild gave the opening plenary address at the 2004 Conference of the Royal Statistical Society and was elected to the Council of the International Statistical Institute. Dr Marti Anderson and Dr Rich Ford won a new \$150,000 per annum contract for estuarine monitoring work from the Auckland Regional Council. Dr Rachel Fewster won an Early Career Excellence Award.

Many students won prestigious scholarships and awards, including Mathematics student William Wright and Biological Sciences student Yu Wang who received Best Doctoral Thesis Awards. Fourteen Bright Futures Top Achiever Doctoral Scholarships were awarded to students in Science.

SCHOOL OF THEOLOGY

2004 was a year of consolidation for the School of Theology. The major achievement was the preparation of a new curriculum for 2006, as part of the University's restructuring programme. A second key achievement was the collaborative preparation of the School's Teaching and Learning Plan supported by a staff inservice programme.

Enhancement of teaching was furthered by a workshop on the diverse classroom, conducted by the Equal Educational Opportunities taskforce mid-year. Dr Philip Culbertson raised the profile of the School's teaching by gaining a Sustained Excellence in Teaching Award, and a small team of staff was also successful in gaining a Teaching Improvement Grant for the development of a new general education course.

The School's receipt of a Student Supplementary Grant enabled a Tuākana programme to be set up to accompany the careful monitoring of student progress by the directors of undergraduate and postgraduate studies.

A Research Unit – Christianity in Aotearoa New Zealand and Oceania – is being established and will focus research activity of the School.

The Richard Maclaurin Goodfellow Chair in Theology is supported by a generous contribution from Dr Douglas Goodfellow and the School graciously acknowledges this generosity and the affirmation of its work.

Two staff members published books during the year and three staff members edited publications. A significant number of articles were published in distinguished edited collections and refereed journals.

Distinguished visitors to the School were: Professor Denise Ackermann (University of Stellenbosch, South Africa), Professor Monica Melanchthon (Gurukul Lutheran Theological College of Chennai, India), Professor Sean Freyne (University of Dublin, Ireland), Associate Professor Shelley Wachsmann (Texas A&M University, United States) and Professor Anthony Cardenas (University of Albuquerque, New Mexico, United States).

UNIVERSITY OF AUCKLAND AT MANUKAU PROGRAMME

Three degree programmes were taught on the Manukau Institute of Technology (MIT) Campus to students enrolled in University of Auckland degrees: the BEd(Tchg), BBIM and BVA. Students were also able to take courses offered in the BEd(Tchg) towards a BA.

MIT will be closely involved with the new Faculty of Education through the BEd(Tchg) following the amalgamation with the Auckland College of Education.

A higher proportion of students in The University of Auckland at Manukau Programme are Māori and Pacific compared with the University as a whole. The largest proportion of Māori and Pacific students is in the BEd(Tchg), which has a focus on teaching in diverse urban schools.

The University of Auckland at Manukau Programme has been integrated into student recruitment events such as the Courses and Careers Day and the Coca Cola Expo.

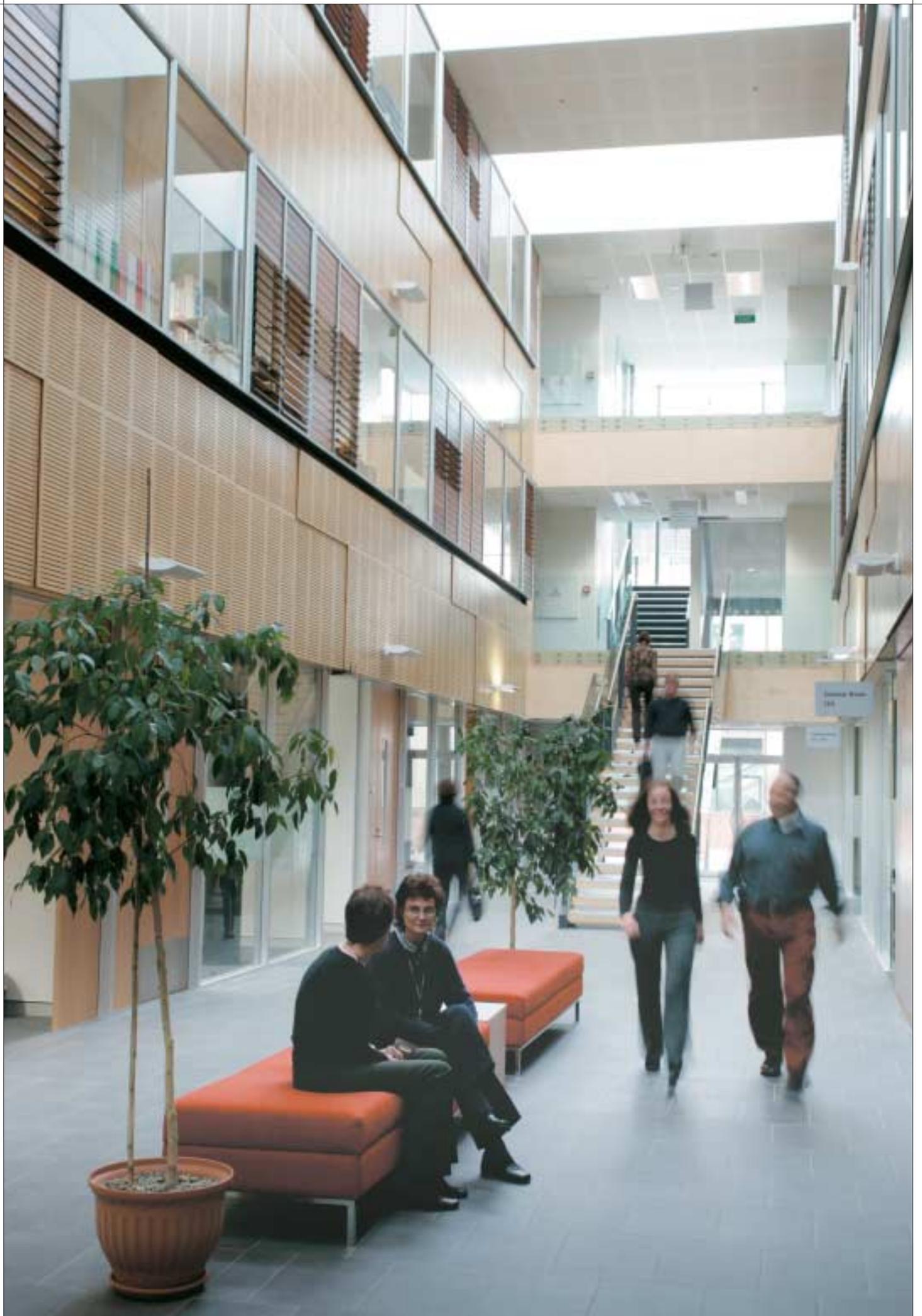
The Manukau City Council received a report on the provision of tertiary education within the Counties-Manukau area. The Council hosted a seminar of interested parties and will work with MIT to continue discussions with tertiary providers. The Council has provided for a tertiary education centre within its City Centre Development Plan.

THE UNIVERSITY OF AUCKLAND TAMAKI CAMPUS

Phase I of the redevelopment of Tamaki Campus, following the adoption of the Integration Campus Plan in 2000, was completed. It included the Campus master plan, the District Plan Change, landscaping, the East Campus infrastructure, the Population Health project, the Ray Meyer Research Centre project, the Landcare "Super Green" Building project, and the retail precinct and Café Comet.

University and co-locator staff on campus increased in 2004 following the arrival of the School of Population Health, Landcare Research Ltd and Biosecurity NZ, the Centre for Advanced Composite Materials, PG Counselling Education and the Ministry of Education (Group Special Education).

2004 was a year of consolidation for the School of Theology. The major achievement was the preparation of a new curriculum for 2006, as part of the University's restructuring programme.



The School of Population Health is concerned with addressing the health of communities and its presence has provided opportunities for partnerships with both the Faculties of Science and Business and Economics. Population Health has also attracted its first co-locators, Phonak New Zealand Ltd and NZ Guidelines Group.

A highlight for Tamaki Campus was the award of three major FoRST New Economy Research Fund projects (Composites, Wine, Polymer Electronics) which totalled around \$25 million.

Progress with the planned development of the Auckland Innovation Park (Tamaki Campus, Auckland City Technology Park and a Business Zone) benefited from the close partnership between Auckland City and the Tamaki Campus. A joint Tamaki-Auckland City Innovation workshop was held at the campus during 2004. This attracted 80 external attendees from the private and public sector, to discuss University-private-public partnerships in research.

AUCKLAND UNISERVICES LTD

It was another very successful year for Auckland UniServices Limited, with total revenues of \$70.2 million, a growth of more than nine percent on 2003. The company, which is wholly owned by The University of Auckland, has now maintained a compound revenue growth rate of more than 15% over the last ten years.

The contribution to the University from UniServices was over \$19.7 million, including payments to principal investigators, scholarships, surpluses from projects and equipment donation. In total, UniServices was responsible for 12% of the University's income and contracted 52% of all externally funded research activity. In addition to University staff working on UniServices projects, a further 504 research staff were employed.

UniServices provided funding to many research centres and institutes, including the Clinical Trials Research Unit, Auckland Cancer Society Research Centre, Light Metals Research Centre, Liggins Institute and Bioengineering Institute.

Research projects in health included drug discovery research for Pfizer, new active compounds in treating diseases of the central nervous system, bioactives in milk (in a joint venture with Fonterra) and final stages of clinical trials for the roll-out of the vaccine to treat meningococcal disease in New Zealand. In education, UniServices continued to be active in the fields of children's literacy programmes and Assessment Tools for Teaching and Learning. Again almost every Faculty was involved with UniServices in the past year.

Another milestone was achieved with the funding by Australian, United States and New Zealand investors of \$12 million for the spin-out company Proacta Therapeutics. An additional three spin-out companies were also formed.

On behalf of the University, UniServices established the Advanced MRI Centre and installed a state of the art functional MRI magnet. From 2005, this centre will enhance research activities across several Faculties as well as being available for advanced procedures to District Health Boards and selected specialists. In close association with the University, UniServices has established a new division to focus on and expand contract education opportunities with large corporates and overseas Government agencies. In 2004, UniServices also began commercialisation activities in the e-learning field based on the

learning management system developed by The University of Auckland. All these and other initiatives in 2004 should realise their potential in coming years, laying the foundation for future growth of the business.

During the year, the appointment of Dr Peter Lee as CEO of UniServices was announced, effective in January 2005. He replaces Dr John Kernohan who is retiring.

The contribution to the University from UniServices was over \$19.7 million, including payments to principal investigators, scholarships, surpluses from projects and equipment donation.

BUSINESS CHALLENGE CHAMPIONS



Lyall Taylor, Nicole Roughan, Alex Rogers and Eesvan Krishnan.

A University of Auckland Business Strategy Team proved they were the best in the world this year. After a week of intense competition against top-class opposition from around the world, a team of conjoint students from the Faculties of Law and Business and Economics won the 2004 Global Business Challenge, the first win for an Australasian team in the competition's six-year history. Alex Rogers, Eesvan Krishnan, Lyall Taylor and Nicole Roughan made up the prize-winning team, and were accompanied to the Seattle competition by their coach and mentor, Steve Rawlinson of the Department of International Business.

The Global Business Challenge is an invitation-only competition run by the University of Washington. The event was held in April with 16 teams from 13 countries in Asia, Europe and North and South America contending for top honours. The Auckland team was the only representative from Australasia. The competing teams included some of the world's leading business schools, with Auckland beating Georgetown University, Thammasat University (Thailand) and Hong Kong University of Science and Technology in the final.

In the competition, teams of four are presented with a "live" business case and must devise a strategy to address problems and exploit opportunities. The cases are multi-disciplinary and multi-national, requiring extensive research and application of a

range of business skills, with a 48-hour time limit. Each team has 20 minutes to present its strategy to a board of prominent business executives, followed by 20 minutes of questioning from the corporate judging panel. The competition's 26 judges included executives from Boeing Co, Ford Motor Co, Getty Images, Starbucks Co and Vulcan Capital.

Tim Ennis, one of the event's judges, remarked on the high calibre of entrants: "The amount and quality of analysis displayed by the students in just a short amount of time was truly impressive. They presented some extremely creative and applicable ideas that our company can implement immediately. The University of Auckland students were especially adept at recognising the constraints of a small start-up company and showed they really understood what motivates us as individuals to want to succeed."

In addition to the competition, which consists of four heats and a final round, students are given the opportunity to participate in roundtable discussions with business leaders, community service at local schools and a visit to the Boeing headquarters.

This team's excellent international success shows Auckland's students are truly world-class and can compete with the best globally.

WINDOW

A unique example of student achievement at The University of Auckland, the student-initiated and run Window project delivers an accessible exhibition space that is truly flexible, plural and many-faceted. Window is able to support parallel programs of experimental media and virtual art both online and on-site. Window's creators aim to enable artists to display works and interact with larger audiences and to make it possible for all interested quarters of our academic community to participate in contemporary art-making.

The project is the brainchild of three students from the Faculty of Creative Arts and Industries and one of a number supported by the Student Life Commission. Window provides exhibition space for digital online art while operating a physical exhibition space on campus. Artists are able to exhibit both on-site at the heart of the City Campus using a physical exhibition window in the General Library foyer and online at the shadow virtual exhibition spaces of the Window website.

Physically occupying a transient yet busy space (the General Library foyer itself provides access to a potential audience of 17,000 University community members every week), Window operates free from the context of the conventional art gallery.

The physical Window is a glass structure with an adaptable area in a very public space. The Window website's front page is similarly an architecture which changes its look for each new show. Both on-site and online spaces are models for a non-static and fluid display which attempt to give exhibitors maximum flexibility to alter the dynamics to suit their work.

The concept for Window developed from a sense that the University's art communities existed separately from the rest of the academic community. To address this gap or lack of awareness, as it was perceived, students from the Elam School of Fine Arts created a proposal with the goal of expanding the depth and scope of interdisciplinary contact and creating an exciting context for the presentation of research ideas. Michelle Menzies, Stephen Cleland and Luke Duncafe began work on Window as students. Michelle works with moving image, installation, projection and photography, Stephen works with photography, drawing and installation, and Luke's focus is on experimental moving image and Internet technologies.

As curators, they aim to develop and preserve a strong relationship with academic audiences and stimulate dialogue among the disciplines. The curators believe that scope for interdisciplinary research projects on subjects such as robotics, biological sculpture, architecture, music and the process of art-making is strong. Research in new media and digital spaces/digital art is fledgling at the University and its potential is undeniable.

Work on Window began in 2001 and since the project's launch in 2003, the students have devoted time and energy to maintaining and renewing the physical exhibitions in the General Library and launching digital exhibitions on the web. Luke works as the online curator while Michelle and Stephen oversee and maintain the physical window, selecting exhibitors from applications, approaching artists, and providing considerable intellectual support in the development of the concepts and their successful installation. Each new show requires not only preparation and installation but also coordination and marketing. Michelle, Stephen and Luke stress that it is vital that Window is

continued to be cared for by artists and is maintained as a practitioner-run space.

Archiving is a vital dimension of Window, as it is part of its aims of accessibility and long-term visibility. The students not only archive all online exhibitions but physical shows are also photographically documented and have become a resource for students and emerging artists. Both online and physical exhibition archives are available on the website.

