

2005

THE UNIVERSITY OF AUCKLAND

ANNUAL REPORT



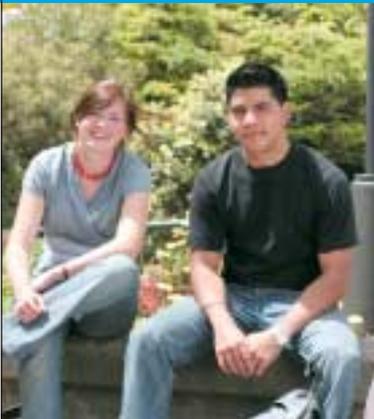
THE UNIVERSITY
OF AUCKLAND

NEW ZEALAND

Te Whare Wānanga o Tāmaki Makaurau

Annual Report

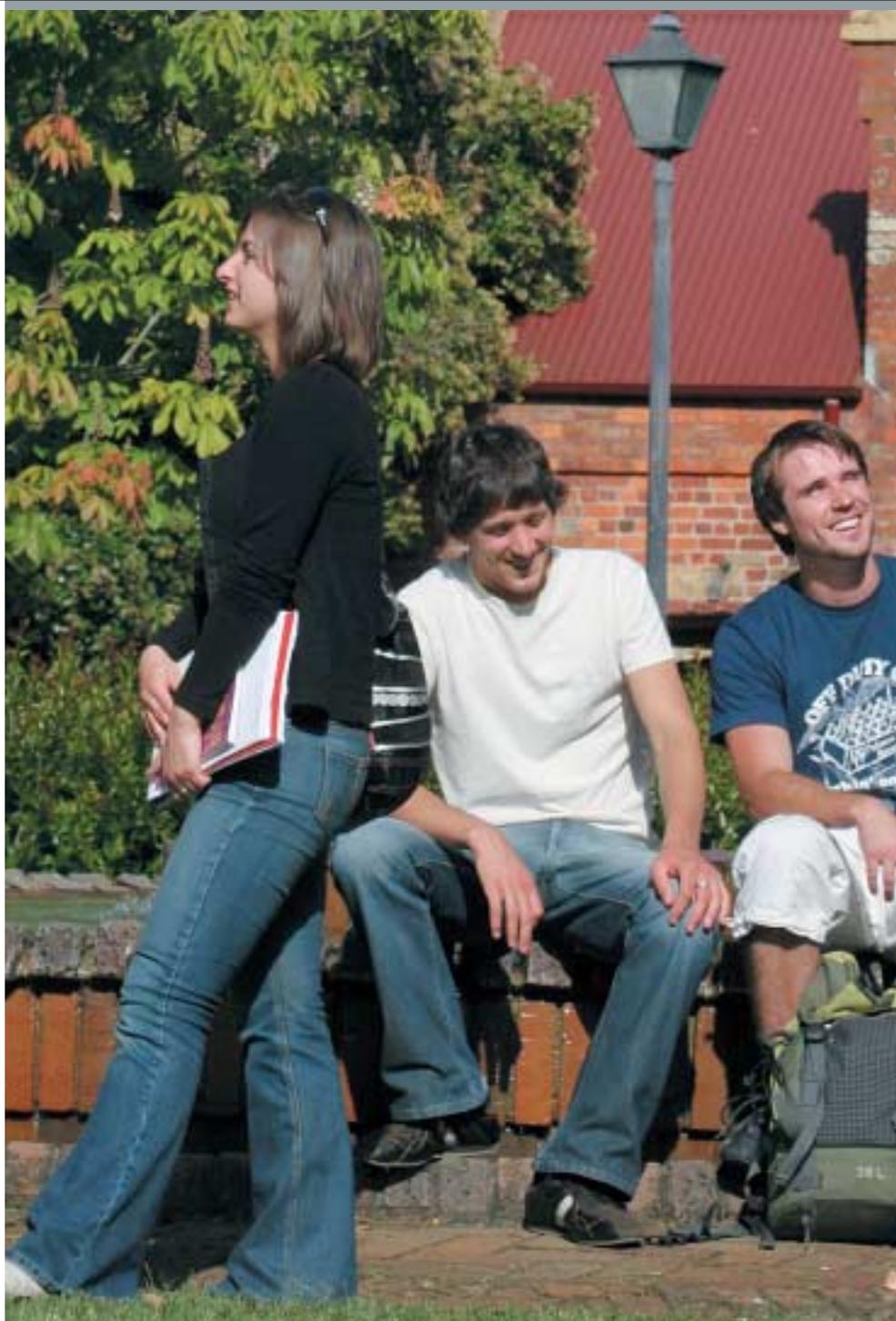
The University of Auckland



Celebrate
THINKING

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CHANCELLOR'S INTRODUCTION



The University's new Strategic Plan was a major item on the Council's agenda in 2005. We discussed successive drafts on several occasions, and approved the final version in August. We were impressed with the diversity and quantity of input provided by members of the University community, and appreciated the amount of insight and careful thought that was evident. Their input was very useful indeed, and it had a major impact on the final product.

The Strategic Plan 2005-2012 starts with a simple and clear statement of intent – to be a world-class university in New Zealand – and then sets out a range of strategies and quantifiable indicators of performance that we believe will see us achieve that end. It is vital to New Zealand that we do so.

A world-class University of Auckland will assist our country to meet its national goals and to contribute to the advancement of the Asia-Pacific region and the wider world. Our engagement with this ideal will help provide all New Zealanders with greater opportunities and a better future. (Strategic Plan, p.1)

'World-class' is an appellation that can be too lightly or carelessly used, and there is a risk that our framing of our aspirations that way will be seen as empty rhetoric. We must therefore maintain a close focus on what it means to be a 'world-class' university. We must ensure that our actions and our achievements demonstrate that our vision has substance. Our thinking at the moment focuses on five key characteristics of a world-class university.

The first is excellence in research. It is through research that leading universities make their greatest contributions to the world, and excellence in research is almost certainly the foremost defining feature of world-class universities. We already have the strongest cohort of researchers in New Zealand, and our international ranking suggests we sit amongst the top handful of universities in Australasia, but to be world-class we must do better. That means attracting the brightest researchers and research students locally and internationally, and continuing to invest heavily in libraries, laboratories and cutting-edge scientific equipment to support their work.

The second, and it is inextricably linked with the first, is top quality academic staff who are not only leading researchers but whose brilliant teaching will attract the best students. We must engage our students in a rich and meaningful learning experience. They are making a major commitment in spending several years here, and doing so must be rewarding for them, in every sense.

Top quality research and inspiring teaching come together in the third characteristic of a world-class university, which is an atmosphere of intellectual excitement. This is hard to define and measure, but it might be best explained as the spirit that unites a university as a scholarly community. It is evident in the public sharing and collegial debate of each other's work, the common thrill of new discoveries, curiosity-driven inquiry, the celebration of



knowledge for its own sake and the collaborative nature of so much scholarly endeavour.

The fourth characteristic, institutional autonomy and academic freedom, is an essential enabler of the first three. The freedom of the scholar to research and teach, without outside interference in the subject or methods of their scholarship, is necessary for the proper functioning of a university, but it is also an important cornerstone of a liberal society. The concepts are embedded in statute in New Zealand, but universities have frequently perceived them to be honoured more in the breach than in the observance. During 2005, however, there was a distinct pause in the recent trend of increasing political and bureaucratic encroachment on the University's autonomy and the academic freedom of its staff. We fervently hope that this is a continuing

phenomenon and not merely a cease-fire.

The final key factor defining a world-class university is also an enabling one. It is consistent and long-term public and private financial support. New Zealand has established world-leading arrangements for the financial support of tertiary students, but treats its institutions woefully. Government funding for tuition has, as a proportion of the University's revenue, halved since 1990, and continues to fall in real terms. This trend has to be reversed. Government must invest more in universities, and must direct its investment more effectively than it does currently. At least on the second point, we are in agreement. Gaining acceptance of the first is now critical to progress on almost every front.

I have concentrated on the new Strategic Plan in this statement not only because it was such an important agenda

item for Council during 2005, but because it is such an important document now and in the future for the University and its stakeholders and supporters. There is no clearer statement of what we can achieve, and why we must be enabled to achieve it.

Hugh Fletcher
Chancellor

VICE-CHANCELLOR'S REVIEW

After leaving office as US Secretary of State, Henry Kissinger served a term as President of an Ivy League university. He summed up his experience of university leadership by saying how much it made him yearn for a return to the relative simplicity of Middle East diplomacy.

While I understand Dr Kissinger's point, my first year at The University of Auckland has left me with an altogether more positive outlook. The University takes the legal form of an incorporated body, but in substance it is a community, a group of people who have come together for common scholarly purposes. The people who comprise The University of Auckland have made an enormous impression on me. Every day their energy and creativity are apparent in countless different ways, as is their shared commitment to achieve genuine excellence in international terms. It has been a pleasure and a privilege to become a member of this community, and to work alongside so many talented and dedicated colleagues.

The growing international recognition of the University's standing, and its leading position locally, were confirmed by the *Times Higher Education Supplement 2005 World University Rankings*. The University ranked 52nd overall in the world, up from 67th in 2004. Rankings by discipline area were 25th for arts and humanities, 33rd for biomedical sciences, 49th for technology, 65th for social sciences and 72nd for sciences. In all cases these were higher – in some instances significantly so – than the previous year. Two other New Zealand universities made the top 200, both ranked in the 180s. No ranking system is perfect, and a ranking is not an end in itself. Nonetheless, the University's relative position locally and the across-the-board improvement in its ranking are strong and independent indicators of the quality of teaching and research here. The results will positively affect recruitment of quality students and staff, both domestically and internationally.

Staff received a number of notable honours during the year. Emeritus

Professor Brookfield and Professors Bellamy, Curnow and Hunt were made Companions of the New Zealand Order of Merit. Emeritus Professor Garner and Professors Crosier, Lennon, Faull and Hughes and Associate Professor Havill were made Officers of the Order. Many academic honours were achieved by staff and are detailed in the Faculty reports on pages 18 to 33. Particularly significant were the admission as Fellows of the Royal Society of New Zealand of Emeritus Professor Sharpe and Professors Khoussainov and Sneyd, and the Society's awards of the Liley medal to Professor Faull for his outstanding research contribution to health and medical sciences and the Pickering Medal to Professor Boys for his work in the practical application of technology. Congratulations are also due to Professor Gao for his James Cook Research Fellowship, and to Dr Colin Quilter for winning a Sustained Excellence Award in the National Tertiary Teaching Excellence Awards. The outstanding contributions made by support staff must also be recognised, and General Staff Excellence Awards were made to Gay Brennan (Student Administration), Andrew Phipps (Human Resources) and Rob Burrowes and his Computer Science Services Team.

Several achievements by the University's students were also highlights of the year. Nina Khouri (Arts and Law), Laurel Flinn (Arts), Priv Bradoo and Johanna Paddison (Medical and Health Sciences) won Fulbright Scholarships while David Delamore (Engineering) and Abigail Fox (Science) were awarded Woolf Fisher Scholarships. Spark: The University of Auckland Entrepreneurship Challenge, Chiasma and Exposure, the postgraduate student research exposition, which are student-initiated and mainly student-run, are now fixed in the University's calendar as annual events, and continue to grow. They are impressive showcases for the talent and dedication of our students. Teams of students from several faculties continue to be active and successful in

international competitions, mainly in business cases and mootings, this year taking honours in Washington, Sydney, Hong Kong, and Seattle. In two rounds of Top Achiever Doctoral Scholarships, students from this University won just under 40 per cent of all awards nationally.

Work was completed on restructuring all of the University's degree programmes and on preparation for the introduction of General Education to undergraduate degrees from 2006. The year was a busy one for professional accreditations, with programmes in Medicine, Nursing, Pharmacy, Engineering and Accountancy all receiving important accreditations. Particularly notable was the achievement of the Business School in being the first at a New Zealand university to receive all three of the major international accreditations for business schools – AACSB, EQUIS and AMBA – and also being the first to receive Australian CPA accreditation. Also notable was the achievement of the Faculty of Medical and Health Sciences in securing accreditation of the Bachelor of Medicine and Bachelor of Surgery programme from the Australian Medical Council for the maximum time possible.

Research revenue, at \$144 million and up 9.6 per cent on 2004, again reached a

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FOR THE WHOLE OF THEIR LIVES our alumni have an interest in the quality of the University and the esteem in which its degrees are held, so their interest in the University and its standing by no means ends at graduation.



and its alumni. It is important to recognise that the benefits are reciprocal. For the whole of their lives our alumni have an interest in the quality of the University and the esteem in which its degrees are held, so their interest in the University and its standing by no means ends at graduation.

Although the building of long-term relationships of mutual benefit is the main thrust of our advancement efforts, we are also realising some major gains in the short-term. Foremost amongst these has been the magnificent gift of \$7.5 million by Owen G Glenn to the University in support of its drive to develop world-class business education in New Zealand. A gift of this size is unprecedented in New Zealand, and in recognition of Mr Glenn's generosity the University decided to name the Business School Complex currently under construction the Owen G Glenn Building.

The Owen G Glenn Building is the largest project in the University's long-term capital works programme, and indeed the largest in its history. As well as providing new premises for the Business School, it will also house a number of other important facilities – a new data centre for the University, several much needed small, medium and large lecture theatres and over 1,000 carparks. Other major capital projects that were completed during the year were the refit of space in the Science buildings for Electronic and Computer Engineering, Magnetic Resonance Imaging (MRI) facilities at Grafton and new premises for the Careers Centre. Projects near completion at the end of the year were the fitout of new space for the Faculty of Medical and Health Sciences in its own buildings and in the former Auckland Hospital tower block, a major expansion of the Engineering Library and the construction of a Student Centre for Engineering. Several major investments in research equipment became operational during the year. The new Environmental Scanning Electron Microscope and X-Ray Photoelectron Spectroscopy, each costing in excess of \$1 million, are the only facilities of their type in New Zealand, while further investments in MRI technology mean that the University now has the most advanced capacity in this area in New Zealand.

A major focus in 2005 was preparation of the University's Strategic Plan

new record level. Revenue through the Research Office rose particularly strongly, up 20 per cent to \$75 million. The national Centres of Research Excellence, four of which are hosted here, continue to contribute significantly to the University's research activity, while staff also continued to perform very well in attracting new contracts. Grants to University of Auckland academics accounted for just under half of the Health Research Council funding awarded in 2005, and over a quarter of the Marsden Fund grants to universities. The University successfully bid for two new Partnerships for Excellence projects, in health innovation and plastics.

One characteristic of almost all of the North American and European universities ranked higher than The University of Auckland is a level of endowment capital and income far in excess of that enjoyed by any Australasian university. Among

other things, this reflects the lack of tax benefits for philanthropy in New Zealand. The Partnerships for Excellence scheme was meant to offset this problem, but its original intent is being lost and the scheme increasingly now functions as another 'steering' mechanism. Another reason for the general lack of university endowments in Australasia is that universities themselves have not built and maintained enduring relationships with their alumni in the way that North American universities in particular do so successfully. We are substantially increasing our levels of activity in this area – having in 2005 held alumni events in San Francisco, New York, London, Seoul, Beijing, Shanghai, Hong Kong, Singapore, Kuala Lumpur, Kuching, Melbourne and Sydney, as well as in New Zealand – and hope that our current efforts will result in long-term and significant benefits to both the University

2005-2012. After several months of consultation and debate the Plan was approved by Council in August, which signalled the start of the implementation phase. The first step in this was the preparation by all faculties and service divisions of their own annual plans for 2006, showing how their activities will contribute to achievement of each of the University's strategic objectives. These were finalised after three days of robust debate. The second step, early in 2006, will be the allocation of a \$5 million Strategic Investment Fund to new activities focused on our highest priority objectives.

The Strategic Plan describes how the University intends to play its part in meeting the challenges facing New Zealand. It builds on the mission and values of the University, as stated in its Charter, and sets as its overriding goal The University of Auckland's becoming a 'world-class university in New Zealand'. Setting a goal in these terms requires us to think about just what makes a university 'world-class'. There are five dimensions to it, all of which are necessary and interdependent: excellence in research; top quality staff who can attract and engage with outstanding students; an atmosphere of intellectual excitement; institutional autonomy and academic freedom; and consistent and long-term public investment and private financial support.

The Strategic Plan sets out 20 objectives grouped in seven themes:

- Advance our international standing as an autonomous university, and as a peer and partner of choice of leading universities around the world;
- Substantially increase our performance in research and creative work, demonstrating The University of Auckland's commitment to scholarship, innovation, discovery and wealth creation;
- Continue to pursue excellence in teaching and learning, providing outstanding students with a curriculum and student environment of the highest standard;
- Place greater emphasis on the development of productive and mutually supportive relationships with Māori which fulfil our obligations under the Treaty of Waitangi and promote Māori presence and participation in all aspects of University life;

THE STRATEGIC PLAN describes how the University intends to play its part in meeting the challenges facing New Zealand. It builds on the mission and values of the University, as stated in its Charter, and sets as its overriding goal The University of Auckland's becoming a 'world-class university in New Zealand'.

- Significantly enhance engagement with our communities, ensuring The University of Auckland is a valued contributor to, and participant in, the life of the nation and the world;
- Be innovative and flexible in our efforts to recruit and retain the best staff and students, creating an environment where excellent people thrive;
- Remain focused on resourcing and organising for quality, protecting the University's long-term viability and autonomy, and ensuring financial and management practices that support the University's mission and values.

If the University achieves the objectives set in these seven areas, it should be consistently ranked in the top 50 of the world's 7,000 universities, and will have earned the right to be recognised as world-class. Achieving the objectives will require, of course, a concerted focus across the University on implementation, which is the phase to which we have now moved. It will also require adequate resourcing.

Although already achieving at a high level, and seeking to do even better, the University is at risk of being held back by funding levels and government policies which have had two main foci – incentivising volume growth and providing students with (relative to GDP) the highest level of public financial support of any OECD nation. Institutional funding severely lags behind international norms,

and quality incentives in the system are weak. The University remains seriously concerned by proposals to make public research funding less contestable, thus greatly reducing the likelihood of already scarce funds flowing to the best research and researchers.

I have therefore been very encouraged by indications that the new Minister for Tertiary Education, Dr Cullen, intends to seriously overhaul existing funding arrangements. Current funding levels, adjusted for purchasing power parity, are only 50-60 per cent of those enjoyed by public universities in Australia, and about one-third those in the US and Canada. Not only is there too little money in the system, there are fundamental flaws in how it is distributed. Annual indexation falls far short of actual movements in costs, the higher cost of postgraduate students is insufficiently recognised, there is too little compensation for the costs of establishing and maintaining a research infrastructure and there are not nearly enough postgraduate scholarships available to our brightest graduates. Current arrangements seek to achieve quality principally through intrusive regulatory measures, which is a strategy that will never succeed.

The University of Auckland is New Zealand's greatest intellectual resource. It is the country's largest, strongest and highest quality pool of tertiary teaching and research talent. It has achieved, and continues to achieve, locally and internationally at a level that is astounding given its limited capital and income. As a community of scholars, it is wholeheartedly committed to its goal of becoming a world-class university in New Zealand, which I believe is the greatest contribution it can make to New Zealand's future economic and social well-being. This is not a goal to be taken lightly, and will require sustained and intensive effort from all members of the University, and the support of its stakeholders. I look forward to the continued support of our friends and stakeholders.



Professor Stuart McCutcheon
Vice-Chancellor

AIMING HIGHER

A WORLD-CLASS UNIVERSITY IN NEW ZEALAND

In August 2005, the University's Council endorsed a new direction for the University in the form of an ambitious and challenging Strategic Plan. The Strategic Plan 2005-2012 articulates a vision for The University of Auckland to take its place among the top 50 of the world's 7,000 universities.

The University's leading position in New Zealand has been achieved by the efforts and excellence of its people. The next challenge is to become a major international university, providing a learning environment of the highest quality, leading the advancement of knowledge creation, intellectual discovery and innovation within New Zealand, and joining world-class universities on the global stage.

A world-class University of Auckland will assist New Zealand to meet its national goals and to contribute to the advancement of the Asia-Pacific region and the wider world. Active engagement with this ideal will help provide all New Zealanders with greater opportunities and a better future.

The following summarises the University's key strategic objectives:



INTERNATIONAL STANDING

Establish the University as a peer of the world's leading autonomous universities through association and collaboration, and by an active presence in the international community.

Create a distinctive international educational experience for students, in Auckland and overseas.

RESEARCH AND CREATIVE WORK

Achieve a PBRF ratio of A:B:C:R rated researchers working at the University of 20:50:22:8 through the development of a high quality research environment.

Achieve 800 masters and 500 doctoral completions per annum through the development of an international quality graduate programme.

Provide enhanced support for research activities by doubling external research income to \$270m per annum.

Develop large-scale research institutes of excellence.

TEACHING AND LEARNING

Achieve a high quality student body to be composed as follows: 78% in undergraduate, 12% in taught postgraduate and 10% in research postgraduate programmes.

Create a curriculum meeting the highest standards of excellence across the University.

Create and maintain an outstanding teaching and learning environment.

TE TIRITI O WAITANGI

Fulfil the responsibilities and obligations of the University under Te Tiriti o Waitangi.

COMMUNITY ENGAGEMENT

Develop effective partnerships with the University's local, national and international communities.

Engage alumni and friends in mutually supportive and productive relationships.

EXCELLENT PEOPLE

Recruit and retain a high-quality staff and student body that draws upon the widest possible pool of talent.

Create and promote a student environment that is welcoming, enjoyable and stimulating, encouraging students to reach their full potential within a climate of academic excellence.

Create a culture that encourages academic and general staff to reach their full potential.

RESOURCING AND ORGANISING FOR QUALITY

Safeguard the University's long-term viability and autonomy through excellent financial management.

Increase and diversify the University's revenue.

Provide an infrastructure that supports teaching, learning, research, and community engagement of the highest quality.

Promote governance and management practices consistent with the mission and values of the University.

Operate planning and review processes that drive achievement of the University's strategic objectives.



	2003	2004	2005		2003	2004	2005
UNDERGRADUATE ENROLMENT (EFTS)				QUALIFICATIONS AWARDED BY FACULTY*			
Arts	4,538	4,779	4,645	APPFA	369	–	–
Business and Economics	5,347	5,420	5,228	Arts	1,835	1,897	1,684
Creative Arts and Industries	1,211	1,255	1,269	Business and Economics	1,725	2,011	2,205
Education	256	3,333	3,152	Creative Arts and Industries	–	505	549
Engineering	1,734	1,876	2,036	Education	–	–	1,622
Law	1,016	1,005	987	Engineering	468	457	576
Medical and Health Sciences	1,756	1,964	1,988	Law	299	285	334
Science	5,541	5,802	5,630	Medical and Health Sciences	579	916	1,023
Theology	139	130	108	Science	1,493	1,572	1,829
University Programmes	840	685	654	Theology	58	51	65
Total	22,378	26,249	25,697	Total	6,826	7,694	9,887

	2003	2004	2005		2003	2004	2005
POSTGRADUATE ENROLMENT (EFTS)				INTERNATIONAL STUDENTS			
Arts	832	825	800	China	2,606	3,024	2,744
Business and Economics	872	855	783	USA	305	427	487
Creative Arts and Industries	288	268	258	Korea	198	231	279
Education	372	546	494	Malaysia	202	209	275
Engineering	370	347	352	Germany	161	207	229
Law	102	134	109	India	154	142	104
Medical and Health Sciences	754	801	903	Canada	35	61	93
Science	1,156	1,168	1,194	Hong Kong	115	104	84
Theology	35	30	33	Japan	85	81	82
Total	4,781	4,974	4,926	Norway	110	104	74
				Vietnam	53	70	72
				United Kingdom	43	68	66
				Fiji	88	74	61
				Taiwan	51	48	61
				Indonesia	72	63	57
				Russian Federation	31	49	57
				France	31	33	42
				Singapore	37	35	36
				Sweden	52	35	28
				Denmark	23	23	23
				Samoa	32	22	21
				Tonga	0	0	19
				Thailand	26	17	18
				Other	250	249	229
				Total	4,760	5,376	5,241

* Faculty of Education included in 2005 only

UNIVERSITY GOVERNANCE

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.

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.

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, 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.

THE UNIVERSITY'S STATUTORY ROLE

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:

- 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 the 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.

RESPONSIBILITIES OF COUNCIL

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.

GOVERNANCE DOCUMENTS: 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. The Profile under the Education Act 1989 is also the base document which the Tertiary Education 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, the Information Technology spending programme is reviewed by the IT Strategy and Policy Committee before being approved by the Capital Planning and Budgeting Committee, and 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. Projections of operating income and

expenditure are 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.

