



# ENABLING THE MODERN NEW ZEALAND

ANNUAL REPORT 2015

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**\$253m**

Earned on research  
and contracts

**\$118m**

Invested in new  
capital works

**10,625**

Qualifications awarded

**1,566**

International graduates

**824**

Pacific graduates

**743**

Māori graduates

**377**

doctorates



**298**

New research  
contracts

**63**

Research patents  
granted

**450**

Active research projects  
for private New Zealand  
businesses

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## CHANCELLOR'S REVIEW

Dr Ian Parton - Chancellor

**In most countries, a differentiated university system is the norm. Some universities will be research-led, supported to have a focus on cutting-edge research and on graduate education, while others will have more of a focus on accessibility and undergraduate education.**

By contrast, New Zealand is unusual in that its public policy environment tends to treat all the universities as if they were the same. For example, the funding system invests the same amount (government subsidy plus student tuition fee) in each university student taking a particular type of course, irrespective of the ranking (implicitly quality) of the subject or the host university. Only the Performance-Based Research Fund (PBRF) has a strong relationship between quality and level of investment.

Despite this, the University of Auckland occupies a unique position in the New Zealand university sector. We have the highest entry standards for our academic programmes, and the University has more Māori and Pacific graduates at bachelors level or higher than any other institution. With only 25 percent of the assessed academics in New Zealand we have 35 percent of those ranked most highly in the PBRF. And we create patents at six times the New Zealand university (and Crown Research Institute) average. In short, we offer the nation a very high return on its investment.

Our unique position reflects, in part, our many natural advantages. Some of these are not of our own making – our location in New Zealand's largest, most international, diverse and business-focused city being the obvious example. But others reflect the foresight of our predecessors, for example the creation of UniServices in 1989 by then Vice-Chancellor Colin Maiden. Others still, result from our own willingness to make brave and controversial decisions. One example was our decision in 2009 to limit entry to all of our academic programmes, raising entry standards while also ensuring that we supported students whose personal circumstances did not allow them to demonstrate their natural academic abilities.

Another key advantage is the quality of our staff and students. In 2015, this was recognised through an extraordinary range of awards and honours:

- Distinguished Professor Ian Reid won the top honour from the Royal Society of New Zealand (RSNZ) - the Rutherford Medal - for his research into metabolic bone diseases, such as osteoporosis and Paget's disease. He was also awarded the Health Research Council of New Zealand (HRC) Liley Medal and, together with colleagues Associate Professors Mark Bolland and Andrew Grey, won the 2015 Prime Minister's Science prize.

- Professor Margaret Hyland (Engineering) was awarded the RSNZ Pickering Medal for her pioneering work into the reduction of fluoride emissions produced by aluminium smelters.

- Professor Keith Petrie won the RSNZ Mason Durie Medal for his research into patients' perceptions of illness and their impact on recovery and coping.

- Professor Margaret Mutu won the RSNZ Pou Aronui Award for her contribution to indigenous rights and scholarship in New Zealand.

- Professor Ed Mitchell was awarded the HRC Beaven Medal for his research into preventing sudden infant death syndrome (cot death).

- Dr Michelle Dickinson (Engineering) received the RSNZ Callaghan Medal for her work raising public awareness of the value of science in New Zealand.

- Dr Alex Taylor won the MacDiarmid Emerging Scientist Prize at the 2015 Prime Minister's Science Prize awards for his research into the evolution of intelligence.

- Associate Professor Stéphane Coen was awarded the Research Medal by the New Zealand Association of Scientists for his discoveries in miniature optics.

- Three academic staff members won National Tertiary Teaching Excellence Awards - Dr

## Another key advantage is the quality of our staff and students. In 2015, this was recognised through an extraordinary range of awards and honours

Elana Curtis in the Kaupapa Māori category, and Dr Eleanor Hawe and Marie McEntee who won Sustained Excellence in Teaching General awards.

- Professors Nicolas Smith, Alexei Drummond, Edward Gane, Thomas Lumley and Keith Petrie, and Associate Professor Janet Wilmshurst, were elected Fellows of the Royal Society of New Zealand.
- Distinguished Professor Margaret Brimble was named one of this year's Distinguished Women in Chemistry or Chemical Engineering, by the International Union of Pure and Applied Chemistry.
- Distinguished Professor Dame Anne Salmond was elected an international member of the American Philosophical Society for her scholarship in Anthropology and Māori Studies.
- Drs Annette Henderson, Gwenda Willis, Cate Macinnis-Ng, Miro Erkintalo, Peng Du, Emma Scotter and Troy Merry were awarded Rutherford Discovery Fellowships.
- The University of Auckland made a clean sweep of the 2015 Woolf Fisher scholarships with James Gawith, Matthew Conder and Reece Oosterbeek supported to study for their doctorates at Cambridge.
- Eve Waddington was awarded the prestigious Prince of Wales scholarship, also to study at Cambridge

• Tonga Manase Latu, a vocal student from the School of Music, was awarded a 2015 Creative New Zealand Arts Pasifika Award in recognition of his outstanding contribution to Pacific arts.

• Oscar Lyons and Jade Leung won Rhodes Scholarships.

The challenge for the University Council and management is to continue to support – and enhance – this kind of excellence in what is now a highly constrained environment. In terms of physical infrastructure we are certainly doing that. Our Newmarket Campus opened in 2015, the culmination of an \$80 million investment in engineering and science research and postgraduate education. This campus will also become a hub for engagement with industry.

Excellent progress was made on our new Science Tower, and it will open in 2016. The University Council approved the construction of a new Engineering building on the City Campus to accommodate rapid growth in numbers of Engineering students, at an expected cost in excess of \$250 million. Work has also begun on planning for new developments in Arts and Education.

The operating front is more challenging. Revenue from domestic students remains highly constrained and, while we can grow

international student numbers, we must also have a commitment to the education of local students. Research funding available for competitive bidding by all the universities fell in real terms by 35% between 2009/10 and 2015/16, a major challenge for a research university.

This means that we will have to do even more to be self-supporting. In that regard, it was significant that in 2015 we received the largest ever single philanthropic pledge, and the largest ever bequest, to the University. This kind of support will be critical to our future achievements. I thank those donors, the many other people who, like them, believe in what we are doing, and the outstanding staff and students whose many achievements we celebrate in this report.





## VICE- CHANCELLOR'S REPORT

Professor Stuart McCutcheon - Vice-Chancellor

**In 2015 the University of Auckland again performed at a high level, despite continuing to operate in a highly constrained environment. Overall, revenue was ahead of the budget target by \$12.1 million, and up on the previous year by \$61.8 million. The operating surplus at 6.3% was also well ahead of budget (3.6%) but this reflected, in the main, one-off donation receipts and non-cash revenues associated with achieving the milestones for Partnerships for Excellence programmes.**

Total domestic Equivalent Full Time Students (EFTS) were 29,340, which was down on both the 2015 target (29,919) and the 2014 actual (29,594). In retrospect, the target was probably over-ambitious given the declining number of school leavers in New Zealand. However, we still met the number of EFTS funded by the Tertiary Education Commission (TEC) and therefore suffered only a reduction in the number of unfunded EFTS (enrolled places in excess of those which the TEC has agreed to fund). In broad terms, domestic EFTS continued to grow in Engineering, Science and Medical & Health Sciences, while remaining constant or declining a little in other faculties.

The proportion of high-achieving domestic students (grade point average greater than or equal to 5) entering the University increased again in 2015 (as it has done in every year since we limited entry to all programmes) to 55 percent, up from 52 percent in 2014.

Among our undergraduates, there was a pleasing increase on 2014 in our proportions of both Māori (9.0 versus 8.2 per cent) and Pacific (11.8 versus 11.2 per cent) students.

International student enrolments were a little ahead of budget (3,877 versus 3,824 EFTS) and 223 EFTS up on the previous year's performance. At the "output" end of the process, taught masters completions were well ahead of budget (896 versus 706), doctoral completions just above budget (373 versus 356) and research masters below budget (725 versus 749). The change in research masters completions is in part a consequence of the increasing trend for students in some disciplines to proceed directly to the doctoral programme from an honours degree.

At nearly \$253 million, research and contract revenues were up by \$18 million on 2014 but behind the budget figure of \$271 million. Overall, the picture remains one of a constrained environment for commercial research but enhanced performance in research funded through the public sector, most notably new funding coming on stream from the Centres of Research Excellence and National Science Challenges.

As the Chancellor has noted, our staff had a wonderful year in terms of awards recognising their outstanding research and teaching. For our top performers, balancing the drive for excellence in teaching, research and

leadership can be challenging indeed. As the complexity of national research funding mechanisms increases, we need to enhance the quality of support provided for staff. To this end, we undertook during this year a major consultative project investigating the support that staff need for their research and the ways in which we deliver that support. This project demonstrated that there is some dysjunction between need for and availability of certain types of support, despite our generally high level of investment in that support. During 2016, we will use the results of that investigation and benchmarking with other research-intensive universities in Australasia, to explore how we can more effectively use our investment to provide support for both our developing and most productive researchers.

The 2015 year was also notable for the outstanding philanthropic support provided by our alumni and friends. A \$10 million pledge by Mr Liangren Li for cancer research was the largest single gift to the Faculty of Medical & Health Sciences, while a bequest of nearly \$5 million from the estate of John Turnbull was the largest bequest in the history of the University. Overall, a total of \$49 million was gifted to the University or its associated trusts during 2015. A significant proportion of this philanthropic funding will be in endowments or is to be used over several years, so that the actual philanthropic income to the University in 2015 was \$16.6 million. This kind of support is becoming increasingly important because of the

## If we want New Zealand to achieve the same benefits that other countries have from their leading research universities then we must be bold in allowing those universities to flourish



flexibility it creates for our leading academics to attract top students and colleagues, and to fund the highly innovative research that is not always funded through public funding mechanisms.

In order to ensure that we provide the kinds of facilities that will be attractive to outstanding staff and students, we have continued to invest heavily in the development of our key campuses. The Newmarket Campus was opened in May, featuring extensively refurbished buildings and a new large-scale structures hall for the Faculty of Engineering, with some Faculty of Science activities also located there. Excellent progress was made on the new Science Tower on the corner of Symonds and Wellesley Streets, an investment of over \$200 million that will allow us to begin co-locating the Schools of Environment and Psychology with most of the other schools in the Faculty of Science in early 2016. The University Council also approved the business case for a new Engineering building on the City Campus, to be completed in 2019 at a cost in excess of \$250 million. This will allow us to accommodate the very rapid growth currently being undertaken in the Faculty of Engineering in line with national priorities and government investment.

Given our objective of attracting students of high academic potential from throughout New Zealand and around the world, we have also continued to invest heavily in student accommodation. Excellent progress was made

on the 264-bed apartment style Carlaw Park stage II development (to be opened in early 2016) and work began on a new block of 343 studio apartments in upper Symonds Street, to be opened a year later. Both of these are public-private partnerships. The University also took ownership of the long-established Grafton Hall in a generous arrangement with the Presbyterian Methodist Congregational Foundation. This saw the \$8.4m net proceeds of the sale of surrounding properties owned by that Foundation returned to University students through an endowed scholarships programme.

Another key focus for 2015 was on health, safety and wellbeing. The University is a large and diverse community with over 50,000 people regularly on our campuses, and many more occasional visitors. An 18-month project to improve our performance in this area through appointment of specialist staff, improved risk and incident reporting, targeted reviews and cultural change concluded in 2015 and has now been transferred to “business as usual” via a new University Health, Safety and Wellbeing Committee chaired by the Vice-Chancellor.

Taking all this into account, one might ask why I have characterised our current environment – with growth of \$62 million in total revenues, strong philanthropic support, and a major capital development programme – as a “constrained environment”.

Part of this is because although these appear to be significant sums, they are modest in the context of a large organisation now turning over \$1.1 billion per annum. But more specifically, the comment reflects our ambition to create for New Zealand a truly great research university. As we point out in section 2 of this Report (page 18), such universities can have a huge positive impact on the economic, social and environmental development of their cities and their countries. But this cannot be achieved by incremental change, nor by a focus on the cost of universities at the expense of quality. We can have great universities or we can have cheap universities, but we cannot have both. If we want New Zealand to achieve the benefits that other countries have from their leading research universities then we must be bold in allowing those universities to flourish.

# Key facts and figures

Full-Time Equivalent staff (FTE)	2013	2014	2015
Academic	2,131	2,154	2,183
Professional	2,778	2,789	2,892
<b>Total</b>	<b>4,909</b>	<b>4,943</b>	<b>5,075</b>

Students	2013	2014	2015
Equivalent Full-Time Students (EFTS)	33,050	33,468	33,489

Gender (students)	2013	2014	2015
Male	17,888	18,118	18,067
Female	23,475	23,835	24,033
<b>Total</b>	<b>41,363</b>	<b>41,953</b>	<b>42,100</b>

#### Note

- Head count of formal students only.

Workload (students)	2013	2014	2015
Full-Time	26,597	26,891	26,899
Part-Time	14,766	15,062	15,201
<b>Total</b>	<b>41,363</b>	<b>41,953</b>	<b>42,100</b>

Ethnicity (students)	2013	2014	2015
European	17,451	17,372	16,771
Māori	2,882	2,932	3,183
Pacific Island	3,277	3,531	3,582
Asian	15,291	15,769	16,219
MELAA	1,267	1,327	1,349
Other	1,195	1,022	996
<b>Total</b>	<b>41,363</b>	<b>41,953</b>	<b>42,100</b>

#### Note

- MELAA - Middle Eastern, Latin American, African.



Age group (students)	2013	2014	2015
18 or less	2,091	2,141	2,032
19 - 20	11,319	11,665	11,649
21 - 23	13,031	13,179	13,576
24 - 29	7,158	7,211	7,402
30 - 39	3,988	4,090	4,031
40+	3,776	3,667	3,410
<b>Total</b>	<b>41,363</b>	<b>41,953</b>	<b>42,100</b>

Student enrolment by qualification (EFTS)	2013	2014	2015
Doctor of Philosophy	1,719	1,808	1,915
Other doctoral degree	76	84	82
Master Degree	1,778	2,079	2,095
Bachelor Honours	764	790	865
Postgraduate/ Certificate Diploma	2,183	2,120	2,046
Bachelor Degree	25,091	25,132	24,972
Undegraduate Diploma	300	255	203
Certificate	1,118	1,180	1,293
<b>Total</b>	<b>33,028</b>	<b>33,448</b>	<b>33,472</b>

**Note**

- EFTS from formal qualifications only are included.