Responses to the project have been positive from audiences in the art and academic communities. Through Window, emerging artists are able to exhibit with more experienced artists. Such variation is one of Window's unique qualities. In providing access to technology, curatorial and technical support, expertise and assistance Window is doubly valuable.

www.window.auckland.ac.nz



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1: Sarah Munro

2: Tim Lush

3: Michelle Menzies

4: Sarah Munro

5: Fuyuko Akiyoshi

6: p.mule

Page 35: Victoria O'Sullivan, curated by Michelle Menzies



STATEMENT OF SERVICE PERFORMANCE

TEACHING AND LEARNING, PEOPLE

- > **Attract a diverse, cosmopolitan and academically able student body.**
- > **Provide the opportunity for the full participation of students in the intellectual, cultural and recreational life of the University.**
- The University continues to attract a demographically diverse student body. In 2004, 39% of students were European, 36% Asian, 6% Māori and 7% Pacific Islander. Five percent were of other ethnicities and 7% did not state their ethnicity. Of these students, 41% were 20 years of age and under, 38% were in their twenties, 11% in their thirties and 10% were 40 and over.
- In October the University opened the Fale Pasifika, which is alongside a new teaching block for the Centre for Pacific Studies and is the focal point for academic and community activities relating to the Pacific for the students and staff of the University.
- The number of students entering the University directly from secondary school was 4,463 – an increase from 4,000 in 2003. Of these students, 3,740 (84%) were admitted with a Bursary entrance qualification.
- > **Provide a student-focused teaching and learning environment which encourages academic excellence, enjoyment of learning, critical reasoning and inquiry.**
- > **Place a high priority on excellence in curriculum development and teaching in the recognition and rewards systems of the University.**
- The University gained approval of the Committee on University Academic Programmes to proceed in 2006 with the introduction of restructured undergraduate and postgraduate programmes aligned with the National Register of Quality Assured Qualifications. The restructuring will align the University's qualifications with the majority of other tertiary qualifications in New Zealand and will facilitate credit transfer between institutions for students.
- Following amalgamation with the Auckland College of Education in September and formation of the Faculty of Education, the University increased by around 3,000 EFTS and 550 full-time equivalent staff. Dr John Langley was appointed as the inaugural Dean of the Faculty.
- In 2004, the University improved its orientation services for students by introducing Uniguides, a volunteer buddy programme, delivered by trained senior students to small groups of students during their first six weeks of study.
- The number of scholarships offered for doctoral studies at the University was increased by 20 to 80.
- The University held 11 graduation ceremonies in May and four in September. In December the first graduation ceremonies

were held in Whangarei and Auckland for the new Faculty of Education.

- The University continued its lecture theatre upgrade programme aimed at providing students with an improved learning environment.
- A new Information Commons and cafeteria were opened on the Grafton Campus to improve the learning and social services for the students of the Faculty of Medical and Health Sciences.
- Three new Master's degrees were approved for introduction in 2005. These were a Master of Creative Writing, a Master in Urban Design and a Master of Māori Health.
- University Teaching Excellence Awards were made to the late Dr Scott Allan (Department of Applied Language Studies and Linguistics), Reverend Dr Philip Culbertson (School of Theology), Dr Kim Dirks (Department of Physiology) and Dr Gerard Rowe (Department of Electrical and Computer Engineering).
- Dr Gary Bold (Department of Physics) won the Prime Minister's Supreme Award in the National Tertiary Teaching Excellence Awards and Dr Gerard Rowe (Department of Electrical and Computer Engineering) won a National Award for Sustained Excellence in Tertiary Teaching.
- Academic staff from 15 Departments were awarded Teaching Improvement Grants in 2004 for specific projects relating to teaching and learning.
- A symposium was held in June to allow staff to consider the impact of the National Certificate of Educational Achievement on the learning patterns of students who will enter the University with this qualification in 2005.
- The University began restructuring its Careers and Employment Service to provide an enhanced service for students.
- A session was devoted to teaching and learning issues at the Academic Heads Retreat in November.
- The Women in Leadership Programme, Women in Senior Positions forum and General Staff Managers' forum were well attended and actively supported by members of the senior management team.
- Heather Brown (Faculty of Science) was awarded a Woolf Fisher Scholarship to study at Cambridge University and Richard Beal (Faculty of Engineering) was awarded a Rhodes Scholarship to study at Oxford University.
- > **Encourage and promote the development of flexible modes of teaching and learning, the use of new teaching technologies and computer-assisted course management systems.**
- A new digitised course readings system for Arts, Science and Business and Economics students was launched as part of the delivery of leading-edge Library services and is already heavily used.

- In 2004 over 55% of the courses offered at the University covering 86% of enrolled students utilised the learning management system Cecil, in some capacity. Cecil systems consistently experienced over 100,000 student logins per week during peak times.
 - The Academic Audit Cycle Three Report commended the University's commitment to the development and implementation of Cecil and the strong support given to the increased use of Cecil to facilitate all-hours access to learning materials and to assist students to engage in flexible and distance learning.
 - A separate commendation was given in regard to the significant contribution Cecil makes by way of creating flexibility to improve learning outcomes and greater accessibility for students in equal opportunity target groups and students with English as a second language.
- > **Evaluate, in appropriate and dependable ways, the quality of teaching, supervision and assessment of student work.**
- The New Zealand Universities Academic Audit Unit carried out an academic audit of teaching and learning in the University in August, focusing on teaching quality, programme delivery and the achievement of learning outcomes. In preparation for the audit, the University reviewed and evaluated the full range of teaching and learning activities and identified a number of enhancement initiatives for implementation in 2004-5.
- > **Retain a core commitment to research-based teaching and enhancing scholarship by linking research, professional practice, creative work and teaching.**
- Faculties were encouraged to provide Summer Scholarships so that senior undergraduate students could undertake supervised research projects over the summer months, thus enhancing the links that students experience between teaching and research.
 - Postgraduate students organised the second year of spark*, The University of Auckland Entrepreneurship Challenge, a competition for turning first-class ideas into businesses.
 - A second student led-entrepreneurship programme, Chiasma, bringing together biotechnology and business, was established.
 - The Postgraduate Students' Association hosted the second annual Postgraduate Research Exposition, showcasing postgraduate research.
- > **Recruit nationally and internationally staff who are excellent teachers and leading scholars and researchers in their fields.**
- New Professors in 2004 include: Rick Bigwood (Law), Michael Clout (Biological Sciences), Timothy Cundy (Medicine), Peter Davis (Sociology), Mohammed Farid (Chemicals and Material Engineering), Colin Green (Anatomy), Eric Hollis (Music), Witi Ihimaera (English), Bakhadyr Khoussainov (Computer Science), Allan Lee (Statistics), Jim Miller (Linguistics), Robert Nola (Philosophy), Keith Petrie (Health Psychology), Paul Rishworth (Law), Crispin Shore (Anthropology), Christopher Triggs (Statistics) and Julian Young (Philosophy).

Performance Indicators	2004 Target	2004 Actual	2003 Actual	2002 Actual
Students (EFTS)				
Ministry of Education Subsidy	23,820	23,454	23,021	22,639
Private and Other Funding	4,350	4,704	4,184	3,340
Total EFTS	28,170	28,158	27,205	25,979
Foundation Level	460	382	411	459
Undergraduate	22,840	22,914	22,322	20,979
Postgraduate	4,870	4,862	4,472	4,541
Total EFTS	28,170	28,158	27,205	25,979
Percentage of Postgraduates to Total EFTS in Degree Programmes	17.6	17.5	16.7	17.8
Mature Students (30+ years old) - EFTS				
Undergraduate	1,620	1,730	1,680	1,734
Postgraduate	2,270	2,217	2,290	2,357
Students (headcount)				
Domestic Students	28,800	29,192	28,466	27,829
International Students	5,965	5,376	4,760	3,673
Total Formal Students Enrolled	34,765	34,568	33,226	31,502
Number of Students Enrolled in Degrees*				
Bachelor's	22,430	21,403	21,760	20,622
Conjoint and Honours	3,270	3,646	3,110	3,001
Master's	2,800	2,570	2,610	2,402
Doctoral	1,280	1,249	1,250	1,191

*excludes undergraduate, graduate and postgraduate certificates and diplomas

Performance Indicators	2004 Target	2004 Actual	2003 Actual	2002 Actual
Staff (FTE)				
Academic Staff	1,960	1,751	1,740	1,702
General Staff	2,100	1,943	1,877	1,835
Total Staff	4,060	3,694	3,617	3,537
EFTS per FTE Academic Staff	14.4	16.1	15.6	15.3
Number of Summer School Courses	150	154	135	113
Student Surveys	Postgraduate services and facilities	Postgraduate doctoral and non-doctoral services and facilities	Final year and first year undergraduate	
Student Learning Centre (consultations)	1,500	1,988	1,300	1,124
Departmental and School Reviews	6	4	2	5

RESEARCH AND CREATIVE WORK

> Fully engage the skills and capabilities of the staff to meet the research goals of the University and assist the nation in meeting its strategic goals.

- Professor Marston Conder was chosen as president-elect of the Royal Society of New Zealand and Professor Tom Barnes was elected to the Council of the Society.
- Professor Gary Housley (Department of Physiology) was awarded a James Cook Research Fellowship by the Royal Society of New Zealand. His award is for work on auditory function, with emphasis on sound transduction and neurotransmission. In 2004, four of the nine James Cook Fellowship holders were from The University of Auckland.
- Professor Ian Collins (Engineering Science), Professor John Fraser (School of Medical Sciences) and Professor Boris Pavlov (Mathematics) were elected as Fellows of the Royal Society of New Zealand. Only 12 new Fellows were elected nationwide in 2004.
- The Research Award of the New Zealand Mathematics Society was awarded to Associate Professor Eamonn O'Brien, who is well-known for his work on group theory.
- Professor Mick Clout was appointed as inaugural chairman of the Biosecurity Ministerial Advisory Committee (BMAC). BMAC is a stakeholder advisory committee providing independent advice on the performance of the overall biosecurity system and monitoring the implementation of the New Zealand Biosecurity Strategy.

> Recruit increased numbers of postgraduate research and post-doctoral students and provide them with research supervision, infrastructure and support of the highest possible quality.

- Of 38 FoRST Top Achiever Doctoral Scholarships awarded in 2004, ten were at The University of Auckland.
- Chi-Shang (Dean) Tai, a PhD student in the Bioengineering Institute, was awarded the 2004 R.H.T. Bates Postgraduate Scholarship by the Royal Society of New Zealand for research on a modular fibre-optic imaging system for recording electrical activity in the heart wall.

> Develop portfolios of research that enhance the University's capacity to carry out research of regional, national and international relevance and of relevance to Māori and Pacific peoples.

- The University was successful in gaining funding for two initiatives under the Partnerships for Excellence scheme. These were to establish an Institute for Innovation in Biotechnology, attached to the School of Biological Sciences, and for StarPath, a three-year project that aims to transform educational outcomes for students who are currently under-achieving, by ensuring that they realise their potential at key transition points in the educational journey.

> Work to increase external funding and support for research and creative work.

> Protect, develop and exploit the intellectual property developed in the University.

- Researchers at the University gained 22 of a total of 71 Marsden Fund Awards made in 2004 and a total of \$9.5 million in funding, the highest amount awarded to any institution in the country.
- University researchers were also successful in gaining funding of \$13.5 million for 17 new projects in the 2004 HRC round. Only 54 awards were made nationwide.
- University of Auckland researchers were successful as principal investigators in ten proposals in the 2003-2004 FoRST investment round. University researchers are involved as significant partners in a further three proposals. In this round, funding was provided for 66 proposals nationwide.
- The value of new research grants and contracts won was \$82.5 million from the Research Office and \$71.2 million from Auckland UniServices Ltd, a total of \$153.7 million (compared to \$165 million in 2003 and \$156.9 million in 2002).
- Revenue earned by the University from externally sponsored research projects reached \$61.6 million. Research revenue from Auckland UniServices Ltd was \$68.6 million, giving total research revenue of \$130.2 million (compared to \$110.0 million in 2003 and \$96.0 million in 2002).

> Promote research alliances and collaborative partnerships with other tertiary institutions, research institutions, public agencies and the private sector.

- The University actively promoted further collaboration with other research providers within New Zealand. See also National Relations.

Performance Indicators	2004 Target	2004 Actual	2003 Actual	2002 Actual
Postgraduate EFTS				
Taught Postgraduate	3,060	2,985	2,904	2,907
Research-Based Postgraduate	1,810	1,877	1,568	1,634
Total EFTS	4,870	4,862	4,472	4,541
Research Postgraduate to Total Postgraduate Percentage	37.2	38.6	35.1	36.0
Research Grants from External Sources \$m				
University	49.0	61.6	47.5	41.7
UniServices	60.0	68.6	62.5	54.3
Total	109.0	130.2	110.0	96.0
Publications and Creative Works				
Books and Refereed Chapters in Books	590	601	506	565
Refereed Papers	4,250	4,988	4,775	4,200
Creative Works	260	226	158	250
Reviews and Comments	580	406	377	520

Note: precise year of publication is difficult to predict

TREATY OF WAITANGI

- > To recognise that all members of the University community are encompassed by the Treaty.
- > To maintain the principles of partnership in University management and governance structures, and institutional life.
 - In 2004, closer and mutually beneficial relationships with Ngāti Whatua o Orakei were developed, following the memorandum of understanding executed in 2003. Regular consultation has occurred, including discussions on the membership of various committees set up by the University and seeking advice on participation of other Māori groupings within the Auckland isthmus. The association has assisted the University in confirming protocols and tikanga for the University Marae and ceremonial activities where there is Ngāti Whatua participation. All these activities are in accordance with the lengthy relationship that existed over many years with Ngāti Whatua o Orakei, prior to the formal written acknowledgement.
- > To enhance initiatives to increase, retain and support the access to and successful participation of Māori students in all the academic programmes of the University.
 - Following amalgamation with the Auckland College of Education, Māori student numbers increased by 850 at the University. This development has provided both major opportunities and challenges in ensuring the retention, support and successful participation of those students in academic programmes at the University. The College had a very strong and vibrant Māori academic and general staff support system.
 - Treaty Audit Reports continue to monitor current practices and results to encourage the successful participation of Māori in all academic programmes.
 - The University continues to build on successful mentoring schemes and programmes carried out within departments and faculties, and there are now over 40 such programmes, the majority of which are student-based.
- > To increase the number of academic and general Māori staff.
- > To increase the numbers and improve the qualifications of Māori academic and general staff by targeted recruitment, development and retention plans.
- > To increase the levels of Māori staff participation in research and publication.
 - The amalgamation with the Auckland College of Education also led to an increase in the number of academic and general Māori staff. In 2005 it is anticipated that there will be an increased involvement with all of the new campuses, with the opportunity, particularly in the far North, to build on historical associations with many of the tribal groups in that area.
- > To identify and support innovative and excellent Māori initiatives.
 - The Ngā Pae o te Māramatanga project embarked on a series of projects in collaboration with seven partner institutions, including the Māori Research Institute at the University of Waikato, the Eru Pomare Health Research Centre at the Wellington School of Medicine, He Parekereke - Institute for Research and Development in Māori Education at Victoria University, Manāki Whenua/Landcare Research, Te Whare Wānanga o Awanuiarangi and Te Wānanga o Aotearoa.
- > To develop quality academic structures and innovative programmes which support Māori language, knowledge and culture.
 - Senior management appointments have been made, such as Associate Dean (Māori), in some faculties to increase the capacity of the University and its responsiveness to Māori needs.
- > To develop national and international collaborative relationships with educational and cultural institutions and indigenous groups.
 - Initiatives through the Schools Partnership Office aim to provide a high profile, central point of contact for all relationships between the University and New Zealand schools, and the Student Recruitment and Course Advice

Performance Indicators	2004 Target	2004 Actual	2003 Actual	2002 Actual
Staff (FTE)				
% Māori Academic Staff	3.7	4.3	4.0	3.5
% Māori Senior Academic Staff	2.0	2.1	2.1	2.5
% Māori General Staff	4.5	5.3	4.8	5.2
Students				
Number of Māori EFTS	1,460	1,501	1,366	1,373
Māori as a Percent of Total Students, by Faculty:				
Arts	7.9	8.1	7.9	8.5
Business and Economics	2.7	2.8	2.7	3.1
Creative Arts and Industries	6.0	6.2	6.0	6.7
Engineering	2.3	2.6	2.3	2.2
Law	9.7	9.7	9.7	8.9
Medical and Health Sciences	6.9	7.8	6.9	6.9
Science	3.7	3.6	3.7	3.6
Theology	11.5	13.5	11.5	12.3
Total	5.2	5.4	5.2	5.5
Comprehensive Reporting of Treaty Plans and Reports within the University				
	yes	yes	yes	yes

(SRACA) and Mentoring and Tutoring Education Scheme (MATES) teams.