COUNCIL COMMITTEES

FINANCE COMMITTEE

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

UNIVERSITY GOVERNANCE (CONTINUED)

Council receives reports from, and relies upon the advice of, 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. Audit Committee meets quarterly.

Members are Lyn Stevens QC (chair), Hugh Fletcher, John Morris, Roger France and Professor Murray Mitchell (member of Senate).

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 committee reviews the effectiveness of internal controls in the University and the way in which they are applied.

The committee also oversees the relationship with the University's external auditors, Deloitte. Deloitte is appointed by the Office of the Auditor-General for a three-year term. 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 Pricewaterhouse-Coopers for a three-year 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 this 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.

RISK MANAGEMENT

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 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.

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:

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 for the use of genetically modified organisms in the University in accordance with the delegation by Environmental Risk Management Authority (ERMA) in order to identify all potential risks to 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 instigated a system for consultation with Māori.

Human Participants Ethics Committee reviews 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.

In addition the Occupational Health and Safety 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, an advisory committee to the Vice-Chancellor.

BUSINESS DETAILS

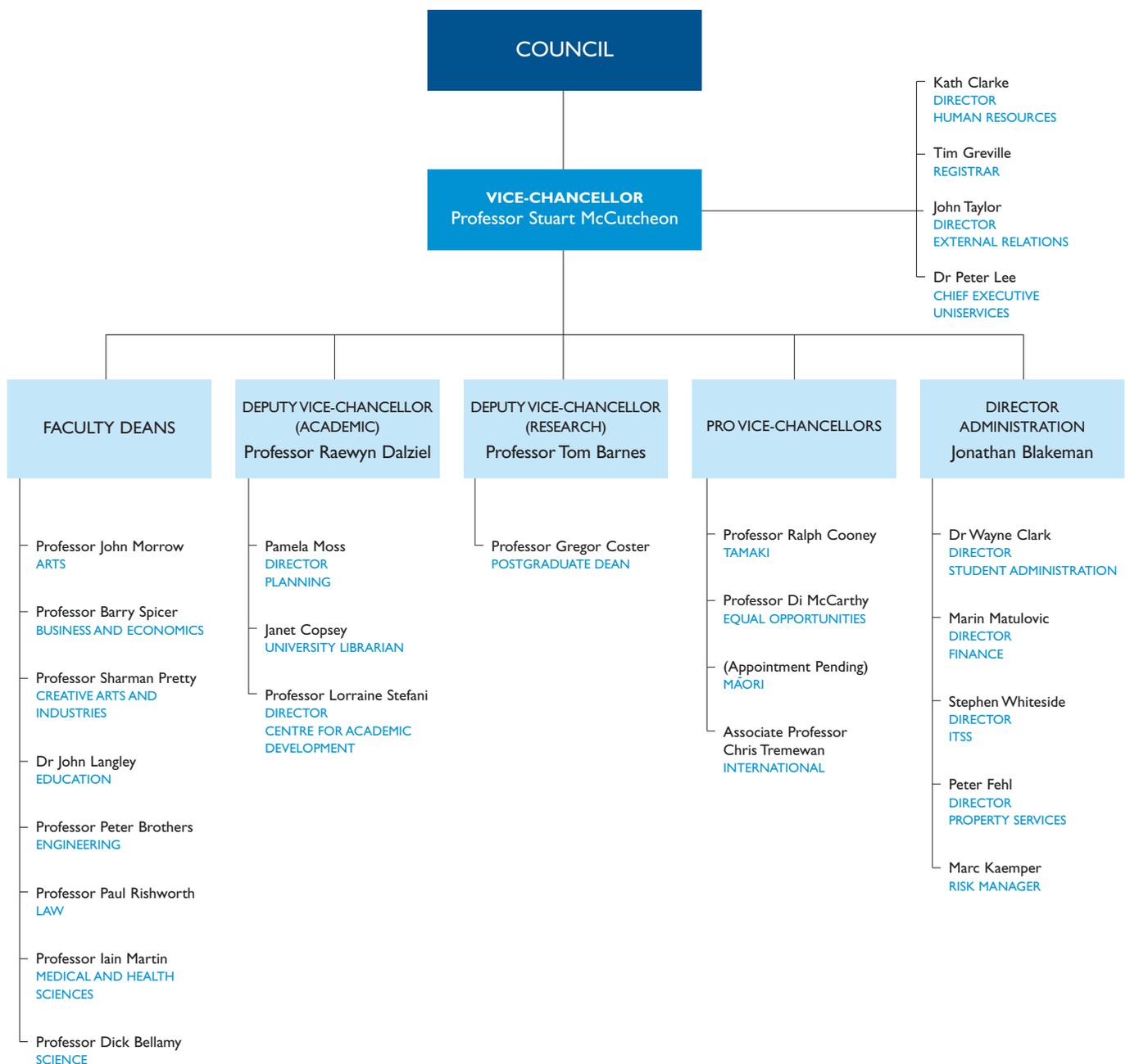
Bankers
Bank of New Zealand

Auditors
Deloitte – on behalf of the Auditor-General

Valuers
DTZ New Zealand Ltd

UNIVERSITY MANAGEMENT STRUCTURE

AS AT 31 DECEMBER 2005



COUNCIL MEMBERS



HUGH FLETCHER
MCom, MBA *Stanford*, BSc
Chancellor
Appointed by Minister of Education



**PROFESSOR STUART
McCUTCHEON**
BAgrSc (Hons) PhD *Massey*
Vice-Chancellor
Ex officio



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



JENNIFER GIBBS
MA
Pro-Chancellor
Appointed by Council



JOHN MORRIS
MA
Elected by Court of Convocation



KATE SUTTON
MA
Elected by Court of Convocation



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



GREG TAYLOR
MA
Appointed by Minister of Education



JOHN GRAHAM
CBE, MA
Appointed by Minister of Education



LINDSAY CORBAN

MA

Appointed by Minister of Education



ROGER FRANCE

BCom, CA

Appointed by Council



PETER MENZIES

ME

Appointed by Council



GREG LANGTON

BCom, LLB

Elected by Students



CONOR ROBERTS

BA Hons

Elected by Students



PROFESSOR RICHARD FAULL

ONZM, BMedSc MBChB *Otago*,
PhD DSc, FRSNZ

Elected by Academic Staff



**PROFESSOR DIANNE
MCCARTHY**

BA MSc PhD

Elected by Senate



JANET COPSEY

BA DipNZLS *Well.*, DipBus,
FNZLIA

Elected by General Staff



**ASSOCIATE PROFESSOR
KEN LARSEN**

PhL STL *Rome*, MA PhD *Camb.*

Elected by Lecturers

FOCUS ON TEACHING AND LEARNING

Teaching and learning challenges are profound as knowledge advances, disciplinary boundaries blur, methods of communicating knowledge become more complex, and student experiences and expectations change. An excellent university education reflects current knowledge, integrates teaching with the research strengths of staff, makes the best use of new teaching, learning and information technologies, and draws on the diverse experiences of students. Such an education will challenge and excite students and provide inspiring opportunities for staff with a love of teaching and a desire to share and develop their knowledge.

The University of Auckland is committed to the enhancement of teaching and learning and the development of intellectual independence across a comprehensive portfolio of academic programmes.

The new Strategic Plan places a strong emphasis on the enhancement of teaching and learning and the further development of the learning environment.

The University's graduate profiles are statements of aspiration for the attributes the University seeks to foster in all its graduates. Under these profiles, the University is committed to producing graduates who are independent and critical thinkers with an openness to new ideas and who possess intellectual curiosity and integrity. They should have a mastery of a body of knowledge and professional skills, use information discerningly, show tolerance and understand diverse value systems and views, and wish to contribute in a leadership role to national and global intellectual, social, scientific, economic and cultural development.

The University is fortunate to have many internationally renowned, able and committed staff engaged in its teaching and learning activities. Students learn from academics who participate in key research and the advancement of knowledge. They can train with innovative, creative, original thinkers and performers. The general staff in the Library, in laboratories and in academic administration provide dedicated and skilled support services to teaching and learning.

The teaching and learning resources of the University include a world-class library system with print and electronic collections that are equal to the best in Australasia, lecture theatres with state-of-the-art

electronic equipment, and best practice laboratories, studios and performance suites.

NEW QUALIFICATIONS

In 2002, the University appointed a Curriculum Commission to consider the University's academic programmes, its teaching and learning structures in relation to the graduate profile and the composition of the student body. The Commission recommended that the University restructure its qualifications on the basis that an equivalent full-time student take courses valued at 120 points rather the existing 14 points. This was in line with recommendations of the fourth report of the Tertiary Education Advisory Commission and the Committee on University Academic Programmes. The change would make the University's qualifications consistent with the New Zealand Register of Quality Assured Qualifications, provide students with greater flexibility and improve credit portability for students across the sector.



Over the last three years all qualifications have been restructured on this model and new students in 2006 will enrol under new regulations.

As part of the new degrees, all undergraduate students will take courses in a General Education Programme. General Education courses enable students to study subjects that are outside the normal range of their degree studies. They are intended to widen the experience of students, to expose them to a richer and more diverse range of subjects, and to provide them with access to teachers and student groups they might otherwise not encounter.

2005 ACHIEVEMENTS

- All faculties completed new or revised Teaching and Learning Plans that detail faculty goals and objectives, specific proposals for the enhancement of teaching and learning, and plans for monitoring improvements.
- A special emphasis has been placed on the teaching-research nexus as a distinctive characteristic of the teaching and learning of the University. This is achieved by: making students aware of the research and creative work carried out by staff; engaging students in the research culture of the University (summer research scholarships, attendance at research seminars and other involvement in the research projects of staff); designing courses that build on the research work of staff; and ensuring that students have the maximum opportunity to attend courses taught by prominent researchers.



- There has been focused work on learning outcomes and assessment of student learning. The Faculty of Business and Economics has established a programme to train staff in writing learning outcome statements. The Faculty of Creative Arts and Industries has developed generic outlines and held workshops to develop the understanding of learning outcomes in each department. The Faculty of Education has referenced its graduate outcome statements to learning outcomes and the Faculty of Law has developed plans for enhancing the ability of staff in the design and implementation of learning outcomes.
- The University admitted its first cohort of students based on University Entrance gained through the National Certificate of Educational Achievement. The change to the entrance examination system required the University to set new entrance criteria for limited entry programmes, to set up new admission systems, and to train staff in advising applicants on the new standards and systems.
- The Faculty of Medical and Health Sciences has created two new learning centres with support from the community. The Auckland Medical

- Research Foundation Medical Science Learning Centre was opened by the Prime Minister in December 2005. Assisted by a grant from the Auckland Medical Research Foundation, the Centre will provide for teaching and learning in Anatomy, Radiology, Pathology and Clinical Skills. The Advanced Clinical Skills Centre is a joint venture between the University and MercyAscot Hospital and was assisted by the Rawhiti Trust. The Centre provides state-of-the-art simulated training for health professionals and health and medical students.
- Peer mentoring schemes aimed at improving student learning operate in many faculties. New students are matched with Uniguides who assist them to settle into the University and facilitate the early stages of learning.
 - The University hosted the tenth Quality Enhancement Meeting for New Zealand Universities in association with the New Zealand Universities Academic Audit Unit.
 - An Evaluations and Scanning Centre was established which will be capable of scanning all student evaluations of teaching and courses.
 - The number of new University of Auckland Doctoral Scholarships awarded annually was increased from 100 to 130 and the stipend awarded was increased

- from \$20,000 a year to \$25,000.
- The number of new University of Auckland International Doctoral Scholarships awarded annually was increased to 20 and the stipend increased from \$20,000 a year to \$25,000.
 - The undergraduate programme in Medicine, the MBChB, was accredited by the Australian Medical Council for the maximum ten-year period.
 - The Master of Nursing degree was approved by the Nursing Council of New Zealand for a five-year period.
 - The School of Pharmacy's undergraduate degree, the BPharm, received provisional accreditation from the New Zealand and Australian Pharmacy Schools Accreditation Committee with full accreditation to be granted when the first graduates have been in the workforce for two years.
 - The Institution of Professional Engineers New Zealand has accredited the Bachelor of Engineering degree for a five-year period.
 - The Business School and its programmes were accredited by the Association to Advance Collegiate Schools of Business.
 - The New Zealand Speech Therapists Association has accredited the Speech Language Therapy Programme.

TEACHING, LEARNING AND RESEARCH REPORTS

FACULTY OF ARTS

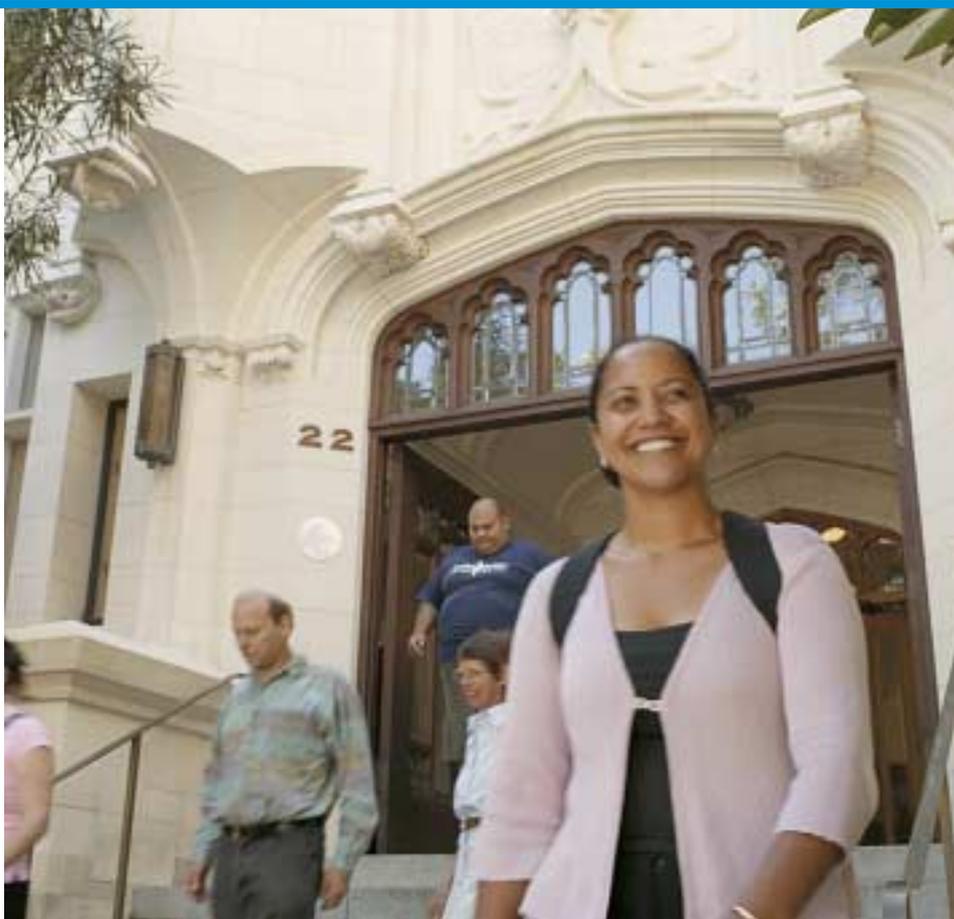
The Faculty of Arts continued to pursue excellence in teaching, research and creative works across the full range of its disciplines, encompassing the study of culture, society, language and literature.

The pre-eminence of the Faculty in research and scholarship in the humanities and social sciences was recognised internationally with a number of significant appointments and awards for Faculty members, as well as mention in the *Times Higher Education Supplement* where humanities departments were ranked 25th equal amongst the world's top universities and social sciences were ranked 65th.

In the face of softening undergraduate EFTS numbers, recruitment of top quality students remains a priority for the Faculty. It has created 'discoverarts', a specialised website dedicated to the recruitment of school leavers. It has also appointed an Assistant Dean with special responsibilities for engagement with schools. These initiatives, directed primarily at domestic students, will be complemented by ongoing efforts to recruit high quality taught and research postgraduate students so that the recent upward trend of postgraduate enrolments can be sustained and if possible increased. Initiatives in this area include website development, the circulation of a CD directed at international students and their parents, and moves to increase provision of summer scholarships for potential students.

The Faculty ran a national Creative Writing Competition in 2005 for secondary school students who submitted work from their NCEA writing portfolios. Two scholarships have been awarded and all students who entered the competition have been invited to participate in writing workshops. These initiatives will be further developed to strengthen the Faculty's profile with top secondary school students and their teachers nationally.

The Faculty Tuākana Mentoring



The Tuākana Mentoring Programme for Māori and Pacific students experienced a major increase in the number of participating students – up from 200 in 2004 to 430 in 2005. One of the main contributing factors was the recruitment of highly qualified departmental mentors who worked with the programme coordinators and University support services to create academic skills workshops for students which focused on developing social and study networks and essential critical thinking skills.

Programme experienced a major increase in the number of participants. In 2006 the Faculty will extend the successful mentoring programme to include special provision for postgraduate students from Māori and Pacific communities. It will also seek to enhance language support for all students for whom English is not a first language and develop strategies to ensure adequate standards of academic English for all students in the Faculty.

The principal developments in the Faculty's teaching programmes have been in the restructuring of its degrees and other qualifications for 2006, and the development of General Education courses.

Some significant innovations in teaching and learning were also introduced which utilised flexible and distance learning technologies in the delivery of courses. These included the first year of the MTESOL programme, which is a masters

programme taught entirely by distance, incorporating the Library's electronic resources and email. Another innovative course offered for the first time was Poetry Off the Page, where the most recent technologies for performing and preserving poetry coalesce with the oral roots of the art form. Innovative assessment practices involving individual web-pages were utilised in the course. A Masters in Creative Writing was also introduced, convened by Professor Witi Ihimaera and assisted by published writers from the community, Stephanie Johnson and Mike Johnson.

Other innovations in teaching and learning include a trial of *iLecture* which is a means of recording live lectures and seminars and then publishing these as streaming video to the web. The system allows recordings to be scheduled, captured, processed and published. The *iLecture* system overcomes some of the

problems experienced by hearing impaired students by enabling students to review lectures in their own time. An expanded trial will be undertaken in 2006.

The Centre for Continuing Education was awarded a four-year licence by the Ministry for the Environment to provide nationwide workshops and assessment for decision-makers on Resource Management Act hearings. The Resource Management Act Programme grew from an expected 200 participants to over 700 and won the Supreme Award from the Resource Management Law Association in recognition of its success. The programme will also be presented at international conferences as a best practice model in the design and delivery of continuing education. The Ministry and CCE will continue to work on an extension of the project in 2006.

The Faculty continued to perform strongly in research in 2005, as evidenced by 14 new grants through the Research

Office, eight research projects through UniServices, and 62 internally funded research grants. Two new Marsden grants were awarded; one to Dr Kim Philipps, (Department of History) for 'Before orientalism: Sexualities and gender in medieval representations of the East' and the other to Professor Peter Davis (Department of Sociology) for 'Modelling social change in New Zealand'. Professor Davis also earned a Health Research Council (HRC) grant for 'Primary care in an ageing society'. The Faculty had an excellent record of publications throughout 2005, publishing 50 books.

Departments in the Faculty have targeted research support funding to the completion and advancement of staff research activities. The Faculty has also supported staff and postgraduate student research from funds administered as part of the Faculty Research Fund. In order to encourage participation in bids for

INNOVATIVE TEACHING IN ARTS

The stage one Philosophy course Critical Thinking gained recognition in 2005 for innovative teaching. The course aims to give students a good understanding of a rational argument by using a variety of novel techniques to explore how people reason. Critical Thinking assists students in analysing argument as it occurs in everyday discussion and debate. The course is able to use stimulating material – editorials, letters to the editor, advertisements and political debates – to draw attention to the various argument techniques.

In addition to the thought-provoking subject matter, the course itself is taught by unique methods. Coordinated by lecturer Dr Jonathan McKeown-Green, Critical Thinking explores different reasoning methods by using novel techniques based on practical activities. Dr McKeown-Green says one of the best

ways to get material across to students is to help them see the funny side of it. Critical Thinking lectures combine philosophy with music and theatre. And it is not only the stage one students who are affected by the novel way of actively recreating typical mistakes in reasoning. Dr McKeown-Green, who is blind, has inspired a team of postgraduate student assistants with his passion for pedagogy. The team of enthusiastic doctorate and masters students provide support for each lecture, working with the lecturers using puzzles, game shows, sketches and stock characters to make vivid to students the common reasoning errors in academic and ordinary life and to consider the way both good and poor arguments are structured.

Critical Thinking has been chosen as the Philosophy Department's General Education course, open to most undergraduate students from 2006.

external funding and to assist staff in developing the skills necessary to make strong applications in the future, the Faculty is setting up a regular series of grant-writing workshops. It is also working with its Research Advisor in the Research Office to broaden knowledge of the sources of external funding for work in the Humanities and Social Sciences.

A significant programme of events ran throughout the year, designed to profile the diversity of the departments and their links within the University and the wider community. The Faculty continued to develop a high profile by public lectures, and a number of conferences were held over the course of the year, attracting internationally renowned scholars.

Event highlights include the establishment of the Dr Alice Griffin Fellowship in Shakespearean Studies through the generosity of Mr John Griffin, President of Blue Ridge Capital in New York. The inaugural Alice Griffin Shakespeare Lecture was given by Professor Andrew Gurr, a leading authority on the theatres of Shakespeare, the principal academic contributor to the London Globe project and a leading textual editor.

Eminent New Zealand historian Professor J.G.A. Pocock, who came to the University as a Hood Fellow, gave the Keith Sinclair Memorial Lecture. An authority on New Zealand history as well as the history of European and North American political thought, John Pocock is Emeritus Professor at Johns Hopkins University in the United States.

The Australasian Council of the Deans of Arts, Social Sciences and Humanities, which represents 45 universities across Australia and New Zealand, met at the University to discuss the issues currently faced by Deans. The conference programme covered a range of issues including the structure of the Arts degree at both the undergraduate and postgraduate levels and the future of research in Arts, Humanities and Social Sciences.

The Faculty completed a programme of relocation and refurbishment of the Arts Students Centre, Arts Graduate Study Centre and Arts Labs, centralising the provision of student services and integrating the Tuākana Mentoring Programme. The Faculty also increased access to computer facilities for PhD

students and tutors within departments and the Arts Graduate Study Centre.

Three students were awarded Bright Futures Top Achiever Doctoral Scholarships: Paul Bowker (School of European Languages and Literatures), Elizabeth Crandall (Department of Applied Language Studies and Linguistics) and Katrina Ford (Department of History). Two students received Fulbright awards: Nina Khouri, who has a Bachelor of Arts in Philosophy and Scandinavian Studies and an LLB (Hons), and intends to pursue a Masters in Law at New York University, and Laurel Flinn, who has a Master of Arts in History, and is going to Johns Hopkins University to study for a PhD specialising in modern British cultural history.

In Film, Television and Media Studies the documentary *Sheilas: 28 Years On*, co-directed by Associate Professor Annie Goldson, won Best Documentary at the Commonwealth Film Festival in Manchester. The short drama, *Fleeting Beauty*, written by Dr Shuchi Kothari and produced by Dr Kothari and Dr Sarina Pearson, was selected for the Asian American International Film Festival in New York, the World Wide Short Film Festival in Toronto and the Palm Springs Film Festival.

Staff gained significant honours: Associate Professor Hugh Laracy (History), was awarded the John Dunmore Medal, Professor Roger Neich (Anthropology) was awarded the Mau Daula (Frigate Bird) Award of the Pacific Arts Association for contributions to the study of the arts of the Pacific, Associate Professor Annamarie Jagose (Film, Television and Media Studies) was awarded a John Hinkley visiting professorship at Johns Hopkins University, and Associate Professor Laurence Simmons (Film, Television and Media Studies) was awarded fellowships at both the University of Cambridge and the Australian National University.

FACULTY OF BUSINESS AND ECONOMICS

The mission of the University of Auckland Business School is twofold. Firstly, the School aims 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. Secondly, the School is committed to educating individuals who will contribute to the enlightened management and leadership of private and public sector organisations, and to the development of sound economic and public policy in a globally connected world.

A significant milestone for the School this year was the celebration of its centenary. The School was created when the University of New Zealand founded a School of Commerce and began its first lectures in economics, commercial law, commercial geography and accountancy. Celebrations included the launch and gifting to the University of the Heritage Trail, a product of the Business School History project and incorporating sites of historic commercial significance in and around the University and central Auckland.

This year saw the development of the new Graduate School of Enterprise. Succeeding the former Graduate School of Business, the new Graduate School has an overarching theme of sustainable economic growth for New Zealand through innovation and leadership. Its goal is to be an internationally recognised source of research-informed education on growing higher-potential enterprises into larger regional and global markets. One signal change is the launch of The Auckland MBA™, which has been re-engineered with greater emphasis on value creation, leadership, entrepreneurship and international business.