Completions by qualification	2013	2014	2015
Doctor of Philosophy	297	367	350
Other doctoral degree	26	24	27
Master degree	1,282	1,297	1,551
Bachelor Honours	753	553	647
Postgraduate/ Certificate diploma	1,973	2,309	2,154
Bachelor degree	5,394	5,749	5,260
Undegraduate diploma	679	202	167
Certificate	451	453	469
<b>Total</b>	<b>10,855</b>	<b>10,954</b>	<b>10,625</b>

**Note**

The completion of a conjoint degree is counted as one qualification.

Programme enrolments (students)	2013	2014	2015
Arts	8,261	8,178	7,667
Auckland Bioengineering Institute	78	79	89
Business and Economics	7,160	7,173	7,225
Creative Arts and Industries	1,887	1,878	1,835
Education	3,780	3,741	3,554
Engineering	3,842	4,106	4,298
Law	1,818	1,789	1,790
Liggins Institute	42	42	42
Medical and Health Sciences	5,526	5,769	5,971
Science	8,435	8,517	8,905
University Programmes	2,470	2,588	2,826
<b>Total</b>	<b>43,297</b>	<b>43,860</b>	<b>44,202</b>

#### Note

- Conjoint degrees, PhD and other doctorate enrolments are reported with their sponsoring faculty. For example, a student enrolled in BA/BSc will be distributed between Science and Arts at a ratio of 50/50.
- Students enrolled in more than one qualification during the year are counted in each qualification.
- University programmes includes Inter-faculty offerings as well as University Certificates and Tertiary Foundation Certificates
- Adult and community education enrolments are not included

Undergraduate enrolment (EFTS)	2013	2014	2015
Arts	5,021	4,928	4,767
Business & Economics	4,872	4,875	4,798
Creative Arts and Industries	1,201	1,228	1,205
Education	1,834	1,803	1,845
Engineering	2,055	2,218	2,286
Law	1,249	1,235	1,250
Medical and Health Sciences	2,831	2,911	2,993
Science	6,225	6,317	6,233
University Programmes	461	423	377
<b>Total</b>	<b>25,749</b>	<b>25,937</b>	<b>25,754</b>

#### -Note

- University programmes include Tertiary Foundation Certificate and University of Auckland at Manukau enrolments
- Only formal enrolments are included; adult and community education enrolments are excluded

Postgraduate enrolment (EFTS)	2013	2014	2015
Arts	769	762	756
Auckland Bioengineering Institute	70	70	81
Business & Economics	703	800	832
Creative Arts and Industries	484	485	476
Education	1,136	1,173	1,170
Engineering	1,146	1,159	1,237
Law	130	146	123
Liggins Institute	32	34	33
Medical and Health Sciences	1,402	1,435	1,495
Science	1,400	1,437	1,514
University Programmes	7	11	0
<b>Total</b>	<b>7,279</b>	<b>7,511</b>	<b>7,717</b>

Qualifications awarded (by faculty)	2013	2014	2015
Arts	1,845	2,305	2,082
Auckland Bioengineering Institute	5	15	12
Business & Economics	1,834	2,041	2,010
Creative Arts and Industries	621	521	451
Education	1,359	1,371	1,230
Engineering	843	916	978
Law	286	438	367
Medical and Health Sciences	1,886	1,837	1,868
Science	1,952	2,026	2,049
University Programmes	224	193	199
<b>Total</b>	<b>10,855</b>	<b>11,663</b>	<b>11,246</b>

**Note**

The award of conjoint degrees is recognised in each awarding faculty.

International students (students)	2013	2014	2015
China	2,016	2,397	2,740
United States	474	525	563
Malaysia	513	425	433
Korea, Republic of	426	361	296
India	253	301	291
Iran (Islamic Republic Of)	104	120	133
Indonesia	97	125	132
Hong Kong	94	130	130
Japan	147	151	123
United Kingdom	89	106	118
Vietnam	90	98	94
Germany	114	90	81
Taiwan	83	76	77
Singapore	57	70	75
Thailand	55	68	74
Canada	76	71	62
France	57	57	59
Brazil	18	43	56
Norway	67	44	54
Saudi Arabia	45	43	44
Russian Federation	46	47	43
Italy	13	18	42
Philippines	29	44	39
Pakistan	53	42	37
Others	594	576	555
<b>Total</b>	<b>5,610</b>	<b>6,028</b>	<b>6,351</b>

# University governance

The University of Auckland 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 and its amendments.

## 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
- Carry out long-term planning for the University
- Adopt the Investment Plan
- Ensure that the institution is managed in accordance with the Investment Plan

- Determine the policies of the institution in relation to the carrying out of the Investment Plan and, subject to the State Sector Act 1988, the management of its affairs. (Note, from January 2016 the constitution of Council changes as a result of the Education Amendment Act 2015).

## The University’s statutory role

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

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

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

## 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 of 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 a Senior Leadership Team comprising:

- The Deputy Vice-Chancellors (Academic), (Research) and (Strategic Engagement)
- The Pro Vice-Chancellors (Equity) and (Māori)
- The Deans
- The Director of Administration and Registrar, and the directors of Human Resources, Planning, Finance, Property Services, ITS and the University Librarian
- The Chief Executive of Auckland UniServices Ltd
- The Chair of the University Budget Committee.



## 2015 Council

**From top left:** Elected by academic staff: Professor Louise Nicholson; ex-officio: Deputy Vice-Chancellor, Professor John Morrow; elected by professional staff: Steve Warrington; appointed by Council: Cecilia Tarrant; elected by Court of Convocation: Chancellor Dr Ian Parton, Dr Di McCarthy and Jan Dawson; elected by professors: Professor Tim Hazledine; elected by lecturers: Associate Professor Alex Sims.

**From bottom left:** Ex-officio: Vice-Chancellor, Professor Stuart McCutcheon; elected by students: Jessica Storey and Paul Smith; appointed by the Minister of Education: Mike Daniell, Peter Kiely, Sir Ralph Norris and Andrew Ferrier, appointed by Council: Scott St John, Sarah Roberts.

## 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 and professional 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
- Furthering and coordinating the work of faculties and departments, the General Library and University Press
- Encouraging scholarship and research
- Appointing standing committees as required
- Delegating authority to its committees.

As a delegate of Council, the Senate operates as a committee of Council.

## The faculties

Each faculty is headed by a Dean who is responsible for management of the teaching, research and the administrative activities of that particular faculty. Each faculty has established its own structure of associate and assistant deans, and committees. Deans have primary financial responsibility for their faculties. Every year, faculties are required to prepare an annual plan and an annual report that provides detail of planned activities and achievements. Faculties develop strategic plans in alignment with the University Strategic Plan, to ensure that specific faculty-focused endeavours will push the University, collectively, towards its targets.

## Governance documents

### The Charter

The Charter is a high-level governance document which incorporates the mission, purpose, values and character of the University of Auckland. The Charter is no longer required by the Education Act. The University Council, however, determined that the Charter is of benefit as a guiding document to the University and has endorsed its retention. The Charter mission and values have been incorporated in the Strategic Plan.

### The Strategic Plan 2013-2020

The Strategic Plan is the key document in the University's cycle of planning, delivery and accountability. The Strategic Plan articulates the University's vision and strategic direction for the period of the Plan. The objectives contained within the Plan form the basis for

annual planning and resource allocation as faculties, large scale research institutes and service divisions consider how they can best use resources to maximise progress towards the higher performance and international standing sought by the University.

The University's annual performance is measured against the Plan objectives and progress each year is reported in the Annual Report's Statement of Service Performance (page 30).

### Capital Plan and Financial Projections

The long-term 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 senior management 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 established subject to the IT Strategic Plan, and the Library Committee oversees the University Library's capital expenditure allocation. A projection of the University's financial performance and position over ten years is prepared periodically. 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

### Audit and Risk Committee

Risk management and internal audit activities are overseen by the Audit and Risk Committee.

The principal task of the Audit and Risk Committee is to ensure that all financial statements released to the public, stakeholders, lenders or any regulatory body comply with accounting standards, and are true and fair. The committee reviews the effectiveness of internal controls and risk mitigators in the University and the way in which they are applied.

The committee also oversees the relationship with the University's external auditors. Ernst & Young is appointed by the Office of the Auditor-General for a three-year term. The Audit and Risk Committee receives regular reports on any matters that 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.

Health and Safety and internal audits are an integral aspect of the University's risk management framework. Certain internal audit services are contracted in from PricewaterhouseCoopers for a three-year term.

### Capital Expenditure Committee

The Capital Expenditure Committee is responsible for considering all capital expenditure proposals over \$2.5 million, with a particular focus on the contribution each proposal would make to achievement of Strategic Plan objectives, and the financial sustainability of each proposal.

### Equity Committee

The University is committed to equitable participation and advancement of staff and students. Successful achievement of equity in employment and education can bring about innovation, a more effective use of human resources, and ultimately benefits the creative and intellectual life of the University and its communities.

The Equity Committee is chaired by the Pro Vice-Chancellor (Equity) and supports Council in fulfilling its responsibilities under the State Sector Act 1988 and the Education Act 1989. The Equity Committee advises on staff and student equity policy; develops University plans for staff and student equity; and monitors and reports on the implementation of policies, and plans and progress towards student equity.

The Equity Office produces plans, strategies, policies and procedures. It develops "good employer" initiatives for staff and programmes for students. These encourage participation, eliminate barriers and risks of discrimination, and maximise the potential of groups that are under-represented or disadvantaged in their ability to attend the institution.

Representatives from Council, the Pro Vice-Chancellor (Māori), faculties, service divisions, the Students' Association, Pacific Reference Group, the Equity Office and equity interest groups, such as academic women, participate in the Equity Committee.

### Finance Committee

The purpose of the Finance Committee is to monitor the finances of the University so as to satisfy Council that they are managed in a way that:

- Maintains solvency at all times
- Minimises the risk of external intervention in the affairs of the University
- Promotes achievement of the University's annual budget, mission and strategic



objectives.

The Finance Committee supports the Council in carrying out its duty under s.181(e) of the Education Act 1989 to “ensure that the institution operates in a financially responsible manner that ensures the efficient use of resources and maintains the institution’s long-term viability”.

The committee is responsible for reporting and recommending to Council matters concerning:

- Approval of major financial decisions
- Financial policy and regulatory matters
- Financial strategy and planning
- The financial position and performance of the University
- Any other matter that Council or the Vice-Chancellor may refer to the committee.

### Rūnanga

The Rūnanga is a committee of Senate and Council, constituted as a Committee of Council and chaired by the Pro Vice-Chancellor (Māori).

The Rūnanga has five primary roles:

- To advise Council on the appropriateness of relevant sections of the Charter, Strategic Plan and Council policies in terms of the University’s aspirations to partner with Māori and support Māori development
- To advise Council on the progress and achievements of the University towards its strategic objectives for Māori
- To advise management on operational matters relevant to the delivery on strategic objectives for Māori
- To consider and advise appropriate Senate committees, and through them Council, on academic matters that have direct relevance to Māori curriculum content, delivery and research
- To provide to Council and senior management other advice as may be requested from time to time.

The Rūnanga reports to Council through Senate.

### 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

The Animal Ethics Committee ensures that the protocols for use of animals in research and teaching are of the highest ethical standard in accordance with legislative requirements. The committee reviews proposals and undertakes ongoing monitoring of the use of animals in accordance with the University’s Code of Ethical Conduct, approved by the Ministry of Primary Industries under the Animal Welfare Act.

### Biological Safety Committee

The Biological Safety Committee assesses applications for the use of genetically modified organisms in the University in accordance with the delegation by Environmental Protection Authority (EPA) in order to identify all potential risks to people including researchers and 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 EPA. 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

The Human Participants Ethics Committee reviews proposed research and teaching projects that involve human subjects, other than projects that require approval from a New Zealand Health and Disability Ethics Committee, 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.

### Other committees reporting to Council:

[Discipline](#)

[Student Appeals](#)

[University Honours](#)

[Vice-Chancellor’s Review](#)

## Health and Safety

The Occupational Health and Environmental Safety and Health Advisory Committee is a forum of nominated and 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 Audit & Risk Committee.