- The Māori and Indigenous (MAI) Graduate Studies Centre programme continues to aim at increasing the numbers of Māori PhD students and, through the Ngā Pae o te Māramatanga National Centre of Research Excellence (CoRE), similar programmes based on this model and partially financed by the CoRE have been developed in other universities.
- The Māori Equity Advisor conducted visits to Māori boarding schools in the Hawkes Bay-Manawatu region, Northland and Whangarei schools, and career expos in Waikato, Bay of Plenty, Hawkes Bay, East Coast and Northland.
- The Assistant Māori Equity Advisor, in collaboration with Māori student groups on campus, conducted two successful roadshows (Haerenga) into the East Coast and Taranaki regional schools.

EQUAL OPPORTUNITY

> **Ensure that the teaching and learning needs of under-represented groups of staff and students are identified (including the targeted groups of Māori and Pacific students and students with disabilities) and met in ways that uphold the Treaty of Waitangi and equity obligations of the University.**

- In 2004, the Equal Opportunity Office succeeded in its application for StarPath, a project for tertiary participation and success, to become a Partnership for Excellence with the Government. The Government will match up to \$10 million in funds to be raised by StarPath from the private sector. StarPath, a three-year project that aims to transform educational outcomes for students currently under-represented at tertiary level, is a collaboration with school and tertiary partners, including the Manukau Institute of Technology.
- The scoping phase of StarPath has been successfully concluded with the completion of two major reports. The first report, by Hilary Tolley and Boaz Shulruf, examines the composition of the 1999 student cohort at a secondary school in Auckland,

the patterns of subject choice, academic achievement and post-school destination for groups of students and the current programmes offered by the school in an effort to improve educational outcomes. The second report, by Ron King, examines the composition by gender, ethnicity, decile level of school and entry qualifications of the 1999 entry cohorts to a number of faculties in the University, and the subsequent patterns of achievement of different groups of students during their degree studies.

- The 22 Tuākana Programmes for Māori and Pacific Island students, in which older, successful students tutor and/or mentor younger Māori and Pacific Island students in their subject area, were coordinated across all eight faculties in 2004. Successful initiatives have been trialled, improved and spread from one department or faculty to another. Training workshops and retreats for tutors and mentors produced a cohort of experienced Tuākana Programme co-ordinators right across the University.
- The Deputy Pro Vice-Chancellor (EO) and the Special Supplementary Grants (SSG) Fund Manager worked with Tuākana co-ordinators to ensure the quality of equal educational opportunities initiatives at Auckland, including those funded by the SSG. The Equal Educational Opportunities (EEoO) Office developed the University-wide Tuākana Database in 2004, to enable Tuākana faculty staff to monitor and report on the progress of students.
- The usual disability services of notetaking, sign language interpreting, library assistance, provision of alternative print material, advice and advocacy, and assistance with special conditions for examinations, have been maintained. The four designated study areas equipped with appropriate furniture and specialist technology continued to provide an excellent resource for students who have various needs that cannot be catered for in other places at the University. The three mobility scooters have been well used in 2004. The Careers Advice Service provided by disabilities services extended its role to provide scholarship information to students and to undertake the provision of recruitment resources.

- A resource centre for deaf students in Auckland named the ADVANCE Centre was officially opened in October. This Centre will provide information and support for deaf and hearing impaired students, and for tertiary institutions.
 - The Mental Health Service has been used to maximum capacity with excellent success rates. A further paper on the development of the service at The University of Auckland was presented at the Aotearoa Tertiary Equity Conference and has provoked some interest from institutions in New Zealand and Australia considering providing a similar service.
 - A major report on disability access was prepared and significant progress has been made on formulating a process for issues regarding physical access for people with disabilities. The systems provide for resolution of existing issues and for consultation in new building and renovation projects.
- > **Maintain fair, open and consistent recruitment and promotion practices and procedures, and provide opportunities for all staff to participate in appropriate staff development programmes.**
- > **Recruit diverse staff, foster their abilities and ensure employment procedures that are effective in achieving equity goals.**
- > **Place high priority on the principles and practices of equity in all areas of staff policy and management.**
- A variety of workshops, seminars and presentations are given on Equal Employment Opportunities (EEO) topics including fortnightly inductions for general staff, bi-annual inductions for academic staff, University-wide seminars, presentations to the Women in Leadership Programme and occasional external speaking engagements.
 - Guidelines on flexible employment arrangements, parental leave and leave for family responsibilities were published on the EEO website. Workshops on implementing the guidelines were provided for the University community and for Women in Leadership participants.
 - A review of paid parental leave was conducted. Focus groups were held, a web-page with information on the review was published and comments were received from staff on paid parental leave. Australian and New Zealand universities were surveyed for examples of best practice and legislative requirements were considered.
 - The EEO Office continues to support the Centre for Professional Development's Women in Leadership Programmes, which assist women with goal-setting seminars to meet their professional development and leadership needs, as well as with one-to-one mentoring.
 - A paper on strategies for pay equity at The University of Auckland was presented to the National Advisory Council on Employment for Women.
 - The EEO Office played a major role in convening the Aotearoa Tertiary Equity Conference. The conference aimed to bring representatives from the tertiary sector together from all over New Zealand and discuss best practice and current research on equal opportunities for students, staff and the wider community.
 - Recipients of awards for outstanding achievement of equity objectives in 2004 were: Professor Colin Mantell for exceptional achievement in the provision of educational opportunities for Māori and Pacific students; Professor Di McCarthy for outstanding contributions to promotions training for academic women; the Department of Film, Television and Media Studies, for increasing enrolment and success rates of

target group students; the Department of Mathematics, for long-standing and high quality efforts to increase the recruitment and performance of Māori and Pacific students and appointment of Māori and Pacific staff. For the first time, a special innovations award was made to the Department of Optometry for innovation in the recruitment of Māori and Pacific students.

> **Recruit and retain a diverse student body, providing research and curricular activities relevant to their needs.**

- Enginuity Day (E-day), the main recruitment event for female students in engineering, was attended by 230 secondary school girls from the Auckland, Northland, Waikato and Bay of Plenty regions.
- Girls into Science 2004, an on-campus event to encourage Year 10 girls to consider science beyond the compulsory level at school, was held in November. This programme exposes girls to a wide variety of tertiary and career opportunities in science via interactive activities and through the eyes of role models. Over 300 girls from the Auckland, Waikato and Northland regions attended.
- The Māori, Pacific Island and Women in Science and Engineering Equity Advisors organised on-campus school visits of equity target groups and arranged for University students from respective target groups to participate in the visits to show the school students around the City Campus. They also organised orientation programmes for students and their parents.
- The Equity Advisors also visited schools to address students from their respective target groups on motivation, recruitment and retention into Year 13 and assisted the SRACA team with general school visits, careers evenings and expos.
- WISE Futures Evening was held in late July. The programme targets female school leavers to encourage them to consider the physical sciences at tertiary level. This year, 134 girls attended from the Auckland and Northland regions.
- The EEdO Office produced re-edited copies of the *Unlimited Opportunities* publications for Māori, Pacific Island and Women in Science and Engineering students, as well as similar information brochures for prospective students.
- A representative group of blind and vision impaired students have recommended guidelines to provide accessibility to all textual material used in study and research for implementation in Semester I, 2005.

Performance Indicators	2004 Target	2004 Actual	2003 Actual	2002 Actual
Female Staff (FTE)				
% Female Academic Staff	41.0	38.1	37.5	37.0
% Female Senior Academic Staff	19.0	19.2	19.1	16.9
% Female General Staff	57.0	58.6	56.9	57.7
Equal Educational Opportunities				
Number of Students who use Disability Services	380	397	392	430
Students				
Number of Female Students, by EFTS	14,810	15,029	14,440	13,593
Female Students as a Percent of Total Students, by Faculty:				
Arts	64.9	65.2	64.9	64.9
Business and Economics	51.0	50.9	51.0	64.9
Creative Arts and Industries	57.3	59.3	57.3	57.4
Engineering	20.3	20.7	20.3	21.1
Law	59.7	61.0	59.7	61.4
Medical and Health Sciences	66.1	66.7	66.1	63.1
Science	46.9	47.9	46.9	46.7
Theology	57.7	47.0	57.7	45.3
Total	53.2	53.6	53.2	52.8
Female Student Completions as a Percent of Total Completions	n/a	56.0	55.0	54.8
Comprehensive EEdO Plans and Reports within the University				
	yes	yes	yes	yes
See Treaty of Waitangi section for Māori statistics				
Note: EFTS counted and assigned to a faculty are those generated by Course Enrolment.				

PACIFIC PEOPLES

- > **To enhance initiatives to increase, retain and support the access to and successful participation of Pacific students in all the academic programmes of the University.**
- Forty awardees were selected for the Chancellor's Awards for Top Scholars (CATS) for top Māori and Pacific Island scholars from New Zealand secondary schools. The initial 2004 cohort of 42 students is progressing well.
- The Pacific Island Equity Advisors attended Pacific Island school career evenings.
- STEAM Ahead and Finance Evening, an annual event for Year 12 and 13 secondary Māori and Pacific Island students, was conducted in July and was attended by 265 students and 140 parents/guardians from the Auckland and Northland regions. Evaluations showed that 40% of participants who were unsure about university had decided to attend following the programme.
- STEAM, an innovative on-campus programme (established in 1998) to encourage Year 10 Māori and Pacific Island students to consider science beyond the compulsory levels at school, was held for a week in November. STEAM exposes students to the opportunities that exist with a tertiary education in science, technology, engineering, architecture or medicine. The programme was attended by 309 students, with very positive evaluations by both students and teachers attending.
- Equity Advisors visited schools to address students and assisted the SRACA team with general school visits and career expos.
- Equity Advisors organised on-campus school visits of target groups and arranged for University students from respective

target groups to participate in the visits and to show school students around campus. They also organised orientation programmes for students and their parents.

- The EEdO Office republished copies of *Unlimited Opportunities* for Pacific students. See also Equal Opportunity.
- > **To increase the number of academic and non-academic Pacific staff.**
- > **To increase the numbers and improve the qualifications of Pacific academic and general staff by targeted recruitment development and retention plans.**
- Special support is provided to postgraduate Pacific students to assist with their research interests, and the option to move through into staff positions is often available.
- The Centre for Professional Development has provided programmes such as promotions training for academic staff, tutor training, networking and Pacific Academic Leadership. Networking and information on Pacific people and events is assisted by the publication of a newsletter *Green Bananas*.
- Māori and Pacific Island focus groups contributed to the development of new recruitment advertising templates to attract a more diverse pool of general staff applications. Advertising writing workshops were run for HR and faculty staff.
- > **To identify and support innovative and excellent Pacific academic initiatives.**
- The Centre for Pacific Studies provides a strong Pacific research focus and published *Researching the Pacific and Indigenous Peoples: Issues and Perspectives*.
- The Fall opening was followed by a week of Pacific academic

activities. The Macmillan Brown lecture series was presented by Professor Albert Wendt and jointly hosted by the Macmillan Brown Centre for Pacific Studies and The University of Auckland's Centre for Pacific Studies. A Pacific Graduate Scholars symposium, "Talanoa on the Diasporic Mat", was held at the Fale.

- > **To increase the levels of Pacific staff participation in research and publication and support innovative research.**

- > **To develop national and international relationships as appropriate with educational and cultural institutions and indigenous groups in the Pacific region.**
- The opening of the Fale was a significant event for consolidating national and international relationships and showcasing the Pacific community at the University. The opening was attended by many dignitaries and representatives from all Pacific countries, Pacific academics, general staff and scholars.

Performance Indicators	2004 Target	2004 Actual	2003 Actual	2002 Actual
Staff (FTE)				
% Pacific Academic Staff	1.9	1.8	1.8	1.6
% Pacific Senior Academic Staff	0.8	0.4	0.8	0.8
% Pacific General Staff	5.0	5.5	4.9	5.9
Students				
Number of Pacific EFTS	1,720	1,775	1,710	1,635
Pacific Students as a Percent of Total Students, by Faculty:				
Arts	9.7	10.4	9.7	9.8
Business and Economics	3.7	3.6	3.7	4.3
Creative Arts and Industries	4.5	6.3	4.5	5.0
Engineering	2.4	2.2	2.4	2.5
Law	7.8	6.9	7.8	7.8
Medical and Health Sciences	6.7	7.0	6.7	5.9
Science	4.9	5.0	4.9	4.7
Theology	23.9	20.9	23.9	15.6
Total	6.3	6.3	6.3	6.4
Comprehensive Reporting of Plans for Pacific Peoples within the University				
	yes	yes	yes	yes

INTERNATIONAL RELATIONS

- > **Develop integrated policies and programmes that embed an international/intercultural dimension into the institutional culture of the University.**
- A draft International Plan for the period 2005-2008 was developed and circulated to faculties to align faculty strategies with the University's overall international strategy.
- Total international student numbers grew by 12.9% from 2003 to 2004 (from 4,760 to 5,376 students), with new international student enrolments stable from 2003 to 2004 (from 2,106 to 2,010). The cumulative target for international students for 2004 was 4,463, or around 15.9% of total enrolments on a head count basis. International students comprised just over 15.5% of the total student enrolment for 2004.
- Revenue from international tuition fees increased by 26.5%: from \$56.7 million in 2003 to \$71.7 million in 2004. The substantial growth in revenue over the last four years has resulted in the submission of an entry to the New Zealand Trade and Enterprise 2005 Export Awards.
- The 2004 Market Diversification Plan has been successful, with significant growth in total enrolments from key target source countries outside China, most notably the United States, Malaysia, Korea, Vietnam, Canada and Russia. The growth in these key diversification markets has been offset by a decline in new enrolments of Chinese students.
- A revised range of marketing publications and collateral was

- introduced including a new undergraduate prospectus that complements the University's generic undergraduate version, a series of display screens/panels for use at exhibitions that reflect the University's reworked corporate brand and a series of foreign-language flyers for use in China, Korea and Vietnam.
- The International Student Information Centre was opened in June 2004 and is a one-stop-shop for international students, providing prospective and new international students with advice and information. The International Space (I-Space) was developed and a full-time activities officer employed to attend to the social needs of international students.
- The International Office was restructured to encourage flexibility, innovation, professionalism and service. The office moved from functionally-separate sections to a regional team, which integrates recruitment and admissions. This has broadened the skills base and professional knowledge of overseas education systems of the International Officers to improve the service to both students and faculty advisers.
- A review of the admission process was carried out and online application processes (nDeva) are being revised within an overall University review to "filter" web applications using self-assessment by prospective applicants.

> **Enhance the relationship with Universitas 21 and the Association of Pacific Rim Universities.**

> **Enable staff and students to engage more actively in the global community.**

- The University was represented by two student teams in the inaugural Universitas 21 Summer School hosted by the National University of Singapore. One of the Auckland teams emerged victorious from among 18 teams from 14 universities participating in the Business Plan Competition associated with the Summer School.
- The University participated in a number of APRU-sponsored initiatives such as the Doctoral Students' Conference (held in Sydney) and the APRU Fellows Programme (held jointly in Santa Barbara and Osaka). The University of Auckland was asked to chair an APRU sub-group responsible for developing a proposal for an APRU Thematic Conference.
- Student mobility saw an increase in promotional activity in 2004 with 360°/Auckland Abroad producing a variety of promotional materials and campaigns and revising its website. Outbound semester exchange numbers have doubled over the past two years. The number of students participating in various forms of mobility to overseas destinations for academic purposes for 2004 was 437.