In recognition of the Business School's commitment to provide a dynamic forum for business, academia and Government on the challenges of enterprise creation and growth, the second year of the School's New Hemisphere Speaker Series featured three diverse speakers: British entrepreneur Simon Woodroffe,



technology forecaster Daniel Burrus, and Professor Peter Williamson, an Asia business strategist who concluded the series with a presentation on the approaches that New Zealand companies must take to succeed in Asia.

The Business School has continued to work on maintaining and improving its position as the leading business school in New Zealand. A Faculty Research Seminar Series that focuses specifically on the research process has been introduced as a complement to the existing departmental seminar series. The School has also taken a strategic decision to direct additional energies into developing research centres and it is anticipated that the benefit of this decision will be seen over the coming years.

In teaching and learning, systems and processes were developed for the selection of applicants into Business School programmes which enable the identification of under-performing undergraduate students and ensure appropriate intervention. There was further development of the undergraduate language and communication skills programme, now regarded as a curriculum model. A pilot for a tutor and marker training programme was also introduced. This programme is tailored to the needs of each department to enhance the quality and delivery of tutorials and marker feedback and to ensure that the

approaches accommodate the needs of the diverse student body and mix of learning styles.

Restructuring took place in all undergraduate programmes to accommodate the requirements under 120-point and General Education changes. Processes for the review and resizing of undergraduate courses for 2006 were also developed, including linking learning outcomes and assessment practices to the achievement of the University's graduate profile.

To provide learning opportunities in applied areas, the Business School has developed a range of successful partnerships with enterprises, including EXCELERATOR – The New Zealand Leadership Institute, The ICEHOUSE, the Centre of Digital Enterprise (CODE), and the Energy Centre. 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 video conferencing technology. Other partnerships developed include a relationship with Onehunga High Business School and with 20 Auckland secondary schools through Biowiz, which has focused on biotechnology entrepreneurship education in secondary schools.

The Business School and its programmes received formal accreditation this year from two premier accrediting organisations for business schools, AACSB International (Association to Advance Collegiate Schools of Business) and EQUIS (European Quality Improvement System) of the European Foundation for Management Development. Added to the existing accreditation by AMBA (Association of MBAs), this means that the School is the first in New Zealand to join the one per cent of business schools in the world that hold all three of these accreditations. In addition, the Bachelor of Commerce and the Bachelor of Business and Information Management degrees became the first university degrees in New Zealand to receive CPA Australia accreditation, paving the way for graduates to become associates, the first stage of obtaining the Certified Practising Accountant (CPA) designation. Also this year, the BCom and BBIM degrees' Chartered Accountant accreditation was extended for five more years to the end of 2010 through the New Zealand Institute of Chartered Accountants.

Business School students continued to excel in challenges of intellectual rigour and creativity. Aimed at engendering world-class businesses, Spark: The University of Auckland Entrepreneurship Challenge is a student-led initiative established to foster the growth of the

The Business School has become the first school in New Zealand to establish a Beta Gamma Sigma Chapter, one of the world's leading honour societies. Members of this society are immediately identified as among the very top business graduates and the society provides access to high-quality international career networks.

culture of entrepreneurship, build links with the business community and encourage the creation of value from the host of innovative ideas developed within the University. The top prize of \$40K was won this year by team Grand Challenge for developing a fully autonomous robotic driver with various commercial applications.

Another student-led initiative, Chiasma, brings together students and interested parties from the School of Biological Sciences, the Bioengineering Institute, the Faculty of Medical and Health Sciences and the Business School. Chiasma announced the winners of the inaugural I-Volve Challenge, one of which was a proposal for a microbially enhanced landfill cap for the mitigation of greenhouse gas emissions. Priv Bradoo (PhD candidate within FMHS), one of the students involved in the establishment of the Spark Entrepreneurship Challenge and Chiasma, has recently been awarded a prestigious Fulbright Scholarship to attend Harvard where she will begin studying for an MBA in 2006.

Student teams enjoyed an exceptionally successful year in international and national case competitions. An undergraduate team from the Business School won the Global Business Challenge held at the University of Washington, the first time in the competition's history that a School has successfully defended its title. An MBA team took third place in the BCG competition at the University of New South Wales, and yet another Business School team were runners up in the Citigroup International Case Competition at Hong Kong University of Science and Technology. Of all the universities engaged in case competitions, an informal league table would place the Business

School second equal with Singapore Management University for student achievement in 2005.

The Business School has made significant progress towards achieving the overall fund-raising target of \$75 million for its 'building a world-class business school' campaign. Closing in on the target, the Business School's advancement team has now set a new goal of building an endowment for the Business School in the order of \$25-30 million as part of the overall campaign. In February, the Business School received the largest single donation to date, a gift of \$7.5 million from expatriate New Zealand entrepreneur Owen G Glenn. In recognition of the magnitude of his generosity, the University has decided that the new home of the Business School currently under construction will be named the Owen G Glenn Building. Through this gift, Owen has given back to his home country in a way which will significantly help the staff and students of the Business School and the University contribute to New Zealand's development.

FACULTY OF CREATIVE ARTS AND INDUSTRIES

The key aim of the National Institute of Creative Arts and Industries (NICAI) is to position itself locally and internationally as a centre of excellence for creative research, teaching and practice. In 2005 NICAI, which comprises the Schools of Music, Fine Arts and Architecture, the Department of Planning and the Dance Studies Programme, actively pursued this goal with significant success. The Faculty developed its research capabilities, strengthened its structures for teaching and learning delivery, and actively engaged with leaders and influencers in the creative sectors locally, nationally and internationally.

In teaching, NICAI is already being recognised for its creative initiatives and innovative educational concepts. The Dean has been invited as a keynote speaker at a University of the Arts London conference in Portugal in 2006, to



NEW TEACHING INITIATIVE AT THE SCHOOL OF ARCHITECTURE

Ocean Studio is an outstanding example of an innovative teaching initiative at NICA and marks a significant step forward in the pedagogy and teaching of architectural design. Ocean Studio is a studio programme developed by Dr Deidre Brown and Dr Rosangela Tenorio in the School of Architecture. The programme combines the methods of architectural science and architectural history and provides a model for engaging with cultural diversity as a resource as well as a teaching and learning platform, while approaching the Pacific as a creative community. Drs Brown and Tenorio explain that by employing several innovative forms of delivery and step-by-step learning processes, Ocean Studio students are inducted into a process of learning that is inclusive, regionally relevant, environmentally sustainable and culturally responsive.



speak on context and innovation in teaching and learning in higher arts education. In research, the Faculty has developed a robust research plan aligned to the University's Strategic Plan, with a key focus on facilitating the best possible outcome from the forthcoming PBRF round.

The Faculty continues to develop its Tuākana programme. This initiative gained good traction in 2005 and the groundwork is now in place to build the programme significantly in the future. A meeting space for Māori and Pacific students has been established this year to support the Tuākana initiatives.

The School of Architecture and Department of Planning celebrated the end of the inaugural year of the Master of Urban Design, the Faculty's first formal interdisciplinary degree programme. This programme has been highly successful, exceeding its projected enrolments and being very well received by the professions.

The Faculty actively engaged with a global network of key multi-disciplinary arts institutions through its membership of the European League of Institutes of the Arts (ELIA). The Dean and Associate Dean participated in the ELIA Leadership Symposium in London and the ELIA Teachers' Academy in Rotterdam

respectively. Through this network, strategic partnerships have been established for research, teaching, recruitment and exchange purposes with the Glasgow School of Art and Architecture in Scotland and the Victorian College of Arts in Melbourne.

The New Zealand Trio, Ensemble in Residence at the University, accompanied the Vice-Chancellor to Britain, the United States and Australia in April, showcasing NICA's excellence in chamber music at a series of alumni events. In collaboration with a Kapa Haka group from Avondale College, the Trio also toured Brazil, as part of a New Zealand Trade and Enterprise initiative to promote New Zealand excellence in performing arts education in South America. Students from NICA's Dance Studies Programme performed at Tari 05 (an Asian Tertiary Dance Festival) in Kuala Lumpur in September to an enthusiastic response to the uniqueness of the group's work and its engaging performance style.

NICA has maintained strong relationships with the professional communities of Architecture and Planning. The School of Architecture participated in the celebratory activities for the centenary of the New Zealand Institute of Architects, and Faculty member Charles Walker edited the NZIA's anniversary

publication, *exquisite apart*. Two students, Mona Hashemi and Sok Leong Ng, won the Emerging Design Prize in the Housing New Zealand Corporation Design Competition, which invites designs that respond to New Zealand's changing housing needs, greater cultural diversity, and new building practices, materials and technologies.

The School of Music and Dance Studies Programme engaged with a significant number of schools in the wider Auckland area, notably Avondale College and Otahuhu College. A partnership has been established between the Auckland Museum and the School of Music, through which James Tibbles, a senior lecturer in the School, will take on the role of Curator of Musical Instruments, assisting the Museum to preserve and restore its collection of 500 historical musical instruments. NICA was awarded a Hood Fund Visiting Fellowship for Professor Wolfram Christ, former Principal Viola of the Berlin Philharmonic Orchestra and now Professor of Viola at the Musikhochschule, Freiburg im Breisgau, to visit the School of Music and work and perform with The University of Auckland Strings. The resulting concert was a highlight in NICA and the School of Music's 2005 concert calendar.

The Faculty is proud of the successes of its students, graduates and staff. A number of students from NICA's School of Music won prizes in the University's prestigious Arts and Cultural Blues Awards. John Chen won the Major Award for exceptional excellence in Art and Culture. Elam School of Fine Arts graduate, Rohan Wealleans, was awarded the Frances Hodgkins Fellowship for 2005; Sara Hughes, graduate of the Master of Fine Arts programme, was awarded the Paramount Prize by the James Wallace Trust. Elam staff member p.mule, also known as et al, represented New Zealand in the Venice Biennale, one of the world's most important international art exhibitions. Virtuoso flautist Marya Martin became a Distinguished Alumna in recognition of her remarkable career on the international stage as a soloist, recitalist and chamber musician.

Amongst other highlights and initiatives, a key achievement was the establishment of a Centre for NZ Art Research and Discovery. The Centre will support and promote scholarship, learning, and community engagement in the visual arts. The Faculty was a participant in the Entrepreneur in Residence (EiR) project initiated and led by The ICEHOUSE with funding through the Government's Growth and Innovation Framework. Arising from this project, through a separate initiative NICA was granted funding from the Government's Growth and Innovation Pilots Initiative and the Vice-Chancellor's

University Development Fund for the first stage of development of a National Centre of Design Innovation. The Centre is proposed as a centre of excellence in the conceptualisation, exploration, development and realisation of design projects across products, communications and services.

FACULTY OF EDUCATION

It has been a year of major development for the new Faculty of Education. The amalgamation of the former Auckland College of Education and The University of Auckland took place to enable the combined institutions to better strive for several ambitious goals related to teaching and research in education, teacher education, social work and social services. These goals are to build excellent capability, to provide leadership and innovation within the education sector; to strive for increasingly effective delivery; to improve accessibility and relevance; to contribute to Māori development aspirations; and to contribute to Pacific inclusion and development.

The amalgamation in 2004 led to the creation of the new Faculty, from the Auckland College of Education and the School of Education from within the Faculty of Arts. The union provided a unique opportunity to build a new faculty organisation that could meet these goals. To begin work towards achieving the

goals, key changes were made in 2005, the first full year for the new Faculty. A new academic organisational structure was developed and established, a new committee structure was implemented, a new suite of teacher education programmes was developed and approved for delivery in 2006, and various crucial data and support systems were integrated. These changes have required significant effort and have been achieved because of the commitment of many staff within both the Faculty and the University.

The amalgamation was also intended to create a comprehensive faculty that could cover all aspects of education and social work, from foundation and undergraduate programmes, through to postgraduate and doctoral programmes and professional development services. The Faculty is privileged to have Team Solutions, with its 150 advisers to schools, based within it. This group provides a very effective conduit between research and practice, a link the Faculty is determined to nurture.

The amalgamation also provided a unique opportunity for members of the newly created Faculty to work together to bring to fruition the commitments to developing new teacher education, social work and human service programmes. This collaborative process has enabled the Faculty to capitalise on the strengths of both organisations to create teacher education programmes that will enable graduates to acquire the knowledge, skills and other attributes necessary to achieve



The new Faculty of Education teacher education programmes are based on an evidence-informed, outcomes-focused approach for preparing student teachers to teach diverse students. The aim is to produce graduates who have the research-based, pedagogical understanding to teach in ways that focus on children's learning and address current disparities in educational achievement.

their full potential in becoming effective and successful teachers.

The introduction of a new organisational structure incorporating staff within a matrix model of programmes and academic schools will provide for greater transparency for programme delivery as well as providing a structure that will support a greater focus on research-based activities. The structure will be fully operational in early 2006.

In designing the Faculty's new qualifications, development was based on the best evidence available on teaching approaches and practices that enable all children and young people to learn and achieve, as well as features of programme design and pedagogy that are likely to support student teacher learning and development. The programmes are geared to provide experiences that will ultimately impact not only on student teachers, but also on students in schools and centres.

A set of Graduate Outcomes has been developed to align with the conceptual framework that underpins the new qualifications. The Graduate Outcomes are being used in course development to ensure coverage and coherence in each of the new teacher education qualifications.

The Huarahi Māori specialisation has been specifically designed for those who wish to pursue a career in Māori medium primary schools, including Kura Kaupapa Māori and Rumaki Reo in mainstream schools. The majority of the programme is delivered in Māori with particular focus on the Māori medium curriculum statements.

The Faculty's foundation programmes have also been redeveloped and commence delivery in 2006. These include the Foundation Certificate Tohu

Tuapapa Mātauranga, a one-year foundation programme for people who wish to develop their Māori language, tikanga Māori and study skills. The programme is specifically designed to bridge students into the Bachelor of Education (Teaching) degree Huarahi Māori specialisation and other degrees and diplomas offered by the University.

The Centre for Educational Design and Development continues to work alongside academic staff who are developing new and innovative courses and teaching programmes. The main emphasis during 2005 has been to make greater use of Internet technology to reach out to and support off-Campus students and to provide new opportunities for Campus-based students. Some 180 courses are now available through flexible study options. Two staff members from the Centre, Lyn Smith and Judy Duncan, were recipients of awards from the Flexible Learning Leaders in New Zealand project this year. The Centre has just completed development of *Ngā Kiwai Kete: the e-learning toolbox*, an Internet resource to enable small institutions and their staff to get started in the field of e-learning.

A notable achievement for the School of Education was a record year for doctoral completions, with eleven graduates in 2005. This reflects excellent initiatives taken over recent years by the Research Committee in the School of Education to facilitate both enrolment and completion of doctoral students.

The Faculty continues to perform strongly in all areas of Pacific education including Pacific participation, curriculum development, research and service. Pacific students as a proportion of the total Faculty EFTS have steadily increased in the past four years, and now make up 18 per cent of all Faculty EFTS. The Faculty has the largest number of Pacific academics in any university faculty in New Zealand and is the provider of New Zealand's first Pacific Early Childhood Education (ECE) programme.

The Faculty has continued to provide national leadership in Pacific education research as evidenced by research projects covering areas such as literacy in South Auckland, Pacific bilingual teacher aides in English medium classrooms, Pacific success initiatives in the StarPath Project, male participation in Pacific ECE teacher education and Pacific perspectives on quality teaching in schooling and adult education. Links with the Pacific region

have been extended as major international consultancies have been undertaken during 2005. The projects have included the drafting of a 15-year education strategic plan for the Cook Islands, and a review of teacher education qualifications in Tonga.

Internationally, the Faculty continues to make significant advances. These include the professional development contacts that exist between teachers and principals in various Asia-Pacific countries, the formal links established with other tertiary organisations to enable joint research, and the teaching and professional development opportunities and contacts with Universitas 21 institutions for the development of mutual exchanges and benchmarking. In addition, a new organisation called the Asia Pacific Education Deans Association was formed in October with the Dean, Dr John Langley, appointed as one of the inaugural members.

FACULTY OF ENGINEERING

The Faculty of Engineering has experienced a period of significant growth, particularly in undergraduate education, over the last five years. Undergraduate expansion has been accompanied by the creation and deployment of several new specialisations within the Bachelor of Engineering. Computer Systems, Software Engineering, Biomedical, Mechatronics and Wood Processing have been added to the traditional offerings of Chemical and Materials, Civil, Electrical and Electronic, Engineering Science and Mechanical. In 2005 doctoral student numbers began to climb also. This trend is the result of focused departmental recruitment efforts, as the strong New Zealand economy means that many of the Faculty's Bachelor of Engineering graduates are actively recruited by industry.

The five-yearly accreditation visit from the Institution of Professional Engineers New Zealand (IPENZ) was successfully held this year. The IPENZ accreditation for engineering places a strong emphasis on academic content, assessment procedures and learning facilities. Accredited programmes must provide evidence that students can also meet the IPENZ Graduate Capability Profile. This accreditation ensures the Faculty's offerings are recognised with other

accredited degrees in all English-speaking countries, and is therefore very important for the international status of the undergraduate programme.

This year, the Faculty was pleased to note that the *Times Higher Education Supplement* annual ratings ranked the Faculty of Engineering at 49th globally, a rise from the ranking of 57th in the previous year.

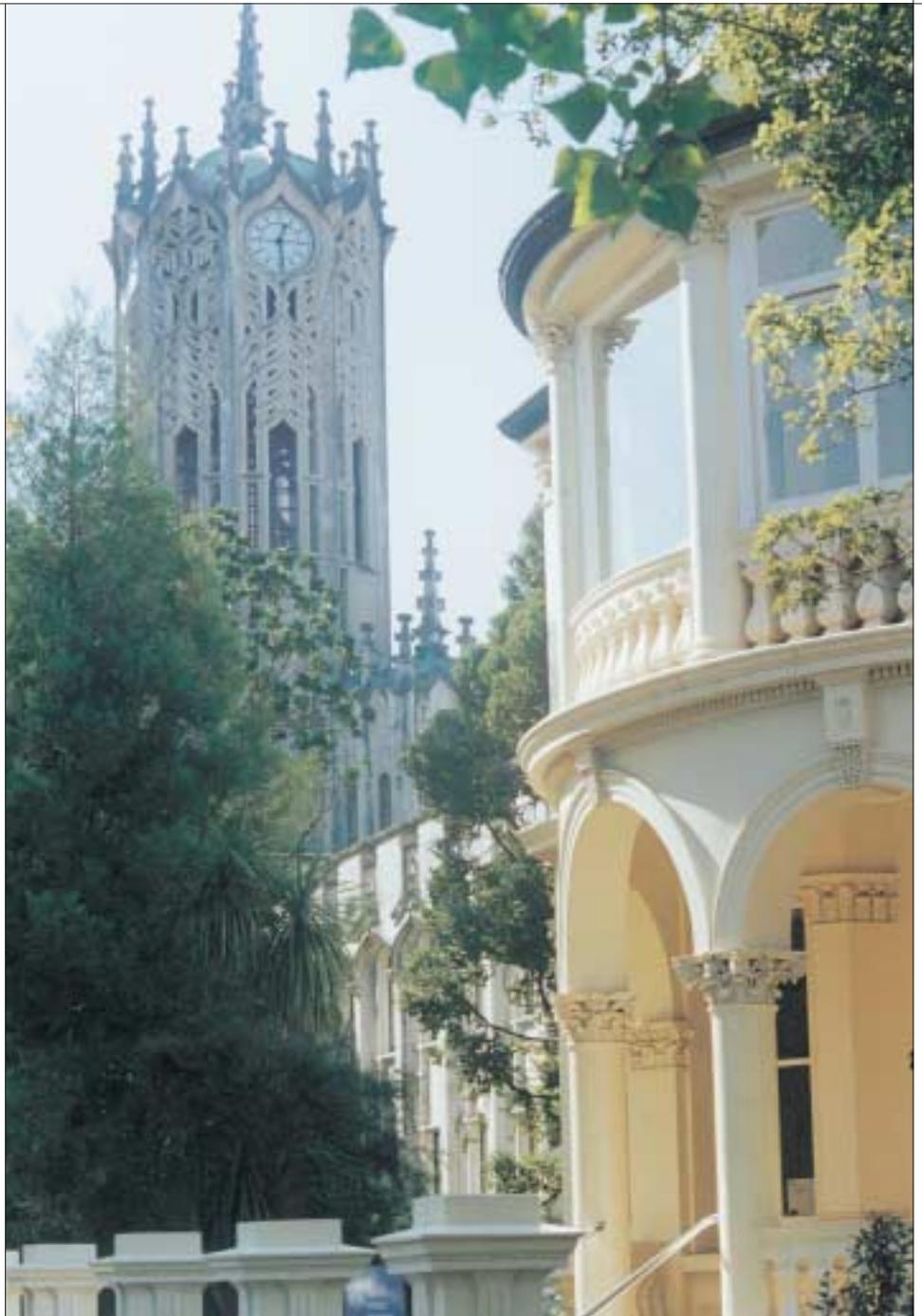
In other highlights for 2005, a Partnership for Excellence for the creation of a Centre for Plastics Innovation and Technology was awarded to a team led by Professor Debes Bhattacharyya. The team is made up of colleagues from departments in both Engineering and the Faculty of Science. The Centre will have a total budget of over \$10 million, and is a major step forward in the Faculty's ability to better contribute to this important industry sector.

In November, the Faculty launched the new Institute of Earth Science and Engineering jointly with the Faculty of Science. The Institute will focus on key geological and engineering problems facing the country. Auckland urban infrastructure and national energy supply are its immediate priorities. The Institute will work closely with other agencies, including the Government, local authorities, Crown Research Institutes, the private sector and overseas research bodies.

Staff in the Faculty performed well in the University's internal contestable research funding rounds. Professor Wei Gao was awarded the James Cook Fellowship. Professor John Boys was awarded the Royal Society of New Zealand's Pickering medal. Dr Martyn Nash was awarded a Marsden grant, and Professor Mick Pender and Associate Professor Roger Dunn were both recognised by IPENZ for career-long achievements.

Engineering students with remarkable achievements for the year include Engineering's Year 4 Chemical and Materials students who won the Australasian Chem-E-Car competition. Bachelor of Engineering graduate David Delamore was awarded a Woolf Fisher Scholarship to study at the University of Cambridge.

Excellence in Engineering Education Awards from the Australasian Association for Engineering Education were given to Associate Professor Neil Broom, Dr Gerard Rowe, Kepa Morgan and the OASIS team made up of Professor John



Boys, Abbas Bigdeli, Colin Coghill and Chris Smail. The Engineering Education Awards are major honours. Recipients are selected from all 43 Australian and New Zealand engineering schools. These awards attest to the commitment and quality of this Faculty's top educators.

A key and welcome innovation in teaching and learning at the Faculty, the Engineering Programmes in Community Service (EPICS) scheme was adopted. It enables teams of engineering undergraduates and academic mentors to work with community organisations that request technical help. The EPICS initiative completed its first year with 26 students involved in serving the community by providing advice and expertise. Three student teams worked on projects for Waiheke Recycling, the Stardome and the Auckland Zoo.

The Accelerated Pathway – an innovative structure whereby advanced students can complete the full undergraduate programme in three years and gain a masters degree in the fourth – was devised, approved and launched in 2005. The first students will enter this structure in 2006.

The Faculty has reached a period of undergraduate equilibrium. Entering numbers are capped, and after a number of years of new programmes delivering their first graduating cohorts, all programmes are now established. Demand for places at undergraduate level is high and the Faculty has maintained its advanced entry standards. The restructure required to address the 120-point degree has been successfully undertaken

and has enabled a number of lingering issues to be resolved.

Looking forward, the Faculty's key aim is to address postgraduate education in terms of both numbers and offerings. For the last five years the main focus has been on undergraduate programmes and learning. The results of these efforts are pleasing. Over the next five years, the Faculty is committed to its main focus on development in research activity and postgraduate student initiatives.

FACULTY OF LAW

The Faculty of Law enjoys a strong international reputation as one of the top law schools in the southern hemisphere.

The Law School continues to make steady progress towards its student mobility target as undergraduate students take the opportunity to study abroad for a semester. The number of outbound students on exchange has continued to increase this year. This has been facilitated by the recent adoption of several new Law-student-specific exchanges with William and Mary College and the Universities of Indiana, Kansas, Toronto, Nottingham and Virginia. There has been a similar increase in the number of inbound exchange Law students.