## Business details

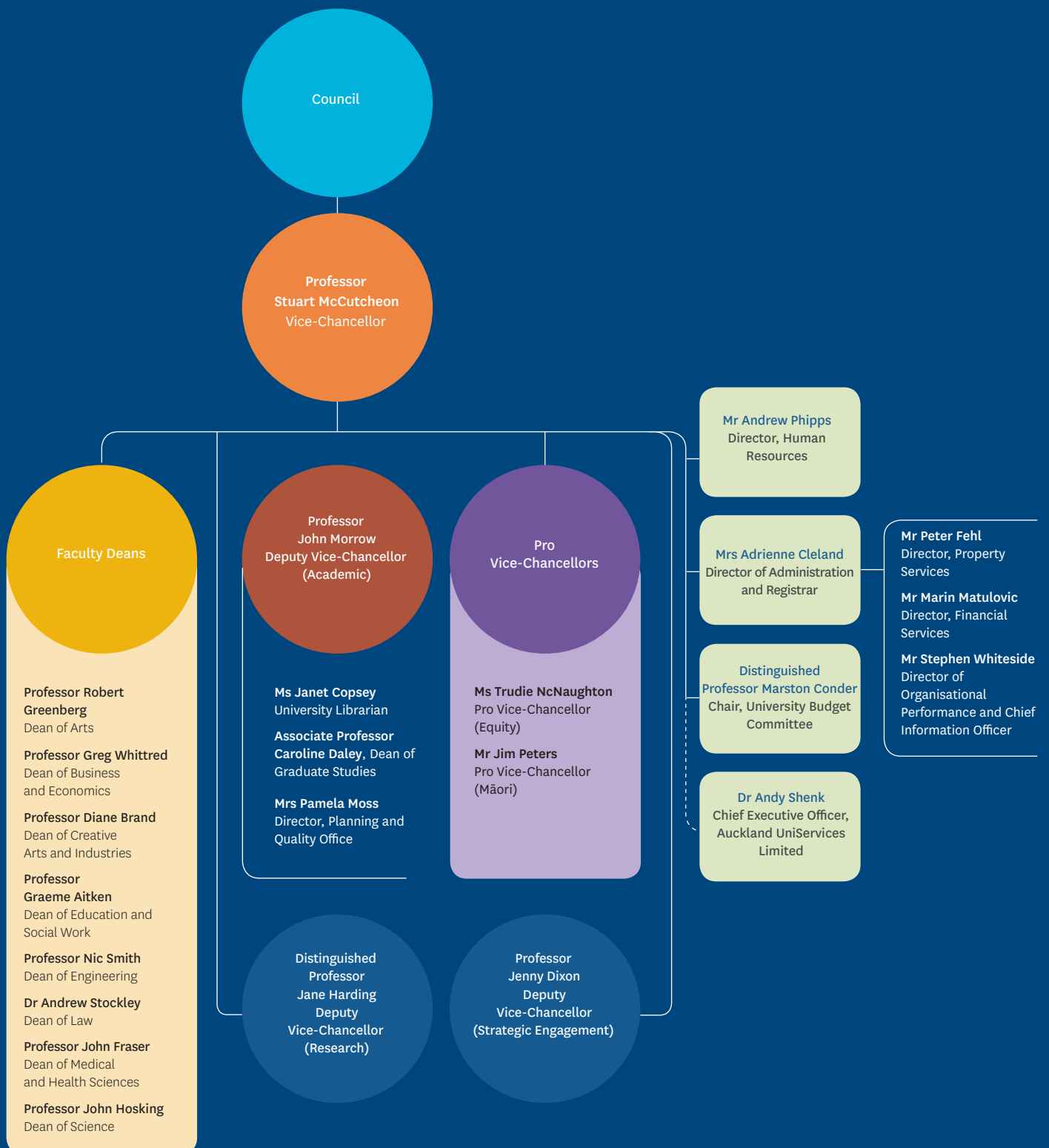
**Bankers:** Bank of New Zealand, ANZ Bank, Commonwealth Bank of Australia

**Auditors:** Ernst & Young – on behalf of the Office of the Auditor-General

**Valuers:** Darroch Limited  
ART + OBJECT

# UNIVERSITY MANAGEMENT STRUCTURE

as at 31 December 2015





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# TEACHING AND LEARNING

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**ENABLING  
THE  
MODERN  
NEW  
ZEALAND  
ECONOMY**

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New Zealand's economic performance has generally been good, and indeed has outshone that of many other advanced countries in the aftermath of the recession. Yet our country faces a number of challenges that threaten its long-term economic performance, and ultimately the economic and social well-being of New Zealanders.

The Productivity Commission has reported that low productivity, explained in part by low levels of innovation and weak international connections, is a pressing challenge. So too is the need to diversify the economy to reduce the reliance on the primary sector.

High commodity prices had a large part to play in cushioning the impact of the recession on New Zealand's economy, and we should continue to develop this sector, playing to our natural strengths. But this is not enough to drive stable growth, let alone accelerate it for the long-term benefit of our people. The recent severe decline in dairy prices serves as a stark reminder of exactly this point.

As Treasury has noted, diversifying the economy and lifting innovation will undoubtedly be key to lifting productivity and, as a consequence, long-term economic growth. We also need to consider carefully the changing nature of the job market. In the period 1986 to 2014, the share of New Zealand jobs provided by agriculture fell from 11 percent to 6 percent, a reduction of 29,400 jobs. Over the same period the manufacturing sector's share of jobs fell from 21 per cent to 11 per cent, shedding 91,700 jobs.

*What New Zealand needs is high-value firms that are net creators of new jobs and that remain, with those jobs, based in this country.*

This leads to two obvious questions.

First, *what kinds of firms are net creators of new jobs?* Although it is not a simple picture, international research indicates that a few rapidly-growing firms generate a

disproportionately large share of all new jobs, and that they tend to be young firms. Findings from a recent OECD study across 18 countries, including New Zealand, confirm that young businesses contribute disproportionately to net job creation.

MBIE research on high-growth firms in New Zealand shows a similar picture. The TIN100 (Technology Investment Network) companies experienced average annual job growth of just over 5 percent between 2007 and 2014. While this growth is from a low base, it does compare very favourably to the 0.8 percent average annual growth in the total number of jobs in New Zealand over the same period. This points to the importance of ensuring a continuous entry of new firms, some of which will become future high-growth firms.

But, again, not all new firms are created equal. In the US, the Kauffman Foundation has shown that new high-tech and ICT firms contribute disproportionately to employment growth. In their study of firms' employment performance over the period 1990-2011, they observed that "while older firms are the major source of employment, new and young companies are responsible for net new jobs. This has been especially true for high-tech and ICT firms where job gains among young businesses have been strong enough to offset job losses from early-stage firm failures".

In addition to the direct impact of high technology firms on job creation, their indirect multiplier effect is also significant. Recent research by University of California, Berkeley,



*Right:* University spin-out company StretchSense is creating wearable sensor technology that is revolutionising everything from the use of prostheses and exoskeletons to inventing gloves that can play air guitar and sensors that can light up fashion on the world's catwalks.

economist Enrico Moretti on the economics of job creation concludes that “for each new high-tech job in a city, five additional jobs are ultimately created outside of the high-tech sector in that city”, in both skilled and unskilled occupations.

The second obvious question is, *what kinds of job-creating firms stay in their own region or country?* To a significant degree, this depends on the nature of the innovation that underpins the firm’s products or services.

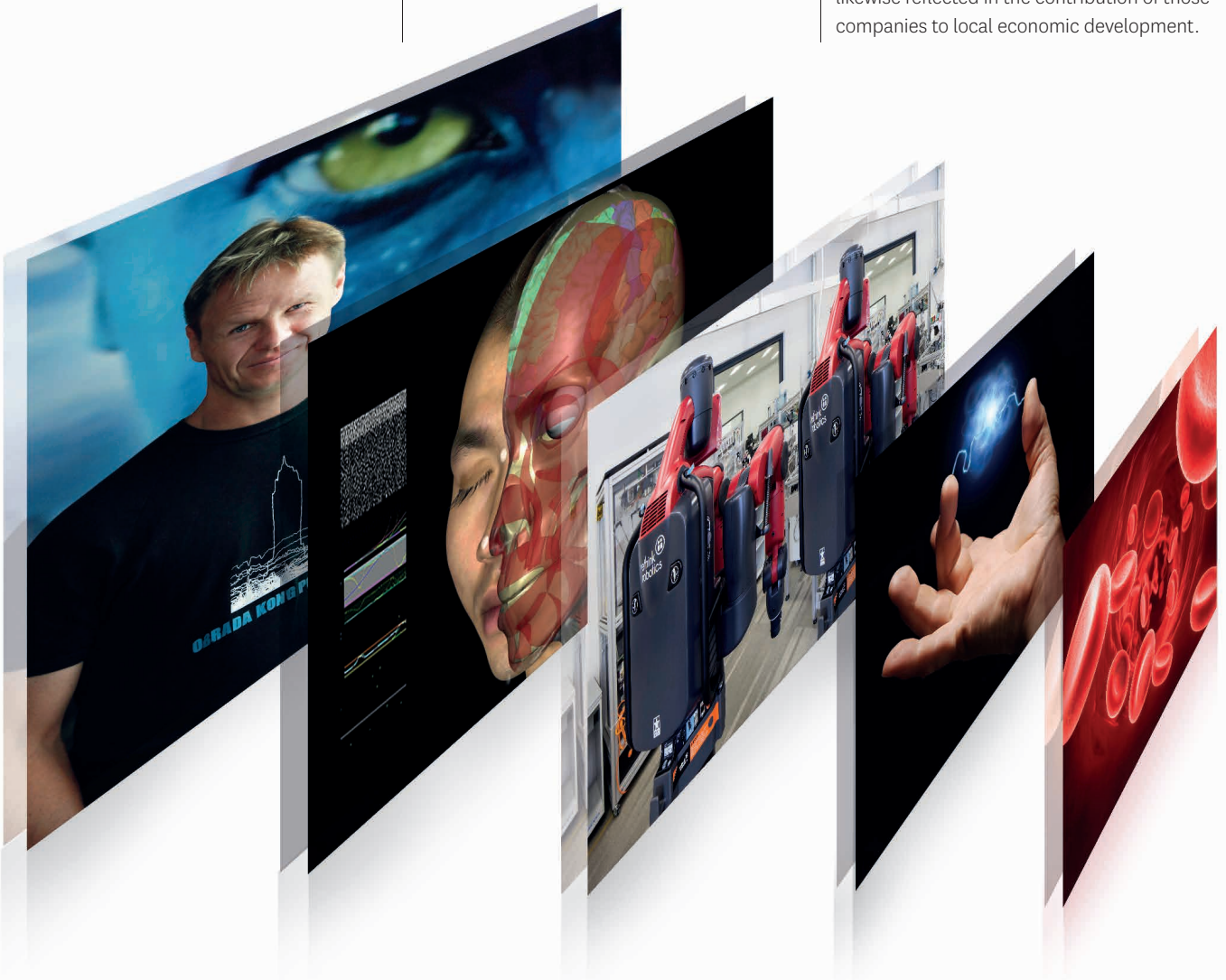
Some innovations or technological developments will principally be adopted by existing firms, generally large firms. However, New Zealand has few large exporting firms. New technologies that merely add value to existing firms are thus likely to be commercialised not in New Zealand but overseas – because that is where most of the existing large firms are. While the invention of such technologies in New Zealand will lead to royalties to, and further research investment in, this country – both of which have considerable value – they will not generally grow New Zealand firms, most of which are SMEs. Yet, as the Government’s *Business Growth Agenda* notes “Not enough innovative high-growth businesses are being created in New Zealand”.

The firms that remain close to their point of origin are typically those based not on incremental modification of existing technologies but rather on new, game-changing or “radical” technologies. As Scott Shane, Professor of Entrepreneurship at Case Western Reserve University, has noted, “Radical inventions are more likely than incremental innovations to lead to the formation of university spin-outs because radical inventions cannibalise existing assets, undermine existing organisational competencies and are often rejected by

a few rapidly-growing firms generate a disproportionately large share of all new jobs, and they tend to be young firms

managers in existing companies. Spin-out companies are more common when the knowledge needed to exploit the technology is tacit than when it is codified. Tacit knowledge makes it difficult for anyone other than the inventor to understand how to commercialise the technology; and spin-outs are a better vehicle than established firms for securing the inventor involvement in the exploitation process.” This explains why spin-out companies based on radical technologies are typically “sticky” to their inventors and the institutions (and therefore cities and countries) in which they were invented. For example, 38 per cent of the software, biotechnology and electronics companies founded by Massachusetts Institute of Technology (MIT) graduates are located in Massachusetts while fewer than 10 per cent of MIT students are drawn from the state. In short, MIT has allowed Massachusetts to become a significant “importer” of those who will go on to found companies.

More generally, evidence from the US suggests that 80 per cent of university spin-outs operate in the same state as the university from which they originated. And this is not a uniquely US phenomenon: a similar pattern of new companies staying close to the institutions that spawned them has been observed in the European context and is likewise reflected in the contribution of those companies to local economic development.





Universities can be among the most powerful forces for the creation of new firms in their own countries because they are unique in being centres both of radical innovation and of higher education. Not only does the radical innovation occurring in universities act as a powerful force for the creation of new firms in the form of spin-outs but, through the education of graduates who have the ability to be innovative, universities can play an indirect role in enhancing the absorptive capacity of firms. Equally, universities can play a significant role in the provision of entrepreneurial education that, as Sonali K. Shah and Emily Pahnke have observed, “establishes entrepreneurship as a viable career option, and exposes students to explicit and tacit knowledge and networks that might increase their chances of success if they do found a firm”.

Several examples demonstrate how universities can combine radical innovation and entrepreneurial education to support economic growth in their cities and countries.

- Stanford University alumni had, by 2011, founded nearly 40,000 companies generating an estimated 5.4 million jobs and annual world revenues of US\$2.7 trillion
- Alumni of MIT had, by 2006, created 25,600 still-active companies that employed 3.3 million people and generated annual global revenues of nearly US\$2 trillion. Those revenues produced “the equivalent of the 11th-largest economy in the world”, roughly equivalent to the entire economy of South Korea.
- The University of Cambridge had, by 2005, directly spun out 51 companies and started a further 250 as a result of knowledge transfer. These companies employed 4,000 people and generated revenues of £574 million in 2005.

These are, of course, outstanding examples, but they demonstrate that the model of the entrepreneurial university is well established and that such universities can make very substantial contributions to the creation, for their regions and countries, of very successful high-tech economies and societies. Research into these institutions typically identifies four critical success factors:

- High quality academics who have the ability to generate radical innovation conducive to commercialisation.
- A high level of public and private investment in university research.



- A well-established technology transfer office.
- A good availability of venture capital in the university’s immediate geographical vicinity.

Take for example the American biotechnology industry, which grew from virtually nothing to 700 active firms over just 15 years. Its growth and geographical distribution has been attributed to the scientific breakthroughs by top scientists within US universities. The cumulative growth of research “stars” (high-performing innovative researchers) led, and was very highly correlated with, the growth in the number of new biotech enterprises.

Compared to some of the most successful entrepreneurial universities (e.g. Stanford, MIT) that have had this focus for many years (in some cases since their inception), the University of Auckland is a relative newcomer. The University first established its dedicated technology transfer office, Auckland UniServices Ltd, in 1988, and the real push towards entrepreneurial development emerged only in the early 2000s. Yet, despite its late entry, the University has been identified by an MIT study as one of the world’s leading entrepreneurial universities “under challenging conditions”.

The University of Auckland is well positioned to make a contribution of this kind because:

- We have one-third of the top academic researchers in the country.
- We generate patents at about six times the rate of the university and CRI sector averages.
- We have in Auckland UniServices Ltd the top commercialisation company in Australasia, holding 1,200 active contracts with 300 firms at any one time.
- We have invested \$830 million in new research and teaching facilities for science, engineering and medicine in the current decade.