> **Promote the international recognition of the strengths of the University specifically, and the higher education sector of New Zealand in general, through international collaboration.**

- A China Strategy was designed and implemented to guide the University's engagement with China's top universities and research institutions. As part of this strategy, the University signed letters of intent for research collaboration with Peking University and Tsinghua University during a visit to Beijing led by Vice-Chancellor, Dr John Hood. Delegations from the Faculties of Arts, Medical and Health Sciences, Science, Law and Engineering visited China in the second half of 2004 to build links and explore areas of high-level research collaboration. A public affairs consultant was appointed in Beijing in late 2004 to represent the University's interests in China.

- The Pro Vice-Chancellor (International) represented the University on a national delegation to China led by the Minister of Education, the Honourable Trevor Mallard, and represented the University on a similar delegation to Latin America.
- The University expanded its portfolio of international agreements to include links with top universities in Brazil, Canada, Chile, China, the Czech Republic, Denmark, Germany, Italy, Japan, Mexico, Norway, Spain, Sweden, Taiwan, the United Kingdom and the United States.
- The University hosted 42 international delegations and visitors during 2004. These included the President of Peking University, Professor Xu Zhihong, who visited the University in June; Sir Marrack Goulding, Warden of St Antony's College in Oxford, who delivered a public lecture titled "The Lone Ranger: The United States and the world after Iraq"; the Welsh Minister of Education; United States Ambassador Charles Swindells; a group of senior Chilean senators; a delegation of Latin American journalists; and a Vice-President of the Sorbonne University.
- The Pro Vice-Chancellor (International) was invited to represent the University in the Australia-New Zealand Leadership Forum, a newly-established grouping of 60 leaders of business, government and community sectors with an interest in exploring issues relating to the economic, defence, political and social dimensions of the bilateral relationship between Australia and New Zealand. The Pro Vice-Chancellor also sits on the Education New Zealand board and is Vice-Chair of the Steering Committee of the Asia-Pacific Association for International Education.
- A strategy for the establishment of alumni coordinators in North and South-East Asia was developed in collaboration with External Relations.

Performance Indicators	2004 Target	2004 Actual	2003 Actual	2002 Actual
International Students				
Full Fee Paying	5,350	4,547	4,126	3,222
Study Abroad (incoming)	350	436	340	228
Subsidised:				
Exchange Students (incoming)	140	188	108	87
Research Postgraduates and Other	125	205	186	136
Total Students	5,965	5,376	4,760	3,673
Total International EFTS	4,610	4,603	4,084	3,066
Exchange Agreements with Other Universities	85	79	61	72
Associations of International Research-Led Universities				
Universitas 21	yes	yes	yes	yes
Association of Pacific Rim Universities	yes	yes	yes	yes

NATIONAL RELATIONS

> **Encourage the development of links with other tertiary and research institutions nationally in order to further the academic aims and activities of the University, and to respond to Government desires for collaborative, rather than competitive, models.**

- A partnership with the Manukau Institute of Technology is aimed at increasing access to tertiary education for the peoples of Manukau. In 2004, the University participated in discussions with the Manukau City Council and the Tertiary Education Commission on the supply and demand for tertiary education in the Manukau region.
- The University partnered with a number of educational institutions in the Auckland region to successfully propose to the Government the StarPath project as a Partnership for Excellence project.

- The University actively promoted further collaboration with other research providers within New Zealand through 2004. Activities included expansion of work in the joint Bioinformatics Institute with AgResearch during the year with an increase in personnel and several new and exciting projects. Work in the joint University of Auckland-AgResearch structural biology laboratory continued, and further discussions with AgResearch were undertaken with a view to closer collaboration in the National Research Centre for Growth and Development.
- Established collaborations with Landcare also continued with the formal inauguration of the Centre for Urban Ecosystem Studies (CUES), a joint venture which will investigate strategies for low impact urban design and development. Joint work with HortResearch continued, enhanced by the establishment of a Fourier Transform Mass Spectrometer facility in the School of Biological Sciences which will be used for the detailed analysis of molecular species in food, the only facility of its kind in New Zealand.

Performance Indicators	2004 Target	2004 Actual	2003 Actual	2002 Actual
Manukau Institute of Technology Joint Programme				
EFTS Taught	450	405	440	438
ICEHOUSE				
Owner/Manager Course Enrolment	40	42	37	33
UniServices				
New Patents	40	28	40	33

COMMUNITIES

> **Contribute in a leadership role to the scientific, cultural, social, environmental and economic debates and life of our communities and of the nation, with particular regard to the statutory role of the University as critic and conscience of society and to the formation of public policy.**

- The University linked with the University of Canterbury for the delivery of the 2004 Macmillan Brown Public Lecture Series in Auckland by Professor Albert Wendt.
- A series of Winter Lectures were held for the public on "Trading in our nation's future: Children and young people in New Zealand".
- The School of Architecture presented the Vice-Chancellor's Lectures for 2004. This was a series of public lectures on the theme "With(in) the digital: the trans-disciplinary potential of Architecture".
- The Robb Public Lectures were given by the writer Marina Warner on "Magic and transformation in contemporary literature and culture".
- The following University staff were successful in the Montana National Book Awards: Distinguished Professor Dame Anne Salmond won the Non-Fiction Award and the History Award for *The Trial of the Cannibal Dog: Captain Cook in the South Seas*; Associate Professor Annamarie Jagose won the Deutz Medal for Fiction for *Slow Water*; Professor Albert Wendt, Reina Whaitiri and Robert Sullivan won the Reference and Anthology Award for *Whetu Moana: Contemporary Polynesian Poems in English*; and Dr Deidre Brown won the NZSA E.H.

McCormick Best First Book Award for Non-Fiction for *Tai Tokerau Whakairo Rakau Northland Māori Wood Carving*.

- Members of the University contributed to the written and spoken media on a wide range of scientific, environmental and economic debates.
 - The University established the New Zealand Leadership Institute within the Faculty of Business and Economics in partnership with a number of leading businesses and community organisations. The Institute will undertake research on leadership and provide research-based programmes on leadership development.
 - The Principals' Centre, which supports and trains school principals throughout New Zealand, was re-launched as the School Leadership Centre in 2004.
- > **Provide opportunities for lifelong learning that support adults throughout their lives and careers and enable them to contribute to and influence our developing cultural, social and economic society.**
- The University provided courses in adult and community education through its Centre for Continuing Education. Professional development courses were also offered by the Faculties of Business and Economics, Medical and Health Sciences, Engineering and Law for professionals in these fields.
- > **Engage actively and constructively with the pre-University education system throughout the country.**
- The Schools Partnership Office has worked actively in schools

throughout New Zealand to inform prospective students regarding the new entrance requirements for the NCEA.

- Student recruitment team members now cover 84 schools in Auckland and 76 schools in regions outside Auckland. In total, the number of school visits has increased from 291 in 2003 to 313 in 2004.
- A two-day update, including a formal dinner addressed by Dr Raymond Miller (Political Studies), was attended by 120 Career Advisers from all over New Zealand.
- Student recruitment team members attended 32 careers evenings (10 more than 2003), 56 detailed course planning days in Auckland (an increase of four schools from 2003) and 14 expos in regions outside Auckland.
- The Courses and Careers Day in August attracted approximately 7,000 prospective students and parents, with 44 free buses being provided (including from Rotorua, Tauranga, Hamilton, Thames, Whangarei and the far North). For the first time, an event for Year 10 students was held and attracted approximately 700 students.
- The Dream Fono was run in July 2004 for 150 students, an increase of 30 students from 2003. Evaluations reveal that the programme is meeting its objectives. A tracking analysis of the first Dream Fono cohort revealed that 24% (20 out of 84) of participants are now enrolled at The University of Auckland.
- MATES successfully completed its third pilot year with 62 Year 12 and 13 students mentored in four Auckland lower-decile secondary schools. The project gained substantial funding from the Todd Foundation for 2004 to 2006.
- University of Auckland students mentored 24 Year 11 Pacific Island students in a successful year-long pilot project at Massey High School, jointly funded by the University and the school.

- The 2004 Academic Audit of the University specially commended the Schools Partnership Office and the initiatives it has taken.

> **Build an active and responsive relationship with local iwi and Māori communities and with Pacific communities within and external to the University.**

- Closer and mutually beneficial relationships with Ngāti Whatua o Orakei have been developed over the past year, following the 2003 memorandum of understanding. Consultations include the membership of various committees set up by the University and seeking advice on participation of other Māori groupings within the Auckland isthmus. See also Teaching and Learning, People, Treaty of Waitangi and Pacific Peoples.

> **Enhance the active participation of alumni in the University community.**

- During 2004, alumni co-ordinators were set up in Singapore, Kuala Lumpur, Shanghai, Beijing, Seoul and Taipei and an Alumni Association was set up in Hong Kong.
- The @auckland email newsletter was established and sent to all alumni with email addresses, currently approximately 27,000.
- Alumni dinners and cocktail functions were held in Singapore, Kuala Lumpur, Hong Kong, Shanghai, Beijing, Seoul, Taipei, San Francisco, New York, Oxford, Christchurch and Wellington.
- The University magazine *Ingenio* now includes greater focus on alumni in New Zealand and throughout the world.
- External Relations commissioned a report on the manner in which the Alumni Relations Office can help undergraduate students to identify as future alumni in the years ahead. This will be implemented during 2005.

Performance Indicators	2004 Target	2004 Actual	2003 Actual	2002 Actual
Community Education (Ministry Funded)				
Number of Community Education Courses	435	286	263	421
Total EFTS Funded by Ministry	147	134	160	245
Total Enrolments in Courses	8,670	6,354	6,884	8,690
Number of Students in Community Education	7,330	4,659	6,900	7,423
Access to the Public				
Number of Public Lectures	35	50	35	24
Number of Music Performances	115	96	110	100
New Books Published by the Auckland University Press	23	20	22	19

ORGANISATION, MANAGEMENT AND INFRASTRUCTURE

> **Maintain and develop quality scientific, artistic and cultural collections, libraries, archives, equipment, technology and information services to support the teaching, learning, research and creative work of the University.**

- The Grafton Information Commons was opened in 2004 and is now in successful operation, providing 88 new computers and an additional 28 group study places.
- The new Linkfinder software was implemented, linking bibliographic references in one vendor's information system to full-text information in other information systems.

- The Library implemented a "hot" back-up system for the Voyager Library Management System so virtually no data is lost if the system accidentally goes down – a first for any of the University enterprise systems.
- The bibliographic records from the former College of Education's Sylvia Ashton-Warner Library catalogue were successfully migrated into the University Library's Voyager catalogue in December 2004.
- The Academic Audit Cycle Three Report commended the Information Commons facilities and services, as well as the Library's Electronic Academic Resources Network (LEARN).
- Three significant Learning Management System software enhancement projects were completed in 2004 - the development of a web-based staff interface to Cecil, the

development of an extensive reports repository and a system for students to evaluate teaching, with students having the option of completing the evaluation online using Cecil.

- > **Develop academic and general staff with strong managerial, leadership and technical abilities.**
- > **Value the participation of all staff in academic and institutional life and empower all members of the University community to exercise initiative and responsibility.**
 - The Development Programme for Academic Heads had another successful year with additional elements being integrated into the programme. These included implementation of a 360 degree feedback tool to enable heads to receive feedback from colleagues. A shadowing and observation option was introduced to give future heads the opportunity to "shadow" a member of the senior management team for three days.
 - The first General Staff Excellence Awards were made to Li Wang in the Library, Murray Birch and Brady Doak at the Leigh Marine Laboratory, and Catherine Hobbis from the Department of Chemical and Materials Engineering.
 - The University achieved tertiary partnership status in the ACC Partnership Programme, which recognises the excellent standard of the University's Health and Safety Management Programme.
 - A number of staff took up Universitas 21 Fellowships to further their professional development at other Universitas 21 universities.
 - Significant numbers of general staff applied for and were appointed to new roles within the University, reflecting the commitment to professional development and career progression for all staff.
 - Timothy Greville took up the position of Registrar and Kath Clarke became the Director of Human Resources.
- > **Maintain and constantly improve a budget cycle that allocates resources in a way that advances the strategic interests and priorities of the University.**
 - The budget process was further refined in 2004 with emphasis given to operational priorities.
 - A continued emphasis on accurate financial forecasting has resulted in better efficiencies, cost management and resource allocation.
 - In 2004, resources were allocated based on a weighted EFTS system to better reflect the real cost of postgraduate teaching.
- > **Ensure accurate, timely and efficient collection, reporting and dissemination of information to meet statutory requirements and to support decision-making.**
 - Internal processes are continually reviewed and improved to enhance staff and system productivity.
- > **Maintain a University-wide plan for the physical development of all campuses, which provides for growth and is consistent with the University's environmental policy.**
- > **Maintain an up-to-date Capital Management Plan that reflects agreed capital development priorities for the provision, repair, modernisation and utilisation of capital assets.**
- > **Develop the physical infrastructure and services in ways that do not impact negatively on the environment, that ensure safety and effective utilisation, and that meet all external regulatory and safety standards.**

- Outline master plans for development of the Grafton and City Campuses were presented to Council in June 2004, together with concept designs for major building projects included in the Capital Plan over the period 2005 to 2009.
- Medium term accommodation plans were reviewed and developed during 2004, in particular for the Faculties of Science, Engineering, Medical and Health Sciences and Law.
- The annual update of the Capital Plan for Buildings and Campus Infrastructure was approved by Council in June 2004.

Major capital projects completed during 2004 include:

- Population Health Complex
- Fale Pasifika
- Grafton Student and Staff Amenities
- Chemistry Building Refit - Level 4
- Mercy Hospital Training Centre
- 70 Symonds Street Fitout - Levels 2, 3 and 4
- City Campus Way Finding
- IT Centre Services and Security Upgrade
- Tamaki Student Amenities Upgrade
- Sector 200 Site Services - Stage 1
- Music Shed
- UniSports Training Centre Changing Facilities
- University Graduate Centre - Stage 2
- 76 Symonds Street Fitout - Level G

Major capital projects on which construction proceeded in 2004 include:

- Business School Complex
- Science Buildings Refit for Electrical and Computer Engineering
- Security Improvements
- Grafton MRI Facilities
- Library Building Toilets
- Arts Student Centre
- Music Facilities Improvements
- Dance Studios

Major maintenance projects completed during 2004 include:

- Otis Lifts Upgrade
- Library Building Mechanical and Electrical Services

Major maintenance projects on which construction proceeded during 2004 include:

- Library Building Interior Renovation
- ClockTower Building Exterior Maintenance
- Main Switchboard Replacements
- Building 504 Lighting Refit
- Epsom Campus Mechanical and Electrical Services
- Epsom Campus Roofing

> **Seek to provide student amenities and facilities that enrich the quality of student life.**

New and refurbished facilities provided specifically for students during 2004 include:

- University Graduate Centre
- Grafton Student Amenities
- Tamaki Student Amenities

Performance Indicators	2004 Target	2004 Actual	2003 Actual	2002 Actual
Library Resources				
Total Printed Volumes (000's)	1,930	1,910	1,899	1,834
Serial Titles (electronic titles) and Electronic Books	75,000	239,826	132,911	56,146
Number of Computer Terminals in Library and Information Commons	725	864	740	315
Cecil System				
Number of Sessions (000's)	3,200	3,510	2,600	1,417
Number of Courses Using System	2,400	2,609	2,331	1,067
Number of Courses Recording Marks	1,700	2,100	1,295	750
Downloadable Files Available	30,000	41,615	26,881	23,236
Average File Size (Gb)	400	452	384	413
LEARN System				
Number of Sessions (000's)	2,200	3,506	2,000	2,623
Implementation of PeopleSoft System				
	yes	yes	yes	yes
	Finance 8.4	Finance 8.4	Finance 8.4	Student Administration Enterprise Database
				Online enrolment
Revision of Planning/Budgeting System				
		Weighted Allocation Benchmarked	Incentive basis added Partially benchmarked	Allocative model Neutral

FINANCIAL

> Improve the net and gross revenues of the University, increasing and diversifying revenue streams and develop potential revenue streams.