The Faculty's re-invigorated postgraduate programme is a vital part of its key strategy to enhance all its programmes and activities. Introduced in 2005, the new postgraduate programme is built around the Faculty's strengths and the talent of internationally renowned visitors who come to teach from some of the world's leading law schools. The programme is designed to cater for legal practitioners, recent graduates and international students coming to New Zealand for the first time. The result is a vibrant postgraduate community within the School.

In addition to producing a wide range of publications, Law staff have written or edited a number of books on a variety of legal topics this year. Professor Michael Taggart, with support from the NZ Law Foundation, produced as an electronic database 'Index to Common Law Festschriften'. Faculty-based publications include not only the long established *Auckland University Law Review* and the more recent *New Zealand Journal of Environmental Law* but also two publishing initiatives in *Te Tai Haruru: Journal of Māori*

Legal Writing and *The New Zealand Postgraduate Law e-Journal*. The latter was conceived and produced by postgraduate students, led by PhD candidates Herman Salton and Kerry Tetzlaff.

The Law School continues its run of success in student skill-based competitions. Richard Hellaby and Paul Ryan were part of the four-member team that won the international final of the Global Business Challenge in Seattle. The University of Auckland is the first university to have won this competition two years in a row. Isaac Hikaka and Jesse Wilson continued their remarkable joint performance, which has spanned several years, by winning the Chen Palmer & Partners National Human Rights Moot. They also finished among the top teams in the Philip C. Jessup International Law Moot Court Competition in Washington DC. In other outstanding achievements, another Law School student, Sabrina Muck, had an article accepted for publication in the *New Zealand Journal of Tax Law and Policy*.

The Faculty is pleased to support excellent student initiatives and this year a group of senior Law students established the Equal Justice Project which, in partnership with community groups, aims to operate multi-dimensional long-term initiatives (involving legal clinics, legal research and legal education) to promote access to justice for particular communities.

The Faculty was involved in several key events this year. In July the Faculty hosted the 24th annual Australia and New Zealand Law and History conference. Keynote speakers were Justice Paul Finn of the Australian Federal Court and Chief Judge Joe Williams, Chairperson of the Waitangi Tribunal. In August the Legal Research Foundation, an independent body affiliated to the Faculty, held a successful conference entitled 'Law, social policy, and the role of the courts'. In September the Faculty's Research Centre for Business Law hosted a one-day Symposium on 'Commercial good faith'. Speakers included Justice Paul Finn and Professor Michael Bridge of University College London, as well as distinguished national judges and academics, including the Faculty's own Neil Campbell, Dr Elsabe Schoeman, Associate Professor Bill Hodge and the Rt Hon E W Thomas.

This year has also seen a number of notable staff successes. Dr Peter Devonshire, widely recognised as an outstanding teacher at the Law School,

won one of three Sustained Excellence in Teaching Awards offered as part of the University's Teaching Excellence Awards. Dr Peter Sankoff completed his LLM at Osgoode Hall and Emeritus Professor Jock Brookfield was appointed a Companion of the New Zealand Order of Merit.

Many of the Faculty's recent graduates have been awarded prestigious scholarships and have been accepted into reputable international institutions to pursue their study. Justin Graham was awarded a Spencer Mason Travelling scholarship, an Elliott Davis Memorial Scholarship from King's College and a Chevening Bursary. He will be attending St John's College at the University of Cambridge. Rohan Havelock, who won a FWW Rhodes Memorial Scholarship (Auckland Grammar School), a Spencer Mason Trust Travelling Scholarship and a Rotary Ambassadorial Scholarship, will be pursuing an LLM at the University of Cambridge, specialising in corporate and commercial law. And Nina Khouri who was awarded a lucrative Vanderbilt Scholarship at New York University, will study for an LLM specialising in dispute resolution theory and practice. She also won a Fulbright Scholarship, which in her case includes the Fulbright Alumni Award for the most promising Fulbright in this round.

This year the presiding judge in each of the courts of general jurisdiction in New Zealand is an Auckland alumnus or alumna. In addition, a number of alumni have achieved judicial appointment: David Abbott, as an Associate Judge of the High Court, Justices Patricia Courtney, Simon France and Raynor Asher QC as Judges of the High Court, and the Faculty's Distinguished Visiting Fellow, the Rt Hon E W Thomas, appointed as Acting Judge of the Supreme Court of New Zealand. Recent appointments to the District Court include Judges Susan Thomas and Lisa Tremewan.

Within the Faculty's professoriate, there were inaugural lectures from Professor Rick Bigwood and Professor Michael Taggart – the latter being an acknowledgement of Professor Taggart's appointment as the Sir Alexander Turner Professor of Law, the first named chair in the Law School. This year also the Faculty farewelled its Dean of recent years, Professor Julie Maxton, who departs to become Registrar of Oxford University in 2006.

FACULTY OF MEDICAL AND HEALTH SCIENCES

Recognised for its strengths in research, acknowledged for its training of doctors, nurses, pharmacists, biomedical scientists and other healthcare workers, and committed to addressing the needs of the New Zealand healthcare workforce, the Faculty of Medical and Health Sciences had another successful year:

A new Dean, Professor Iain Martin, formerly the Head of the School of Medicine, was appointed. Professor Martin replaces Professor Peter J Smith, who departed mid-year to become head of the Faculty of Medicine at the University of New South Wales. The Faculty successfully hosted the University's Winter Lectures this year entitled 'Medical imaging: A new view of you from the cell to the mind'. The Faculty and the Medical and Health Sciences Alumni Chapter hosted a successful Alumni Reunion Weekend in May. The Faculty was pleased with the University's ranking of 33rd for biomedicine in the *Times Higher Education Supplement* biomedical university rankings.

The Faculty maintained a strong research performance, with external research revenue of over \$49 million received. In particular the Faculty performed extremely well in this year's HRC funding round. There were 24 successful projects which included four programmes, with a total value of \$19.7 million. This represents an increase in funding from the past year of 63 per cent, against a background increase in HRC funding of about 50 per cent. Associate Professor Paul Donaldson, Associate Professor Martin Wild, Dr

In 2005 the Government announced it would contribute \$7 million in matching funding for the creation of an Institute for Health Innovations at the Tamaki Campus. The project involves key health IT private sector partners in the development of a Centre that will yield health innovations for the benefit of all New Zealanders.

Johanna Montgomery, Dr Fabiana Kubke and Dr Michelle Glass were all awarded Marsden grants.

New facilities in the Faculty include an Advanced Clinical Skills Centre which is a collaboration between the Faculty, the Rawhiti Trust and MercyAscot Hospital. The Centre provides a world-class environment for surgical and anaesthesiology skills research, simulation and training. The Prime Minister opened the Auckland Medical Research Foundation Medical Sciences Learning Centre. The innovative centre combines teaching and learning in anatomy, pathology and radiology with clinical skills training and was completed with the support of the Auckland Medical Research Foundation.

In April, the new Centre for Advanced MRI (Magnetic Resonance Imaging) was officially opened. MRI is a technique used to produce high quality images of the inside of the human body. It is a method of choice for the diagnosis of many injuries and conditions including all disorders of the brain, spine and joints. More recently imaging of the heart, blood vessels and abdomen has become commonplace. The Centre will be a base for researchers from across the University for large-scale international clinical trials. In addition to research, the Centre will also be used in the training of medical and postgraduate students.

Professor Peter Smith and the Freemasons each contributed \$250,000 to establish the PJ Smith New Zealand Freemasons Travelling Fellowship Fund for trans-Tasman research collaboration. The first recipient of the fellowship is Dr Marie Ward of the Department of Physiology.

Among the many excellent staff achievements this year, Professor Lynn Fergusson was elected as the sole university representative on the New Zealand Food and Beverage taskforce, and the university representative on the Ministry of Research, Science and Technology delegation to Europe in July. Dr Sujata Shinde won a Young Scientist Award to attend the 24th Miller Conference of Radiation Chemistry in France, where she presented her work at a special session. And Professor Bill Denny was awarded the UK Royal Society of Chemistry's Adrien Albert Memorial Medal for 2005/6, which entailed a two-week lecture tour of the UK and Ireland.

In other outstanding staff achievements, Professor Gregor Coster's exemplary and exceptional service to general practice

was confirmed with the receipt of a Distinguished Fellowship awarded by the Royal New Zealand College of General Practitioners at its annual conference. Dr Grant Searchfield and Dr Andrea Kelly were appointed as International Editorial Associates for the *Journal of the American Academy of Audiology*.

In the School of Medical Sciences, the Centre for Molecular Biodiscovery, to which the Auckland Cancer Society Research Centre belongs, had its funding approved through to 2009. Professor Peter Shepherd and Dr Kathy Mountjoy made successful submissions to the Foundation for Research, Science and Technology (FRST) for grants intended to raise the profile of New Zealand's research capability, forge international collaborations and attract top research talent.

The School of Population Health maintained a strong presence in international health activities. Associate Professor John Raeburn was engaged by the World Health Organisation to contribute to a writing group that led the development of the Bangkok Charter in Health Promotion, a new blueprint for health promotion activities worldwide. Professor Alistair Woodward is a lead author on the fourth assessment report for the Intergovernmental Panel on Climate Change. The first New Zealand conference on public health law was held at the School of Population Health in April, sponsored by the Regional Public Health Service.

In the School of Medicine, Professor Colin Green became the first recipient of the W & B Hadden Chair of Ophthalmology and Translational Vision Research. The new Chair was made possible through the philanthropic generosity of Drs Wendy and Bruce Hadden, combined with bequests from the Sidney James Taylor and Helen Cadman estates. In addition, a \$140,000 donation from the Rotary Club of Downtown Auckland will enable the establishment of a Child and Adolescent Mental Health Research Fund, which will enable overseas academics with expertise in this area to visit the Faculty.

Among the many outstanding achievements by students this year Ursula Byrne, a PhD student in Anatomy and Pharmacology, took first place in the NZ BIO competition for her poster on Myeloperoxidase expression in Alzheimer's disease. Dr Maurice Curtis's thesis on Huntington's disease was awarded the



MĀORI HEALTH WEEK AT MEDICAL AND HEALTH SCIENCES

This year the Māori Health Week Planning Team won a University Teaching Excellence award for collaboration in teaching. The team – Heather Baker, Associate Professor Margaret Horsburgh, Professor Colin Mantell, Associate Professor Philippa Poole, Professor John Shaw and Julie Wade – were honoured for their innovative programme. The Māori Health Week incorporates various health disciplines to address a key community issue using interactive learning methods.

Māori Health Week has been offered since 2002, and all second-year Medicine, Nursing and Pharmacy students participate, working in small groups, with each group assigned a facilitator and with access to a cultural advisor.

The week opens with a Pōwhiri on the University's Waipapa Marae, followed by seminars with prominent speakers on tikanga (customs), Te Tiriti o Waitangi and Māori health. Students also have the opportunity to learn Te Reo (the language) throughout the week, and, through cooperative group work, develop a plan of how a particular Māori health issue should be addressed. At the end of the week, each group presents their concept, as if at a scientific meeting, to students, facilitators, cultural advisors and others.

Through Māori Health Week, Medical and Health Sciences students have the opportunity to gain solid insights into the social, cultural and economic factors that influence Māori health.

University prize for the best doctoral thesis presented in the Faculty. Johanna Paddison, a PhD student in the School of Medical Sciences, was awarded a Fulbright Fellowship to study in Boston for a year at the Harvard Medical School. She will work on assessing whether the fatigue patients experience during chemotherapy is related to changes in aspects of immune activity.

Three of the Faculty's schools achieved accreditation in 2005. The Nursing Council of New Zealand officially approved the Master of Nursing for a five-year period, including the content for preparation for nurse prescribing and three other postgraduate programmes. The School of Pharmacy was granted provisional accreditation of the BPharm programme by the New Zealand and Australian Pharmacy Schools Accreditation Committee. Full accreditation will be granted when graduates have been in the workforce for at least two years. The MBChB programme officially received the maximum ten-year period of accreditation from the Australian Medical Council following the accreditation exercise earlier in the year. It received a full and unconditional six-year accreditation and a further four years will be confirmed in the fifth year of accreditation, subject to the submission of satisfactory annual reports.

Dr Colin Quilter from the Department of Anatomy with Radiology was recognised for Sustained Excellence in Teaching and the Māori Health Week Planning Team for Collaboration in Teaching in the University's Teaching Excellence awards. Dr Quilter also received a National Award for Sustained Excellence in Tertiary Teaching.

FACULTY OF SCIENCE

The 2005 year included many notable achievements in the Faculty of Science, but one in particular stands out. The 1996 research paper by Dr Ross Ihaka and Dr Robert Gentleman 'R: A Language for Data Analysis and Graphics' in the *Journal of Computational and Graphical Statistics* was recognised this year as the most cited paper in the last ten years in statistics. The R statistical system has not only become widely used internationally for its comprehensive built-in capabilities

for data analysis, but it is also now the platform of choice whenever researchers are programming innovative statistical solutions. The R system was initially developed by Ross Ihaka and Robert Gentleman in 1992. Since 1997 it has become a burgeoning international collaboration involving most of the world's foremost specialists in statistical computing.

In other Faculty research achievements, Dr Marti Anderson and Dr Rich Ford, also from the Department of Statistics, gained \$500,000 in new Auckland Regional Council research contracts for ecosystems projects and another substantial grant from the Vice-Chancellor's University Development Fund. In the School of Biological Sciences, Professor Paul Rainey and Dr Xue-Xian Zhang won a significant Marsden grant. Dr David Bryant (Mathematics) and Dr Alexei Drummond (Computer Science) received a joint Marsden grant in the area of bioinformatics. Professor Phil Yock (Physics) and the Microlensing Observations in Astrophysics group were also awarded a grant for the search for planets. Marsden grants were also awarded to Professor Margaret Brimble and Associate Professor Peter Boyd (Chemistry), Professor David Gauld (Mathematics), Dr Gavin Hunt and Associate Professor Russell Gray (Psychology), and Dr Paul Augustinus and Dr Philip Shane (Geology). The Department of Sport and Exercise Science had an excellent year for grants. Highlights were an HRC grant awarded to Dr Ben Miller, Dr Sharon Walt (with Associate Professor Sue Stott, Department of Surgery) and Dr Harry Prapavessis.

Neil Edmonds and Associate Professor Allan Easteal of Chemistry, with Professor Debes Bhattacharyya (Mechanical Engineering), secured a major Partnership for Excellence grant for the establishment of a Centre for Plastics Innovation and Technology. In addition, more research space for Chemistry was allocated at Tamaki, allowing staff in the Polymers and Coatings Science discipline to move closer to their engineering colleagues. Also in Chemistry, a 600 MHz nuclear magnetic resonance (NMR) spectrometer was successfully installed as part of the now complete NMR Research Centre.

In Computer Science through a joint venture with UniServices, John Corey has been appointed as foundation Director of

This year staff of the Physics Department celebrated 'The Year of Physics' which marks the 100th anniversary of Einstein's seminal papers by hosting the NZ Institute of Physics National Conference, the Australasian Conference on Lasers and Optics, and Professor Carl Wieman, the Robb lecturer and Nobel Prize winner.

the new Centre for Software Innovation. This industry engagement centre has attracted more than \$800,000 of TEC funding to develop a research culture in the local software industry. The School of Geography and Environmental Science has continued to build its research capacity with the establishment of an Access Grid facility which will facilitate collaborative research among staff in the School and other universities, both within New Zealand and overseas. Professor John Harvey of Physics received a substantial Foundation for Research, Science and Technology grant for collaboration with research teams in Korea and Australia on applications of optical fibre strain gauges in New Zealand industry and next generation Fibre To the Premises architectures. The Department of Optometry and Vision Science received several external research grants. Among them, the photoreceptor degeneration in retinitis pigmentosa project headed by Dr Michael Kalloniatis received over \$800,000 in funding from the Health Research Council.

The Faculty marked a number of key developments and innovations this year: In Optometry, legislation, introduced in October governing the use and supply of medicines by optometrists in New Zealand significantly expanded the scope of practice for the profession. Optometrists who have obtained rigorous training and qualifications in ocular therapeutics now offered by optometry are able to prescribe treatment for specific eye diseases. These changes permit optometrists to take a leading role in the provision of primary eye care services to the New Zealand public.

In other developments across the

Faculty, the new Institute for Innovation in Biotechnology was approved and, associated with this Partnership for Excellence project, the design work for the Thomas Building extension is on track for an expected start of construction in late 2006. Also in Biological Sciences, a top-of-the-line mass spectrometer capable of analysing complex mixtures at highest resolution and a gene-chip workstation have been successfully installed in the Centre for Genomics and Proteomics and are attracting significant contract work nationwide.

In other developments at the School of Biological Sciences the Postgraduate Diploma and Master of Bioscience Enterprise received formal approval. The Bioscience Enterprise programme, which will be accompanied by other initiatives to bring academic and business communities closer together, is supported by TEC with a Growth Innovation Pilot Initiative grant of \$875,000 over three years. In the Department of Psychology the Speech Language Therapy programme received its accreditation, and is now a thriving part of Psychology's activities on the Tamaki Campus. The Psychology Department also received its departmental review report in May and significant progress has been made in implementing the report recommendations.

The International Association for Survey Sampling held a conference in Auckland in honour of Emeritus Professor Alastair Scott which drew many of the most eminent international figures in these fields. The Department of Statistics also led an educational enrichment and outreach initiative called CensusAtSchool 2005. This was partially supported by a contract from Statistics New Zealand and the Ministry of Education. The project attracted considerable media coverage with over 33,000 student participants at Year 5-10 from over 700 schools.

The Department of Geology contributed to the successful launch of the Institute of Earth Science and Engineering with the associated Vice-Chancellor's Lecture Series entitled 'Movement in the Earth's crust: From earthquakes to volcanoes and tsunamis'. In the Department of Sport and Exercise Science, Dr Ben Miller entered a team in the Tour of Southland. This enabled him to conduct a unique field trial under actual competition conditions, which gained notable media coverage.

Among teaching development highlights

was the completion of a substantial and comprehensive revision of all undergraduate courses in the Department of Mathematics, including preparing for the full introduction of MatLab technology for all students next year. In the School of Geography and Environmental Science the year was largely one of consolidation in the teaching programme after changes in recent years, but a full review of the undergraduate curriculum was initiated for completion in 2006.

A master plan to redevelop the Leigh Marine Laboratory has been prepared and several very significant donations have been received in advance of the fund-raising launch in early 2006. Postgraduate demand is strong, and the Faculty's current cohort is progressing well with a number of prizes awarded for conference presentations at both national and international meetings.

In student achievement at Biological Sciences, considerable global media attention, and publication in the world-leading science magazine *Nature*, were gained with the report by PhD student, James Russell, and associates on a conservation biology experiment in which a single rat tagged with a GPS tracking device swam over 400 metres across open water to a neighbouring island. Sasha Rubin (Computer Science) was awarded a University Best Doctoral Thesis Award and a New Zealand Postdoctoral Fellowship.

In staff honours this year Professor Dick Bellamy, Dean of Science, was made a Companion of the New Zealand Order of Merit in the New Year Honours, Professor Garth Cooper of the School of Biological Sciences received the Distinguished Biotechnologist of the Year Award, Professor Di McCarthy was appointed as Pro Vice-Chancellor (Equal Opportunities) and Associate Professor Russell Gray (Psychology) was awarded a Hood Fellowship. Professor Bakhadyr Khossainov (Computer Science) was elected as a Fellow of the Royal Society of New Zealand for his work on computational logic. The Department of Mathematics celebrated both Professor James Sneyd's election as a Fellow of the Royal Society of New Zealand and his achievement in winning the NZ Mathematical Society Research Award for 2005. This year also, the Computer Science Computer Services team was awarded a General Staff Excellence award for its innovative development of software

systems that have been deployed across the University.

SCHOOL OF THEOLOGY

The completion of a Teaching and Learning Plan early in the year enabled the School to give particular attention to consolidating and co-ordinating many of its teaching and learning processes. Particular attention was given to preparing courses in the new School curriculum to be introduced in 2006. A number of courses cross the theological disciplines and policies were developed in relation to collaborative teaching. The School is poised, therefore, to enter a new stage of its ongoing development within the University.

Special Supplementary Grant funding enabled the Tuākana programme to be further developed within the School, giving individual assistance to 27 students and enhancing their success in undergraduate courses.

The School inaugurated an annual lecture supported in collaboration with St David's Presbyterian Church in Khyber Pass. This collaboration is aimed at developing public theology, an aspect of the research focus of the School. The initiative contributed to the furthering of the School's Research Unit for the Study of Christianity in New Zealand and Oceania. Two key areas of research development have emerged within the unit and projects for 2006 have been identified and co-ordinators established to progress research. The School benefits from the collaboration in its research interests with St David's Church and hopes to develop and strengthen such initiatives.

Dr Alice Sinnott received a Teaching Improvement Grant to develop teaching resources for a stage three integrative course, Religious Themes in the Arts. Doctoral student Christine Sorensen obtained a Graduate Research grant to gather data for her research on transformative learning in a theological college in Pakistan.

Research in the School was supported by budgeting for a small School Research Grant Fund and the development of research plans by all staff was incorporated into annual practice. The research aspect of the School of Theology is becoming more firmly established.

Distinguished visitors to the School included Dr Rachael Kohn from ABC Radio (Australia); Dr Brett Webb-Mitchell, former lecturer at Duke Divinity School in the United States; Dr Joel Green, New Testament scholar from Ashbury Seminary, US; Professor Philip Rousseau, Professor of Early Christian Studies and Director of the Centre for the Study of Early Christianity at the Catholic University of America, Washington DC; and Professor Peter Matheson, Fellow of the Theology and Religious Studies Department at the University of Otago who presented the inaugural School of Theology Public Lecture.

TAMAKI CAMPUS

Tamaki Campus continues to pursue the development of interdisciplinary research clusters with strong external linkages. Manifest as centres and institutes, these clusters raise the international profile of the University through their collaboration or co-location with industry and other research organisations.

Research projects attracted almost \$60 million in multi-year funding from FRST, HRC and Partnerships for Excellence. Considerable effort was given to strengthening the Health Innovation and Composite and Polymers Clusters. Partnerships for Excellence funding of \$12 million (matching private sector contributions) was provisionally awarded for the establishment of a Health Innovation Institute and a Centre for Plastics Innovation and Technology. These bids were structured around the integrated research model and their success is a form of recognition by Government and the private sector of the relevance of the Tamaki model to the national interest.

The trend towards a higher postgraduate profile at Tamaki also continues as the Campus reached 36 per cent postgraduate EFTS this year. Over the coming years the postgraduate profile is expected to increase further as a result of many new programmes at Tamaki. Clinical Psychology was relocated to the Campus late in 2005 and this is expected to strengthen the Education in the Community Cluster. The Environment Cluster now has the addition of a Centre for Biosecurity and Biodiversity which opened in August. The Polymers and Coatings Research Group was also

relocated to the Campus late in the year and this group, together with the Centre for Advanced Composite Materials, will be the cornerstone of the anticipated Centre for Plastics Innovation and Technology.

The Tamaki Campus Master Plan is predicated on the achievement of a student population of 6,000 EFTS over the next seven years and on high levels of engagement with external communities. In the research sphere these include onsite partners, national and international industry groups, and public agencies. The Campus should also relate to the diverse local communities of Glen Innes, Mt Wellington, Panmure, St Johns, Remuera and St Heliers.

The Auckland City Council continues to progress its plans to develop the area including and surrounding the Campus into the Auckland Innovation Park. In August the academic plan for the Campus was formally supported by a revision to the Council's District Plan. Auckland City Council is now developing a structure plan for the area surrounding the Campus which will determine the location and status of local roads, new zoning rules to encourage high-technology businesses and public transport links. The Campus is closely involved in these developments.

UNIVERSITY OF AUCKLAND AT MANUKAU PROGRAMME

The University of Auckland at Manukau Programme is overseen by a Joint Board between the two institutions.

In 2005, three University degree programmes were offered on the Manukau Institute of Technology (MIT) Campus: the Bachelor of Education (Teaching), the Bachelor of Visual Arts, and the Bachelor of Business and Information Management. Teaching of the BBIM ceased at mid-year because the number of enrolled students was too low for the programme to be viable. Arrangements were made for current students to transfer to the Tamaki Campus.

Nearly 180 equivalent full-time students were enrolled in the BEd(Tchg). Retention rates are high for this group of students, which includes a significant proportion of Pacific and Māori students. The first cohort of students to enrol in the revised 2003 degree have completed

their studies and the examining team commented on the high quality and sound evidence base of the oral presentations which were part of the final assessment. Good relations and co-operation have been developed between the teacher education programmes at Manukau and the Epsom Campus of the Faculty of Education.