However, the major impediment to our doing more in the service of economic development for New Zealand remains the low level of investment in research in this country. The unwillingness of the private sector to invest is well known: more disturbing is the fact that, over the last six years, the research funding for which universities can compete in New Zealand has fallen by 35% or \$172 million in real terms. Until that situation is comprehensively reversed, neither the University of Auckland nor our colleague institutions will be able to fulfil their considerable potential to contribute to economic development in this country.

*Top:* Distinguished Professor Margaret Brimble is a leading synthetic chemist who designs and makes novel molecules and peptides with therapeutic properties.



# FACULTIES, INSTITUTES, UNISERVICES

## Arts

Major initiatives for the faculty in 2015 have included the building of a stronger faculty leadership team with closer collaborations between senior academic and professional staff; improvements to planning processes; implementation and development of new academic programmes, research initiatives, and equity priorities; and affirmation of a culture that celebrates successes.

The faculty has continued its efforts to adapt to the new organisational structures implemented over the last two years. The impact on staff of these changes was reflected in the lower satisfaction rates reported in the 2015 staff survey. As a response, faculty leadership created an annual plan that incorporated feedback received from academic and professional staff. In addition, the faculty held several open forums regarding the results of the staff survey, and is committed to improving staff satisfaction and working relationships.

As a response to declining EFTS, the faculty implemented new planning processes in 2015 to ensure that the budgets can efficiently cover the teaching needs within the schools. For the

first time, each school was required to submit a three-year teaching plan, which was then reviewed both for the academic merit of the plan and the financial implications. The faculty also formed a working party to review its academic portfolio and growth opportunities. The working party identified some 60 action points in the short term to improve processing of student applications and enrolments, and has committed to a fundamental review of its flagship undergraduate and postgraduate programmes in 2016.

Several new programmes have been implemented in 2015 including Theological and Religious Studies, Gender Studies, and a new for-credit internship paper. Additional work continued on the development of an Arts Scholars programme for high-achieving students, and on strategies to improve the pass rates of Māori and Pacific students. Work also continued towards supporting Māori and Pacific students and other equity groups through active Tuākana and First Year Experience programmes.

Continued support has been provided to

faculty research centres such as a new Centre for the Humanities. A major highlight was the successful re-bid for Ngā Pae o te Māramatanga, a National Centre for Research Excellence hosted by the faculty. Additional successes included bids to the Vice-Chancellor's Strategic Development Fund to support the Engaged Social Science Research Initiative and an Academy of New Zealand Literature.

Faculty highlights include the Best of Arts celebration honoured academic staff, professional staff and students, and the Arts Students Association held its first Arts Student of the Year event. Arts students performed exceptionally well in University competitions, including the Postgraduate Expo and the Three Minute Thesis.

The faculty established its philanthropic priorities and engaged with donors in Asia, USA, Europe and New Zealand. It also advanced its international strategy through recruitment and relationship-building trips to China, Indonesia, Singapore and the USA.

## Business and Economics

While most of the objectives in the faculty's 2015 plan are multi-year, it is pleasing to report substantial progress in reaching milestones. At the undergraduate level the desired change in enrolment mix is occurring and the average quality of our enrolment pool has improved, with increases in the percentage of students with Grade Point Equivalents (GPEs) of five or above across the board, and reductions in the percentage with GPEs below three in all groups but Pacific, where it was essentially stable.

At the postgraduate level, our Master of Business Administration review has been completed, a Graduate School of Management Director has been appointed, we have progressed work on the collaborative national Masters of Māori and Indigenous Business and launched a new Masters of Marketing. Our September postgraduate intake saw the reversal of the substantial decline in enrolments that we experienced in March largely as a result of the strength of the New Zealand dollar. Two new executive journey programmes, one for Chief Information Officers and one for General Managers, Human Resources, were launched successfully.

PhD enrolments have shown modest growth and external research income was ahead of budget. Research collaborations have grown materially, with the Business School now participating in Advanced Manufacturing, Advanced Materials, Food Security, High Value Nutrition and Complexity cross-university initiatives.

This year saw the development and sign-off of a major new Māori and Pacific Strategy with a commitment to a three-year underwrite coming from the School's endowment sources. Additionally we have created six new Māori and Pacific research fellows, again supported by endowment.

Our academic leadership has received a major boost with eight new professors appointed (half of them women). The recruitment of a new director for the Centre for Innovation and Entrepreneurship has ensured that major cross-faculty initiatives – the creation of a general education elective called "The Entrepreneurial Mindset" and a PhD skills programme – remain on track to be piloted in 2016.

## Creative Arts and Industries

The National Institute of Creative Arts and Industries (NICA) continues to deliver excellence in teaching, research, creative practice and performance, while engaging with the creative community. Having fully operationalised the Faculty Administrative Review and renewed academic and professional leadership, the faculty is focused on embedding a sense of exceptional service, teamwork, inclusiveness and professionalism across all units.

In 2015, the priority has been to raise NICA's international profile by hosting two significant international art events (the International Public Art Award Conference and the Elam International Print Workshop), to consolidate existing relationships with Chinese universities and develop new relationships in Northern Europe. NICA has built new research capabilities which link our researchers into university networks and national research initiatives with the introduction of the Urban Research Network and the leadership of one of the five Strategic Research Areas of the National Science Challenge 11.

International teaching partnerships are ongoing. The first cohort of students from The Beijing Dance Academy commenced their Dual Masters of Community Dance in Beijing in July and will be arriving in Auckland in mid-2016. An agreement for a Dual Masters Programme in Urban Planning was signed with Renmin University in September, with the first intake of students commencing at the University of Auckland in mid-2016. The faculty has signed an MOU with the University of the Arts, Helsinki, and the Dance Programmes of the two institutions have collaborated successfully to win an Academy of Finland research grant for 7.8 million Euro.

To increase domestic and international EFTS for 2016 and beyond, the faculty has streamlined admissions processing, improved social media marketing, implemented new combined masters degrees in Architecture and Planning, and is looking to introduce new conjoint degrees between music and engineering and music and law in 2016.

NICA staff and alumni have received a number of major local and international prizes and honours. Highlights were Associate Professor Rae de Lisle being awarded the New Zealand

Order of Merit for services to music, Elam graduate Luke Willis Thompson presenting at the Surround Audience exhibition at the New Museum in New York, and distinguished alumnus Simon Denny exhibiting in the Serpentine Gallery in London and representing New Zealand at the 56th Venice Biennale. Professor Michael Parekowhai held a major solo exhibition *The Promised Land* at the Queensland Gallery of Modern Art, and Associate Professor Peter Robinson had a solo exhibition at the Centre Pompidou, Paris. Students in all schools continue to win major local and international awards, with Elam student Sione Faletau being awarded a Prime Minister's Young Pacific Leader Award.

## Education & Social Work

In 2015 the faculty confirmed its reputation as New Zealand's leading university provider for education with a ranking of 26 in the 2015 QS international rankings, and as the only New Zealand university in the top 100.

Individual excellence was recognised through a National Tertiary Teaching Excellence Award, for Eleanor Hawe, two University teaching excellence awards and two University research excellence awards, two top thesis awards at NZARE, and the award of a fellowship to the prestigious American Education Research Association. The faculty's leadership of digital innovation in teaching and learning was given prominence with the graduation of the first ten teachers from the Manaiaikalani Digital Teaching Academy, and through the Centre for Creative Applications of Technology in Education's online release of 23 Things about Teaching – a self-paced course on digital tools for the classroom. A new workload formula has been developed to better reflect the diverse nature of work in the faculty and beginnings have been made on raising the status and significance of academic programme leadership – a particularly important role as the faculty continues to strengthen its engagement with communities of practice. Heads of School have developed three-year teaching and research plans with staff to assist with achieving the faculty's and University's PBRF goals by 2018.

The faculty has had considerable success in securing increased research funding with the award of one Marsden grant, an Ako Aotearoa grant and five Teaching and Learning Research





decanted to new accommodation at Newmarket and Park Avenue. Faculty planning efforts to define general research and teaching requirements, adjacencies and equipment lists have also progressively intensified throughout the year. The results of these efforts and those of Property Services are the end of preliminary design and planning of the decanting of teaching activity that will happen in 2017.

Research performance for the faculty continues to be strong; however, momentum in a number of areas has slowed due to the commissioning work required at Newmarket throughout 2015. The opportunity to accelerate large-scale research and continue to open this facility to increased industrial engagement is strategically important for the years ahead. Mindful of this goal, the faculty has completed a significant piece of work defining our strategy for achieving these goals and, importantly, for maintaining a strong connection with activities on the City Campus.

Increased student numbers have necessitated newly created academic positions. The quality of recruits has been extremely high, although the time taken to achieve this quality has, at times, created tensions with the need to relieve pressures associated with growth. Planning for the 2018 round of PBRF is also advancing well. Finally, a number of strategic projects in the faculty are underway and will continue into 2016 and beyond. These include transforming teaching delivery, enhancing diversity and refreshing research themes.

### Medical and Health Sciences

2015 has been a challenging and productive year for the Faculty of Medical and Health Sciences with significant cross-faculty progress made in delivering our key Annual Plan aims. These have contributed to University objectives across teaching, research and service to our community partners in government, NGOs and the commercial sector.

Annually we generate research income of around \$82 million: \$47 million of public good research and \$35 million of contract and commercial work delivered through UniServices.

The faculty's strong research performance in 2015 included the opening of the Brain Research New Zealand CoRE (co-hosted with the University of Otago), receipt of five

Initiative (TLRI) projects. On the philanthropic front more than \$2million in funding has been secured – largely to support research and professional fellowships, and postgraduate study scholarships.

It remains challenging to attract students to initial teacher education programmes. The faculty's My Teacher Moment social media campaign was aimed at improving perceptions of teaching. Research on the impact of the campaign has uncovered messages that are informing 2016 marketing activity. To attract the widest possible range of students the faculty now offers teacher education programmes at undergraduate, graduate and postgraduate levels. While this places some strain on teaching resources, opening up postgraduate pathways into teaching has reinforced our aim to raise the status of the profession. In response to falling demand for physical education teachers, a new undergraduate degree in Sport, Health and Physical Education has been developed to serve a wider market and to strengthen connections with allied interests across the University. Social work growth has continued to be strong and the renaming of the faculty to include "Social Work" in its title has made the discipline's presence as an important set of professional programmes even more visible. The development of a new 180-point Master of Education and accompanying Postgraduate Certificate has expanded for-credit professional development options for teachers and other professionals. Doctoral

growth has continued to be strong, especially among international students.

### Engineering

Two major initiatives were completed at the end of 2015 that underpin faculty objectives to grow and advance student numbers and experience.

The first of these is IPENZ (Institute of Professional Engineers New Zealand) accreditation. The panel visit occurred at the end of September following nearly a year of preparation of faculty documentation. At the time of writing the final report had not yet been released. However, informal feedback indicated that all nine sub-specialisations of the BE (Hons) would be accredited. During the visit the panel indicated a requirement for additional design content in the Engineering Science and Biomedical specialisations and a need to make compulsory some courses that are currently optional in Civil and Environmental Engineering. Encouragingly, there was strong support for the faculty's overall direction, leadership, advances to align course outcomes with our graduate profile and our building programme.

The building programme is the second initiative the faculty has focused on this year. In anticipation of the demolition of buildings 403 and 404 on the City Campus in 2016, the Electrical Computer Engineering and Chemical and Materials departments have successfully

# One of our most significant means of impact is via our graduating students. To continue to produce well-educated graduates requires ongoing curriculum reform and innovative teaching.

new Marsden grants, two successful MBIE submissions, an HRC Programme Grant and multiple project grants and Marsden Fast Starts.

Further recognition came through the awarding of three of New Zealand's highest science honours to Distinguished Professor Ian Reid, who received the Liley Medal, the Rutherford Medal, and the Prime Minister's Science Prize, the latter awarded jointly with Associate Professors Mark Bolland and Andrew Grey. Professor Ed Mitchell was awarded the Beavan Medal and Professor Keith Petrie the Mason Durie Medal.

Fundraising continues apace. In 2015 we received our largest single gift - \$10M for cancer research from Mr Liangren Li - and considerable funding from Cure Kids and the Duke family to endow a Chair in Adolescent Mental Health.

A key component of growing international postgraduate EFTS has been to establish quality 180-point masters programmes which meet the needs of our community and the health sector, both locally and globally. These intensive courses suit full-time students and are attractive to international markets.

Our International Manager and heads of school have worked together to enable conditional pathway offers for Medicine and Pharmacy to prospective undergraduate students in Singapore and Malaysia by establishing advanced standing agreements with targeted quality institutions. Our postgraduate offerings are being actively promoted in India, China and Indonesia.

Our undergraduate programmes are highly sought after and our reinvigorated Medical Programme has this year received a full ten-year (6+4 year) accreditation by the Australian Medical Council. Our Nursing

bachelors and masters programmes also received full five-year accreditations in 2015.

We are consolidating our presence at Waitemata DHB with improved accommodation at North Shore and Waitakere Hospitals. A new site will open in early 2016 at Taranaki.

Māori and Pacific and Equity initiatives remain a key, but challenging focus. Important progress has included receipt of a Learning Educators Grant to support Māori and Pacific students transitioning to postgraduate study, with input from the faculty, the Māori and Pacific Admission Scheme, the Learning Technology Unit, Library and Learning Services, the Equity Office and other groups. Targeted assistance to Māori and Pacific Nursing postgraduate students who are achieving B- results or less has now been rolled out to all Nursing postgraduate students, and a new academic position has been created in Pacific Health to foster research development and provide support to improve performance of students.

Momentum in support of LGBTI students and staff has led to the development of faculty initiatives, including a guest lecture series to profile LGBTI research.

## Law

In 2015 the Auckland Law School won three of the four New Zealand Legal Writing Awards. Professor Peter Watts was awarded a prestigious Leverhulme Visiting Professorship and Professor Jane Kelsey received a \$600,000 Marsden grant for a research project on international economic regulation.

One third of the faculty has been appointed during the last five years. This number of appointments has brought some exciting new

and emerging scholars to the Auckland Law School, as well as new hires with significant and highly-regarded publication records, and with extensive connections to the profession and the judiciary.