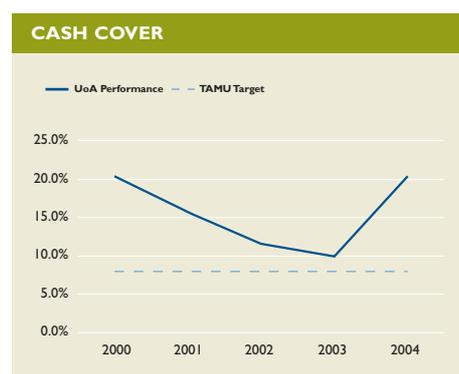
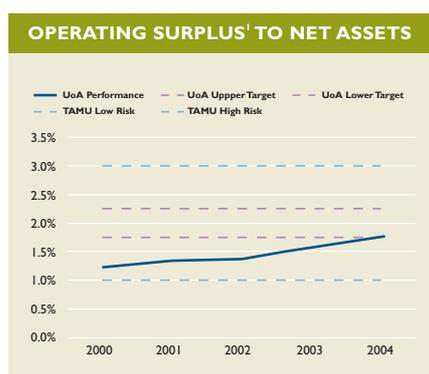
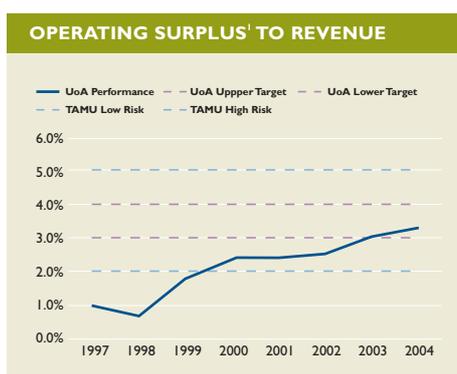
- Overall operating revenue increased by \$72.0 million. Increases were recorded in all categories of revenue, with the main increases derived from Research Income at \$21.9 million and Tuition Fees at \$20.2 million.

- Operating surplus¹ of \$19.0 million was \$2.9 million ahead of budget and up on 2003 by \$3.7 million.
- Operating cash flow of \$77.9 million was below 2003 by \$3.2 million.

> Meet or exceed the key financial performance measures as agreed with the Ministry of Education.

- The University of Auckland has exceeded the Ministry of Education limited risk criteria category.

Performance Indicators	2004 Target	2004 Actual	2003 Actual	2002 Actual	
Financial Measures (\$ millions)					
Revenue	530.0	577.7	505.7	460.4	
Operating Surplus ¹	15.0	19.0	15.3	11.6	
Net Cash Flows from Operating Activities	65.0	77.9	81.1	69.3	
Net Equity	650.0	855.9	745.0	709.0	
Working Capital					
Includes Short-Term Planned Borrowing	-100.0	-45.6	-100.0	-43.0	
Excludes Short-Term Borrowing	-84.0	-45.6	-84.0	-43.0	
Liquidity Measures					
Cash Inflow as a Percent of Cash Outflow (from operations)		The University's policy is to maintain cash and/or undrawn facilities equivalent to two month's cash operating expenses			
Financial Return					
Return on Income	2.8%	3.3%	3.0%	2.5%	
Return on Assets	1.6%	1.8%	1.6%	1.4%	



1. Before unusual items



Aiming to turn first-class ideas into world-class businesses, spark* is a student-led initiative of The Postgraduate Students' Association in conjunction with the Business School and the ICEHOUSE. spark* is The University of Auckland Entrepreneurship Challenge, a new, exciting and innovative programme. It allows students, graduates and staff of the University the opportunity to receive free business training from leading practitioners, in addition to the chance to compete for a prize pool of \$50,000 for their entrepreneurial ventures.

Established by students in 2003, spark* was inspired by similar competitions at the Massachusetts Institute of Technology (MIT) and the University of Cambridge. spark* was established with its partners ASB Bank, Auckland UniServices Ltd, Microsoft, New Zealand Trade & Enterprise and the Edwards Charitable Trust. The aim is to foster the growth of an entrepreneurial culture and commercialise innovative ideas developed within the University for the benefit and prosperity of New Zealand.

spark* consists of three components: the \$10K Challenge, the flagship \$40K Challenge and the Vision to Business course. The \$10K Challenge requires teams to create a business plan from an enterprising idea. The \$40K Challenge is a business plan contest from which ten finalists are selected to receive extensive mentoring to help them enhance the robustness of their plans. Finalists also have the opportunity to present to leading angel investors and venture capitalists. The winning team receives \$20,000 to help develop the proposed business, plus time in the ICEHOUSE, the incubator of the Business School and its business partners valued at \$10,000. The runner-up receives \$10,000 for business development. Both spark* challenges are supported by a free 13-week Vision to Business entrepreneurial training course.



spark* CEO Fady Mishriki



Chair of spark* Priv Bradoo addresses the crowd at the 2004 launch

spark* has attracted significant media attention since its inception, featuring in *The New Zealand Herald*, *The National Business Review* and on TV One's *Breakfast*. The spark* team has raised more than \$300,000 towards running the not-for-profit service.

spark* has enjoyed an active market of over 1,500 people in just two years of operation. Using GPS navigation to guide unmanned barges, developing a CD ROM by which counsellors can read the non-verbal expression of emotion, an entrepreneurship programme designed specifically for children and a range of educational resources for teaching biology were among the ten business proposals picked to progress to the final this year.

More than 170 participants from 66 teams submitted their proposals in spark*'s \$40K Challenge. More than 150 teams entered the concurrent \$10K Challenge. spark* chief executive Fady Mishriki says: "This year, the number of teams vying for the top ten places increased by more than 60%. The quality of entries improved considerably reflecting the importance and value of the training entrants receive."

A world-first wireless monitoring product, with applications for biomedical research, medical education, and drug testing and development, took out the major prize. Winning team Telemetry Research developed a product for monitoring nerve signals using radio frequency technology, eliminating the need for the patient to be wired to a machine. The company has already invested significant funds into developing the product and has sold new products into the US and Japanese markets.

STATEMENT OF RESOURCES

BUILDINGS

Gross Area of University Buildings (m ²)	2004 Actual	2004 Actual (Excluding Epsom)	2003 Actual	2002 Actual	2001 Actual
	424,452	389,152	401,668	376,721	374,555

There are a total of 188 buildings across all campuses¹, which are included in the Statement of Financial Position (in 2003 there were 137). In addition, the University leases space in 29 buildings (29 in 2003).

LAND²

The University is responsible for a total land area of 187.7ha (175.8 in 2003). This includes 18.5 on the City Campus (18.5 in 2003), 32.3 at the Tamaki Campus (32.3 in 2003), 10.4 at the Epsom Campus, 1.5 at Whangarei and 122.2 at the Leigh Marine Research Laboratory (122.2 in 2003) and various bush reserves.

Within the total land area is 117.5ha of land (107.2 in 2003) in Crown title and valued at \$61.7 million.³

LIBRARY RESOURCES

	2004 Actual	2003 Actual	2002 Actual	2001 Actual
Collections				
Books	1,341,294	1,297,268	1,275,251	1,193,402
Serials (volumes)	569,094	601,474	558,877	549,448
Total Printed Volumes	1,910,388	1,898,742	1,834,128	1,742,850
Serial Titles Held	18,490	18,310	28,400	27,804
Other Items				
Electronic Serials	58,884	45,874	45,915	10,433
Electronic Books	180,942	87,037	10,231	5,839
Microfilms	355,324	351,029	345,918	343,328
Sound Recordings	14,524	11,872	10,717	8,950
Visual Recordings	12,002	8,711	6,273	5,290
Cartographic Materials	45,931	45,805	49,542	53,636
Graphic Materials	44,045	44,036	44,014	43,915
Slides and Multimedia	37,196	37,173	40,138	40,106
Computer Files	7,403	6,277	5,021	4,150
Archives and Manuscripts (metres)	2,458	2,453	2,439	1,677
Services				
Loans:				
Books and Periodicals	726,191	745,047	681,831	681,809
Desk Copies	344,335	286,595	237,151	288,743
Total	1,070,526	1,031,642	918,982	970,552
Reservations	92,683	87,686	91,462	84,616
Interloans:				
Items Borrowed	16,101	17,979	18,139	18,130
Items Lent	15,128	18,184	19,366	14,651

1. This value includes 51 buildings on the Epsom Campus.

2. This section includes the Epsom Campus.

3. Valuations of land acquired through the merger of The University of Auckland and the Auckland College of Education are as at the merger date, 1 September 2004, whereas other land was last valued at 1 January 2002.

	2004 Actual	2003 Actual	2002 Actual	2001 Actual
General				
Number of Libraries	15	15	16	18
Hours of Week Open General Library	92	79	99	99
Hours of Week Open Information Commons	113	113	-	-
Number of Reading Spaces Available:				
General Library	1,432	1,359	1,360	1,213
Information Commons and Divisional Libraries	2,072	1,938	1,499	1,676
Shelving Capacity (metres):				
General	25,553	24,887	25,915	21,733
Divisional Libraries and Offsite Storage	30,575	31,572	38,214	38,214

UNIGUIDES

Uniguides is another exceptional example of student achievement this year. Orientation week witnessed the introduction of the Uniguides programme, a new service provided by volunteer senior students and geared to welcome first-year students and help familiarise them with the University and student life at Auckland. One hundred and seven senior student applicants were selected to serve as Uniguides and were provided with basic training on how to help new students settle in. The programme was promoted among potential guides via the University website, posters, pamphlets and a series of information sessions. As volunteers from the current student body, the selected Uniguides had at least one year of university life behind them. These students typically wanted to be more involved with the University, wanted to develop their leadership and networking skills, and were often just eager to help out new students. Applicants were selected based on their communication skills, enthusiasm, sensitivity, conversational skills, experience and general involvement in activities other than academic pursuits within the University.

New students were able to learn about the Uniguides service before they enrolled. Registration forms were sent out in Orientation packs and were also available on the University website. Students who signed up were then matched with a

senior student from within their faculty. A total of 2,153 first-year students took part. These students included school-leavers, mature students, transfer students and international students. Between 10 and 15 students were assigned to each Uniguide. This group environment helped to stimulate the adaptation process by providing a ready-made social group for the new and often unconnected students. With interaction a feature widely recognised as being a crucial determinant of a student's enjoyment of university life, these groups instantly provided at least initial support and engagement.

Designed to run for six weeks, the programme essentially focuses on the "settling in" phase of a student's university experience. This is the period when it is important to provide as much support as possible, so that students feel comfortable and acclimatised and are more likely to stay on and continue their academic careers.

Orientation Day is ultimately the "launch site" for the programme as this is when guides meet up with their group of students for the first time, welcome them onto campus and introduce them to their new general surroundings. Within their groups, Uniguides give tours of campus facilities as well as provide useful tips for students to help settle them in. The





personal knowledge of Uniguides is a vital element in the effectiveness of the programme. Their knowledge on everything from studying to lectures to nightlife to joining student groups is invaluable to new students, particularly those from outside the Auckland region.

After Orientation, Uniguides continue to meet up with their students once a week for the first three weeks of semester. Group meetings are informal, mainly to assist with any queries or referrals and to provide ongoing encouragement. Guides subsequently keep in touch via email for the following three weeks. This contact maintains channels of support right through to the end of the first half of the academic term.

The results of the Uniguide programme have been exciting, providing benefits exceeding all expectations to the University and students alike. New students were grateful for the extra care and attention. These students appreciated having support from a senior student dedicated to helping them. Many students found that having someone to talk to about the University generally helps with adjusting from secondary school or work life to the demands and lifestyle of university. The usual first-year student attrition rate of between 10% and 11% fell to just over 5%. Satisfaction with the Uniguides groups was so high that many students formed study groups with others within their Uniguide group.

An added surprise was the number of students who had been helped by a Uniguide themselves applying to become a guide in 2005.

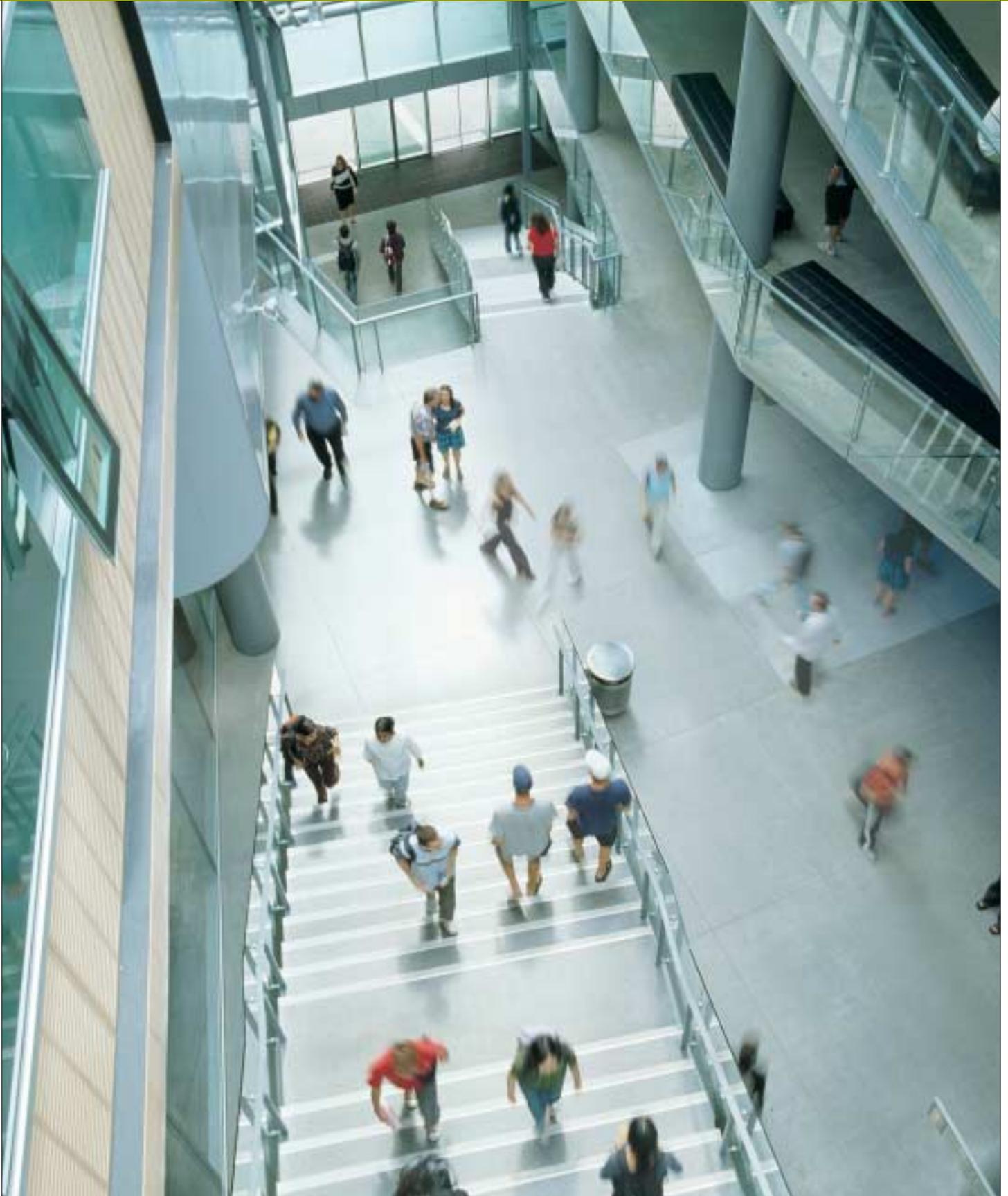
The Uniguide volunteers also benefited from their contribution and commitment. Many guides found the programme a satisfying experience as it enabled the more seasoned students to have a positive effect on the lives of many new students. It also opened doors to a wider network of people within the University. Students who were involved also felt an added sense of belonging to the University.