The Bachelor of Visual Arts has a number of strands that are complementary to the Bachelor of Fine Arts offered at the City Campus. Students are able to enter the degree through a foundation programme and to complete majors in Painting, Printmedia, Photography, Moving Image, Sculpture, Design and Jewellery.

Towards the end of the year, MIT, Auckland University of Technology and the Manukau City Council announced that they would collaborate in developing a new tertiary education campus in the central business district. The University has a partnership agreement with AUT, as well as with MIT, and supports this development. It will continue to deliver academic programmes in conjunction with MIT at the Otara Campus and looks forward to working with the new collaborative arrangements.

UNISERVICES

UniServices posted another record result in 2005, generating \$68.9 million in revenue and, in addition to directly employing over 500 research and development staff, transferring over \$20.6 million in direct payments to the University.

Wholly owned by the University, UniServices is now the largest organisation commercialising university research in Australasia, and during the year companies it has most recently formed continued to post positive results. Among these, Proacta Therapeutics won significant further funding for its anti-cancer drug pipeline, and Neuren Pharmaceuticals and BrainZ Instruments both listed successfully on the Australian Stock Exchange.

The UniServices senior executive team also continued to take on a more global complexion as expatriate New Zealanders with senior international executive experience returned to New Zealand to enter its ranks. Most notably, former Senior Technology Officer in several

Fortune 100 companies in the United States, Dr Peter Lee, became CEO in January.

Charged with developing the University's intellectual property and increasing its research base and resources, UniServices works through three broad, and often synergistic, areas of activity: Consulting and Contract Research, Technology Development and Contract Education.

The Consulting and Contract Research team continues to manage the activities that provide the great bulk of income. Highlights in 2005 include the continued high growth rate at the Light Metals Research Centre, with research and academic training projects in twelve countries and ten PhD candidates engaged in fundamental or applied research programmes. The team also finalised a new programme, Enterprise Training for the Emerging NZ Biopharmaceutical Industry, with the Tertiary Education Commission. It is co-funded (drawing on commercial funds and Government grants) by UniServices and the Research Office. This year UniServices was awarded an extension of the Ministry of Education's contract for the First Time Principals Programme for another two years with the Ministry of Education expressing high satisfaction.

The team also completed negotiations for a contract with the West Coast Development Trust for an innovative research and development programme to raise literacy achievements in schools, concluded a contract with the Ministry of Health for the Werry Centre to provide services employing 20 general staff and twelve University and other clinicians, and completed the Meningococcal B Vaccine trials programme.

The Technology Transfer team manages an area of very strong potential future growth. It promotes and protects new inventions, runs a \$1.5 million fund to develop bright ideas arising from research through to the point where they are ready for investment, and develops new infrastructure by sponsoring new centres of research at the University.

Highlights in technology transfer include numerous successful proof of concept experiments and market surveys for new technologies including the development of superantigens as vaccine adjuvants, new cancer drugs, an ohmic cooker, a potential anti-obesity compound and MRI analysis of



Interns and CEO Dr Peter Lee in the 'P&G project room' at UniServices where the group of three interns are among the first teams in the world to participate in a pilot project with the world's largest consumer and healthcare company, Procter & Gamble, identifying joint commercial research opportunities drawing on existing projects underway at The University of Auckland.

cardiac blood flow. This year the technology team entered a licensing agreement with Synergens Biosciences Ltd to develop gene diagnostic technology for chronic obstructive pulmonary disease developed by Dr Rob Young from the Department of Medicine.

The team also entered into a three-year research contract with the Global Alliance for TB Drug Development to produce potential anti-tubercular compounds, and established collaborative epigenetics research between the University, AgResearch and Southampton University. In addition, the team reported ongoing licence payments and encouraging trials results from the anti-cancer drug DMXAA, developed at The University's Auckland Cancer Society Research Centre for activity on lung, ovarian and prostate cancers.

Business operations that UniServices run include the English Language Academy, which has continued to manage its business in the face of a downturn in the number of overseas students coming to New Zealand. A more recent business unit, the Centre for Advanced Magnetic Resonance Imaging, exceeded its business plan in posting a positive financial contribution in its first year.

UniServices helps incubate new

businesses based on new technologies developed at the University. Proacta Therapeutics emerged from incubation late in 2004 and e-Learnings Asia Pacific Ltd, an e-learning solution business, is scheduled to advance also in the near future.

The Contract Education team continued its work with academic leaders across faculties to develop and deliver University programmes for contracted groups of students designed to support international and local client needs. Degree programmes are currently being delivered to successive student groups from the Kingdom of Saudi Arabia and Malaysia.

The year also saw a steady flow of new opportunities arising from the remotely transmitted inductive power technology (IPT) developed by Professor John Boys of the Department of Electrical and Computer Engineering. Commercialised by UniServices, IPT is now used by major industries around the world and has so far returned over \$7 million in licensing fees to the University. In 2005 this technology – already used in electronics manufacturing, road lighting, car assembly and people moving – was licensed for powering onboard entertainment for children in shopping carts at supermarkets, targeting the United States

market. Another University spin-out company, Telemetry Research Ltd, is developing IPT for use in its leading technology for wireless monitoring of biological functions.

The \$20.6 million total contribution by UniServices to the University includes payments for principal investigators, University salaries reimbursed, contribution to research activities, contribution to University infrastructure, equipment donation and investment in intellectual property. In 2005, UniServices contributed 10.6 per cent of the University's total income, and accounted for approximately half of all externally funded research revenues that came to the University. UniServices also provided \$25,000 sponsorship to the Spark and Chiasma awards.

Payments were in addition to paying the salaries of over 500 research and development staff that have been progressively added over several years by UniServices to the University's research base.

DEVELOPING TEACHING AND LEARNING

CENTRE FOR PROFESSIONAL DEVELOPMENT

The Centre for Professional Development supports a range of initiatives to assist and develop teaching and learning at the University. Through workshops, seminars, reading and writing groups, discipline-based collaborations, resource development and educational research, the programme promotes reflective practice and innovation in teaching, learning, research and supervision.

INTRODUCTION TO LEARNING AND TEACHING AT THE UNIVERSITY

For several years, the Centre has offered an 'Introduction to Learning and Teaching' short course to new academic staff. The course covers the principles of academic learning, assessment of student learning, flexible learning, course design, self-evaluation and best practice for teaching in both large and small class environments.

POSTGRADUATE CERTIFICATE IN ACADEMIC PRACTICE

In 2005 the Centre designed and gained approval to introduce a Postgraduate Certificate in Academic Practice, a CUAP-accredited programme for academic and related staff. This certificate will promote a scholarly approach to teaching and learning, aiming to strengthen capacities and revitalise commitment to teaching roles.

The Postgraduate Certificate will replace an in-house Certificate of University Learning and Teaching introduced in 2003. Thirty-five staff participated in this programme in 2005.

The introduction of an accredited Postgraduate Certificate reflects the global trend towards initial training and development for new lecturers as part of early career development support. In a research-driven environment, the Certificate in Academic Practice will help to strengthen the teaching-research nexus and to ensure that high-quality teaching

remains an integral part of the academic mission of the University. Within the Certificate, academic staff will have the opportunity to engage in reflection and improvement and also to interact with colleagues on teaching issues.

The credit-bearing Certificate will provide a structured research-based educational environment in which academic staff can explore theories of tertiary teaching and academic citizenship and begin to apply these theories to their own teaching.

TEACHING PORTFOLIOS

Teaching Portfolios are a fairly new initiative at the University. All academic staff are now encouraged to compile and update a reflective record of their teaching and its impact on student learning. An effective Teaching Portfolio acts as a formative process of self-evaluation and professional self-development, and provides evidence to be used in applications for awards, continuation and promotion. The Centre conducts regular well-attended courses on portfolio development and maintenance and advises staff one-to-one on how to develop an effective portfolio.

TEACHING AND LEARNING SHOWCASE

At the end of each academic year, the Centre sponsors a day-long Teaching and

Learning Showcase for all staff. The Showcase celebrates the achievement of some of the University's outstanding teachers and encourages staff to share in a range of perspectives on effective teaching.

The Showcase keynote speakers are the University award winners of National Tertiary Teaching Excellence Awards. This year, 2004 winner of the Prime Minister's Award Gary Bold spoke on 'What makes an exceptional teacher?' with some guidelines on giving good lectures, and 2005 winner Colin Quilter delivered a paper on 'Small improvements in large classes' in which he explained useful techniques for delivering effective lectures in a large class environment. Other themes for the 2005 conference included e-learning, supervision, language intervention and presentations on innovative pedagogy at the University.

The 2005 conference was attended by over 100 delegates from across all faculties. Staff value the Showcase as an opportunity for exchanges on best practice and teaching innovation, and reflection on their own teaching practices. The Showcase provides an excellent opportunity for staff to meet other enthusiastic teachers with similar teaching ideas as well as those with very different practices from other faculties. Staff also welcome the opportunity to keep up to date with current teaching developments and to hear some invaluable teaching tips.



STUDENT LEARNING CENTRE

The Student Learning Centre, located in the Kate Edger Information Commons, focuses on the development of effective academic learning and performance skills and provides individual assistance to students encountering difficulties in their studies.

The SLC's services to both undergraduate and postgraduate students include programmes, workshops, drop-in hours, one-on-one consultations and online resources. It offers dedicated tutoring services, courses and study days for Māori and Pacific students, and students who have disabilities that might impact on their learning styles and strategies.

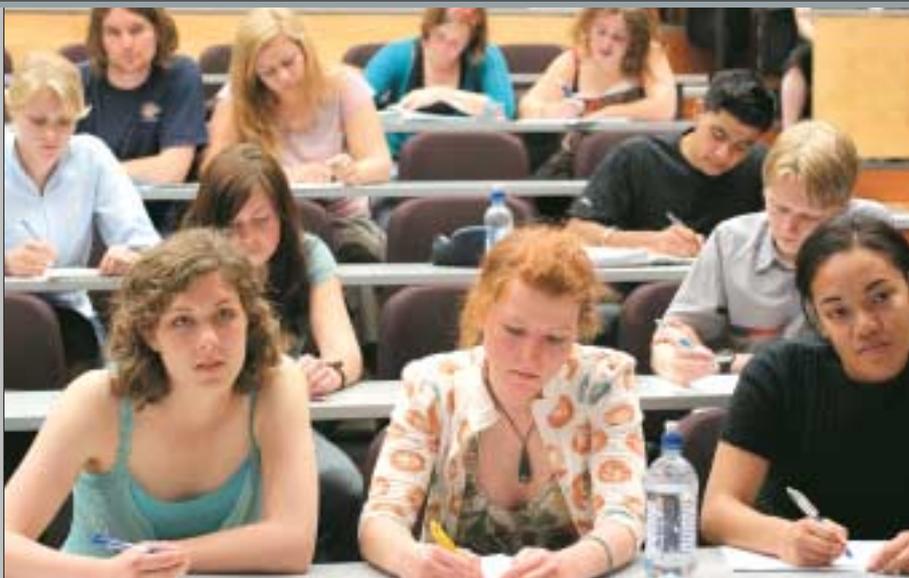
Instruction and support are offered to students in a wide range of areas by academically qualified and experienced tutors. Workshops cover reading and note-taking, memory and concentration, oral presentation skills, introductory computing, motivation and goal setting, reference systems, and research and data analysis, among other topics.

There are a number of specific programmes within the Learning Centre including Te Puni Wānanga (for Māori student support), Fale Pasifika (for Pacific student support), Business Communication Skills, Language Exchange, Mathematics and Statistics, Postgraduate Skills Development, Doctoral Skills Development, REAL (Results for English as an Additional Language students), Computer Skills Development and Summer School support. In co-operation with Disabilities Services, the SLC provides assessment and support to students who have specific learning disabilities, typically in reading, spelling, writing and mathematics.

The SLC also maintains an online cache of instructional resources for students. The material includes advice on note-taking, time and self management, critical thinking and examination preparation.

The Learning Centre is open throughout the year, providing support to students during semesters, Summer School, inter-semester and study break periods.

The SLC's aim is to cater for the academic learning and performance needs of all students at the University. It has witnessed strong growth in its target areas in recent years. Over 20% of students use the SLC annually. The proportion of postgraduate student users has increased to 30%. And many more students use the website, handouts, course books and published resources.



THE UNIVERSITY OF AUCKLAND TEACHING EXCELLENCE AWARDS

The University introduced teaching awards in the 1980s and since 2002 the Teaching Excellence Awards have recognised achievement in four categories:

- Sustained Excellence in Teaching (three awards each year)
- Excellence in Research Supervision
- Innovation in Teaching
- Collaboration in Teaching

The University awards are designed to promote a culture of high quality teaching, learning and pedagogical research, and to stimulate the sharing of ideas on innovation and excellence in teaching and learning. Selection is based on teaching portfolios and recipients are encouraged to share their teaching philosophies and practices throughout the University. During the Autumn Graduation Ceremony, recipients are presented with the award and a citation is read by the Dean or a student from the Faculty.

SUSTAINED EXCELLENCE IN TEACHING 2005

- Associate Professor Neil Broom, BE *Melb.*, PhD, Department of Chemical and Materials Engineering
- Dr Peter Devonshire, LLB(Hons) *Birm.*, LLM *Alta.*, PhD, Senior Lecturer, Faculty of Law
- Dr Colin Quilter, PhD *Otago*, Senior Tutor, Department of Anatomy with Radiology

EXCELLENCE IN INNOVATION 2005

- Anne Sinclair, MEdAdmin *Massey*, AdvDipEd, Senior Lecturer, Faculty of Education

EXCELLENCE IN COLLABORATION 2005

- Māori Health Week Planning Team, Faculty of Medical and Health Sciences

University nominees for the national Tertiary Teaching Excellence Awards are usually selected from recipients of these awards. In 2005 Dr Colin Quilter was one of ten tertiary educators from throughout the country to receive a national award. Dr Quilter has been teaching at the University for 23 years. Currently he has major responsibility for course delivery to first-year students in human biology and bioscience. His passion for biomedicine and enthusiasm for teaching have made him an inspirational teacher.

STATEMENT OF SERVICE PERFORMANCE

PEOPLE

OBJECTIVE 1

> **Recruit nationally and internationally staff who are excellent teachers and leading scholars and researchers in their fields and provide them with the opportunities to achieve this potential.**

- A comprehensive review of recruitment processes was undertaken across the University. To facilitate greater transparency and efficiency, the online recruitment management system has been upgraded, and training will be provided for all staff involved in recruitment in early 2006.
- New Professors in 2005 are: Veronica Strang (Anthropology), Kenneth Husted (Business and Information Management), Snejina Michailova (International Business), Kenneth Simmonds (Graduate School of Business), Helen

Timperley (Education), Gordon Mallinson (Mechanical Engineering), David Williams (Law), Bruce Arroll (General Practice and Primary Health Care), Jillian Cornish (Medicine), Ross Lawrenson (Waikato Medical General Practice), Peter Lobie (Liggins Institute), Peter Thorne (Audiology), Gary Brierley (Geography and Environment), John Duckitt (Psychology), Laurence Melton (Chemistry), Jim Metson (Chemistry), Michael Walker (Biological Sciences) and Jim Warren (Epidemiology and Biostatistics).

- The following senior management were appointed from within the University:
 - Professor Iain Martin, Dean of Medical and Health Sciences
 - Professor Paul Rishworth, Dean of Law
 - Professor Dianne McCarthy, Pro Vice-Chancellor (Equal Opportunities)

PERFORMANCE INDICATORS	2003 Actual	2004 Actual	2005 Target	2005 Actual
PBRF eligible staff who achieve an A Quality Category in the research quality evaluation report	10.8%	–	–	–
Achieve an internationally benchmarked student to academic staff ratio	16.7 to 1	17.9 to 1	16.5 to 1	16 to 1

OBJECTIVE 2

> **Develop academic and general staff with strong managerial, leadership and technical abilities and support them to perform at the highest level.**

- Twelve staff participated in the inaugural General Staff Leadership Programme which was run as a pilot.
- Fifty-eight academic heads attended the Vice-Chancellor's Academic Heads Retreat in November.
- Significant progress was made with the continued integration of the former Auckland College of Education through a series of assessments of parts of the new Faculty.

- General Staff Excellence Awards were given to:
 - Gay Brennan, Academic Administration (Excellence in Leadership)
 - Andrew Phipps, Human Resources (Excellence in Leadership)
 - Robert Burrowes and the Computing Services Team, Department of Computer Science (Excellence in Innovation)
- After an ACC review of the Epsom Campus, the University maintained tertiary partnership status which recognises the excellent standard of the University's Health and Safety Management-Programme.

PERFORMANCE INDICATORS	2003 Actual	2004 Actual	2005 Target	2005 Actual
Education scholarships provided for staff to participate in executive management education programmes	8	6	8	6
Support and encourage leadership through in-house Centre for Professional Development programmes				
Academic Heads development and support programme participation	197	149	155	102
Senior Women in Leadership programme participation	144	148	150	142

OBJECTIVE 3

> **Place a high priority on the principles and practices of equity in all areas of staff policy and management.**

- The Women in Leadership Programme, Senior Women's forum and General Staff Managers' forum continued to be well attended with regular contributions from members of the senior management team.

- The University Parental Leave Policy was reviewed and several enhancements were made to provide greater flexibility for staff on parental leave. A Staff Guide to Parental Leave was produced and distributed across the University.

See also Objective 22

PERFORMANCE INDICATORS	2003 Actual	2004 Actual	2005 Target	2005 Actual
Equal employment opportunity plans reviewed and reported	✓	✓	✓	✓
% Women in academic roles (FTE)	37.5%	42%	40%	42%
% Women in senior academic roles (FTE)	18%	20%	22%	21%
% Women in senior general staff roles (FTE)	43%	42%	45%	41%
% Māori academic staff (FTE)	4.0%	4.8%	5%	5%
% Māori general staff (FTE)	4.8%	5.5%	6%	5.3%
% Pacific academic staff (FTE)	2.2%	2.4%	2.5%	2.4%
% Pacific general staff (FTE)	4.8%	5.7%	5.6%	5.1%

OBJECTIVE 4

> **Attract a diverse and academically able student body through effective admission policies and processes.**

- The University continues to attract a demographically diverse student body. In 2005, 40% of students were European, 33% Asian, 7% Māori and 8% Pacific. Five per cent were of other ethnicities and 7% did not state their ethnicity. Of these students, 38% were 20 years of age and under, 36% were in their twenties, 12% in their thirties and 14% were 40 or over.
- The number of students entering the University directly from secondary school was 4,650 - an increase from 4,463 in 2004. Of these students, 77% were admitted with the equivalent of the former Bursary entrance qualification.
- The University had reviewed its admission policies and processes in 2003-4 in readiness for the first intake of school leavers with the National Certificate of Educational Achievement. The University carefully monitored the qualifications of all students applying for admission with NCEA and other new examination systems and has since carried out detailed analyses of admission applications, examination results and completed enrolments. The University will continue to monitor the new system and to analyse its impact on the diversity of the school leaver intake and the academic achievements of students.



PERFORMANCE INDICATORS	2003 Actual	2004 Actual	2005 Target	2005 Actual
% New students with an A or B Bursary equivalent (EFTS)	43%	49%	50%	58%
% New students from schools outside the Auckland metropolitan area (EFTS)	40%	37%	40%	39%
% New Māori domestic students (EFTS)	6.4%	6.4%	6.5%	7.7%
% New Pacific students (EFTS)	6.0%	6.2%	6.4%	8.3%
% New international students (EFTS)	23%	21%	18%	18%
% New mature students (EFTS)	19%	17%	20%	21%
Entry scholarships awarded	252	466	500	465

TEACHING AND LEARNING

OBJECTIVE 5

> Provide a student-focused teaching and learning environment which encourages academic excellence, enjoyment of learning, critical reasoning and inquiry.

- All faculties developed Teaching and Learning Plans in 2005. These covered teaching and learning strategies, the learning environment, course delivery modes (including e-learning), student support, the research-teaching link, staff professional development and assessment.
- The Academic Heads Retreat considered teaching and learning goals and strategies.
- The University held eleven graduation ceremonies in May and six in September. The first graduates from the new Faculty of Education were awarded their degrees in an integrated graduation ceremony.
- The Faculty of Medical and Health Sciences created two new learning centres with support from the community. The Auckland Medical Research Foundation Medical Science

Learning Centre was opened in December. Assisted by a grant from the Auckland Medical Research Foundation, the Centre will provide for teaching and learning in Anatomy, Radiology, Pathology and Clinical Skills. The Advanced Clinical Skills Centre is a joint venture between the University and MercyAscot Hospital and was assisted by the Rawhiti Trust.

- The restructure of the Careers and Employment Service was completed and a refurbished suite of offices and meeting rooms was opened.
- The Committee on University Academic Programmes approved a Postgraduate Certificate in Academic Practice for introduction in 2006.
- The Annual Teaching Showcase was held in November and attracted more than 100 participants.
- Staff participated in the Teaching Matters Forum and contributed to consultations on the establishment of a National Centre for Tertiary Teaching Excellence.
- New monitoring and reporting processes were put in place for postgraduate completions.
- The University returned to post-enrolment setting of examination timetables so as to provide students with more flexibility in their choice of courses.

PERFORMANCE INDICATORS	2003 Actual	2004 Actual	2005 Target	2005 Actual
Develop and implement annual priorities for achieving the University Academic Plan for 2005 to 2008	–	Revised plan approved	Annual priorities achieved	Annual priorities achieved
Review degree structures and curriculum	Consultation	New regulations approved	Prepare for new regulations and curriculum	Regulations and curriculum completed for introduction January 2006
Retain a student perspective through University-wide surveys	Final year and first year undergraduate	Postgraduate services and facilities	Undergraduate	Library services and facilities, pilot 5 year graduate
Recognise academic excellence through prizes and awards	1,507	1,593	1,650	1,742
Maintain an internationally comparable % of postgraduate students	17.5%	17.3%	18%	16%

OBJECTIVE 6

> Review regularly the academic curriculum, qualifications portfolio, modes of delivery and assessment practices to ensure that the University sustains an academic programme of high quality benchmarked to international standards, taught by leading scholars, responsive to community and professional needs and efficient in its use of resources.

- In 2005, the University completed the restructuring of its qualifications in preparation for introduction in 2006. The restructured qualifications comply with the requirements of the National Register of Quality Assured Qualifications and will assist students who wish to transfer between tertiary institutions.
- As part of the restructuring, the University developed a programme in General Education which will become a part of the curriculum for all undergraduate students. All faculties will offer courses in the General Education programme which is designed to enable students to study areas of interest outside of the focus of their degree studies.
- A suite of postgraduate qualifications in Bioscience Enterprise was approved for introduction in 2006. The

Faculties of Science, Business and Economics and Law will collaborate in offering this new programme.

- The undergraduate programme in Medicine, the MBChB, was accredited by the Australian Medical Council for the maximum ten-year period.
- The Master of Nursing degree was approved by the Nursing Council of New Zealand for a five-year period.
- The School of Pharmacy's undergraduate degree, the BPharm, received provisional accreditation from the New Zealand and Australian Pharmacy Schools Accreditation Committee with full accreditation to be granted when the first graduates have been in the workforce for two years.
- The Institution of Professional Engineers New Zealand has accredited the Bachelor of Engineering degree for a five-year period.
- The Business School and its programmes were accredited by the Association to Advance Collegiate Schools of Business.
- The New Zealand Speech Therapists Association has accredited the Speech Language Therapy Programme.
- The Tertiary Foundation Certificate was approved by the Tertiary Education Commission following an assessment for relevance and excellence.

PERFORMANCE INDICATORS	2003 Actual	2004 Actual	2005 Target	2005 Actual
Departmental Reviews	2	4	4	2
A schedule of professional degree accreditation is maintained and reviewed annually by Education Committee	✓	✓	✓	✓
Accreditations are renewed as required	✓	✓	✓	✓

OBJECTIVE 7

> Place a high priority on excellence in curriculum development and teaching in the professional development, recognition and rewards systems of the University.

- University Teaching Excellence Awards were presented to Associate Professor Neil Broom, Dr Peter Devonshire, Dr Colin Quilter, Anne Sinclair, and the Māori Health Week Planning Team.
- Dr Colin Quilter was awarded a National Award for Sustained Excellence in Tertiary Teaching.

- Academic staff from 15 Departments and Schools were awarded Teaching Improvement Grants for specific projects relating to teaching and learning. These included projects for a computerised database of anatomical and pathological specimens, the production of a field guide to sandy beaches of north-eastern New Zealand, and for the development of an interactive website for delivering core information in the Speech Language Therapy programme.