Seven new members of the permanent academic staff have been appointed during the last year. Helena Kaho is the first Pacific academic to become a member of the faculty and her appointment has been greeted with enthusiasm by the Law School's Pacific students and alumni.

The faculty is introducing a more comprehensive legal writing programme and, as part of this, all second-year students will be required to take a new legal research, writing and communication course beginning in 2016. This will be taught in small groups with fortnightly writing, research and presentation exercises drawing upon best practice experience in many North American and some leading Australian law schools. It will be taught primarily through small group workshops and intensive mentoring.

The Law School has also recently reviewed and extended its LLM programme. In response to a survey of previous students and legal practitioners, the School will from 2016 be offering more choice from a range of three- or five-day courses, Saturday courses and half- or full semester evening courses. Full-time or part-time students can choose from a range of courses and six specialisations. The Law Faculty has also taken on responsibility for the Masters of Taxation Studies degree, meaning that considerably more tax courses will be available to LLM as well as MTaxS students.

The Auckland Law School continues to have considerable success in student mooted competitions. At the 2015 New Zealand Law Students' Association Championships Auckland again won the President's Shield

for the top law school and will represent New Zealand at the Jessup Moot Competition in Washington DC for the eighth time in the last nine years. Over 700 students joined the Law School's Mooting Society and two new internal mooting competitions (for first-year and intermediate-level mooting) have been established in the last twelve months. In October, Auckland won the Australia-New Zealand Aviation Law Moot.

The Auckland Law School was ranked the 33rd-best law school in the world in the 2015 QS World Universities Rankings.

## Liggins

In July 2015 the Liggins Institute welcomed its new Director, Professor Frank Bloomfield. A review of the institute's research portfolio and activities also contributed to a sharpening of focus on its vision: "A healthy start for a healthy life".

A highlight of 2015 has been the successful establishment of two National Science Challenges hosted by the Institute and led by our professors. The two challenges, "High Value Nutrition" and "A Better Start", will fund approximately \$115M of research over the next 10 years. The "High Value Nutrition Challenge", led by Director Dr John Smart and Research Director Professor David Cameron-Smith, has commenced its priority research streams and has successfully awarded its first round of contestable grants to researchers around the country, becoming the first of New Zealand's National Science Challenges to do so. "A Better Start" is now established and is directed

by the previous Director of the Institute, Professor Wayne Cutfield.

Our researchers are now leading a number of large clinical research studies investigating ways to improve health for women during pregnancy, pregnancy outcomes and the long-term health of New Zealand's children, funded both through public good and industry sources. We expect over 14,000 women and children to participate in these studies over the next five years. In 2015 we won strategic funding to build the sustainable infrastructure required to support the translation of our biomedical research into clinical studies, thereby consolidating our position as a world-leading centre for clinical and translational research into pregnancy and childhood health outcomes.

Our research leadership is demonstrated in the flow of high-profile staff awards, appointments and speaking invitations. Distinguished Professor Sir Peter Gluckman was named as a Member of the Order of New Zealand, New Zealand's highest award, as part of the Queen's Birthday honours. He also co-chairs the World Health Organization Commission on Ending Childhood Obesity and acts as a Visiting Professor at University College London. Professor Frank Bloomfield leads the large, multidisciplinary Perinatal Society of Australia and New Zealand, and Professor Paul Hofman leads the Asia-Pacific Paediatric Endocrine Society; Professor Bloomfield was also elected to the Council of the Perinatal Research

Society of the USA, the first non-North American member to be so.

Staff and students' research has featured in over 155 refereed publications while two of our early career researchers have won prestigious awards, Dr Tatjana Buklijas winning a Marsden Fund grant to write the history of the epigenetic revolution and Dr Clare Reynolds winning an Health Research Council Sir Charles Hercus Fellowship to investigate the impact of developmental programming on the metabolic health of children.

As we approach our 15th year, the institute is establishing a significant alumnus body with many of our trainees now in highly competitive positions in the world's top universities.

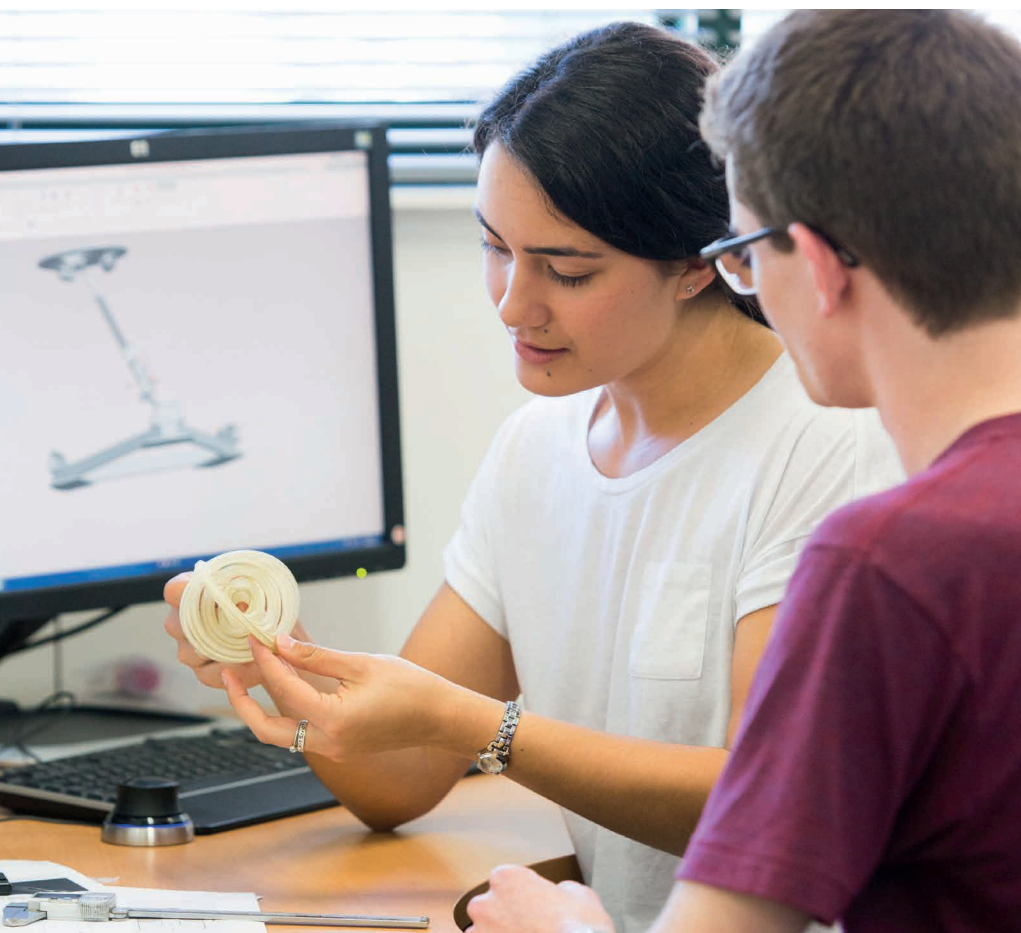
## Science

In 2015, the faculty adopted a new mission and values statement focusing on scientific and educational excellence and contributions to societal and economic impact. This makes strategically explicit our goal of enabling New Zealand's economic and societal transformation.

During the year, our hosted CoREs, Te Punaha Matatini and the Maurice Wilkins Centre, were respectively established and re-established. Both focus on taking their excellent research beyond our academic cloisters. For Te Punaha Matatini, this involves evidence-based policy development for the government; for Maurice Wilkins it involves partnership with, for example, the Chinese government, to better enhance the efficacy of their drug discovery "pipeline". Other CoRES we contribute extensively to – MacDiarmid, Dodd-Walls, MedTech and Centre for Brain Research – have similar impact agendas.

Other examples of our economic contributions are the MBIE-funded Biocide Toolbox project, developing novel biologically and chemically-based biocides for use on surfaces, and spinouts, such as Engender, which has developed a disruptive technology for sorting bovine sperm using lasers. With the support of UniServices, we are developing a major research partnership opportunity with local industry focused on the industrial application of data science.

The quality of our research was endorsed in the latest QS rankings, with two of our disciplines in the world's top 50, six in the top 100 and all except one either increasing in ranking or remaining the same (five each). These exceptional outcomes reflect the high quality of academic and support staff in the faculty and their productivity.





One of our most significant means of impact is via our graduating students. To continue to produce well-educated graduates requires ongoing curriculum reform and innovative teaching. Our new Auckland ICT Graduate School, the result of winning with Waikato a contract to grow the number of IT graduates to meet the needs of the expanding ICT sector, uses innovative approaches, such as a “bootcamp” style retraining diploma and a capstone internship for the Master of Information Technology. This mirrors the approach in our Bio Science Enterprise programme. Another example is our Science Scholars programme, providing a rich cohort experience for our most well-prepared students. Growing export education has also been a major goal, with excellent progress being made in growing international student numbers particularly via articulation agreements.

2015 was also a year of commemorations: 100 years of Chemical Sciences, 21 years of Sport and Exercise Sciences, and 25 years of our flagship Tuakana programme for Māori and Pacific students. These are reminders that our faculty is built on a legacy of pioneering academics who laid the foundations for our current strengths. We look forward to continued success in 2016, when we will occupy our new \$200M Science Tower building, providing a new hub for our activities and a foundation for further growth.

## Auckland Bioengineering Institute (ABI)

The ABI has enjoyed steady growth in external research funding and postgraduate student intake over the past several years. As the host of the new Medical Technologies CoRE (MedTech CoRE) and a founding partner (with Callaghan Innovation) of the Consortium for Medical Device Technologies (CMDT, [www.cmdt.org.nz](http://www.cmdt.org.nz)) the ABI, together with the MedTech CoRE and CMDT partner organisations (AUT, Universities of Canterbury and Otago, Victoria University, Callaghan Innovation), is helping to coordinate a national approach to medical device technologies in NZ, linking university research activity with the MedTech industry and the healthcare system.

We continue to attract international students to the ABI via our longstanding relationships in the US, UK, Australia and Europe but increasingly also via our relationships with leading universities in targeted countries such as China, India, Iran, Japan and Singapore.

We now have nearly 100 graduate students (with about 80 EFTS, given shared supervision arrangements with other faculties). Some particular successes by our research staff in 2015 have been the award of a Rutherford Discovery Fellowship to Dr Peng Du, an MBIE Smart Ideas grant to Jason Turuwhenua, a National Heart Foundation Fellowship to Dr Vicky Wang, and a Marsden Fund Fast-Start Grant to Dr JC Han.

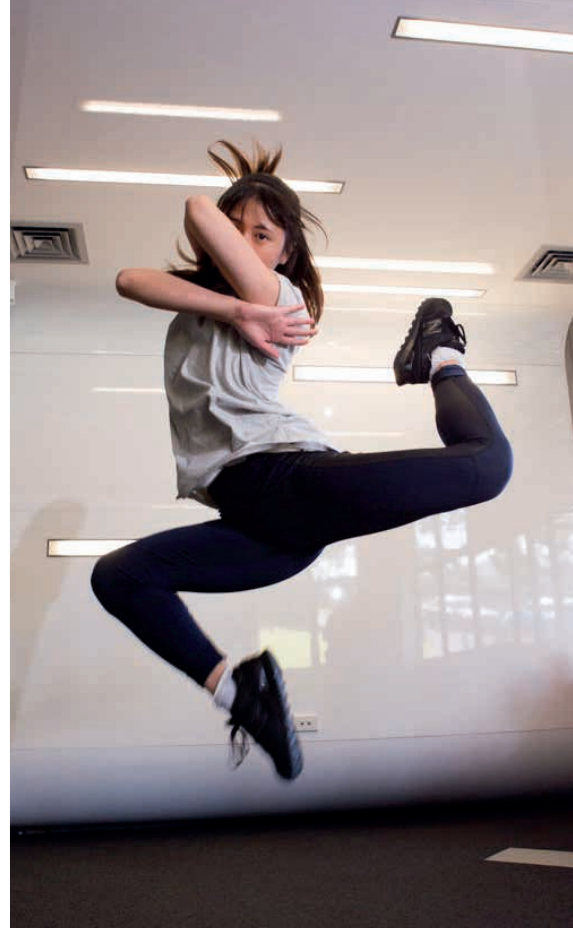
The growth of public funding in New Zealand science in recent years has been largely business-facing. The challenge for the ABI is therefore to demonstrate continued delivery of excellent science and skilled graduates that add economic and/or societal value. We continue to use national (Marsden, HRC, MBIE) and international (NIH, H2O2O) funding sources for basic science research projects that may lead to translational research projects funded by the CoRE, or to other non-CoRE outcomes. But the ABI now has an innovation culture and environment that is fostering many new exciting opportunities for translation of our basic research to clinical outcomes and growth of the MedTech industry. Several of our spin-out companies, including Millar, StretchSense and IMeasureU, are providing employment opportunities for our graduates.

The Laboratory for Animate Technologies (headed by Associate Professor Mark Sagar) has also led to many new research collaborations and commercial opportunities. A new partnership between the ABI and the Fraunhofer Institute for Manufacturing Engineering and Automation to develop human joint sensing and actuation technology for human exoskeletons (led by Associate Professor Thor Besier) has been signed and is underway.

## UniServices

Auckland UniServices Limited is the University of Auckland’s commercial research, education and technology development company. Its contributions strongly support the University’s international standing as a leader in commercialising research, education and intellectual property.

During 2015, UniServices earned substantial revenues for the University and at the same time delivered the institution a significant dividend. Despite challenges in the political and financial climate in a number of international markets in which the company operates, UniServices has continued to be



effective at linking the research and education strengths of the University to companies, students and commercial partners both here and abroad.

In 2015 UniServices launched a substantial clinical trial in China; renewed its extensive portfolio of public health and education programmes with the New Zealand government; renewed the Return on Science commercialisation programme; and expanded its R&D relationships with technology licensees in New Zealand, the US, Europe and Asia.

In addition, UniServices formed new start-up companies to commercialise its technologies in energy and materials, manufacturing and aquaculture, and negotiated licenses to commercialise a broad range of new University intellectual property.