The Uniguide scheme has proved to be a considerable success. The good humour, understanding and generosity of the Uniguides has seen the expansion of the programme to offer full coverage for all new students who opt for the service in 2005. Next year the programme will offer a weekend training course for the Uniguide volunteers as well as rewards for their services.

Many more guides will be recruited in 2005 to cater for the diverse and increased number of students expected. The Uniguide scheme will continue to foster new students who are well supported throughout the critical first few weeks of their academic careers and thus better equipped to succeed and gain maximum enjoyment during their time at Auckland.



FINANCIAL STATEMENTS



STATEMENT OF RESPONSIBILITY BY COUNCIL AND MANAGEMENT

FOR THE YEAR ENDED 31 DECEMBER 2004

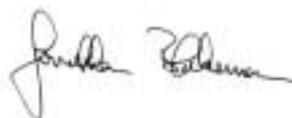
- The Council and Management of The University of Auckland accept responsibility for the preparation of the Financial Statements and the judgments used in them. In meeting their responsibility, the Council and Management of The University of Auckland have considered carefully the appropriate accounting treatment for Crown contributions towards the Business School and the net assets received on amalgamation with Auckland College of Education. As more fully explained in the Statement of Accounting Policies and Notes 3, 17 and 19 to the Financial Statements, and after receiving expert, professional advice, the Council and Management of The University of Auckland have recognised these amounts as unusual items in the University and Group's Statements of Financial Performance. The University's auditor disagrees with this treatment and believes these amounts should have been recognised as contributions from the Crown in the University and Group's Statements of Movements in Equity. The auditor's qualified report is set out on pages 74 to 75.
- The Council and Management of The University of Auckland accept responsibility for establishing and maintaining a system of internal control which has been designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
- In the opinion of the Council and Management of The University of Auckland, the Financial Statements for the year ended 31 December 2004 fairly reflect the financial position and operations of The University of Auckland.
- The Council of The University of Auckland has reviewed these Financial Statements and by resolution approved these Financial Statements for issue at its meeting of 1 September 2005.



CHANCELLOR
Hugh Fletcher



VICE-CHANCELLOR
Stuart McCutcheon



DIRECTOR OF ADMINISTRATION
Jonathan Blakeman

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2004

REPORTING ENTITY

The University of Auckland was established by The University of Auckland Act 1961.

These financial statements report on the activities of The University of Auckland and its subsidiaries. The activities of The University of Auckland include the operations of the former Auckland College of Education from 1 September 2004.

The financial statements have been prepared in accordance with the requirements of Section 41 of the Public Finance Act 1989 and Section 203 of the Education Act 1989, which includes the requirement to comply with generally accepted accounting practice in New Zealand.

MEASUREMENT BASE

The financial statements have been prepared on an historical cost basis, with the exception of certain items for which specific accounting policies are identified.

ACCOUNTING POLICIES

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

BASIS OF CONSOLIDATION

The financial statements of subsidiary companies are consolidated in the financial statements of the University using the purchase method. Inter entity transactions and inter entity balances have been eliminated on consolidation.

ACQUISITION DURING THE YEAR

Where an entity becomes a part of the Group during the year, the results of the entity are included in the consolidated results from the effective date that the entity became a part of the Group.

GOODWILL AND DISCOUNT ARISING ON ACQUISITION

Fair values are assigned to identifiable assets and liabilities of entities acquired at the date they are acquired. Where the fair value of the identifiable net assets acquired in the purchase of an entity is less than the consideration paid, the difference is treated as goodwill and is written off on a straight line basis, over the period of expected benefit, for up to 5 years following the date of acquisition.

Where the fair value of the identifiable net assets acquired in the purchase of an entity exceeds the consideration paid, the difference is treated as discount on acquisition and is applied to reduce the fair value of acquired non-monetary assets.

REVENUE

Government grants are recognised as revenue upon entitlement. Unrestricted donations are recognised as revenue upon entitlement. Assets donated are recognised at fair value. Where the University receives a donation with obligations, a liability is recognised. Once the obligation is discharged, the donation is recognised as revenue.

Sponsored research is recognised as revenue upon entitlement. Research contract revenue is reduced by the obligation to complete research where billing entitlement is in advance of performing the research agreed in the contract.

Non operating revenue includes all donations and contributions other than contributions by owners, received during the year. Owners' capital contributions are recorded in the Statement of Movements in Equity.

FINANCIAL INSTRUMENTS

The University is party to financial instrument arrangements as part of its everyday operations. These financial instruments include bank accounts, short term deposits, accounts receivable, accounts payable, long term investments, and externally managed funds, all of which are recognised in the Statement of Financial Position. Revenue and expenses in relation to these instruments are recognised in the Statement of Financial Performance.

The University enters into foreign currency forward exchange contracts to hedge trading transactions, including anticipated transactions, denominated in foreign currencies. Gains and losses on contracts which hedge specific short-term foreign currency denominated transactions are recognised as a component of the related transaction in the period in which the transaction is completed.

INVESTMENTS

Investments are valued at the lower of cost and market value except for company shares bequeathed, donated or gifted to the University. These are valued at market value on the date they were transferred to the University.

RECEIVABLES

Accounts receivable are stated at their estimated realisable value after providing for amounts not considered recoverable.

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2004

INVENTORIES

Inventories are valued at the lower of cost and net realisable value. The weighted average method is used to determine cost.

PROPERTY, PLANT AND EQUIPMENT

Land and Buildings and Works of Art are revalued to fair value every three years, as determined by an independent valuer. Fair value for land has been determined on its highest and best use taking into consideration restrictions over the use of the land and the likelihood of re-zoning. For buildings, it reflects the depreciated replacement cost, and for works of art, the assessed market value.

Revaluations are transferred to the asset revaluation reserve for that class of assets. If any revaluation reserve class has a deficit, that deficit is recognised in the Statement of Financial Performance in the period it arises. In subsequent periods any revaluation surplus that reverses previous revaluation deficits is recognised as revenue in the Statement of Financial Performance.

All items of property, plant and equipment are initially recorded at cost.

Land in Crown title is included in Property, Plant and Equipment. The University has unobstructed control of this land and derives substantial tangible benefits from its use. The University has sole and unrestricted use of buildings located on Crown land and has assumed ownership of these buildings. Although legal title has not been transferred, the University has assumed all the normal risks and rewards of ownership.

Library Books and Periodicals held as at 31 December 1991 were valued internally based on the estimated volume of the collection and weighted average cost as at that date. All subsequent acquisitions are recorded at cost. All permanent withdrawals from the collection are recorded at average cost.

Teaching and Research Equipment, Computer Equipment, Plant and Equipment and Other Fixed Assets are valued at cost. Asset purchases excluding computer equipment, less than \$5,000 are expensed at the time of acquisition. Computer equipment purchases less than \$1,000 are expensed at the time of acquisition.

Leasehold Improvements are valued at cost.

Work in Progress is valued on the basis of expenditure incurred and certified Gross Progress Claim Certificates up to balance date. Work in progress is not depreciated.

DEPRECIATION

Fixed assets other than freehold land are depreciated using the straight-line method (except for the Library collection, which uses the diminishing value method) at rates that will write off the cost or value of assets less their residual values, over their estimated remaining useful life. The depreciation rates used for each class of asset are:

Buildings	1 - 10%
Library collection	8% DV
Teaching and research equipment	10 - 20%
Computer equipment	33 - 50%
Plant and equipment	5 - 20%
Leasehold improvements	9 - 21%
Other fixed assets	10 - 20%

Depreciation on all assets except buildings is charged to the significant activity that specifically uses the fixed asset. Depreciation on buildings is recognised in Property Services as occupancy cost and charged to activity centres on the basis of square metres occupied.

INTANGIBLE ASSETS

Goodwill of the rights and title to and interest in certain contracts assigned to the University is amortised over the period during which the benefit is expected to accrue, up to a maximum of 20 years.

Patent costs incurred by Auckland UniServices Ltd are capitalised if the directors believe the patents will be sold or licensed within two years; otherwise these costs are expensed. Capitalised costs are amortised over the period in which income is expected to be received, up to a maximum of 20 years.

Development costs incurred by Auckland UniServices Ltd have been capitalised only where a product has proven to be technically feasible and a clear market exists for the product. Development costs are amortised over the period in which the products concerned are expected to be sold, up to a maximum of 10 years. The amortisation periods are reviewed annually by the directors.

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2004

EMPLOYEE ENTITLEMENTS

Provision is made in respect of the University's liability for annual leave, long service leave and retirement gratuities. Annual leave is calculated on an actual entitlement basis at current rates of pay. Long service leave and retirement gratuities have been calculated on an actuarial basis which estimates the present value of amounts payable in respect of existing employees based on assumed rates of death, disablement, resignation, retirement and salary progression.

GOODS AND SERVICES TAX (GST)

GST is excluded from the financial statements except for Accounts Receivable and Accounts Payable which are stated inclusive of GST. The balance of GST payable to the Inland Revenue Department is included in Accounts Payable.

TAXATION

Tertiary institutions 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 is provided.

TRUST AND SPECIAL FUNDS

The University has established Trust and Special Funds for specific purposes. The conditions for use of those funds are imposed by Council, deed, gift or by the terms of endowments and bequests. The funds are transferred to general equity when no longer required for that purpose.

FOREIGN CURRENCY

Foreign currency transactions throughout the year are converted into New Zealand dollars at the exchange rate on the date of the transaction. Short-term transactions covered by foreign currency forward exchange contracts are measured and reported at the forward rates specified in those contracts. Foreign currency balances, as at 31 December, are valued at the exchange rates prevailing on that date. Foreign exchange gains and losses are recognised in the Statement of Financial Performance.

LEASES

Operating lease rentals are recognised in equal instalments over the period of the lease.

Finance leases, which effectively transfer to the University substantially all of the risks and benefits of ownership of the leased item, are capitalised at the present value of the minimum lease payments. The leased assets and corresponding liabilities are recognised and the leased assets are depreciated over the period the University is expected to benefit from their use.

STATEMENT OF CASH FLOWS

Cash is defined as coins, notes, demand deposits, and other highly liquid investments which may be converted into coins and notes within no more than two working days.

BUDGET FIGURES

The budget figures are those approved by Council before the beginning of the financial year.

The budget figures have been prepared in accordance with generally accepted accounting practice in New Zealand and are consistent with the accounting policies adopted by Council for the preparation of the financial statements.

CHANGES IN ACCOUNTING POLICIES

During the year the University reconsidered its policy of recognising contributions of a capital nature by the Crown directly into the Statement of Movements in Equity. The Crown is not an owner of the University. Having taken, and carefully evaluated, expert professional advice on this issue, the Council of the University does not consider that such contributions have created a "financial interest" in the University for the Crown, or any other party. Having regard to the character of these payments they have been recorded as Unusual Items in the Statement of Financial Performance.

This has resulted in \$91.710m being recognised as Unusual Items in the 2004 year in the Statement of Financial Performance.

Consistent with this treatment the cash received in respect of these items has been recognised in the Statement of Cash Flows under the heading of Cash Flows from Operating Activities.

The amount of \$20.658m received in the 2003 year has been recorded in the Statement of Movements in Equity and has not been restated to comply with this policy.

The cash received in the prior year has been recognised under the heading of Cash Flows from Investing Activities.

There have been no other changes in accounting policies since the date of the last audited financial statements. The policies have been applied on bases consistent with the previous year.

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 DECEMBER 2004

	Note	CONSOLIDATED			UNIVERSITY	
		2004 Actual \$000	2004 Budget \$000	2003 Actual \$000	2004 Actual \$000	2003 Actual \$000
OPERATING REVENUE						
Government grants	2	209,026	199,510	191,324	209,026	191,324
Tuition fees		155,117	155,969	134,871	155,117	134,871
Research contracts		131,448	115,848	109,584	62,823	47,039
Service income		63,130	56,588	53,120	66,833	56,031
Donations		3,808	2,919	3,751	3,808	3,751
Interest		6,859	2,785	5,877	5,969	4,589
Other income		8,349	6,537	7,170	8,293	7,009
Total operating revenue		577,737	540,156	505,697	511,869	444,614
OPERATING EXPENSES						
People costs	1	312,639	280,775	272,455	280,027	245,546
Operating costs	1	188,886	187,005	168,238	156,177	135,575
Depreciation	1	57,182	56,250	49,700	56,593	48,972
Total operating expenses		558,707	524,030	490,393	492,797	430,093
OPERATING SURPLUS BEFORE UNUSUAL ITEMS		19,030	16,126	15,304	19,072	14,521
UNUSUAL ITEMS	3					
Donations for capital projects		588	—	994	588	994
Crown contributions towards Business School		8,373	8,400	—	8,373	—
Net assets received on amalgamation with Auckland College of Education	19	83,337	—	—	83,337	—
OPERATING SURPLUS		111,328	24,526	16,298	111,370	15,515
NET SURPLUS TRANSFERRED TO EQUITY		111,328	24,526	16,298	111,370	15,515

STATEMENT OF MOVEMENTS IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2004

	Note	CONSOLIDATED			UNIVERSITY	
		2004 Actual \$000	2004 Budget \$000	2003 Actual \$000	2004 Actual \$000	2003 Actual \$000
Equity at start of the year		744,598	745,395	709,131	741,225	706,541
Transferred from Statement of Financial Performance		111,328	24,526	16,298	111,370	15,515
(Decrease) / Increase in Revaluation Reserve	17	—	—	(1,489)	—	(1,489)
Contributions from Crown	17	—	—	20,658	—	20,658
EQUITY AT END OF YEAR		855,926	769,921	744,598	852,595	741,225

The Statement of Accounting Policies on pages 56 to 58 and the Notes to the Financial Statements on pages 62 to 72 form part of and should be read in conjunction with these statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2004

	Note	CONSOLIDATED			UNIVERSITY	
		2004 Actual \$000	2004 Budget \$000	2003 Actual \$000	2004 Actual \$000	2003 Actual \$000
CURRENT ASSETS						
Cash and bank	6	4,873	1,989	4,177	2,408	3,310
Short term investments - unrestricted	6	61,704	16,193	43,451	45,700	33,000
Short term investments - restricted	6	67	1,755	1,983	67	1,983
Receivables and prepayments	7	35,886	28,991	22,286	26,894	15,733
Inventories	8	9,153	9,065	7,124	4,032	3,352
Total Current Assets		111,683	57,993	79,021	79,101	57,378
CURRENT LIABILITIES						
Finance lease liabilities	10	968	867	886	968	886
Payables	11	139,551	126,813	120,774	109,006	102,022
Employee entitlements	12	12,328	9,247	9,965	11,524	8,966
Provisions	13	4,420	2,112	3,950	4,420	3,950
Total Current Liabilities		157,267	139,039	135,575	125,918	115,824
WORKING CAPITAL		(45,584)	(81,046)	(56,554)	(46,817)	(58,446)
NON CURRENT ASSETS						
Long term investments - unrestricted	6	150	2,491	2,314	1,150	3,314
Long term investments - restricted	6	13,590	14,296	12,322	13,289	12,096
Loans	6	1,811	1,863	1,941	1,576	1,711
Property, plant and equipment	9	905,178	852,432	801,622	902,616	799,597
Total Non Current Assets		920,729	871,082	818,199	918,631	816,718
NON CURRENT LIABILITIES						
Employee entitlements	12	18,789	18,488	15,649	18,789	15,649
Finance lease liabilities	10	430	1,627	1,398	430	1,398
Total Non Current Liabilities		19,219	20,115	17,047	19,219	17,047
NET ASSETS		855,926	769,921	744,598	852,595	741,225
REPRESENTED BY:						
General equity	17	774,596	687,292	663,661	771,265	660,288
Revaluation reserves	17	65,728	67,216	65,728	65,728	65,728
Trust and special funds	18	15,602	15,413	15,209	15,602	15,209
TOTAL EQUITY		855,926	769,921	744,598	852,595	741,225