PERFORMANCE INDICATORS	2003 Actual	2004 Actual	2005 Target	2005 Actual
Reward teaching excellence (number of awards)	4	6	6	6
Nationally recognised teaching excellence awards	1	2	2	1
Encourage teaching improvement through the allocation of grants	\$100,000	\$100,000	\$100,000	\$105,000
Staff participation in the University's teaching enhancement programme – The Certificate in University Learning and Teaching	24	17	25	35

OBJECTIVE 8

> Encourage and promote the development of flexible modes of teaching and learning, the use of new teaching technologies, and computer-assisted course management systems.

- Usage of Cecil has continued to grow rapidly. During August the system recorded the 15 millionth login since the launch date.
- A new web-based staff and student interface is scheduled for full release in the first semester of 2006.

- In September, the e-Learning Advisory Board approved the scoping of a new simplified web administrative interface for the Cecil survey system that, once developed, will result in the availability of a research-grade survey tool.
- The Library recorded a total of 4,204,728 web sessions for the Library Electronic Academic Resources Network – LEARN (compared with 3,506,000 sessions in 2004).
- The Faculty of Arts has trialled *iLecture*, which involves recording teaching sessions and making these available to students through the web.

PERFORMANCE INDICATORS	2003 Actual	2004 Actual	2005 Target	2005 Actual
% EFTS from courses using the University's online learning management system Cecil	–	60%	65%	67%
Common-access computer work stations made available to students	3,900	4,000	4,100	4,461



OBJECTIVE 9

> Ensure that the teaching and learning needs of under-represented groups of students are identified and met in ways that uphold the Treaty of Waitangi and equity obligations of the University.

- The Student Learning Centre has continued to operate a learning support and advice service for Māori and Pacific undergraduate and postgraduate students. The objective of these services is to ensure that all Māori and Pacific students are successful in their studies.
- 2005 saw the commencement of the 'Starpath: Project for Tertiary Participation and Success'; a five-year Partnership for Excellence project with Government which aims to identify barriers to participation and success for students, and identify success factors which effectively address these barriers.

- The University has 27 Tuākana mentoring programmes for Māori and Pacific students at both undergraduate and postgraduate levels. In these, more senior, academically able students tutor/mentor less knowledgeable students in their subject discipline. Training workshops have produced some 200 experienced and academically able tuākana across the University.
- A new database has been created to assist in monitoring the academic progress of students in the Tuākana mentoring scheme, and a major review of the Tuākana programme is currently in progress to identify success factors and areas requiring improvement for optimal outcomes.

See also Objectives 15 and 23

OBJECTIVE 10

> Provide excellent quality assured community education courses aligned to the needs of the community and within the government priorities.

- Adult and community education are provided through the Centre for Continuing Education and the Faculty of Education. Both the Centre and the Faculty are required to consult on community needs.

- In 2005 the University reviewed its quality assurance mechanisms for adult and community education courses and set in place new requirements for course approval.
- New Start, a foundation programme that prepares adults for University programmes, has become a part of the Centre for Continuing Education.

PERFORMANCE INDICATORS	2003 Actual	2004 Actual	2005 Target	2005 Actual
Participants in student component funded community education courses	5,356	7,553	5,130	7,689
Student component funded community education EFTS	160	172	148	162

RESEARCH AND CREATIVE WORK

OBJECTIVE 11

> Fully engage the skills and capabilities of the University in carrying out research that meets the research goals of the University and assists the nation to meet its strategic goals.

- Professor Richard Faull from the School of Medical Sciences became the third recipient of the prestigious Royal Society of New Zealand's Liley Medal in November. The Liley Medal, named for the late Sir William Liley, is for research that has made an outstanding contribution to health and medical science. Professor Faull recently discovered that the human brain has the potential to repair itself by generating new neurons, which has exciting implications for the development of new strategies for treating neurodegenerative diseases, such as Parkinson's, Alzheimer's, Huntington's, stroke and epilepsy, which together affect one in five New Zealanders.
- Professor John Boys (Electrical and Computer Engineering) was awarded the Pickering Medal of the Royal Society of New Zealand. The award recognises excellence and innovation in the practical application of technology and was given to Professor Boys for his groundbreaking work in inductive power transfer technology which is used by major silicon chip manufacturers worldwide.
- Dr Johanna Montgomery (Physiology) became the first Southern Hemisphere scientist to be awarded a prestigious Eppendorf and Science Prize for Neurobiology for her research in neurobiology. She was one of four award winners selected by some of the world's foremost researchers in the field of neurobiology and the editor-in-chief of the world's leading scientific journal *Science*. Her research has identified how the synapses in the brain change and form over time, and also that the information-carrying ability of the synapses is far greater than previously thought.
- Professor James Sneyd (Mathematics) received the Research Award of the New Zealand Mathematical Society, jointly with Professor Robert McLachlan of Massey University.

- Professor Margaret Brimble was awarded the New Zealand HortResearch Prize by the New Zealand Institute of Chemistry, for her groundbreaking work in Medicinal Chemistry.
- Professor Bakhadyr Khoussainov (Computer Science), Professor James Sneyd (Mathematics) and Emeritus Professor Norman Sharpe (Faculty of Medical and Health Sciences) were elected as Fellows of the Royal Society of New Zealand. Only nine new Fellows were elected nationwide in 2005.
- Professor Wei Gao (Department of Chemical and Materials Engineering) was awarded a James Cook Fellowship by the Royal Society of New Zealand. His award is for research on nanostructured porous oxide films, one of only two Fellowships awarded in 2005. The Fellowships are awarded to forward-thinking researchers who will make a significant contribution to New Zealand's knowledge base. In 2005 five of the nine holders of James Cook Fellowships were University staff members.
- Professor Peter Gluckman was made a foreign associate member of the Institute of Medicine, one of the four organisations that comprise the National Academies, USA. He was also named as 'New Zealander of the Year' by *The New Zealand Herald* in 2005.
- The University launched a new Institute of Earth Science and Engineering, following the 'Underground Auckland' conference in November and the Vice-Chancellor's Lecture Series 'Movement in the Earth's crust: From earthquakes to volcanoes and tsunamis'. The Institute draws together researchers in the earth sciences from the School of Geography and Environmental Science, the Department of Civil and Environmental Engineering, the Geology Department and the Geothermal Institute.
- The University also formed the Institute for Innovation in Biotechnology, a key step in implementing one of the Partnerships for Excellence projects approved by the Government in 2004. The Institute is attached to the School of Biological Sciences and will provide a unique environment for University-industry interaction, supported by high-quality research.

- The value of new research contracts and grants won was \$53.5 million from the Research Office and \$75.3 million from UniServices, a total of \$128.8 million (\$153.7 million in 2004 and \$165 million in 2003).
- Revenue earned by the University from externally-sponsored research projects reached \$75.2 million. Research revenue from UniServices was \$68.9 million, giving a total research revenue of \$144.1 million (\$131.4 million in 2004 and \$110.0 million in 2003).

- Researchers at the University gained 17 of a total of 79 Marsden Fund awards, and a total of \$8.6 million of funding from \$79.4 million allocated.
- Researchers at the University were also successful in gaining 28 out of 75 grants allocated by the Health Research Council in the 2005 bidding round. Grants had a value of \$28.9 million from a total of \$62 million allocated nationally.

PERFORMANCE INDICATORS	2003 Actual	2004 Actual	2005 Target	2005 Actual
Develop and implement annual priorities for achieving the University Research Plan for 2005 to 2008	–	Revised plan approved	Annual priorities achieved	Ongoing
Increase research revenues by at least 5% per annum	14%	18%	✓	9.6%
Participation in CoREs, and outcome-based investment initiatives	5	6	6	6
Establish clusters of University research institutes and of major research areas	✓	✓	✓	✓
Establish at least two new major research institutes per year	✓	✓	✓	✓
Increase the number of strategic research intensive professorial appointments made each year	✓	✓	✓	✓
Put in place systems for the support and mentoring of emerging researchers	–	System approved	✓	In progress

OBJECTIVE 12

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

- Neuren Pharmaceuticals Limited, a spin-out company from The University of Auckland, was named New Zealand Biotechnology Company of the year at the 2005 Hi-Tech Awards Ceremony. The New Zealand Hi-Tech Awards are

aimed at New Zealand's successful hi-tech companies which have married research and development with the ability to successfully market and sell products both within New Zealand and offshore.

- Professor Garth Cooper was named NZBio Distinguished Biotechnologist of the year. The award recognises Professor Cooper's significant contribution to the field of biotechnology.

PERFORMANCE INDICATORS	2003 Actual	2004 Actual	2005 Target	2005 Actual
Patent applications filed	40	28	30	28
University intellectual property exploited in at least one new initiative a year that is mutually beneficial and improves outreach to the business community	✓	✓	✓	✓

OBJECTIVE 13

> Recruit increased numbers of postgraduate research and postdoctoral fellows and provide them with research supervision, infrastructure and support of the highest possible quality.

- The University of Auckland was awarded two of the 13 FRST postdoctoral research fellowships granted nationwide.
- Research students at The University of Auckland were awarded 29 of 84 Top Achiever Doctoral Scholarships announced in 2005. The Top Achiever Scholarships are awarded by the Tertiary Education Commission, and are the most prestigious doctoral scholarships in New Zealand.

They are designed to support research at PhD level in all disciplines, and increase the supply of highly trained researchers and highly skilled graduates by supporting the top ten per cent of doctoral candidates.

- Twelve of the 41 New Zealand International Doctoral Research Scholarships awarded nationally were given to international students wishing to study at The University of Auckland. The New Zealand International Doctoral Research Scholarships provide financial support for postgraduate students from designated countries seeking postgraduate degrees by research in New Zealand universities.

PERFORMANCE INDICATORS	2003 Actual	2004 Actual	2005 Target	2005 Actual
Research students as a % of postgraduate students (EFTS)	35%	39%	38%	39%
Doctoral theses completed (number)	127	171	125	239

TREATY OF WAITANGI

OBJECTIVE 14

> **Maintain the principles of partnership in University management and governance structures, and institutional life.**

- The Rūnanga was reorganised to give it a more direct role in providing advice to the University Council on matters of relevance to Māori.
- Preliminary discussions were held with Māori leaders on how best to restructure the governance, management and

- activities of the James Henare Māori Research Centre.
- Tumuaki were appointed to the Faculty of Medical and Health Sciences (Dr Paparangi Reid) and the Faculty of Education (Mr Tony Trinick).
- The Centre for Professional Development held a hui to bring together all Māori staff in the University following the merger with the Auckland College of Education.
- Professor Michael Brown retired from the position of Pro Vice-Chancellor (Māori) during the year and an international search was undertaken to find his replacement. An appointment is expected to be made in early 2006.

PERFORMANCE INDICATORS	2003 Actual	2004 Actual	2005 Target	2005 Actual
% Māori academic staff (FTE)	4.0%	4.8%	5%	5%
% Māori general staff (FTE)	4.8%	5.5%	6%	5.3%

OBJECTIVE 15

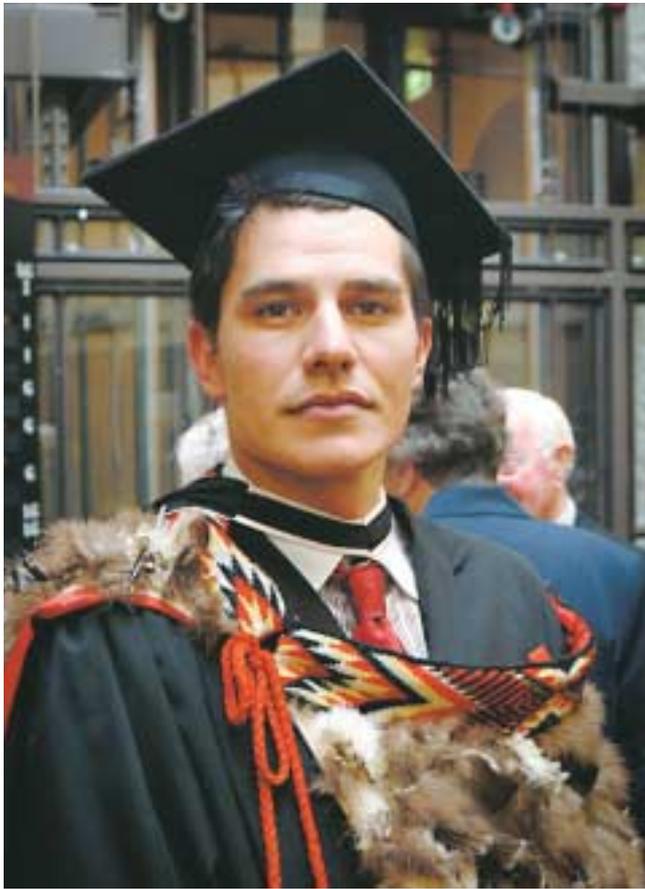
> **Support the access to and successful participation of Māori students in all the academic programmes of the University.**

- A number of recruitment and orientation programmes for Māori students have been undertaken. In collaboration with Māori liaison officers from other Auckland tertiary institutions, University Māori equity staff conducted roadshows at 33 schools in the Hawkes Bay, Northland and Whangarei areas, and four successful secondary school outreach programmes for approximately 1,000 Year 10-13 Māori students from 35 Auckland schools. These programmes are specifically designed to encourage Māori students into tertiary education.
- Māori equity advisors also represented the University at career expos in the Hawkes Bay, Rotorua, Whakatane, Northland, Auckland, Waikato, Gisborne and Taranaki regions. The Assistant Māori Equity Advisor, in collaboration with the Law Māori student group (Te Rākau Ture), conducted a successful roadshow (Haerenga) in central North Island schools to encourage and motivate younger Māori students to aspire to study Law.
- A number of Māori career evenings were conducted in schools and finance evenings have been presented to provide Māori school leavers and their parents with information about options available for funding university

- education. A number of on-Campus visits have been arranged for prospective Māori students. For example, the Whai Te Pae Tāwhiti programme is an outreach programme for Māori students from out of Auckland. Thirty-two Year 10 students from mainly low decile schools attended the four-day programme. Evaluations indicate that the programme was successful in encouraging students to stay on at school until Year 13 and to plan their individual pathways toward tertiary study.
- The MATES Mentoring and Tutor Education Scheme has very successfully provided support for Year 12 and 13 students from lower decile schools which have high Māori and Pacific populations. University students mentor secondary students and provide academic assistance to enhance personal self-development and achievement. The programme has the dual benefit of providing financial support for tertiary students while developing academic and leadership potential of the secondary students. In 2005 the programme grew from 62 to 96 mentees and mentors and has continued with a grant of \$100,000 from the Todd Foundation. The 'Destination of Leaders' report revealed significant achievements in NCEA by mentored students. Approximately 30 MATES mentees will be attending the University with scholarships and awards in 2006.

See also Objectives 9 and 23

PERFORMANCE INDICATORS	2003 Actual	2004 Actual	2005 Target	2005 Actual
% Māori domestic students (EFTS)	6.3%	6.4%	7.9%	7.6%
% Māori domestic graduands	5.3%	5.4%	5.5%	7.5%



OBJECTIVE 16

> Increase the levels of Māori staff participation in research and publication and support innovative research using Kaupapa Māori approaches.

- Ngā Pae o te Māramatanga has undergone significant expansion of its activities and outputs including the launch of the inaugural issue of *AlterNative*, (the first international journal of indigenous scholarship), the proceedings from the Ngā Pae o te Māramatanga International Conference held in 2004, and the first three volumes of the Ngā Pae o te Māramatanga Monograph Series.
- Research projects funded by Ngā Pae o te Māramatanga have resulted in publication of books, articles in leading international journals, and proceedings from conferences.
- The Capability Building programme has established the MAI Doctoral Mentoring programme nationally and has built a vertically integrated programme of mentoring and career development across the transitions from first exposure to research (summer interns) to senior academics and directors of Māori research units.
- The Knowledge Exchange programme delivered a separate public and policy seminar series and is now preparing for the next international conference to be held in 2006. The Centre secured funding to 2008 following the mid-term review of the CoREs by the Tertiary Education Commission and the Ministry of Education.

PERFORMANCE INDICATORS	2003 Actual	2004 Actual	2005 Target	2005 Actual
Host the Ngā Pae o Te Māramatanga Centre of Research Excellence	Established	✓	✓	✓

RELATIONSHIPS WITH COMMUNITIES OF INTEREST

OBJECTIVE 17

> Work with community and cultural organisations and institutions to identify and meet the public responsibilities of the University.

- The five Community Advisory Group meetings included a Vice-Chancellor's report and addressed the following issues: the impact of NCEA on University entry, the University's

Strategic Plan, plans and progress with the new Business School, the University Profile, improving teaching at the University, a research update, DELNA activities, and Universitas 21 and 360° Abroad.

- The University maintained contact with a number of internal groups, both formally and informally, including Spark, Chiasma, Exposure (Postgraduate Students' Association) and the Chinese Students' Association. Contact was also maintained with groups external to the University, including the Committee for Auckland, the NZ Institute and the Education Forum.

PERFORMANCE INDICATORS	2003 Actual	2004 Actual	2005 Target	2005 Actual
Engage with the community through Community Advisory Group meetings	6	4	6	5
Maintain memoranda of understanding with Community Groups	3	3	4	4
Encourage the publication of scholarly books through Auckland University Press	20 new 8 reprints	22 new 6 reprints	22 new 7 reprints	19 new 9 reprints

OBJECTIVE 18

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

- Twelve new Alumni Coordinators were added to the international network of contacts for alumni in Brisbane, Melbourne, Sydney, Perth, Vancouver, Denmark, India, Israel, Japan, London, New York and San Francisco.
- Alumni functions were held in San Francisco, New York, London, Sydney, Melbourne, Kuala Lumpur, Singapore, Kuching, Hong Kong, Shanghai, Beijing, Seoul, Wellington, Christchurch, Tauranga and Auckland.
- A Chancellor's dinner was held to recognise key donors to the University.

- An Alumni and Friends brochure was developed outlining the benefits for University alumni.
- The number of people receiving the @auckland email newsletter grew to over 30,000.
- A new Alumni weekend series of events – The Alumni Summer Celebration – has been planned and will take place in March 2006.
- The Distinguished Alumni Award winners were Dr Glenn Colquhoun (Medical and Health Sciences), Dr Hilton Glavish (Science), Justice Susan Glazebrook (Law), Marya Martin (Creative Arts and Industries) and Ian McKinnon (Education).

PERFORMANCE INDICATORS	2003 Actual	2004 Actual	2005 Target	2005 Actual
Maintain an annual plan for enhancing alumni and community participation in the University	–	✓	✓	✓
Community and alumni activities carried out as planned	✓	✓	✓	✓
Recognise the achievements of alumni through Distinguished Alumni awards	6	5	6	5

OBJECTIVE 19

> Engage actively and constructively with the pre-University education system throughout the country.

- The Schools Partnership Office worked closely with schools throughout New Zealand to inform prospective students regarding the new entrance requirements for NCEA/CIE to facilitate a smooth transition.
- Student Recruitment team members covered 86 schools in Auckland and 101 schools in regions outside Auckland. In total, 272 school visits were made.
- A two-day LINK conference, including a keynote speaker, Bob Porrer (Interim Director of the Careers Centre), was attended by 143 career advisers from all over New Zealand.
- Student Recruitment team members attended 30 careers evenings and 61 detailed course planning days in Auckland (an increase of five schools from 2004).

- Student Recruitment team members attended 13 expos in regions outside Auckland.
- Courses and Careers Day in August attracted approximately 8,000 prospective students and parents, with over 40 free buses provided (from Rotorua, Tauranga, Hamilton, Thames, Whangarei and the far North).
- Dream Fono was run in July for 150 Year 12 Pacific students, with very positive feedback.
- University of Auckland students mentored 50 Year 11 and 12 Pacific students in a successful year-long pilot project at Massey High School (jointly funded by the University and the School).
- The SPO has recently been added to the database of the Australian Universities Quality Assurance agency as an example of good practice.

See also Objective 15

PERFORMANCE INDICATORS	2003 Actual	2004 Actual	2005 Target	2005 Actual
Maintain an annual plan for ensuring quality advice about the University's qualifications is provided to secondary schools	✓	✓	✓	✓
Programme of advice and interaction with secondary schools carried out as planned	✓	✓	✓	✓
Encourage student participation in secondary school mentoring programmes	3	3	4	3

OBJECTIVE 20

> Promote the academic aims and activities of the University by developing links with other tertiary and research institutions.

- The University was successful in gaining funding for two more initiatives under the Partnerships for Excellence scheme. These will see the establishment of an Institute for Plastics Innovation aimed at supporting the plastics industry in New Zealand with innovative ideas that will enable it to remain competitive in a rapidly growing world market, and an Institute for Health Innovation which will use information technology in innovative ways to improve health outcomes for New Zealand. Both Institutes are closely linked with multiple partners in each industry sector.

- The University entered into discussions with AgResearch regarding a research initiative in epigenetics, based around the Liggins Institute.
- The University began a new collaboration with Victoria University of Wellington and the University of Canterbury to form a new national Marine Sciences network aimed at enhancing education and research capability in marine science and ecology.
- The University took part in the U21 international research collaboration initiatives in population health and water, with representatives attending meetings in Melbourne and Virginia to progress these initiatives.

PERFORMANCE INDICATORS	2003 Actual	2004 Actual	2005 Target	2005 Actual
Links with research consortia, industrial and research partners, Crown Research Institutes (memoranda of understanding operating)	–	50	60	55
Agreements with New Zealand tertiary institutions (memoranda of understanding operating)	5	6	6	5



INTERNATIONALISATION

OBJECTIVE 2 I

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

- The University entered into a partnership with the Chinese Ministry of Education for the establishment of the Confucius Institute. The Institute will promote the teaching of Chinese and will be a focal point for New Zealand's cultural and educational engagement with China.
- The Pro Vice-Chancellor (International) accompanied the Vice-Chancellor on visits to Singapore, China, Malaysia, Hong Kong, Korea and the USA to develop further collaboration with partner universities, government agencies, foundations and businesses.
- The University hosted over 60 university-level visits. The visitors included the Prime Ministers of Malaysia and Norway, the Vice-Minister of Education of China, and the Ambassadors of Germany, Thailand, Chile, Argentina and Norway. There were also visits from a number of partner universities, including Hong Kong, Copenhagen, British Columbia, Birmingham, Peking, Zhejiang, Sultan Qaboos, Nagoya and Campinas.
- The University entered into partnership with the universities of Hong Kong, Melbourne, Nottingham and British Columbia for the creation of the 'Universitas 21 Global Issues Programme', a unique online and multidisciplinary

programme which encourages students to develop globally relevant knowledge and skills while completing a standard undergraduate degree. Students are expected to complete 50 per cent of the Programme through at least one other partner university, whether online or by studying overseas on exchange.

- Six University academics from the faculties of Arts and Medical and Health Sciences were invited to attend the Beijing Forum, a major international conference hosted by Peking University and the Chinese Government which brought together 300 academics from around the world to discuss topics ranging from geopolitics to regional population health.
- Auckland International successfully promoted the New Zealand International Postgraduate Research Scholarships to its partner universities around the world.
- Outbound semester exchange numbers have trebled over the past four years from 41 students in 2002 to 123 in 2005. A total of 387 students participated in various forms of mobility to overseas destinations for academic purposes for 2005.
- Auckland International received a prestigious New Zealand Export Award, as Education Exporter of the Year 2005, in recognition of its international marketing strategies and professionalism in the export of education services. Auckland International also received the Education New Zealand award for Advancing Internationalisation in 2005.

PERFORMANCE INDICATORS	2003 Actual	2004 Actual	2005 Target	2005 Actual
Local students undertaking a study abroad programme through Auckland 360°	67	88	100	124
Maintain membership of international associations of Universities				
Association of Commonwealth Universities	✓	✓	✓	✓
Universitas 21	✓	✓	✓	✓
Association of Pacific Rim Universities	✓	✓	✓	✓
Memoranda of understanding and bilateral agreements with international universities	145	171	200	207
The number of countries with international enrolments of 50 EFTS or more is increased	11	13	15	12

EQUITY: EQUAL EMPLOYMENT OPPORTUNITY AND EQUAL EDUCATIONAL OPPORTUNITY

OBJECTIVE 22

> Maintain the principles of equity in University management and governance structures, and institutional life.

- The Pro Vice-Chancellor (Equal Opportunities) contributes to equity decision-making at the highest levels of management. She is also a member of Senate. The PVC (EO) chairs the central University EO Committee which comprises the chairs of Faculty Equity Committees and other delegates. This Committee provides a key link to University management as reporting requirements, information on policy development and equal opportunities issues are transmitted to management.
- Amendments to enhance equity and impartiality in employment were made to several policies including the Flexible Work Arrangements Policy, the Superannuation Policy and the Academic Appointments Policy. New policies or guidelines on Paid Parental Leave and Children on Campus were also developed.
- The Annual EO Report serves as an effective tool for managing equal opportunities across the University. Faculties and service divisions submit information on both achievements and barriers. The published report also provides demographic comparisons between units and tracks historical EO data for the whole University.
- Written EO submissions were put forward for the 2005 departmental reviews (Art History and Political Studies).
- The EO Office continues to monitor employment and educational processes and practices. Wider educational achievement outside the University is also analysed through the Starpath project.