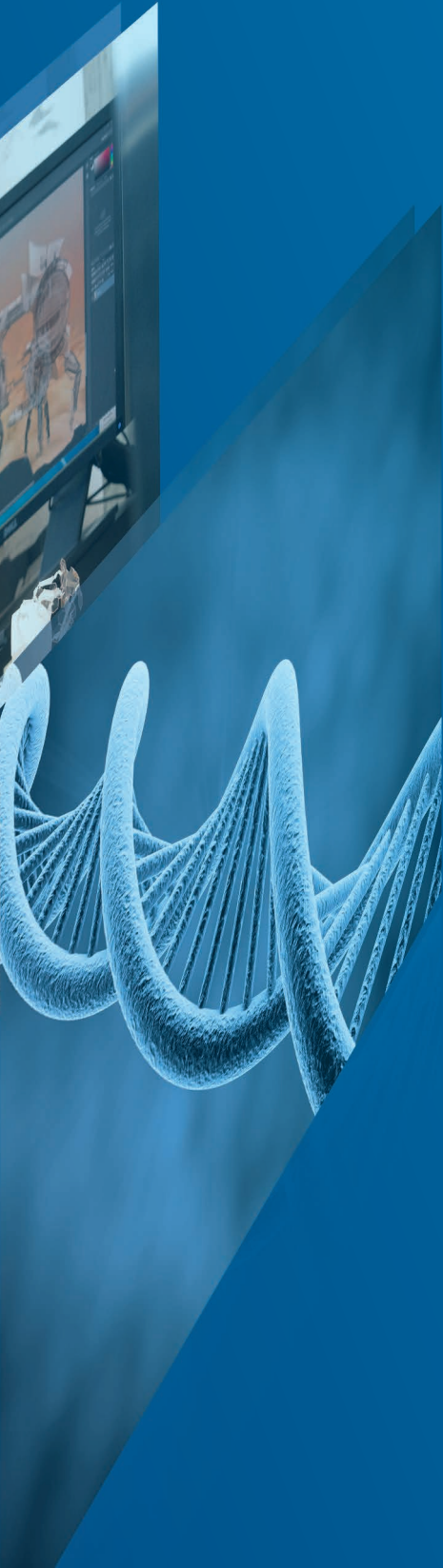
Key initiatives underlying the performance in 2015 include: joint strategic planning with University faculties (Arts, Education and Social Work, Engineering, and Science) leading to formal faculty engagement plans; targeted business development initiatives with new ministries and agencies of the Crown; implementation of a company-wide investment strategy to support the development of new capabilities as well as supporting commercialisation of intellectual property; and company-wide engagement on culture and values, marketing and brand positioning, and Health, Safety and Wellbeing, all aligned to the findings from the 2015 Staff Survey.





# STATEMENT OF SERVICE PERFORMANCE

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# Statement of service performance

## Accomplished and well-supported staff

Leading universities are defined primarily by their ability to attract and foster the best students and the most accomplished teachers, researchers and administrators. The University of Auckland aims to recruit and retain a high quality and diverse body of academic and professional staff, who are passionate about their work and enthusiastic about their contribution to the University's objectives. We seek to provide staff with an environment that develops and rewards talent, is flexible to their needs, and fosters high levels of engagement. Staff are encouraged to provide leadership in their professional capacities outside the University, extending benefits to the wider communities, nationally and internationally.

## Objective 1

A work environment characterised by a commitment to clear expectations, development of potential, inclusiveness, high achievement and rewarding performance.

Performance indicators	2013 Actual	2014 Actual	2015 Target	2015 Actual
Student : academic staff ratio (EFTS : AFTE)	18.6	18.7	18.5	18.2
Academic : professional staff ratio (AFTE : Professional Staff FTE)	1.5	1.5	1.5	1.6
Peer review publication per AFTE	3.2	3.6	6.5	4.1
Citations per AFTE	83.6	96.7	100.0	117.1
Number of prestigious awards held by academic and professional staff	268	239	250	267
Proportion of Māori staff in academic positions	5.8	5.5	6.0	5.9
Proportion of Pacific staff in academic positions	2.1	2.4	3.0	2.4
Proportion of Māori staff in professional positions	6.2	6.4	6.5	6.2
Proportion of Pacific staff in professional positions	5.3	5.3	5.5	5.3

- The student-to-academic-staff ratio is fractionally below target.** This result reflects the shift to an increased proportion of students in engineering and science subjects which have low student-to-academic-staff ratios, and a reduced proportion of humanities and social sciences students where the ratios tend to be higher.
- Active engagement with Māori and Pacific communities as potential staff is an on-going activity.** The numbers and proportions of Māori academic staff have increased by 10FTE to reach 5.9% compared to 5.5% in 2014. Pacific academic and professional staff have remained at the same proportions as in 2014. The proportion of Māori professional staff is lower (0.2%) than in 2014.
- The number and percentage of women in senior academic and professional positions has increased again in 2015.** Women comprise 30% of senior academic staff compared to 29% in 2014. Women in senior academic positions have doubled since 2005 from 84 to 182 in 2015.
- The quality of teaching at the University was recognised through success in the National Tertiary Teaching Excellence Awards 2015:** Dr Elana Curtis (Te Kupenga Hauora Māori) won a Sustained Excellence in Teaching award in the Kaupapa Māori category; and Dr Eleanor Hawe (Learning, Development & Professional Practice) and Marie McEntee (Environment) won Sustained Excellence in Teaching General awards. Staff of the University have been recognised for their teaching excellence in 13 of the 14 years in which the awards have been made.
- The significant contributions made by University staff to the leadership of community and professional bodies were recognised through awards and prizes including the following :**
  - New Zealand honours**
    - Order of New Zealand: Distinguished Professor Sir Peter Gluckman.**
    - Companion of the New Zealand Order of Merit: Distinguished Professor John Boys, Professor Graham Mellisop;**
    - Members of the New Zealand Order of Merit: Dr Libby Limbrick, Associate Professor Rae de Lisle, Dr Michelle Dickinson**
    - Officers of the New Zealand Order of Merit: Dr Kevin Moran, Dr Gavin Ellis**
    - Queen's Service Medal: Jean Rockel, Harima Fraser**

## Objective 2

An outstanding staff experience where success is celebrated and high levels of engagement achieved.

Performance indicators	2013 Actual	2014 Actual	2015 Target	2015 Actual
Proportion of staff positive about staff engagement in staff surveys	74	74	≥ 77	79

- **The University acknowledges the achievements and successes of its staff including through bestowing awards such as:**
  - **Teaching Excellence Awards**
    - › **Sustained Excellence in Teaching:** Associate Professor Martin East (Curriculum & Pedagogy); Dr Eduardo Pineros (European Languages & Literature)
    - › **Early Career Excellence in Teaching:** Dr Nasser Giacaman (Electrical & Computer Engineering)
    - › **Excellence in Postgraduate Research Supervision:** Professor Judy Parr (Curriculum & Pedagogy)
    - › **Innovation in Teaching:** Dr Peter Smith (Management & International Business)
    - › **Leadership in Teaching:** Associate Professor Warwick Bagg (Medicine)
- **Early Career Research Excellence awards, which recognise and promote excellence and research leadership potential among the University's emerging researchers, were awarded to six staff:** Dr Andrew McDaid (Mechanical Engineering); Dr Danny Osborne (Psychology); Dr Chellie Spiller (Management & International Business); Dr Darren Svirskis (Pharmacy); Dr Alex Taylor (Psychology); and Dr Marek Tesar (Learning, Development & Professional Practice).
- **Research Excellence Awards which recognise the University's most exceptional and outstanding research achievements, were awarded to two individuals and two teams:** Professor Annie Goldson (Film Television and Media Studies); Professor Simon Holdaway (Anthropology); the Marine Acoustics team (Professor John Montgomery, Dr Craig Radford, Professor Andrew Jeffs, Associate Professor Chris Tindle and Dr Jenni Stanley, from Marine Science and Physics); and the Woolf Fisher Research Centre in Education team (Professor Stuart McNaughton, Drs Mei Lai, Rebecca Jesson and Aaron Wilson, and Joseph Tan from Curriculum & Pedagogy).
- **Staff from around the University were recognised for their contributions nationally and internationally:** Dilys Johns (Social Sciences) was elected a Fellow of the International Institute for Conservation of Historic and Artistic works in London; Dr Jake Mahaffy's (Social Sciences) film *Free in Deed* screened at the 72nd Venice International Film Festival and won the Orizzonti Award for Best Film; The Royal Society of New Zealand 2015 Science Book Prize was awarded to *Tangata Whenua: An Illustrated History*, co-authored by Dr Aroha Harris (Ngāpuhi, Te Rarawa) from Humanities; Associate Professor Ian Lambie (Psychology) was appointed Justice Sector Science Advisor, advising on all aspects of the Justice Sector including Corrections, Police, Justice, Crown Law and the Serious Fraud Office; Associate Professor Kenneth Palmer (Law) was acknowledged for his exceptional contribution in the fields of environmental, resource management, planning and local government law through a Special Sitting of the Environment Court of New Zealand.

## Objective 3

An environment in which distributed leadership is developed and valued.

Performance indicators	2013 Actual	2014 Actual	2015 Target	2015 Actual
Proportion of staff positive about leadership in staff surveys	56	56	≥ 60	59

- **The biennial staff engagement survey was held during May 2015.** 68% of eligible staff participated in the survey which helps inform decisions about the prioritisation and development of initiatives to improve their employment experience. The results were presented to a number of fora across the University and allow us to compare ourselves over time and against similar organisations, both locally and globally. The University's investment in its staff leadership and in internal communication contributed to improved results in both the proportion of engaged staff and those positive about University leadership relative to the 2013 survey results.
- **Senior leadership appointments that were taken up during 2015 were:**
  - Director Liggins Institute: Professor Frank Bloomfield

Other senior appointments included:

  - Director International Office: Mr Brett Berquist
- **Nineteen associate professors were promoted to professor in 2015. Seven of these were women, a 100% success rate for women applicants.** Other staff were appointed to professorial positions or promoted outside the promotions round.
- **The formal benefits realisation phase of the Faculty Administration Review continued throughout 2015.** Significant progress was made in many areas including: reducing administrative costs; establishing service standards for academic heads and improved communication and engagement with heads; and the implementation of, and staff engagement with, communities of practice as a way of establishing and maintaining best practices across functions.

## Able students, successful graduates and alumni

The capabilities of our graduates, enhanced through their university experience, provide our largest impact on society. A high-quality teaching and learning environment, combined with extracurricular opportunities, helps to ensure that our qualifications are of international standing, and that our graduates are independent and critical thinkers with mastery of a body of knowledge and professional skills, and a broad world view.

### Objective 4

Attract a diverse student body of the highest possible academic potential.

Performance indicators	2013 Actual	2014 Actual	2015 Target	2015 Actual
Proportion of school leavers entering with a GPE greater than or equal to 5	45.8	52.2	53.0	55.3
% Maori undergraduate students (Domestic EFTS)	8.1	8.2	8.5	9.0
% Pacific students undergraduate (Domestic EFTS)	10.6	11.2	11.2	11.8
% Maori postgraduate students (Domestic EFTS)	5.8	5.8	6.7	6.4
% Pacific postgraduate students (Domestic EFTS)	5.9	5.6	6.5	5.5

- The quality of the student intake, as measured by the percentage of school leavers with a grade point entry score (GPE) of five or better rose to 55%, exceeding the target for 2015 by 2%.** Over the last ten years the percentage of school leavers with a GPE of 5 or better has risen by 22% from 33% 2006 to 56% in 2015.
- The number and proportion of domestic EFTS generated by Māori students has improved in 2015, the number of EFTS increased by 200 EFTS(9%) to reach 2,469 EFTS.**
- The proportion of Pacific students, at undergraduate level exceeded targets and grew from 2014 to reach 11.8%.** The total number of EFTS generated by Pacific students increased by 94 EFTS (3%) to reach 3,057 EFTS in 2015. The number and proportion of Pacific students enrolled in postgraduate programmes dropped slightly from 2014. Employment opportunities, and more stringent loans and allowances criteria, are continuing to impact on enrolments.

### Objective 5

A student body growing at 1% per annum with increased proportions of international, postgraduate taught and postgraduate research students.

Performance indicators	2013 Actual	2014 Actual	2015 Target	2015 Actual
% Total EFTS (Domestic residency)	86.8	86.2	85.5	85.3
% Total EFTS (International residency)	13.2	13.8	13.9	14.7

- Total EFTS of 33,489 were achieved. This is an increase of 21 EFTS from the 2014 total of 33,468 EFTS.** Full fee International student EFTS increased by 6% from 2014 levels to reach 3,877. Domestic funded student EFTS decreased by 1% to 29,340. Although the final EFTS were 513 EFTS (1.5%) below the budget target, this had the effect of reducing the University's unfunded EFTS.
- The proportion of postgraduate enrolments increased only marginally in 2015 rising to 23% (22.4% in 2014).** Although postgraduate EFTS grew by 206 EFTS (3.2%) a significant proportion of the growth was from International postgraduate enrolments which grew by 86 EFTS (9.7% growth). Doctoral enrolments increased again in 2015, growing by 5.6% to compensate for lower research masters enrolments.
- New doctoral enrolments reduced fractionally in 2015 with 569 new candidates enrolled. The numbers of new doctoral candidates from New Zealand remained close to 2014 numbers. The numbers of new International candidates declined for the first time in several years, in 2015 but still comprised just over 50% of the new intake.**
- The University's graduate student scholarships make an important contribution to supporting and attracting students to the graduate programme.** In 2015, 570 domestic and international doctoral students received funding from the University of Auckland Doctoral Scholarships and other centrally-funded bursaries and awards; a further 65 students received payments from external sources administered via the University, including 43 international students. In 2015, 39% of the University of Auckland Doctoral Scholarships awarded were taken up by international students. In all, doctoral students received over \$20.3 million worth of funding and support in 2015.
- The University expanded its offering of Massive Open Online Courses (MOOCs) hosted on the FutureLearn Platform this year, with the addition of a "Logical and Critical Thinking" course, in which students from around the world participated.**

## Objective 6

A substantial increase in annual completions of taught masters, research masters and doctorates.