The Statement of Accounting Policies on pages 56 to 58 and the Notes to the Financial Statements on pages 62 to 72 form part of and should be read in conjunction with this statement.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2004

	Note	CONSOLIDATED			UNIVERSITY	
		2004 Actual \$000	2004 Budget \$000	2003 Actual \$000	2004 Actual \$000	2003 Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash was provided from:						
Government grants		209,170	197,971	188,861	209,170	188,861
Tuition fees		157,252	159,179	133,895	157,252	133,895
Dividends received		18	—	15	168	165
Interest received		6,688	2,987	5,863	6,013	4,575
Other operating receipts		206,902	179,367	184,483	146,010	119,243
		580,030	539,504	513,117	518,613	446,739
Cash was applied to:						
Goods and services tax		(1,096)	4,741	(6,185)	(1,261)	(5,840)
Payments to employees		278,144	252,457	244,750	245,427	218,175
Interest paid		242	607	250	242	250
Other operating payments		216,479	198,346	193,239	189,218	160,526
		493,769	456,151	432,054	433,626	373,111
NET CASH FLOWS FROM OPERATING ACTIVITIES	5	86,261	83,353	81,063	84,987	73,628
CASH FLOWS FROM INVESTING ACTIVITIES						
Cash was provided from:						
Subsidiary company		—	—	—	—	19,084
Fixed assets		13	2	17	13	17
Capital Contributions		—	—	21,653	—	21,653
Investments		1,630	—	2,217	1,630	2,217
		1,643	2	23,887	1,643	42,971
Cash was applied to:						
Fixed assets and work in progress		89,896	103,463	101,961	88,771	101,406
Repayment of subsidiary loan		—	—	—	7,084	—
Investments		2,768	43	1,833	2,686	1,572
		92,664	103,506	103,794	98,541	102,978
NET CASH FLOWS FROM INVESTING ACTIVITIES		(91,021)	(103,504)	(79,907)	(96,898)	(60,007)
CASH FLOWS FROM FINANCING ACTIVITIES						
Cash was applied to:						
Repayment of finance lease liabilities		886	644	811	886	811
		886	644	811	886	811
NET CASH FLOWS FROM FINANCING ACTIVITIES		(886)	(644)	(811)	(886)	(811)
NET INCREASE / (DECREASE) IN CASH HELD						
Opening cash balance		49,611	40,732	49,197	38,293	25,332
Cash acquired on amalgamation		22,543	—	—	22,543	—
Effects of exchange rate changes on cash		136	—	69	136	151
CLOSING CASH BALANCE		66,644	19,937	49,611	48,175	38,293
This is shown in the Statement of Financial Position as follows:						
Cash and bank		4,873	1,989	4,177	2,408	3,310
Short term investments - unrestricted		61,704	16,193	43,451	45,700	33,000
Short term investments - restricted		67	1,755	1,983	67	1,983
		66,644	19,937	49,611	48,175	38,293

The Statement of Accounting Policies on pages 56 to 58 and the Notes to the Financial Statements on pages 62 to 72 form part of and should be read in conjunction with this statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2004

	CONSOLIDATED			UNIVERSITY	
	2004 Actual \$000	2004 Budget \$000	2003 Actual \$000	2004 Actual \$000	2003 Actual \$000
I OPERATING EXPENSES					
PEOPLE COSTS					
Academic salaries	166,881	153,064	144,340	148,196	133,040
General salaries	111,343	98,635	98,825	97,506	83,495
Other salary related expenses	34,415	29,076	29,290	34,325	29,011
	312,639	280,775	272,455	280,027	245,546
OPERATING COSTS					
Fees paid to auditors - external audit	221	235	210	205	185
- other services	161	—	499	161	435
Bad debts written off	49	536	271	47	248
Change in provision for doubtful debts	(1,092)	500	(170)	(842)	(221)
Council members and Directors fees	15	11	11	11	11
Interest expense	67	432	—	843	—
Interest on finance lease	175	175	250	175	250
Loss on disposal of property, plant and equipment	494	533	549	494	549
Net foreign currency (gain) / loss	(136)	—	(69)	(136)	(151)
Prizes and scholarships	14,837	14,527	11,849	14,719	11,711
Operating lease cost - properties	8,788	8,545	7,444	8,788	7,444
- equipment	11,079	8,112	11,513	11,047	11,481
Other operating expenses	154,228	153,399	135,881	120,665	103,633
	188,886	187,005	168,238	156,177	135,575
DEPRECIATION					
Buildings and leasehold improvements	24,581	23,366	21,136	24,582	21,136
Library collection	8,606	8,648	8,318	8,606	8,318
Plant and equipment	23,247	23,487	19,498	22,657	18,770
Leased equipment	748	749	748	748	748
	57,182	56,250	49,700	56,593	48,972
TOTAL OPERATING EXPENSES	558,707	524,030	490,393	492,797	430,093

2 GOVERNMENT GRANTS

	CONSOLIDATED / UNIVERSITY		
	2004 Actual \$000	2004 Budget \$000	2003 Actual \$000
EFTS grant	199,582	190,186	186,342
Clinical Training Agency	1,751	1,560	1,823
Student stipends	1,943	2,128	2,065
Other Government grants	1,140	1,047	1,094
PBRF income	4,610	4,589	—
TOTAL GOVERNMENT GRANTS	209,026	199,510	191,324

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2004

3 UNUSUAL ITEMS

	CONSOLIDATED / UNIVERSITY		
	2004 Actual \$000	2004 Budget \$000	2003 Actual \$000
Donations for Capital Projects	588	—	994
Crown contributions towards Business School	8,373	8,400	—
Net Assets received on amalgamation with Auckland College of Education (refer to note 19)	83,337	—	—
	92,298	8,400	994

Donations - During the year the University received Donations for Capital Projects of \$0.588m (2003 \$0.994m)

Crown Contributions - During the year the Crown made a contribution of \$8.373m for the Business School Complex. In prior years such contributions have been recognised in the Statement of Movements in Equity (see note 17) as explained under the heading Changes in Accounting Policies on page 58.

Net Assets received on amalgamation with Auckland College of Education - During the year the Auckland College of Education was disestablished by Order in Council pursuant to s164 of the Education Act 1989, effective 1 September 2004 and vested in The University of Auckland. The Net Assets of \$83.337m were vested in the University (see note 19).

4 COST OF SERVICE STATEMENTS

The University reports its cost of services on the basis of significant activities. The University has analysed the wide variety of activities performed throughout the organisation into the following significant activities.

- Teaching and Research
- Research Programmes
- Academic Services
- Institutional Services

The Cost of Service Summary on page 73 reconciles costs and income from significant activities to total revenue and total expenses as disclosed in the Statement of Financial Performance.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2004

5 RECONCILIATION OF OPERATING SURPLUS AND NET CASH FLOWS FROM OPERATING ACTIVITIES

	CONSOLIDATED			UNIVERSITY	
	2004 Actual \$000	2004 Budget \$000	2003 Actual \$000	2004 Actual \$000	2003 Actual \$000
Net surplus for the year	111,328	24,526	15,304	111,370	14,521
Add / (less) non cash items					
Depreciation	57,182	56,250	49,700	56,593	48,972
Writedown of investment	2,164	—	—	2,164	—
Donated assets	(84,856)	(1,030)	(1,555)	(84,856)	(1,555)
Foreign exchange fluctuation	(136)	—	(69)	(136)	(151)
Other non-cash items	842	—	—	842	—
	(24,804)	55,220	48,076	(25,393)	47,266
Add /(less) movements in working capital					
(Increase) / Decrease in receivables	(11,997)	(1,976)	(191)	(9,557)	(1,496)
(Increase) / Decrease in inventory	(1,374)	(1,986)	1,905	(25)	(852)
Increase / (Decrease) in payables	10,201	4,668	13,348	(1,596)	11,793
Increase / (Decrease) in employee entitlements	(277)	—	1,301	(80)	1,076
	(3,447)	706	16,363	(11,258)	10,521
Less items classed as investing activity					
Repayment of short term borrowings				7,084	
(Gain) / Loss on sale of property, plant and equipment	494	(2)	549	494	549
Movements in Working Capital Relating to Investing	(450)	—	—	(450)	—
	44	(2)	549	7,128	549
Operating expenditure relating to movements in long term provisions	3,140	2,903	771	3,140	771
NET CASH FLOWS FROM OPERATING ACTIVITIES	86,261	83,353	81,063	84,987	73,628

6 FINANCIAL INSTRUMENTS

CONSOLIDATED

	Weighted Average Interest Rate %	Mature within one year \$000	Mature in over one year \$000	2004 Book Value \$000	2004 Fair Value \$000	2003 Book Value \$000
Cash and bank	1.75	4,873	—	4,873	4,873	4,177
Bank deposits and bills	6.40	61,704	—	61,704	61,704	43,451
Share portfolio	—	—	301	301	301	177
Other investments	—	—	1,961	1,961	1,961	4,304
Restricted Funds-Externally Managed Equities Portfolio	—	67	3,609	3,676	4,591	3,517
Restricted Funds-Externally Managed Bonds and Cash Portfolio	—	—	9,680	9,680	9,718	10,562
TOTAL FINANCIAL INSTRUMENTS - CONSOLIDATED		66,644	15,551	82,195	83,148	66,188

UNIVERSITY

	Weighted Average Interest Rate %	Mature within one year \$000	Mature in over one year \$000	2004 Book Value \$000	2004 Fair Value \$000	2003 Book Value \$000
Cash and bank	2.00	2,408	—	2,408	2,408	3,310
Bank deposits and bills	6.63	45,700	—	45,700	45,700	33,000
Shares in subsidiaries	—	—	1,000	1,000	1,000	1,000
Other investments	—	—	1,726	1,726	1,726	4,025
Restricted Funds-Externally Managed Equities Portfolio	—	67	3,609	3,676	4,591	3,517
Restricted Funds-Externally Managed Bonds and Cash Portfolio	—	—	9,680	9,680	9,718	10,562
TOTAL FINANCIAL INSTRUMENTS - UNIVERSITY		48,175	16,015	64,190	65,143	55,414

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2004

6 FINANCIAL INSTRUMENTS (CONTINUED)

DISCLOSED IN THE STATEMENT OF FINANCIAL POSITION AS:

	CONSOLIDATED		UNIVERSITY	
	2004 Actual \$000	2003 Actual \$000	2004 Actual \$000	2003 Actual \$000
Cash and bank	4,873	4,177	2,408	3,310
Short term investments - unrestricted	61,704	43,451	45,700	33,000
Short term investments - restricted	67	1,983	67	1,983
Long term investments - unrestricted	150	2,314	1,150	3,314
Long term investments - restricted	13,590	12,322	13,289	12,096
Loans	1,811	1,941	1,576	1,711
TOTAL FINANCIAL INSTRUMENTS	82,195	66,188	64,190	55,414

Restricted investments are held for purposes specified by Endowments and Scholarships funds. They are not available for general University use. Restricted investments include investment of Endowment Funds of \$5.912 million and Scholarship Funds of \$7.730 million.

UNIVERSITY

	Mature within one year	2004 Book Value \$000	2004 Fair Value \$000	2003 Book Value \$000
Loan from subsidiary company (refer note 21)	12,000	12,000	12,000	19,084
TOTAL FINANCIAL LIABILITIES - UNIVERSITY	12,000	12,000	12,000	19,084

FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The following assumptions have been used to estimate the fair value of each class of financial instrument.

Bank deposits and Bank bills

The carrying amounts of these balances are equivalent to their fair value because of their short maturity.

Bank bonds, Commercial paper, NZ Government securities, SOE stock and Local Authority stock

The fair value of these investments is based on current market interest rates for investments of similar terms or maturities.

Share portfolio

Shares are held at cost, or assessed fair value whichever is the lower.

Independently Managed Trust Fund Investments

The fair value of these investments is based on current market interest rates and share prices as advised by independent investment managers.

Loan from Subsidiary Company

The fair value of the loan is based on current market interest rates for a loan of similar terms and maturity.

BORROWINGS

The University has an unsecured Fluctuating Committed Cash Advance Facility with a maximum limit of \$60 million, and an expiry date of 31 December 2005. As at 31 December 2004, the University had not drawn down against this facility.

INTEREST RATE RISK

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The value of the above securities is affected by changes in interest rates.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2004

6 FINANCIAL INSTRUMENTS (CONTINUED)

CREDIT RISK

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The University places investments with institutions which have a high credit rating. The University also reduces its exposure to risk by limiting the amount that can be invested in any one institution. The University believes that these policies reduce the risk of any loss which could arise from its investment activities.

There is no concentration of credit risk in Receivables.

CURRENCY RISK

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

The University has exposure to currency risk, which is mitigated through the use of forward foreign exchange contracts.

Foreign currency bank balances are held to meet future payments contracted in these currencies.

The University uses forward foreign exchange contracts to manage exposure to foreign exchange risk from offshore transactions.

	CONSOLIDATED		UNIVERSITY	
	2004 Actual \$000	2003 Actual \$000	2004 Actual \$000	2003 Actual \$000
Forward foreign exchange contracts	9,375	338	9,375	—

The fair value of outstanding forward foreign exchange contracts at 31 December 2004 is a loss of \$0.178 million.

SHARES IN SUBSIDIARIES

Name	Interest	Principal activities	Balance date
Auckland UniServices Limited	100%	Commercial research	31 December
Uni-Accommodation Limited	100%	Student accommodation	31 December

7 RECEIVABLES AND PREPAYMENTS

	CONSOLIDATED		UNIVERSITY	
	2004 Actual \$000	2003 Actual \$000	2004 Actual \$000	2003 Actual \$000
Trade receivables	27,382	17,058	15,302	7,611
Less provision for doubtful debts	(1,721)	(2,812)	(1,120)	(1,962)
Net receivables	25,661	14,246	14,182	5,649
Related company receivables	—	—	2,487	2,044
Accrued interest	1,065	269	1,065	269
Prepayments	9,160	7,771	9,160	7,771
TOTAL RECEIVABLES AND PREPAYMENTS	35,886	22,286	26,894	15,733

8 INVENTORIES

	CONSOLIDATED		UNIVERSITY	
	2004 Actual \$000	2003 Actual \$000	2004 Actual \$000	2003 Actual \$000
Raw materials	393	70	393	70
Research contracts in progress	8,087	6,480	2,966	2,709
Other work in progress	2	4	2	4
Finished goods	671	570	671	569
TOTAL INVENTORIES	9,153	7,124	4,032	3,352

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2004

9 PROPERTY, PLANT AND EQUIPMENT

		CONSOLIDATED		UNIVERSITY	
		2004 Actual \$000	2003 Actual \$000	2004 Actual \$000	2003 Actual \$000
Freehold land	- at cost / valuation	102,571	83,767	102,378	83,574
	Net Book Value	102,571	83,767	102,378	83,574
Buildings	- at cost / valuation	601,313	505,213	600,946	504,846
	- accumulated depreciation	(59,238)	(36,680)	(59,115)	(36,572)
	Net Book Value	542,075	468,533	541,831	468,274
Leasehold improvements	- at cost	18,888	16,591	17,802	15,541
	- accumulated depreciation	(9,872)	(7,654)	(9,401)	(7,365)
	Net Book Value	9,016	8,937	8,401	8,176
Library collection	- at cost / valuation	163,793	150,740	163,793	150,740
	- accumulated depreciation	(58,317)	(50,056)	(58,317)	(50,056)
	Net Book Value	105,476	100,684	105,476	100,684
Works of art	- at cost / valuation	8,439	7,693	8,439	7,693
	Net Book Value	8,439	7,693	8,439	7,693
Plant and equipment	- at cost	207,037	178,197	204,072	175,740
	- accumulated depreciation	(121,542)	(100,459)	(119,775)	(98,814)
	Net Book Value	85,495	77,738	84,297	76,926
Leased plant and equipment	- at cost	3,740	3,740	3,740	3,740
	- accumulated depreciation	(2,057)	(1,309)	(2,057)	(1,309)
	Net Book Value	1,683	2,431	1,683	2,431
Other property, plant and equipment	- at cost	8,714	5,847	8,714	5,847
	Net Book Value	8,714	5,847	8,714	5,847
Capital work in progress	- at cost	41,709	45,992	41,397	45,992
	Net Book Value	41,709	45,992	41,397	45,992
Total Property, Plant and Equipment	- at cost / valuation	1,156,204	997,780	1,151,281	993,713
	- accumulated depreciation	(251,026)	(196,158)	(248,665)	(194,116)
	PROPERTY, PLANT AND EQUIPMENT - NET BOOK VALUE	905,178	801,622	902,616	799,597

All land and buildings occupied by the three campuses as at 1 January 2002, were revalued at that date.