- Information on EO is provided to all new staff through induction programmes (two for academic staff and twelve for general staff). EO staff provide training independently, or collaborate with other units such as the Centre for Professional Development and Human Resources to present workshops to staff and students on equal opportunities.
- Promotions training was provided to women aspiring to associate professorships and professorships.
- Equity Awards were presented in recognition of the achievements of individuals or groups and to raise institutional awareness of best practice. The EO Office presented awards to the following:
 - The Student Learning Centre for excellence in sustained commitment to equal opportunities.
 - Whakapiki Ake: Helping You, Help Yourself (Faculty of Medical and Health Sciences) for excellence in innovation and in refining pathways for students into the Māori health sector.
 - Meryle Hawkins (Faculty of Business and Economics) for Excellence in Leadership of the Tuākana Programme.
 - Liggins Institute (Faculty of Medical and Health Sciences) Special Commendation Award for initiative in equal employment opportunities for staff with disabilities.
- Disabilities Services hosted a highly successful biennial Australasian DisAbility in Education Conference.
- The Equal Employment unit participated in benchmarking this year and co-presented a paper with benchmarking partners from the Universities of Melbourne, Queensland, Western Australia, British Columbia, and Queensland University of Technology at the EO Practitioners in Higher Education Conference in Brisbane.
- A survey of work-life balance and family responsibilities for University staff was conducted. Results indicate a high level of staff satisfaction. The majority (63 per cent of staff) rated their work-life balance as satisfactory or higher; and 86 per cent of respondents who had requested flexibility in their workplace had seen their needs accommodated.

See also Objective 3



OBJECTIVE 23

> Ensure that the teaching and learning needs of under-represented groups of students are identified and met in ways that uphold the Treaty of Waitangi and equity obligations of the University.

- STEAM Ahead, Campus Day and Te Ara Hua Homeshow (a two-day programme which introduces senior Māori and Pacific secondary school students to the variety of programmes at the University) were attended by 157 students. Nearly 60 per cent indicated that attending the programme helped confirm their decision to attend University.
- STEAM, an innovative programme which exposes Māori and Pacific students to the opportunities that exist with a tertiary education in Science, Technology, Engineering, Architecture and Medicine attracted a total of 433 students. A Finance Evening to provide Māori and Pacific school leavers information about finance options for funding their university education was attended by 310 students and family members. Four secondary school outreach programmes were held in Auckland catering for over 1,000 Year 10-13 Māori students from over 35 Auckland schools.
- More than 500 girls attended Girls into Science 2005. Enginuity Day (E-day), the main outreach event for female students in Engineering, was attended by 196 secondary school girls. The WISE Futures Evening funded by the Faculty of Science was attended by 130 girls from 36

schools around the Auckland and Northland regions.

- Twenty Māori students, 19 Pacific and one Māori/Samoan student were awarded Chancellor's Awards for Top Scholars (CATS). These awards are presented to top Year 12 and 13 scholars for academic achievement, cultural participation, leadership potential and community involvement.
- Disability Services have provided resources and support to over 400 students in 2005. The note-taking service, sign language interpreting, library assistance, provision of alternative print material, general advice and advocacy, and advice on special conditions for examinations have all been maintained.
- The Mental Health Service has provided support to over 100 students this year and services have been extended with the appointment of an additional male co-ordinator.
- Other key achievements include the establishment of processes for dealing with issues regarding physical access for people with disabilities. There is regular consultation on the planning of new buildings and renovations.
- Disability Services assisted the International Office to formulate a policy for international students with disabilities. The document included recruitment information, processes, funding arrangements and practical procedures to provide support.

See also Objectives 9 and 15

PERFORMANCE INDICATORS	2003 Actual	2004 Actual	2005 Target	2005 Actual
% Māori domestic students (EFTS)	6.3%	6.4%	7.9%	7.6%
% Pacific students (EFTS)	6.3%	6.3%	7.1%	7.8%
Faculties providing mentoring programmes for Māori and Pacific students	7	8	8	8

ORGANISATION AND MANAGEMENT

OBJECTIVE 24

> Require managers of academic, administrative and support units to set performance goals and ensure that performance leads to continuous enhancement of services.

- The objectives in the University's Strategic Plan 2005-2012 supersede the operational priorities set in April 2005. Performance against objectives in the Strategic Plan will be reviewed throughout the year within an integrated annual planning process.

PERFORMANCE INDICATORS	2003 Actual	2004 Actual	2005 Target	2005 Actual
Annual operational priorities set and reviewed twice annually	✓	✓	✓	Re-established in Strategic Plan
Schedule of Administrative Function Reviews developed and maintained by Administration Review Committee	–	✓	✓	✓
Administrative Function Reviews carried out each year as scheduled	–	–	✓	✓

RESOURCES AND INFRASTRUCTURE

OBJECTIVE 25

- > Maintain an up-to-date Capital Plan and Financial Projections which reflect agreed capital development priorities for the provision, repair, modernisation and utilisation of capital assets.

- The 10Year Capital Plan for 2006, as prepared by Property Services, was presented to and approved by Council in October.
- Financial statements are prepared and presented to the Capital Planning and Budget Committee on a monthly basis.

PERFORMANCE INDICATORS	2003 Actual	2004 Actual	2005 Target	2005 Actual
Capital Plan and Financial Projections updated on an annual basis	✓	✓	✓	✓

OBJECTIVE 26

- > Meet or exceed the key financial performance indicators.

- The University has exceeded the Ministry of Education's limited risk criteria.

PERFORMANCE INDICATORS	2003 Actual	2004 Actual	2005 Target	2005 Actual
Financial measures (\$ millions)				
Revenue	505.7	577.7	639.4	651.6
Operating surplus	15.3	19.0	17.5	19.7
Net cash flows from operating activities	81.1	77.9	87.5	108.5
Net equity	745.0	855.9	870.7	1015.1
Working capital				
Includes short-term planned borrowing	(100)	(45.6)	(91.6)	(65.5)
Excludes short-term borrowing	(84.0)	(45.6)	(91.6)	(65.5)
Liquidity measures (months cash cover and liquid assets/operating cash out)	The University's policy is to maintain funding facilities to cover the peak cash exposure for the next 12 months.			
Financial return				
Return on income	3.0%	3.3%	2.7%	3.0%
Return on assets	1.6%	1.8%	1.7%	1.6%

STATEMENT OF RESOURCES

BUILDINGS¹

PERFORMANCE INDICATORS	2003	2004	2005
Gross Area of University Buildings (m ²)	401,668	424,452	425,819

LAND

The University is responsible for a total land area of 187.3ha (187.7 in 2004). This includes 18.6 on the City Campus, 32.4 at the Tamaki Campus, 9.9 at the Epsom Campus, 1.5 at Whangarei and 122.1 at the Leigh Marine Research Laboratory and various bush reserves.

LIBRARY RESOURCES²

	2003	2004	2005
COLLECTIONS			
Printed books and theses	1,297,268	1,341,294	1,579,812
Printed serials (volumes)	601,474	569,094	579,002
Total printed volumes	1,898,742	1,910,388	2,158,814
Electronic books	87,037	180,942	217,191
Print serials titles	18,310	18,490	6,044
Electronic serials titles	45,874	58,884	66,063
SERVICES			
Total loans	1,031,642	1,070,526	1,185,287
LEARN web sessions	2,000,000	3,506,000	4,204,728
Library teaching sessions	1,437	1,847	2,102
Attendance at Library teaching sessions	17,810	21,702	28,125
Number of libraries/information commons	15	15	17
General Library average hours open per week	79	92	90
Information Commons average hours open per week	113	113	113
Study spaces	3,297	3,504	3,618
Study/training spaces with computer workstations	740	864	944
Total number of study spaces	4,037	4,323	4,562

¹ Statistics in Buildings and Land from 2004 and 2005 include the Epsom Campus.

² Statistics from 2005 include the Epsom Campus.

TEACHING AND LEARNING ENVIRONMENT



THIS YEAR THE LIBRARY INTRODUCED AN INTERACTIVE ONLINE TUTORIAL TO ASSIST STUDENTS IN USING THE LIBRARY CATALOGUE.

THE UNIVERSITY LIBRARY AND INFORMATION COMMONS SERVICE

The University of Auckland Library, with 14 subject specific libraries and three information commons facilities, is the largest and most comprehensive tertiary sector library system in the country.

The largest library in the group, the General Library, serves the needs of students and staff of the Faculties of Arts, Science and Business and Economics. This library provides over 1,500 study spaces and access to a million print volumes. The other 13 subject-specific libraries (including Architecture, Education, Engineering, Fine Arts, Law, Music and Medical and Health Sciences), the majority of which hold the foremost collections in their subject area in New Zealand, provide a further 1,600 study spaces.

In addition, the University provides world-class information commons facilities on several campuses. These facilities

provide top quality learning environments through a variety of services, training programmes and group or individual study spaces – a total of over 1,400 seats, 620 of which are equipped with multi-purpose computers. Information commons facilities provide easy access to electronic learning and information resources. Students are able to retrieve information from the library databases, e-journals and e-books, access coursework through Cecil (the University's e-learning system), send emails and browse the Internet, store files and use MS Office and other specialist programs - all on the same computer. The development of computer and information literacy skills is a key focus of the information commons and opportunities for training are integrated into all aspects of service. Help desk facilities, roving assistance, high demand course materials and a range of training programmes are available to students.

The Kate Edger Information Commons on the City Campus opened in 2003 and is the largest facility of its kind in New Zealand. It has quickly become the heart

of the City Campus for students, providing a pleasant and attractive place for large numbers of students to study, as well as to relax and socialise. The Kate Edger and other information commons facilities play a key part in the provision of an integrated learning support environment by offering core resources and services in one place and by providing an opportunity for students to enhance their computer and information literacy skills.

The Library's electronic gateway, LEARN, provides access 24 hours a day, seven days a week to a world-class collection of electronic services and resources including e-journals and e-books. The Library offers an extensive range of short courses directed at enhancing information literacy and information gathering skills. Partnerships have also been formed between the Library and academic staff to integrate information sources and learning support services into courses. These collaborations ensure that information sources and tailored support are presented within the context of real learning situations and accommodate different learning styles.

This year the Library introduced an interactive online tutorial for Voyager; the Library catalogue, called Te Punga, The Anchorstone. Te Punga uses a graphic novel and simulations to teach students how to use Voyager and the Library. Students are able to follow three characters in an interactive graphic novel as they work together, finding Library material for an assignment and gaining critical information literacy skills along the way.

STUDENT USE – INFORMATION COMMONS 2005*

DOOR COUNT	2,283,332
QUERIES	36,464
INFORMATION COMMONS COURSES	841
INFORMATION COMMONS COURSE ATTENDANCE	5,614
NETWORK LOGINS	1,263,627
PAGES PRINTED	3,762,137
PAGES PHOTOCOPIED	1,081,934
SHORT-TERM LOAN BOOKS BORROWED	200,938

* Statistics for central Kate Edger Informations Commons



CECIL LEARNING MANAGEMENT SYSTEM

Cecil is the online host and repository for much of the University's curricular materials. Developed by University staff and students, Cecil supports continued enhancement and enrichment of the student learning experience by providing access to academic content anywhere, anytime, and by providing teaching staff with a system that allows for the easy construction of course designs. Built upon knowledge management foundations, and with a ten-year history of operation, Cecil is a proven learning management system that has one of the highest uses in a university anywhere internationally.

Cecil provides multiple benefits to students including access at any time to online course materials, course calendars that can be automatically populated with assignment deadlines and exam dates, enhanced communication through class announcements and course-specific discussion forums as well as access to coursework grades and self-enrolment for tutorials and labs.

Cecil also serves as an online assessment tool for learning used in many courses, both for formal assessment and self-assessment. Self-assessment options in Cecil provide over 8 million questions annually online with immediate feedback and marking. Online Cecil tests are used by lecturers to assess how well students have understood topics covered in lectures and tutorials.

The Cecil development team is committed to exploring ways of meeting

the increased expectations of Net Generation students, particularly in relation to collaboration and communication initiatives. Cecil forms an integral part of constructing a new flexible context for learning at the University.

The immensely positive response to Cecil is a good sign that students are adapting to integrated computer and information literacy-based learning. Cecil usage continued to grow in a non-linear fashion in 2005. During August the system experienced the 15 millionth login since the launch date. The percentage of courses utilising Cecil (70%) encompasses over 94% of the students at the University. The number of student logins peaked at a record 145,000 in one week. On 12 September 2005, Cecil recorded over 29,000 student logins in one day.

Cecil also provides support to academic staff in the preparation and distribution of curriculum and learning materials in a cost and time effective manner. Features in Cecil reduce tedious administrative tasks and assist academics in the flexible deployment of learning materials.

Cecil works closely with other parts of the University to enhance effectiveness of services to academics and students, and is integrated with most of the major computing systems at the University. The team provides training to teaching staff on the role that a well-supported enterprise learning management system can play in assisting them to add value to the learning experience of students at the University, and regularly brings teaching staff into the development process as advisors.

In addition Cecil provides the student evaluation of teaching and courses which was developed in consultation with the Centre for Professional Development, and a large-scale survey system developed for the Quality Office that has now been deployed as a University survey engine. In 2005 Cecil developed 12 separate instruments for the General Education survey of students, hosted a graduate student's thesis research survey, developed a survey for the Equal Opportunities Office, and hosted a large survey of graduates for the Quality Office.

UNIVERSITY OF AUCKLAND STUDENTS

are swiftly adapting to integrated computer and information literacy based learning and this year, the Cecil learning management system recorded its 15 millionth login.

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FINANCIAL STATEMENTS

For the year ended 31 December 2005



STATEMENT OF RESPONSIBILITY BY COUNCIL AND MANAGEMENT

FOR THE YEAR ENDED 31 DECEMBER 2005

- The Council and Management of The University of Auckland accept responsibility for the preparation of the Financial Statements and the judgments used in them.
- 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 2005 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 27 February 2006.
- The auditor's report, which is set out on pages 77 to 78, contains a qualification relating to the treatment in the University's 2004 financial statements of Crown contributions towards the Business School and the net assets received on amalgamation with Auckland College of Education. The Council and Management of The University of Auckland considered carefully the appropriate accounting treatment of these transactions and, after receiving expert, professional advice, recognised these amounts as unusual items in the University and Group's Statements of Financial Performance. This is more fully explained in the Statement of Accounting Policies and notes 3, 17 and 20. The University's auditor disagreed with this treatment and believed that these amounts should have been recognised as contributions from the Crown in the University and Group's Statement of Movements in Equity.



CHANCELLOR
Hugh Fletcher



VICE-CHANCELLOR
Stuart McCutcheon



DIRECTOR OF ADMINISTRATION
Jonathan Blakeman

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2005

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.

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.

Donations received specifically as capital contributions toward the acquisition of assets or endowments which are not available as a contribution towards operating costs are accounted for as Unusual Items.

In 2004 the University reconsidered its policy of recognising contributions of a capital nature by the Crown in 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 created a "financial interest" in the University for the Crown, or any other party. Having regard to the character of these payments they are recorded as Unusual Items in the Statement of Financial Performance. This resulted in \$91.710m being recognised as Unusual Items in the 2004 year in the Statement of Financial Performance.

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

Restricted fund investments are valued at their market value. This policy changed during the year as disclosed in the changes to accounting policies. All other investments are valued at the lower of cost or market value.

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 2005

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 less accumulated depreciation. 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 less accumulated depreciation.

Leasehold Improvements are valued at cost less accumulated depreciation.

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

All items of property, plant and equipment 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 property, plant and equipment	10 - 20%

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

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.

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2005

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

The following are the definitions of the terms used in the statement of cash flows:

Operating activities include all transactions and other events that are not investing or financing activities.

Investing activities are those activities relating to the acquisition, holding and disposal of property, plant and equipment and of investments. Investments can include securities not falling within the definition of cash.

Financing activities are those that result in changes in the size and composition of the capital structure. This includes both equity and debt not falling within the definition of cash.

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 basis for valuing restricted fund investments has changed from the lower of cost or market value to market value.

The reason for this change was to enable the allocation of total earnings on investments across each endowment and scholarship fund. This change in process allows for timelier management of revenue and expenses for each fund.

The impact of this change in accounting policy is the recognition of a further \$1.763m of investment revenue. This value represents the difference between cost and market value as at 31 December 2005.

With the exception of the above change in accounting policy, accounting policies have been applied on a consistent basis with the previous year.

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 DECEMBER 2005

	Note	CONSOLIDATED			UNIVERSITY	
		2005 Actual \$000	2005 Budget \$000	2004 Actual \$000	2005 Actual \$000	2004 Actual \$000
OPERATING REVENUE						
Government grants	2	240,897	233,135	209,026	240,897	209,026
Tuition fees		169,353	179,211	155,117	169,353	155,117
Research contracts		144,100	140,495	131,448	75,196	62,823
Service income		74,909	72,613	63,130	81,176	66,833
Donations		4,242	3,959	3,808	4,242	3,808
Interest		8,986	5,353	6,859	7,699	5,969
Other income		9,070	4,712	8,349	8,876	8,293
Total operating revenue		651,557	639,478	577,737	587,439	511,869
OPERATING EXPENSES						
People costs	1	362,809	351,145	312,639	330,411	280,027
Operating costs	1	202,798	205,707	188,886	172,434	156,177
Depreciation	1	66,234	65,171	57,182	65,239	56,593
Total operating expenses		631,841	622,023	558,707	568,084	492,797
OPERATING SURPLUS FOR THE YEAR BEFORE UNUSUAL ITEMS		19,716	17,455	19,030	19,355	19,072
UNUSUAL ITEMS						
Donations for capital projects	3	214	—	588	214	588
Crown contributions towards Business School		—	—	8,373	—	8,373
Net assets received on amalgamation with Auckland College of Education	20	—	—	83,337	—	83,337
OPERATING SURPLUS		19,930	17,455	111,328	19,569	111,370
NET SURPLUS TRANSFERRED TO UNIVERSITY EQUITY		19,930	17,455	111,328	19,569	111,370

STATEMENT OF MOVEMENTS IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2005

	Note	CONSOLIDATED			UNIVERSITY	
		2005 Actual \$000	2005 Budget \$000	2004 Actual \$000	2005 Actual \$000	2004 Actual \$000
Equity at start of the year		855,926	853,205	744,598	852,595	741,225
Transferred from Statement of Financial Performance		19,930	17,455	111,328	19,569	111,370
Increase in revaluation reserve	18	139,228	—	—	138,554	—
EQUITY AT END OF YEAR		1,015,084	870,660	855,926	1,010,718	852,595

The Statement of Accounting Policies on pages 57 to 59 and the Notes to the Financial Statements on pages 63 to 74 form part of and should be read in conjunction with these statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2005

	Note	CONSOLIDATED			UNIVERSITY	
		2005 Actual \$000	2005 Budget \$000	2004 Actual \$000	2005 Actual \$000	2004 Actual \$000
CURRENT ASSETS						
Cash and bank	6	3,407	195	4,873	1,824	2,408
Short-term investments - unrestricted	6	61,579	20,285	61,704	43,200	45,700
Short-term investments - restricted	6	109	1,642	67	109	67
Receivables and prepayments	7	40,538	31,550	35,886	34,558	26,894
Inventories	8	6,024	8,074	9,153	4,076	4,032
Total Current Assets		111,657	61,746	111,683	83,767	79,101
CURRENT LIABILITIES						
Finance lease liabilities	10	726	946	968	726	968
Payables	11	154,268	137,720	139,551	125,204	109,006
Employee entitlements	12	16,004	11,613	12,328	15,734	11,524
Provisions	13	6,164	3,099	4,420	6,164	4,420
Total Current Liabilities		177,162	153,378	157,267	147,828	125,918
WORKING CAPITAL		(65,505)	(91,632)	(45,584)	(64,061)	(46,817)
NON-CURRENT ASSETS						
Long-term investments - unrestricted	6	150	—	150	1,150	1,150
Long-term investments - restricted	6	14,817	14,087	13,590	14,512	13,289
Loans	6	1,811	3,555	1,811	1,619	1,576
Property, plant and equipment	9	1,089,173	963,696	905,178	1,082,860	902,616
Total Non-Current Assets		1,105,951	981,338	920,729	1,100,141	918,631
NON-CURRENT LIABILITIES						
Employee entitlements	12	22,820	19,046	18,789	22,820	18,789
Finance lease liabilities	10	2,542	—	430	2,542	430
Total Non-Current Liabilities		25,362	19,046	19,219	25,362	19,219
NET ASSETS		1,015,084	870,660	855,926	1,010,718	852,595
REPRESENTED BY:						
General equity	17	796,564	788,945	774,596	792,872	771,265
Revaluation reserves	18	202,104	65,728	65,728	201,430	65,728
Trust and special funds	19	16,416	15,987	15,602	16,416	15,602
TOTAL EQUITY		1,015,084	870,660	855,926	1,010,718	852,595

The Statement of Accounting Policies on pages 57 to 59 and the Notes to the Financial Statements on pages 63 to 74 form part of and should be read in conjunction with these statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2005

	Note	CONSOLIDATED			UNIVERSITY	
		2005 Actual \$000	2005 Budget \$000	2004 Actual \$000	2005 Actual \$000	2004 Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash was provided from:						
Government grants		237,613	245,009	209,170	237,613	209,170
Tuition fees		171,453	181,940	157,252	171,453	157,252
Dividends received		25	150	18	25	168
Interest received		9,712	4,873	6,688	8,425	6,013
Other operating receipts		223,650	214,748	206,902	159,204	146,010
		642,453	646,720	580,030	576,720	518,613
Cash was applied to:						
Goods and services tax		1,440	5,033	(1,096)	1,414	(1,261)
Payments to employees		317,509	315,604	278,144	284,888	245,427
Interest paid		58	1,644	242	58	242
Other operating payments		214,942	236,910	216,479	187,410	189,218
		533,949	559,191	493,769	473,770	433,626
NET CASH FLOWS FROM OPERATING ACTIVITIES	5	108,504	87,529	86,261	102,950	84,987
CASH FLOWS FROM INVESTING ACTIVITIES						
Cash was provided from:						
Property, plant and equipment		—	2	13	—	13
Investments		1,300	13	1,630	1,300	1,630
		1,300	15	1,643	1,300	1,643
Cash was applied to:						
Property, plant and equipment and work in progress		109,761	124,569	89,896	105,661	88,771
Repayment of subsidiary loan		—	—	—	—	7,084
Investments		765	—	2,768	804	2,686
		110,526	124,569	92,664	106,465	98,541
NET CASH FLOWS FROM INVESTING ACTIVITIES		(109,226)	(124,554)	(91,021)	(105,165)	(96,898)
CASH FLOWS FROM FINANCING ACTIVITIES						
Cash was applied to:						
Repayment of finance lease liabilities		836	644	886	836	886
		836	644	886	836	886
NET CASH FLOWS FROM FINANCING ACTIVITIES		(836)	(644)	(886)	(836)	(886)
NET DECREASE IN CASH HELD		(1,558)	(37,669)	(5,646)	(3,051)	(12,797)
Opening cash balance		66,644	59,791	49,611	48,175	38,293
Cash acquired on amalgamation		—	—	22,543	—	22,543
Effects of exchange rate changes on cash		9	—	136	9	136
CLOSING CASH BALANCE		65,095	22,122	66,644	45,133	48,175
This is shown in the Statement of Financial Position as follows:						
Cash and bank		3,407	195	4,873	1,824	2,408
Short-term investments - unrestricted		61,579	20,285	61,704	43,200	45,700
Short-term investments - restricted		109	1,642	67	109	67
		65,095	22,122	66,644	45,133	48,175

The Statement of Accounting Policies on pages 57 to 59 and the Notes to the Financial Statements on pages 63 to 74 form part of and should be read in conjunction with these statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005

I OPERATING EXPENSES

	CONSOLIDATED			UNIVERSITY	
	2005 Actual \$000	2005 Budget \$000	2004 Actual \$000	2005 Actual \$000	2004 Actual \$000
PEOPLE COSTS					
Academic salaries	175,279	182,811	166,881	162,460	148,196
General salaries	140,614	133,587	111,343	121,351	97,506
Other salary related expenses	46,916	34,747	34,415	46,600	34,325
	362,809	351,145	312,639	330,411	280,027
OPERATING COSTS					
Fees paid to auditors - external audit	234	275	221	195	205
- other services	22	—	161	14	161
Bad debts written off	646	28	49	604	47
Change in provision for doubtful debts	36	—	(1,092)	36	(842)
Council members and Directors fees	16	—	15	16	11
Interest expense	—	—	67	836	843
Interest on finance lease	57	93	175	57	175
Loss on disposal of property, plant and equipment	1,074	448	494	1,074	494
Net foreign currency gain	(9)	—	(136)	(9)	(136)
Prizes and scholarships	17,269	16,073	14,837	17,209	14,719
Operating lease cost - properties	9,005	8,984	8,788	9,005	8,788
- equipment	9,531	9,973	11,079	9,499	11,047
Other operating expenses	164,917	169,833	154,228	133,898	120,665
	202,798	205,707	188,886	172,434	156,177
DEPRECIATION					
Buildings and leasehold improvements	29,174	27,253	24,581	29,140	24,582
Library collection	8,967	8,931	8,606	8,967	8,606
Plant and equipment	27,356	28,081	23,247	26,395	22,657
Leased equipment	737	906	748	737	748
	66,234	65,171	57,182	65,239	56,593
TOTAL OPERATING EXPENSES	631,841	622,023	558,707	568,084	492,797

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2005

2 GOVERNMENT GRANTS

	CONSOLIDATED / UNIVERSITY		
	2005 Actual \$000	2005 Budget \$000	2004 Actual \$000
Student Component Funding	224,352	218,499	199,582
Clinical Training Agency	1,855	1,973	1,751
Student stipends	1,977	1,977	1,943
Other Government Grants	1,529	1,423	1,140
PBRF income	11,184	9,263	4,610
TOTAL GOVERNMENT GRANTS	240,897	233,135	209,026

The 2004 comparatives include four months of activity at the Faculty of Education. The 2005 actuals include the first full year of Faculty of Education activity.