Performance indicators	2013 Actual	2014 Actual	2015 Target	2015 Actual
Taught masters completions (Numbers)	533	641	706	896
Research masters completions (Numbers)	860	737	749	725
Doctoral completions (Numbers)	318	388	356	373

- **The number of doctoral completions exceeded the target for the year but declined by 15 (4%) from 2014.** Over the last ten years the numbers of doctoral completions have more than doubled from 183 in 2006 to 373 in 2015. Nearly 3,000 doctoral candidates have graduated from the University over the last ten years.
- **Research masters completions have continued to decline which is line with international trends.**
- **Taught masters completions have exceeded targets for 2015 and increased by 40% from 2014.** The introduction of transition masters programmes allowing students to move from generic undergraduate programmes to employment-focused masters, which are especially attractive to international students, has contributed to the increase.
- **The quality of graduates from the University's doctoral programme was recognised through grants and awards,** including the annual Vice-Chancellor's Prizes for Best Doctoral Theses at the University of Auckland, received by: Jason Busby (Biological Sciences), Rachael Parke (Nursing), Rae Si'ilata (Curriculum and Pedagogy), Christy Wang (Chemical Sciences) and Libo Yan (Civil and Environmental Engineering).

## Objective 7

A high-quality learning environment that maximises the opportunity for all our students to succeed and provides them with an inclusive, intellectually challenging and transformative educational experience.

Performance indicators	2013 Actual	2014 Actual	2015 Target	2015 Actual
% Successful course completions - overall domestic (excl theses)	89	89	88	88
% of students expressing satisfaction with overall programme quality	94	94	≥ 90	95
Degrees accredited by professional associations/accreditation bodies	46	46	46	52
Investment in the learning environment (Total Assets \$ / Total EFTS)	58,242	58,645	56,101	65,598

- **The overall percentage of successful course completions remained the same as those in 2014 at 88% which is at the target but below that achieved in 2014 and 2013.** Much of the reduced pass rate is attributable to deferred release of grades.
- **The course completion rate for Māori students improved fractionally in 2015 reaching 85.2%, which was also fractionally above the target for 2015.**
- **Course completion rates achieved by Pacific students improved in 2015 by 1.5% to reach 74.6% which was fractionally below the target of 76%.**
- **Accreditations: The Association to Advance Collegiate Schools of Business (AACSB) extended accreditation for undergraduate, postgraduate and doctoral degree programmes in business;** the Valuers Registration Board/Property Institute of New Zealand renewed accreditation of the Bachelor of Property; the New Zealand Planning Institute renewed accreditation for the Master of Urban Planning, and provisionally accredited the Bachelor of Urban Planning (Honours); the Commission on Accreditation of Allied Health Education Programs (CAAHEP) awarded initial accreditation to the Exercise Physiology - Clinical program; the Australian Medical Council renewed accreditation for the Bachelor of Medicine and Bachelor of Surgery.
- **Seven regular Academic Unit & Disciplinary Area Reviews were conducted by external panels in 2015:** School of Psychology: Department of Civil & Environmental Engineering; Department of Electrical & Computer Engineering; Dance Studies Programme; Department of Optometry & Vision Science; Department of Economics; Sociology Disciplinary Area.  
Areas identified by review committees for subsequent activity included curriculum review, first year teaching, growing postgraduate enrolments, postgraduate research preparation, expanding publishing outlets, and research mentoring.
- **One major programme review was conducted by an external panel in 2015, encompassing the following programmes:**
  - Master of Education
  - Master of Professional Studies in Education
  - Postgraduate Diploma in Education
  - Bachelor of Education (Teaching) (Honours)
Recommendations addressed such areas as course and programme pathways, cross-school course management, and Māori and Pacific recruitment and support.
- **The committee on University Academic Programmes has approved the introduction of a number of new specialisations and subjects, and the introduction of the following qualifications:**
  - Bachelor of Urban Planning
  - Postgraduate Certificate in Education
  - Master of Health Leadership, Postgraduate Certificate in Health Leadership, Postgraduate Diploma in Health Leadership
  - Master of Heritage Conservation



- Master of Indigenous Studies
- Master of Architecture (Professional) and Urban Planning (Professional); Master of Architecture (Professional) and Urban Design; Master of Architecture (Professional) and Heritage Conservation; Master of Urban Planning (Professional) and Urban Design; Master of Urban Planning (Professional) and Heritage Conservation.
- **Graduating Year Reviews were completed and approved for the following qualifications and specialisations:**
  - Master of Commercialisation and Entrepreneurship / Postgraduate Certificate in Commercialisation and Entrepreneurship
  - Bachelor of Medical Science (Honours)
  - Health Informatics for Postgraduate Certificate in Health Science
  - Criminology for Master of Arts, Postgraduate Diploma in Arts and Bachelor of Arts (Honours)
- Yacht Engineering for Master of Engineering Studies
- Master of Counselling, Postgraduate Diploma in Counselling Theory
- Master of Social Work, Postgraduate Diploma in Social Work, Bachelor of Social Work (Honours)
- International law, litigation and dispute resolution, and human rights for Master of Laws
- Food Safety for the Master of Professional Studies
- Mathematics Education for the Master of Professional Studies
- Bachelor of Dance Studies, Bachelor of Dance Studies (Honours)
- Jazz performance, popular music and studio pedagogy for Bachelor of Music (Honours)
- **University of Auckland students were successful in gaining prestigious**

**international scholarships.** James Gawith, Matthew Conder and Reece Oosterbeek were awarded Woolf Fisher Scholarships for doctoral study at the University of Cambridge; graduates Jade Leung and Oscar Lyons were awarded Rhodes Scholarships to undertake postgraduate study at the University of Oxford. Jade Leung was also awarded a William Georgetti Scholarship to study at the University of Cambridge (Masters level). Eve Waddington was awarded the prestigious Prince of Wales scholarship to Cambridge. Isaac Holliss, a Bachelor of Arts (Honours) graduate in Political Studies, was awarded a prestigious Chevening Scholarship from the British High Commission.

- **Fulbright awards – six graduates and current students, along with three staff were awarded Fulbright scholarships in 2015.**
- **Elam student Sione Faletau was awarded a Prime Minister’s Young Pacific Leader Award.**

## Objective 8

A distinctive, high-quality extracurricular experience that maximises the value to our alumni of their university experience.

Performance indicators	2013 Actual	2014 Actual	2015 Target	2015 Actual
% of students expressing satisfaction with overall university experience	93	94	≥ 90	95
Alumni with whom the University is actively engaged (number)	26,763	31,385	≥ 28,000	34,363

- **The annual Teaching and Learning Survey was conducted using a random sample of 10,000 students.** The survey responses are an important source of student views and provide insights into many aspects of student experience at the University. They are used widely to understand service and support needs as well as the delivery of courses and academic programmes across the University.
- **In the University’s Teaching and Learning Survey, 40% of second and higher-year undergraduates and 43% of coursework postgraduate students had undertaken a work placement, internship or other practical experience during their studies.** Of these, 86% of the undergraduates and 91% of the postgraduates agreed that this experience enhanced their studies.
- **The University has 116 formal exchange agreements with partner universities in 23 countries.** In 2015, 281 Auckland students took the opportunity to study for at least one semester overseas, and were represented at 84 of our international partners. New exchange partnerships were confirmed with a number of institutions including partner institutions in the USA, the UK, China and the Netherlands. The top destinations chosen by exchange students were the USA, the UK and Canada. Ireland, Sweden, Korea and Hong Kong were also popular choices.
- **The NZ Universities Blues Awards recognise students’ commitment to sporting, cultural and leadership excellence as well as their studies.** Six University of Auckland students received awards in 2015: George Muir (Hockey); Eliza McCartney (Pole Vault); Michael Brake (Rowing); Roisin Giles (Taekwon-Do); Joshua Cesan (Hip Hop); and Hazel Wilks (Service and Leadership).
- **Student teams participated successfully in national and international competitions.** The University of Auckland Business School team won the HSBC/HKU Asia Pacific Business Case Competition ahead of 24 top teams from 18 of the world’s most prestigious universities, and the four team members were offered internships with HSBC. The University’s waka ama team, Nga Taura Māori, won silver in the Queen Lili’uokalani race in Hawaii, the largest long distance waka ama race in the world at 30km, and also won bronze in the four-person relay at the same event.
- **Forty-five University of Auckland students received a scholarship for exchange and study programmes in Asian nations in the two rounds of the Prime Minister’s Scholarship to Asia.**
- **University of Auckland students were recognised at a national level for excellence in the Creative Arts:** Manase Latu, a Bachelor of Music/Bachelor of Commerce student was awarded a 2015 Creative New Zealand Arts Pasifika Award in recognition of his outstanding contribution to Pacific arts; Jay Greenberg, a Doctor of Music student, was named joint winner of the New Zealand Symphony Orchestra Todd Corporation Young Composers Award.
- **The Tasman Duo, made up of musicians Lauren Bennett (violin) and Bradley Wood (piano), were awarded the 2015 Pettman Royal Over-Seas League Chamber Music Scholarship.**
- **The University won the Outstanding Community Recreation Programme Award at the 2015 New Zealand Recreation Association annual awards.** Sport Beyond School is an “Active Communities” pilot funded primarily by Sport New Zealand, and has been running since mid-2012 at the University of Auckland. The aim is to retain school leavers in sport and recreation by creating a viable and sustainable pathway through tertiary institutions.
- **The New Zealand Association of Graduate Employers awarded the University the “Best Careers Service” category at their annual industry awards.**



## High-quality research that benefits society

Research-intensive universities play a key role in creating and disseminating knowledge that has positive social, cultural, economic and environmental impact. As a comprehensive university we recognise the intrinsic value of knowledge and of diverse intellectual traditions. We are committed to research excellence across all our disciplines, and to the dissemination of high-quality research with various forms of impact: informing research-led education; contributing to building bodies of knowledge in different disciplines; addressing the world's major challenges; assisting in policy formulation; enriching the cultural life and wellbeing of our communities; and promoting commercial innovation.

## Objective 9

A growing output of excellent research across all our disciplines.

Performance indicators	2013 Actual	2014 Actual	2015 Target	2015 Actual
Number of peer-reviewed research and creative outputs	5,472	6,079	≥ 6,200	6,899
Public good research income (New Zealand and international) (\$m)	110.27	112.99	133.87	133.01
Private good research income (New Zealand and international) (\$m)	119.92	121.66	137.49	119.91

- Royal Society of New Zealand Fellowships and other medals and awards were made to the following staff in 2015:** Distinguished Professor Ian Reid (Medicine) was awarded the Rutherford Medal; Professor Margaret Hyland (Chemical and Materials Engineering) was awarded the Pickering Medal; Professor Keith Petrie (Psychological Medicine) was awarded the Mason Durie Medal; Professor Margaret Mutu (Māori Studies) was awarded the Pou Aronui Award; Dr Michelle Dickinson (Chemical and Materials Engineering) was awarded the Callaghan Medal. Professors Grant Covic, Alexei Drummond, Edward Gane, Thomas Lumley, Keith Petrie, Nic Smith and Associate Professor Janet Wilmhurst were elected Fellows.
- The Health Research Council of New Zealand recognised research excellence by awarding two medals to University of Auckland academics:** Distinguished Professor Ian Reid (Medicine) was awarded the Liley Medal for his outstanding contribution to health and medical sciences in advancing treatment of the bone disorder osteoporosis; Professor Ed Mitchell (Medicine) was awarded the Beaven Medal for his research into preventing cot death (sudden death infant syndrome).
- Rutherford Discovery Fellowships for top young researchers were awarded to seven science and medical researchers from the University.**
- Associate Professor Stéphane Coen (Physics) received the Research Medal at the New Zealand Association of Scientists Awards** in 2015 for his outstanding research, including studies of nonlinear optical phenomena in optical fibres with the aim to develop new light sources and new all-optical devices.
- Medical researchers at the University were awarded four of the five Sir Charles Hercus health research fellowships in 2015.** They are: Drs Joanne Davidson, Joanna James, and Raewyn Poulsen (all from Medicine) and Dr Clare Reynolds (Liggins).
- Researchers from across the University received \$17 million from the Marsden Fund in 2015,** for 28 research projects addressing issues ranging from health function to how 1800s Viennese chamber music functioned as social practice.
- The Health Research Council (HRC) is the principal government agency responsible for funding health research in New Zealand.** The University was successful in the HRC's 2015 funding round, receiving a total of \$14.65 million. The funded research covers topics such as progressing prevention and management of bone-related conditions; lung cancer genetic testing; and the combined use of nicotine replacement therapy and e-cigarettes.
- The University had outstanding success in the Ministry of Business, Innovation and Employment funding round, with eight bids funded to a multi-year total of \$14 million, 14.5% of the funding allocated nationally.** The projects include: preparing New Zealand for a growing number of electric cars, a drone device to analyse farm pasture and a major new initiative on family violence prevention.
- Distinguished Professor Margaret Brimble was named as one of this year's Distinguished Women in Chemistry or Chemical Engineering by the International Union of Pure and Applied Chemistry.**
- University of Auckland Professor Rosalind Archer was named a Distinguished Member of the Society of Petroleum Engineers, the only Southern Hemisphere winner out of 18 awardees in 2015.**
- Dr Francis Hunter (Auckland Cancer Society Research Centre) was selected for a three-year term on the Associate Member Council of the American Association for Cancer Research,** the first New Zealand scientist to be selected.
- Associate Professors Ralph Buck and Nicholas Rowe and Dr Rosemary Martin from NICA's Dance Studies programme were members of an international team** awarded a significant research grant in conjunction with the University of the Arts, Helsinki. Awarded by the Academy of Finland, the grant is worth €7.8 million over six years, for a project entitled "Arts as public service: strategic steps towards equality".
- University of Auckland researchers were awarded research grants and scholarships from a number of organisations including public and private companies, and philanthropic agencies.** These included the Auckland Medical Research Foundation, Alzheimer's New Zealand Charitable Trust and the Woolf Fisher Trust. These grants recognise the importance and quality of the University's research activities.

## Objective 10

Dissemination of high-quality research that has the greatest possible impact on and value for New Zealand and the world.