The Epsom Campus was valued at 1 September 2004 on acquisition.

Land and building revaluations were carried out by DTZ New Zealand Ltd, Registered Valuers.

Works of art have been revalued by Peter Webb Galleries as at 31 December 2002.

Acquisitions since the date of revaluation are recorded at cost.

Crown land with a value of \$61,657,880 is included in Property, Plant and Equipment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2004

10 FINANCE LEASE LIABILITIES

	CONSOLIDATED/UNIVERSITY	
	2004 Actual \$000	2003 Actual \$000
Due within 1 year	968	886
Due within 1 to 2 years	430	968
Due within 2 to 5 years	—	430
Due in over 5 years	—	—
	1,398	2,284
DISCLOSED IN STATEMENT OF FINANCIAL POSITION AS:		
Current Liabilities	968	886
Non Current Liabilities	430	1,398
TOTAL FINANCE LEASE LIABILITIES	1,398	2,284

11 PAYABLES

	CONSOLIDATED		UNIVERSITY	
	2004 Actual \$000	2003 Actual \$000	2004 Actual \$000	2003 Actual \$000
Trade payables	69,216	60,357	56,395	53,123
Related company payables	—	—	12,862	19,957
Revenue received in advance	10,023	5,303	9,999	5,286
Research contract obligations	60,001	54,615	29,533	23,229
Other payables	311	499	217	427
TOTAL PAYABLES	139,551	120,774	109,006	102,022

12 EMPLOYEE ENTITLEMENTS

	CONSOLIDATED		UNIVERSITY	
	2004 Actual \$000	2003 Actual \$000	2004 Actual \$000	2003 Actual \$000
CURRENT LIABILITIES				
Accumulated annual leave	9,861	8,044	9,057	7,045
Retirement allowance	2,405	1,905	2,405	1,905
Long service leave	62	16	62	16
TOTAL EMPLOYEE ENTITLEMENTS - CURRENT	12,328	9,965	11,524	8,966
NON CURRENT LIABILITIES				
Retirement allowance	17,330	14,405	17,330	14,405
Long service leave	1,459	1,244	1,459	1,244
TOTAL EMPLOYEE ENTITLEMENTS - NON CURRENT	18,789	15,649	18,789	15,649

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2004

13 PROVISIONS

	CONSOLIDATED / UNIVERSITY				Total \$000
	Vice-Chancellor's University Development Fund \$000	Flexible Learning Initiatives Fund \$000	Emerging Research Areas Support Fund \$000	Academic Support Fund \$000	
Balance 1 January 2004	3,614	79	257	—	3,950
Increase / (Decrease) to provision	2,438	(2)	—	200	2,636
Amounts incurred against provision	(1,807)	(77)	(200)	(82)	(2,166)
BALANCE 31 DECEMBER 2004	4,245	—	57	118	4,420

VICE-CHANCELLOR'S UNIVERSITY DEVELOPMENT FUND

The fund is to enable the Vice-Chancellor to meet agreed strategic development opportunities that arise during the course of the year and which require immediate funding. These costs are expected to be incurred in the next financial year.

FLEXIBLE LEARNING INITIATIVES FUND

The fund was to promote the University taking a leadership position in the creation and use of flexible learning strategies.

EMERGING RESEARCH AREAS SUPPORT FUND

The fund was to provide seed funding for research activities in new areas, in existing and new research centres established according to University of Auckland policy.

ACADEMIC SUPPORT FUND

This fund is to provide support for distinguished academics engaged in research.

These costs are expected to be incurred in the next financial year.

14 CONTINGENT LIABILITIES

No significant contingent liabilities have been identified as at 31 December 2004 (2003: Nil).

15 OPERATING COMMITMENTS

	CONSOLIDATED/UNIVERSITY	
	2004 Actual \$000	2003 Actual \$000
COMMITMENTS IN RESPECT OF OPERATING LEASES		
Due within 1 year	17,468	18,157
Due within 1 to 2 years	13,249	12,585
Due within 2 to 5 years	14,641	15,331
Due in over 5 years	6,842	5,959
TOTAL OPERATING LEASE COMMITMENTS	52,200	52,032
OPERATING LEASE COMMITMENTS BY TYPE		
Properties	38,344	31,038
Equipment	13,856	20,994
TOTAL OPERATING LEASE COMMITMENTS BY TYPE	52,200	52,032

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2004

16 CAPITAL COMMITMENTS

	CONSOLIDATED/UNIVERSITY	
	2004 Actual \$000	2003 Actual \$000
Property Services projects	18,373	23,629
Other capital expenditure	2,827	921
TOTAL CAPITAL COMMITMENTS	21,200	24,550

17 EQUITY

GENERAL

FRS-2 provides that "contributions by owners" shall be included in the Statement of Movements in Equity. The Crown is not an owner of the University. Having regard to the character of these payments, the University has changed its accounting policies on Page 58 and all amounts received from the Crown of a capital nature have been recorded as Unusual Items in the Statement of Financial Performance.

In the prior year such receipts were recorded in the Statement of Movements in Equity. Included in Equity at the end of the year is a total of \$119.716m representing accumulated capital contributions made by the Crown. This funding has been made for specific capital purposes – Business School \$25.000m, Centres of Research Excellence \$8.841m, Tertiary Education Strategic Change Fund \$2.538m and the net assets received on amalgamation with Auckland College of Education \$83.337m.

REVALUATION RESERVES

	CONSOLIDATED/UNIVERSITY	
	2004 Actual \$000	2003 Actual \$000
LAND AND BUILDINGS		
Balance at start of year	62,701	62,701
Transferred to retained surplus on sale of revalued assets	—	—
Net revaluation of land and buildings	—	—
BALANCE 31 DECEMBER 2004	62,701	62,701
WORKS OF ART		
Balance at start of year	3,027	4,516
Net revaluation of works of art	—	(1,489)
Balance 31 December 2004	3,027	3,027
TOTAL BALANCE 31 DECEMBER 2004	65,728	65,728

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2004

18 TRUST AND SPECIAL FUNDS

	CONSOLIDATED / UNIVERSITY			
	Special Funds \$000	Endowment Funds \$000	Scholarships \$000	Total \$000
Balance at start of year	2,172	6,088	6,949	15,209
Income	6,244	2,045	611	8,900
Less expenditure	(6,529)	(1,748)	(230)	(8,507)
Net surplus	(285)	297	381	393
BALANCE 31 DECEMBER 2004	1,887	6,385	7,330	15,602

19 BUSINESS COMBINATIONS

During the year, the Auckland College of Education was disestablished by Order in Council pursuant to s164 of the Education Act 1989 effective 1 September 2004, and vested in The University of Auckland. No consideration was paid by The University of Auckland.

In accordance with the requirements of Financial Reporting Standard Number 7, Extraordinary Items and Fundamental Errors, this transaction has been recognised as Unusual Items in the Statement of Financial performance at an amount equal to the fair value of the net assets vested.

This acquisition had the following impact on the assets and liabilities of the Group.

	CONSOLIDATED/UNIVERSITY
Cash	22,543
Receivables and prepayments	2,705
Inventories	397
TOTAL CURRENT ASSETS	25,645
Property, plant and equipment	69,381
TOTAL ASSETS	95,026
Payables and accruals	9,237
Employee entitlements	2,452
TOTAL CURRENT LIABILITIES	11,689
NET ASSETS	83,337

The impact of the acquisition of these net assets has been recorded as Unusual Items in the Statement of Financial Performance.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2004

20 RELATED PARTIES

The University enters into transactions with government departments and Crown agencies. These are not considered to be related party transactions.

AUCKLAND UNISERVICES LIMITED

The University pays some of the salaries of Auckland UniServices Limited administrative staff and other administration costs which it recharges to the company. The University also charges Auckland UniServices Limited for costs incurred by Departments and student scholarship costs against the company's projects.

The value of transactions charged by the University to Auckland UniServices Limited during 2004 was \$12.0 million (2003: \$12.1 million).

Auckland UniServices Limited pays some salary costs and sundry expenses on behalf of the University and recharges these to the University. The value of transactions charged by Auckland UniServices Limited to the University during 2004 was \$2.7 million (2003: \$2.6 million).

Interest charged by Auckland UniServices Limited to the University during 2004 was \$0.776 million (2003: \$0.161 million)

Balances outstanding at 31 December 2004 are :

1. Sundry Debtors	\$2,007,487	(2003: \$1,630,114)
2. Current Account	\$479,553	(2003: \$414,220)
3. Sundry Creditors	\$626,713	(2003: \$644,797)
4. Loan Account	\$12,000,000	(2003: \$19,083,912)

Sundry debtors relate to amounts owing to University Departments for scholarship charges and sundry expenses paid on behalf of Auckland UniServices Limited.

Sundry creditors relate to amounts owed by University Departments for salaries, travel expenses and other charges paid on their behalf by Auckland UniServices Limited.

The loan account represents cash advanced by Auckland UniServices Limited to the University.

UNI-ACCOMMODATION LIMITED

Uni-Accommodation Limited is a wholly owned subsidiary of The University of Auckland, which leases student accommodation from investors in the Railway Campus and rents rooms to students. The University provides value added services including meal plans, telephone and laundry services to the students on its own account. The University provides management and accounting services to Uni-Accommodation Limited free of charge, and receives and pays money on behalf of Uni-Accommodation Limited.

The balance owed by the University to Uni-Accommodation Limited at 31 December 2004 is \$235,448 (2003: \$228,289).

21 LATE APPROVAL OF THE FINANCIAL STATEMENTS

Section 156 of the Crown Entities Act 2004 requires the University to complete its financial statements by 31 March. The University completed preparation of these financial statements well before that date but, due to protracted discussions with the Office of the Controller and Auditor-General on the appropriate disclosure and accounting treatment of Crown contributions towards the Business School and the net assets received on amalgamation with Auckland College of Education, the University was unable to finalise and issue the financial statements by this deadline.

COST OF SERVICE SUMMARY

FOR THE YEAR ENDED 31 DECEMBER 2004

	CONSOLIDATED			UNIVERSITY	
	2004 Actual \$000	2004 Budget \$000	2003 Actual \$000	2004 Actual \$000	2003 Actual \$000
COST OF SIGNIFICANT ACTIVITIES					
Teaching and research	298,915	280,204	265,893	298,915	265,893
Research programmes	150,519	130,445	119,962	87,332	62,787
Academic services	116,237	116,323	106,865	112,730	103,578
Institutional services	110,590	102,266	96,450	111,374	96,612
Total cost of significant activities	676,261	629,238	589,170	610,351	528,870
less internal transactions	(117,554)	(105,208)	(98,777)	(117,554)	(98,777)
TOTAL EXTERNAL COSTS	558,707	524,030	490,393	492,797	430,093
REVENUE FROM SIGNIFICANT ACTIVITIES					
Teaching and research	405,938	385,317	357,472	407,201	358,386
Research programmes	156,879	136,665	127,460	93,071	68,684
Academic services	36,585	35,656	30,922	33,105	27,551
Institutional services	95,889	87,726	88,620	96,046	88,770
Total revenue from significant activities	695,291	645,364	604,474	629,423	543,391
less internal transactions	(117,554)	(105,208)	(98,777)	(117,554)	(98,777)
TOTAL EXTERNAL REVENUE	577,737	540,156	505,697	511,869	444,614
OPERATING SURPLUS FROM SIGNIFICANT ACTIVITIES	19,030	16,126	15,304	19,072	14,521

Internal transactions include occupancy charges, internal allocations of research funding, internal tuition fees and services provided within the University.

REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 DECEMBER 2004

TO THE READERS OF THE UNIVERSITY OF AUCKLAND AND GROUP'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

The Auditor-General is the auditor of The University of Auckland (the University) and group. The Auditor-General has appointed me, Ian Russell, using the staff and resources of Deloitte, to carry out the audit of the financial statements of the University and group, on his behalf, for the year ended 31 December 2004.

QUALIFIED OPINION

As stated in the statement of accounting policies on page 58, the Council of the University (the Council) is of the opinion that the Crown is not an owner of the University. As a result, the Council has recognised Crown contributions towards the Business School and the Net assets received on amalgamation with Auckland College of Education as unusual items in the University and group's Statement of Financial Performance. We disagree with the Council. In our view, the Crown has an in-substance ownership interest in the University, therefore the Crown contributions towards the Business School and the Net assets received on amalgamation with Auckland College of Education should have been recognised as contributions from the Crown in the University and group's Statement of Movements in Equity.

If the Council had recognised Crown contributions towards the Business School and the Net assets received on amalgamation with Auckland College of Education as contributions from the Crown in the University and group's Statement of Movements in Equity:

- the University and group's Statement of Financial Performance would have shown a decrease in the net surplus of \$91,710,000, leaving a net surplus of \$19,618,000 for the group and \$19,660,000 for the University; and
- the University and group's Statement of Movements in Equity would have shown Contributions from the Crown of \$91,710,000 and amounts transferred from the Statement of Financial Performance of \$19,618,000 for the group and \$19,660,000 for the University.

Except for the effect of the matters noted above, in our opinion the financial statements of the University and group on pages 54 to 73:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the results of operations and cash flows of the University and group for the year ended 31 December 2004.

In our opinion the financial statements of the University and group on pages 54 to 73 fairly reflect:

- the University and group's financial position as at 31 December 2004; and
- the service performance achievements measured against the performance targets adopted for the year ended on that date.

The audit was completed on 1 September 2005, and 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 the Auditor, and explain our independence.

BASIS OF OPINION

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. We found material misstatements that were not corrected, as we referred to in our opinion.

The audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

REPORT OF THE AUDITOR-GENERAL (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2004

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We evaluated the overall adequacy of the presentation of information in the financial statements. We obtained all the information and explanations we required to support our opinion above.

RESPONSIBILITIES OF THE COUNCIL AND THE AUDITOR

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the University and group as at 31 December 2004. They must also fairly reflect the results of operations and cash flows and service performance achievements for the year ended on that date. The Council's responsibilities arise from the Public Finance Act 1989.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 43(1) of the Public Finance Act 1989.

INDEPENDENCE

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

In addition to the audit we carried out assignments in the areas of indirect taxation, IT security and executive payroll services. Other than the audit and these assignments, we have no relationship with or interest in the University or any of its subsidiaries.



IAN RUSSELL

Deloitte

On behalf of the Auditor-General

Auckland, New Zealand