3 UNUSUAL ITEMS

	CONSOLIDATED / UNIVERSITY		
	2005 Actual \$000	2005 Budget \$000	2004 Actual \$000
Donations for capital projects	214	—	588
Crown contributions toward Business School	—	—	8,373
Net assets received on amalgamation with Auckland College of Education (refer Note 20)	—	—	83,337
	214	—	92,298

Donations - During the year the University received Donations for Capital Projects of \$0.214m (2004 \$0.588m).

Crown Contributions - In 2004 the Crown made a contribution of \$8.373m for the Business School Complex.

Net assets received on amalgamation with Auckland College of Education - During 2004 the Auckland College of Education was disestablished by Order in Council pursuant to s164 of the Education Act, effective 1 September 2004 and vested in The University of Auckland. The net assets of \$83.337m were vested in the University (see note 20).

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 75 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 2005

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

	CONSOLIDATED			UNIVERSITY	
	2005 Actual \$000	2005 Budget \$000	2004 Actual \$000	2005 Actual \$000	2004 Actual \$000
Net surplus for the year	19,930	17,455	111,328	19,569	111,370
Add / (less) non-cash items					
Depreciation	66,234	66,076	57,182	65,239	56,593
Writedown of investment	—	—	2,164	—	2,164
Donated assets	(2,004)	(970)	(84,856)	(2,004)	(84,856)
Foreign exchange fluctuation	(9)	—	(136)	(9)	(136)
Other non-cash items	(1,763)	—	842	(1,763)	842
	62,458	65,106	(24,804)	61,463	(25,393)
Add /(less) movements in working capital					
(Increase) / Decrease in receivables	(4,652)	(2,792)	(11,997)	(7,664)	(9,557)
(Increase) / Decrease in inventory	3,129	—	(1,374)	(44)	(25)
Increase / (Decrease) in payables and provisions	16,461	7,102	10,201	17,942	(1,596)
Increase / (Decrease) in employee entitlements	3,676	—	(277)	4,210	(80)
	18,614	4,310	(3,447)	14,444	(11,258)
Less items classed as investing activity					
Repayment of short-term borrowings	—	—	—	—	7,084
(Gain) / Loss on sale of property, plant and equipment	1,074	(3)	494	1,074	494
Movements in Working Capital Relating to Investing	2,397	—	(450)	2,369	(450)
	3,471	(3)	44	3,443	7,128
Operating expenditure relating to movements in long-term provisions	4,031	661	3,140	4,031	3,140
	4,031	661	3,140	4,031	3,140
NET CASH FLOW FROM OPERATING ACTIVITIES	108,504	87,529	86,261	102,950	84,987

6 FINANCIAL INSTRUMENTS

CONSOLIDATED

	Weighted Average Interest Rate %	Mature within one year \$000	Mature in over one year \$000	2005 Fair/Book Value \$000	2004 Fair Value \$000	2004 Book Value \$000
Cash and bank	2.64	3,407	—	3,407	4,873	4,873
Bank deposits and bills	7.55	61,579	—	61,579	61,704	61,704
Receivables	—	30,277	—	30,277	26,726	26,726
Payables	—	(86,556)	—	(86,556)	(69,527)	(69,527)
Share portfolio	—	—	305	305	301	301
Other investments	—	—	1,961	1,961	1,961	1,961
Restricted Funds – Externally Managed Equities Portfolio	—	109	5,659	5,768	4,591	3,676
Restricted Funds – Externally Managed Bonds and Cash Portfolio	—	—	8,853	8,853	9,718	9,680
TOTAL FINANCIAL INSTRUMENTS - CONSOLIDATED		8,816	16,778	25,594	40,347	39,394

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2005

6 FINANCIAL INSTRUMENTS (CONTINUED)

UNIVERSITY

	Weighted Average Interest Rate %	Mature within one year \$'000	Mature in over one year \$'000	2005 Fair/Book Value \$'000	2004 Fair Value \$'000	2004 Book Value \$'000
Cash and bank	2.25	1,824	—	1,824	2,408	2,408
Bank deposits and bills	7.58	43,200	—	43,200	45,700	45,700
Loan from subsidiary company	7.45	(12,000)	—	(12,000)	(12,000)	(12,000)
Receivables	—	24,297	—	24,297	17,734	17,734
Payables	—	(71,718)	—	(71,718)	(57,474)	(57,474)
Shares in subsidiaries	—	—	1,000	1,000	1,000	1,000
Other investments	—	—	1,769	1,769	1,726	1,726
Restricted Funds – Externally Managed Equities Portfolio	—	109	5,659	5,768	4,591	3,676
Restricted Funds – Externally Managed Bonds and Cash Portfolio	—	—	8,853	8,853	9,718	9,680
TOTAL FINANCIAL INSTRUMENTS - UNIVERSITY		(14,288)	17,281	2,993	13,403	12,450

DISCLOSED IN THE STATEMENT OF FINANCIAL POSITION AS:

	CONSOLIDATED		UNIVERSITY	
	2005 Actual \$'000	2004 Actual \$'000	2005 Actual \$'000	2004 Actual \$'000
Cash and bank	3,407	4,873	1,824	2,408
Short-term investments – unrestricted	61,579	61,704	43,200	45,700
Short-term investments – restricted	109	67	109	67
Long-term investments – unrestricted	150	150	1,150	1,150
Long-term investments – restricted	14,817	13,590	14,512	13,289
Loans	1,811	1,811	1,619	1,576

DISCLOSED IN THE NOTES TO THE ACCOUNTS AS:

	Note	2005 Actual \$'000	2004 Actual \$'000	2005 Actual \$'000	2004 Actual \$'000
Receivables	7	30,277	26,726	24,297	17,734
Payables	11	(86,556)	(69,527)	(71,718)	(57,474)
Loan from subsidiary company	11	—	—	(12,000)	(12,000)
TOTAL FINANCIAL INSTRUMENTS		25,594	39,394	2,993	12,450

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 \$6.339m (2004 \$5.912m) and Scholarship Funds of \$8.157m (2004 \$7.730m).

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, Bank bills, Receivables and Payables

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 fair value which is based on current market values.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2005

6 FINANCIAL INSTRUMENTS (CONTINUED)

BORROWINGS

The University has an unsecured Fluctuating Committed Cash Advance Facility with a maximum limit of \$60 million, and an expiry date of 31 March 2006. As at 31 December 2005, 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. The University manages its interest rate exposure through the utilisation of fixed interest rates.

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 from off shore transactions. This is mitigated through the use of forward foreign exchange contracts.

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

	CONSOLIDATED		UNIVERSITY	
	2005 Actual \$000	2004 Actual \$000	2005 Actual \$000	2004 Actual \$000
Forward foreign exchange contracts	3,527	9,375	3,010	9,375

The fair value of outstanding forward foreign exchange contracts at 31 December 2005 gives rise to a loss of \$0.022 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

	Note	CONSOLIDATED		UNIVERSITY	
		2005 Actual \$000	2004 Actual \$000	2005 Actual \$000	2004 Actual \$000
Trade receivables		31,694	27,382	19,812	15,302
Less provision for doubtful debts		(1,757)	(1,721)	(1,157)	(1,120)
Net receivables	6	29,937	25,661	18,655	14,182
Related party receivables	6	—	—	5,302	2,487
Accrued interest	6	340	1,065	340	1,065
Prepayments		10,261	9,160	10,261	9,160
TOTAL RECEIVABLES AND PREPAYMENTS		40,538	35,886	34,558	26,894

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2005

8 INVENTORIES

	CONSOLIDATED		UNIVERSITY	
	2005 Actual \$000	2004 Actual \$000	2005 Actual \$000	2004 Actual \$000
Raw materials	370	393	370	393
Research contracts in progress	4,926	8,087	2,978	2,966
Other work in progress	2	2	2	2
Finished goods	726	671	726	671
TOTAL INVENTORIES	6,024	9,153	4,076	4,032

9 PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED		UNIVERSITY		
	2005 Actual \$000	2004 Actual \$000	2005 Actual \$000	2004 Actual \$000	
Freehold land	– at cost / valuation	163,817	102,571	163,155	102,378
	Net Book Value	163,817	102,571	163,155	102,378
Buildings	– at cost / valuation	630,807	601,313	630,359	600,946
	– accumulated depreciation	(27,105)	(59,238)	(27,071)	(59,115)
	Net Book Value	603,702	542,075	603,288	541,831
Leasehold improvements	– at cost	20,785	18,888	19,614	17,802
	– accumulated depreciation	(12,111)	(9,872)	(11,454)	(9,401)
	Net Book Value	8,674	9,016	8,160	8,401
Library collection	– at cost / valuation	176,466	163,793	176,466	163,793
	– accumulated depreciation	(66,852)	(58,317)	(66,852)	(58,317)
	Net Book Value	109,614	105,476	109,614	105,476
Works of art	– at cost / valuation	8,509	8,439	8,509	8,439
	Net Book Value	8,509	8,439	8,509	8,439
Plant and equipment	– at cost	236,040	207,037	229,285	204,072
	– accumulated depreciation	(143,579)	(121,542)	(141,175)	(119,775)
	Net Book Value	92,461	85,495	88,110	84,297
Leased plant and equipment	– at cost	3,631	3,740	3,631	3,740
	– accumulated depreciation	(363)	(2,057)	(363)	(2,057)
	Net Book Value	3,268	1,683	3,268	1,683
Other property, plant and equipment	– at cost	9,687	8,714	9,687	8,714
	Net Book Value	9,687	8,714	9,687	8,714
Capital work in progress	– at cost	89,441	41,709	89,069	41,397
	Net Book Value	89,441	41,709	89,069	41,397
Total property, plant and equipment	– at cost / valuation	1,339,183	1,156,204	1,329,775	1,151,281
	– accumulated depreciation	(250,010)	(251,026)	(246,915)	(248,665)
PROPERTY, PLANT AND EQUIPMENT – NET BOOK VALUE		1,089,173	905,178	1,082,860	902,616

All land and buildings occupied by the University as at 1 January 2005 were revalued at that date. Land and building revaluations were carried out by DTZ New Zealand Ltd, Registered Valuers.

Works of art were 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 \$103,273,275 is included in property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2005

10 FINANCE LEASE LIABILITIES

	CONSOLIDATED/UNIVERSITY	
	2005 Actual \$000	2004 Actual \$000
Due within 1 year	726	968
Due within 1 to 2 years	726	430
Due within 2 to 5 years	1,816	—
Due in over 5 years	—	—
	3,268	1,398
DISCLOSED IN STATEMENT OF FINANCIAL POSITION AS:		
Current liabilities	726	968
Non-Current liabilities	2,542	430
TOTAL FINANCE LEASE LIABILITIES	3,268	1,398

11 PAYABLES

	Note	CONSOLIDATED		UNIVERSITY	
		2005 Actual \$000	2004 Actual \$000	2005 Actual \$000	2004 Actual \$000
Trade payables	6	86,284	69,216	71,029	56,395
Related party payables	6	—	—	539	862
Loan from subsidiary	6	—	—	12,000	12,000
Revenue received in advance		12,876	10,023	12,876	9,999
Research contract obligations		54,836	60,001	28,610	29,533
Other payables	6	272	311	150	217
TOTAL PAYABLES		154,268	139,551	125,204	109,006

12 EMPLOYEE ENTITLEMENTS

	CONSOLIDATED		UNIVERSITY	
	2005 Actual \$000	2004 Actual \$000	2005 Actual \$000	2004 Actual \$000
CURRENT LIABILITIES				
Accumulated annual leave	10,838	9,861	10,568	9,057
Retirement allowance	4,625	2,405	4,625	2,405
Long service leave	541	62	541	62
TOTAL EMPLOYEE ENTITLEMENTS – CURRENT	16,004	12,328	15,734	11,524
NON-CURRENT LIABILITIES				
Retirement allowance	20,924	17,330	20,924	17,330
Long service leave	1,896	1,459	1,896	1,459
TOTAL EMPLOYEE ENTITLEMENTS – NON-CURRENT	22,820	18,789	22,820	18,789

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2005

13 PROVISIONS

2005	CONSOLIDATED / UNIVERSITY			
	Vice-Chancellor's University Development Fund \$000	Emerging Research Areas Support Fund \$000	Academic Support Fund \$000	Total 2005 Actual \$000
Balance 1 January 2005	4,245	57	118	4,420
Increase / (Decrease) to provision	3,549	—	228	3,777
Amounts incurred against provision	(1,714)	(57)	(262)	(2,033)
BALANCE 31 DECEMBER 2005	6,080	—	84	6,164

2004	CONSOLIDATED / UNIVERSITY				
	Vice-Chancellor's University Development Fund \$000	Flexible Learning Initiatives Fund \$000	Emerging Research Areas Support Fund \$000	Academic Support Fund \$000	Total 2004 Actual \$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 2005 (2004: Nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2005

15 OPERATING COMMITMENTS

	CONSOLIDATED		UNIVERSITY	
	2005 Actual \$000	2004 Actual \$000	2005 Actual \$000	2004 Actual \$000
COMMITMENTS IN RESPECT OF OPERATING LEASES				
Due within 1 year	16,189	17,468	14,835	16,056
Due within 1 to 2 years	11,871	13,249	10,713	12,140
Due within 2 to 5 years	16,165	14,641	14,877	12,705
Due in over 5 years	5,194	6,842	5,162	6,421
TOTAL OPERATING LEASE COMMITMENTS	49,419	52,200	45,587	47,322
OPERATING LEASE COMMITMENTS BY TYPE				
Properties	36,886	38,344	33,437	33,816
Equipment	12,533	13,856	12,150	13,506
TOTAL OPERATING LEASE COMMITMENTS BY TYPE	49,419	52,200	45,587	47,322

16 CAPITAL COMMITMENTS

	CONSOLIDATED/UNIVERSITY	
	2005 Actual \$000	2004 Actual \$000
Property Services projects	48,654	18,373
Other capital expenditure	960	2,827
TOTAL CAPITAL COMMITMENTS	49,614	21,200

17 GENERAL 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.

18 REVALUATION RESERVES

	CONSOLIDATED		UNIVERSITY	
	2005 Actual \$000	2004 Actual \$000	2005 Actual \$000	2004 Actual \$000
LAND AND BUILDINGS				
Balance 1 January 2005	62,701	62,701	62,701	62,701
Transferred to retained surplus on disposal of revalued assets	(2,852)	—	(2,852)	—
Net revaluation of land and buildings	139,228	—	138,554	—
BALANCE 31 DECEMBER 2005	199,077	62,701	198,403	62,701
WORKS OF ART				
Balance 1 January 2005	3,027	3,027	3,027	3,027
Net revaluation of works of art	—	—	—	—
BALANCE 31 DECEMBER 2005	3,027	3,027	3,027	3,027
TOTAL BALANCE 31 DECEMBER 2005	202,104	65,728	201,430	65,728

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2005

19 TRUST AND SPECIAL FUNDS

	CONSOLIDATED / UNIVERSITY			
	Special Funds \$000	Endowment Funds \$000	Scholarships \$000	Total \$000
Balance 1 January 2005	1,887	6,385	7,330	15,602
Income	6,264	2,885	1,166	10,315
Less expenditure	(6,231)	(2,931)	(339)	(9,501)
Net surplus / (deficit)	33	(46)	827	814
BALANCE 31 DECEMBER 2005	1,920	6,339	8,157	16,416

20 BUSINESS COMBINATIONS

There were no acquisitions during 2005.

ACQUISITIONS FOR THE YEAR ENDED 31 DECEMBER 2004

During 2004, 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 an Unusual Item 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	
	2005 Actual \$000	2004 Actual \$000
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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2005

21 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 2005 was \$16.8 million (2004: \$12.0 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 2005 was \$2.9 million (2004: \$2.7 million).

Interest charged by Auckland UniServices Limited to the University throughout the year was \$0.836 million (2004: \$0.776 million).

Balances outstanding at 31 December 2005 are :

1. Sundry Debtors	\$4,549,057	(2004: \$2,007,487)
2. Current Account	\$752,635	(2004: \$479,553)
3. Sundry Creditors	\$347,356	(2004: \$626,713)
4. Loan Account	\$12,000,000	(2004: \$12,000,000)

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 2005 is \$192,367 (2004: \$235,448).

22 IMPLEMENTATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

In December 2002, the Accounting Standards Review Board in New Zealand announced that New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) will apply to all New Zealand entities for periods commencing on or after 1 January 2007, with the option to convert two years earlier. The University of Auckland intends to adopt NZ IFRS for the year commencing 1 January 2007. The comparative financial statements will need to be restated and an opening position prepared using NZ IFRS as at 1 January 2006. This disclosure highlights the most significant changes in accounting policies expected to arise upon conversion to NZ IFRS. It should be noted that IFRS is still being developed and will continue to do so over the next few years. Therefore any financial impacts indicated in this disclosure may be subject to change.

PLANNING FOR THE TRANSITION TO NZ IFRS

The University of Auckland's project to convert to NZ IFRS commenced in April 2005 with a high level assessment of the scope, timeframe, likely issues, potential financial impacts, additional disclosures and resource requirements. Detailed investigations are well progressed. Any changes required in accounting policies are being researched and assessed and additional disclosures identified. All Statement of Financial Position, Statement of Financial Performance and Statement of Cash Flows items are being evaluated. Accounting issues, business issues, systems impacts and additional data needs are being identified and worked through. Training and communication plans are being implemented. Conversion to NZ IFRS will conclude with delivery of the first set of NZ IFRS compliant annual financial statements for the year ending 31 December 2007.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2005

22 IMPLEMENTATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

KEY DIFFERENCES IN ACCOUNTING POLICIES EXPECTED TO ARISE UPON ADOPTION OF NZ IFRS

The main impacts of conversion to NZ IFRS on The University of Auckland's accounting policies are summarised below. As The University of Auckland will not adopt NZ IFRS until the year commencing 1 January 2007, no financial impacts have been quantified as the actual impacts on transition may be materially different from current estimates. They would also be subject to any further developments in the international accounting arena.

FINANCIAL INSTRUMENTS

The University of Auckland maintains an off-balance sheet portfolio of forward exchange contracts to hedge currency risks associated with its committed foreign currency transactions. Under New Zealand GAAP these contracts are accounted for as hedges with any gains or losses deferred and recognised when the hedged transaction occurs.

Under NZ IFRS all derivative contracts will be recognised at fair value in the Statement of Financial Position. Changes in the fair value of the derivatives will be recognised in the Statement of Financial Performance unless strict hedge criteria are met. This includes testing the hedging relationship both prospectively and retrospectively for effectiveness. Ineffectiveness outside the prescribed parameters precludes the use of hedge accounting and may result in volatility in the Statement of Financial performance.

INTANGIBLE ASSETS

The University of Auckland does not currently recognise any intangible assets. NZ IAS 38 - Intangible Assets (and related interpretations) require computer software that is not an integral part of the related computer hardware to be treated as an intangible asset, provided certain criteria are met. On conversion to NZ IFRS, such items will be reclassified from tangible to intangible fixed assets.

As intangible assets with a finite useful life are subject to amortisation rather than depreciation there will be no net impact on equity.

EMPLOYEE BENEFITS

IAS 19 requires employee benefits to be recognised as services are rendered as opposed to on entitlement.

The University of Auckland will undertake actuarial valuations for long service leave, retirement leave and sick leave.

On adoption of NZ IFRS, the University may need to make further provisions for employee entitlements. This may result in a change to net equity on adoption. Any subsequent changes to provisions will result in volatility in the Statement of Financial Performance.

COST OF SERVICE SUMMARY

FOR THE YEAR ENDED 31 DECEMBER 2005

	CONSOLIDATED			UNIVERSITY	
	2005 Actual \$000	2005 Budget \$000	2004 Actual \$000	2005 Actual \$000	2004 Actual \$000
COST OF SIGNIFICANT ACTIVITIES					
Teaching and research	345,219	341,800	298,274	345,251	298,274
Research programmes	165,584	161,652	150,518	103,996	87,332
Academic services	129,633	132,495	123,911	126,596	120,404
Institutional services	122,118	104,674	103,558	122,954	104,341
Total cost of significant activities	762,554	740,621	676,261	698,797	610,351
less internal transactions	(130,713)	(118,598)	(117,554)	(130,713)	(117,554)
TOTAL EXTERNAL COSTS	631,841	622,023	558,707	568,084	492,797
REVENUE FROM SIGNIFICANT ACTIVITIES					
Teaching and research	454,474	453,954	405,905	456,101	407,169
Research programmes	178,149	167,333	156,879	115,427	93,071
Academic services	37,805	38,982	36,633	34,782	33,152
Institutional services	111,842	97,807	95,874	111,842	96,031
Total revenue from significant activities	782,270	758,076	695,291	718,152	629,423
less internal transactions	(130,713)	(118,598)	(117,554)	(130,713)	(117,554)
TOTAL EXTERNAL REVENUE	651,557	639,478	577,737	587,439	511,869
OPERATING SURPLUS FROM SIGNIFICANT ACTIVITIES	19,716	17,455	19,030	19,355	19,072

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

The 2004 comparative figures have been restated to conform with the 2005 reporting structure. While the underlying transactions have not been altered, the comparatives have been restated to enable comparisons to be made with the current year.

REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 DECEMBER 2005

TO THE READERS OF THE UNIVERSITY OF AUCKLAND AND GROUP'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

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 2005.

QUALIFIED OPINION – COMPARATIVE INFORMATION

Except for the effect of the matters noted below, which relate only to the comparative information, in our opinion the financial statements of the University and group on pages 36 to 50 and 57 to 75:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
 - o the University and group's financial position as at 31 December 2005;
 - o the results of operations and cash flows for the year ended on that date; and
 - o the service performance achievements measured against the performance targets adopted for the year ended on that date.

We disagreed with the University recognising 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 for the year ended 31 December 2004. As outlined in the Revenue accounting policy on page 57, the Council of the University (the Council) is of the opinion that the Crown is not an owner of the University. 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 for the year ended 31 December 2004.

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 for the year ended 31 December 2004 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 for the year ended 31 December 2004 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.

The audit was completed on 27 February 2006, 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 in the comparative information 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.

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 2005. 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 and executive payroll services, which are compatible with those independence requirements. 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

This audit report relates to the financial statements of The University of Auckland for the year ended 31 December 2005 included on The University of Auckland's website. The University's Council is responsible for the maintenance and integrity of the University's website. We have not been engaged to report on the integrity of the University's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 27 February 2006 to confirm the information included in the audited financial statements presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

NOTES

AUSA
Student Support Office
Health Centre





**THE UNIVERSITY
OF AUCKLAND**

NEW ZEALAND

Te Whare Wānanga o Tāmaki Makaurau

THE UNIVERSITY OF AUCKLAND

Private Bag 92019

Auckland

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Annual Report

The University of Auckland