### Measures

- The 2015 Celebrating Research Excellence event included the presentation of the Vice-Chancellor's Commercialisation Medal to Distinguished Professor Margaret Brimble (Chemical Sciences), Professor Andrew Jeffs (Marine Science) and Professor Brent Young (Chemical and Materials Engineering).
- The announcement of the final four Centres of Research Excellence in 2015 brought the number to be funded through to 2020 to ten. The University of Auckland hosts four CoREs, co-hosts a further CoRE and its staff are participants in four of the five remaining CoREs.
- The Joint Centre for Biomedicine is a collaboration between the University of Auckland-hosted Maurice Wilkins Centre for Molecular Biodiscovery and the Chinese Academy of Sciences' Guangzhou Institutes of Biomedicine and Health. The centre will focus on leading-edge medical science to seek new treatments for diseases such as cancer.

## Treaty of Waitangi /Te Tiriti o Waitangi partnerships for mutual benefit

The University of Auckland has a strong history of developing partnerships with Māori that acknowledge the principles of The Treaty of Waitangi /Te Tiriti o Waitangi. We will maintain and strengthen our core of excellent Māori staff, provide programmes that attract Māori students and recognise their aspirations, and encourage teaching, learning and research that contributes to Māori intellectual and cultural advancement.

## Objective 11

Partnerships in which the University and Māori work together to achieve their shared aspirations.

### Measures

- The Office of the Pro Vice-Chancellor (Māori) works in partnership with others both within the University and in other institutions on projects including the MANU Ao Academy, Te Wheke a Toi Postdoctoral Fellowship, LENSscience and MITE: Māori in Tertiary Education.
- The Office sponsored or participated in a number of community initiatives that allow the University to actively engage with local iwi and hapu including: Waitangi Day 2015; Ngāti Hine Festival; and the national Higher Education Summit, where the Pro Vice-Chancellor Māori gave the keynote presentation 'Ka Hikitia: Accelerating Success 2013-2017'.
- The James Henare Māori Research Centre's visit to Chile was hosted by Pontificia Universidad Católica de Chile and was led by the Pro Vice-Chancellor (Māori) Jim Peters and Research Fellow Dr Marama Muru-Lanning. They were accompanied by Professor Cindy Kiro from the Faculty of Education's Te Puna Wānanga. While in Chile, they presented at an international seminar on "Public policies, recognition and indigenous people's rights: a comparative perspective between Latin America and Oceania".
- The Faculty of Science hosted an event "Celebrating 25 years of Tuākana in Science". The programme was first established in the School of Biological Sciences, and it has become the main support platform for Māori and Pacific students across the Faculty of Science and wider University today.

## Strong partnerships with key organisations and communities

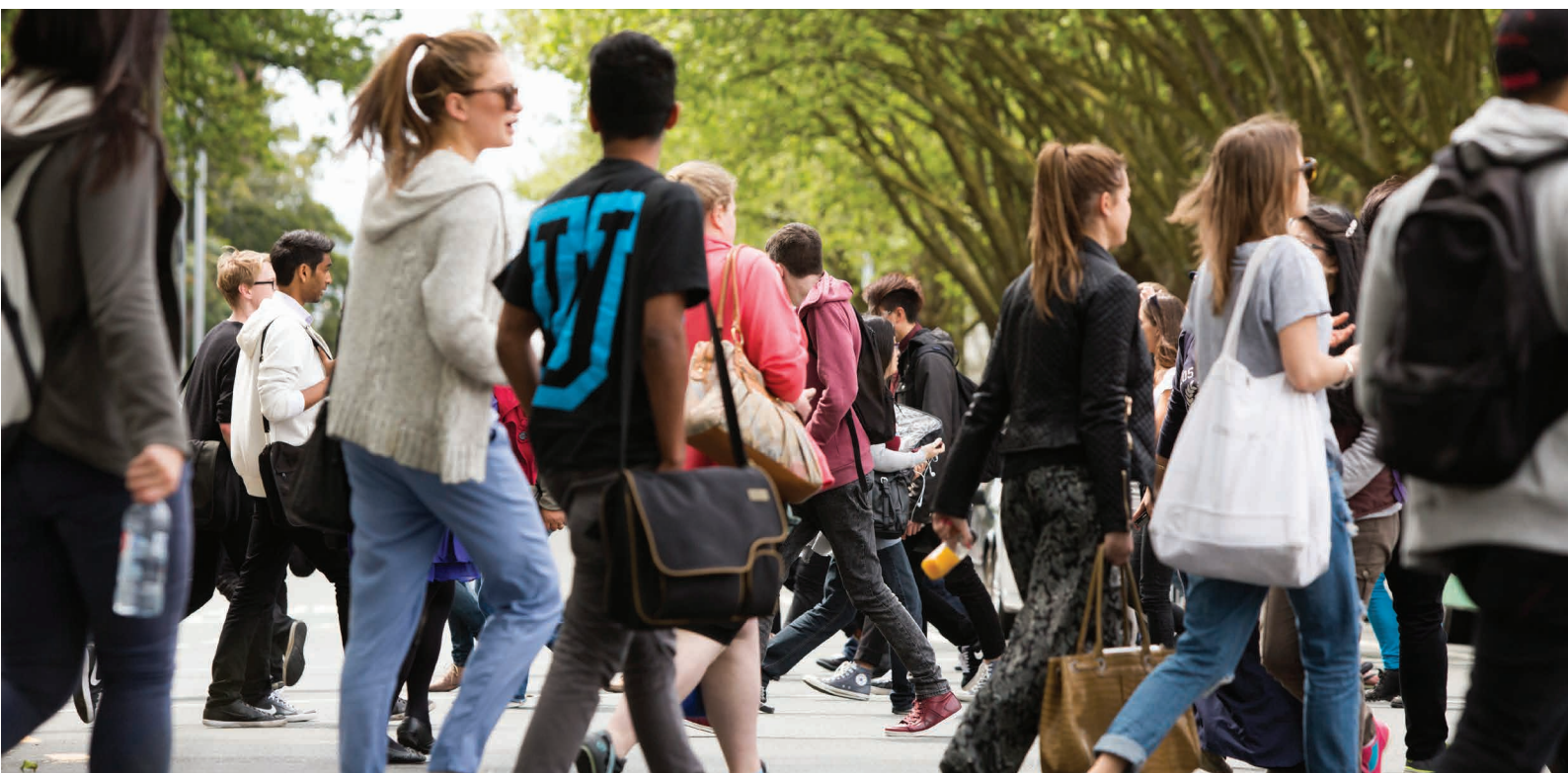
The University interacts with and serves many diverse communities locally, nationally and internationally, which contribute to and draw upon our research, teaching and ideas. Our ongoing relationships with employers, business, schools, other teaching and research institutions, government, councils, and regional and community groups play an important part in the achievement of the University's mission and goals. The University benefits from the political, intellectual and financial support of our many alumni and friends.

### Objective 12

Strong relationships with key partners which have a positive impact on both parties.

#### Measures

- **The Auckland community took the opportunity to engage with our internationally-renowned researchers and their research.** Public events included lectures by visiting fellows, inaugural professorial lectures, and the Winter Lecture series entitled "Global war, global catastrophe: historians discuss the First World War". The 2015 Robb Lectures were delivered by Professor Sir David Cannadine and Professor Linda Colley. Topics covered included Churchill and the Anglo-American relationship, writing constitutions and world history, university funding and some British and American alternatives, and a changing Magna Carta: past, present and future.
- **The Distinguished Alumni Awards Dinner and Bright Lights panel discussion celebrated the contribution that the 2015 winners have made in their respective fields.** The winners were: competitive sailor and yacht designer Sir Russell Coutts (Engineering); Mainfreight Director Bruce Plested (Education); former All Black and Pacific leader Bryan Williams (Law); world authority on the biological chemistry of free radicals Professor Christine Winterbourn (Science); and business leader and mentor Joan Withers (Business). The Young Alumnus of the Year was wireless power expert and entrepreneur Fady Mishriki (Business and Engineering).
- **The Graduation Gala Concerto Competition was held at Auckland's Town Hall. Bradley Wood, pianist, took out the top prize with his moving rendition of Rachmaninoff's *Piano Concerto No. 1 in F Sharp Minor*.** Pianist Ji Huyn (Jane) Sohn took second prize with her performance of Chopin's Piano Concerto No.1 in E minor; and violinist Lauren Bennett placed third with her rendition of Jean Sibelius's Violin Concerto No. 1 in D Minor (1st Movement).
- **Alumni- and donor-focused events took place locally and internationally and included celebration dinners, receptions, reunions and lectures. Overseas receptions took place in Apia – for the first time – and in Shanghai, Beijing, HongKong, London, Tokyo, Seoul, and New York.** In New Zealand, events were held in Auckland, Tauranga, and Wellington. The University of Auckland Society continued its engagement through a Summer Shakespeare reception, and its Salon Series panel discussions.
- **Reunions continued to be important links between the University and its graduates.** These included: a reunion for the MBChB classes of 1975, 1980, 1985, 1990, 1995, 2000 and 2005; a 10-year reunion for the Pharmacy graduating class of 2005; the 25th anniversary of the establishment of the Master of Audiology degree at the University; and the Golden Graduates lunch for those who graduated 50 or more years ago.
- **Honorary doctorates were bestowed on Neal Plowman and Geoff Ricketts, in recognition of their major contributions both to the University and to the wider community.**



## A sustainable, autonomous university

The success of research-intensive universities is determined by their degree of autonomy, the quality of their people, and their ability to resource and support their activities. The University's commitment to excellence extends to all of its financial, investment, government and management practices, helping to build capacity and to ensure the long-term sustainability of the institution for the benefit of Auckland and New Zealand.

### Objective 13

A growing and increasingly diversified revenue base to support our activities.

Performance indicators	2013 Actual	2014 Actual	2015 Target	2015 Actual
Total revenue (\$m)	973	1,013	1,063	1,075
Total revenue \$ / EFTS	29,455	30,263	31,250	32,089
Total revenue per academic staff FTE (\$)	456,814	468,609	592,174	492,246

- Overall University revenue has grown by \$61.8 million (6%) from 2014 to 2015 and exceeded the target for 2015 by 1% (\$12.1).** A number of factors contributed to the higher revenue. Growth in international student enrolments, plus earlier enrolments as a result of process improvements contributed to better than anticipated cash flow and improved financial performance.
- Monthly and semestral reviews of financial performance against budget and forecast were undertaken at various levels of the University organisation structure.** Explanations for variances were sought and, where appropriate, approved.
- The University's teaching and learning revenue from government funding for student enrolments increased in 2015 in targeted areas.** Increased funding was made available for science and engineering courses, and additional places were made available for engineering, Māori and Pacific EFTS in foundation and degree-level courses.

### Objective 14

Deliver 1.5% of operating revenue from endowment income and current-use philanthropic gifts to provide broad and flexible support for future University initiatives.

- Endowment income and current-use philanthropic gifts continue to be used to support a range of University activities including scholarships, professorial research chairs and specific research projects.**
- Building and maintaining strong relationships with philanthropic partners continues to deliver impact for the University and the communities it serves.** One outstanding result of philanthropic partnership in 2015 was Auckland businessman Liangren Li's pledge of \$10 million for cancer research, the largest ever single donation to the Faculty of Medical and Health Sciences. Another example of exceptional generosity was the bequest of \$2.4 million received to establish the Murray Wren Architecture Scholarships.

### Objective 15

An infrastructure of the highest quality possible to support our teaching, learning, research, and community engagement.

Performance indicators	2013 Actual	2014 Actual	2015 Target	2015 Actual
Space benchmarks (AFA m <sup>2</sup> / EFTS)	9.1	9.5	9.5	9.9

- The University's Campus re-development planning continued in 2015 as scheduled. Construction continued at the Newmarket Campus, where space is already occupied by the Faculty of Engineering.** The campus was officially opened in May by the Minister for Tertiary Education, Skills and Employment, and Science and Innovation, Steven Joyce. Good progress was made on the Science Tower work, and concept design work continues on new Faculty of Engineering developments.
- The University of Auckland recently received an Australasian VMware award for "IT Transformation" for its Data Centre Resilience and Infrastructure as a Service projects.** This award recognised the University's approach to automation which includes consideration of the impact on people and process as well as technology.
- The University's Libraries and Learning Services launched a new service to provide access to the library's broadcast media archives, its recording services, and a commercial live streaming service (ETV), presenting users with a modern learning and research resource.** Over 100,000 hours of material is available for viewing, largely comprising items from the Chapman Archive, an ongoing comprehensive collection of news and current affairs, and the Library's TV Vault.



- **The University began implementation of a new Learning Management System, Canvas.** A new inventory management system for all chemicals, risk biological and GMO materials, SciQuest Enterprise Reagent Manager was also piloted in 2015.
- **The University took over student accommodation Grafton Hall in a generous arrangement with the Presbyterian Methodist Congregational (PMC) Foundation,** which saw the net proceeds of the sale surrounding properties owned by PMC Foundation returned to University students through a scholarships programme. The University also entered a development agreement for new non-catered student accommodation to be built on the corner of Symonds and Airedale Streets.
- **The University implemented a centrally accessible Emergency Alert Service that will enhance our existing communication ability and enable rapid, accurate and widespread dissemination of important information in relation to any given crisis/ emergency through a range of communication channels.**

## Objective 16

Sustainable practices to make more efficient use of resources and enhance our environmental performance.

Performance indicators	2013 Actual	2014 Actual	2015 Target	2015 Actual
Energy consumption (KWh/m <sup>2</sup> GFA)	162	157	n/a	166
Wastewater (m <sup>3</sup> / m <sup>2</sup> GFA)	0.7	0.7	n/a	0.7
Paper (A4 reams / EFTS)	2.7	2.3	n/a	3.1
Solid waste to landfills (m <sup>3</sup> / EFTS)	0.4	0.4	n/a	0.5
CO2 emissions (t CO2-e / EFTS)	0.8	0.8	n/a	0.8

- **Since 2006, the University's paper consumption has decreased by 49 percent, waste to landfill has decreased by 22 percent per EFTS, and recycling has tripled. Regular waste audits are carried out to maintain continued improvement.**
- **Ongoing enhancements to the University's data centres have resulted in significant energy savings.**

## Objective 17

A safe and healthy environment.

Performance indicators	2013 Actual	2014 Actual	2015 Target	2015 Actual
Numbers of accidents and injuries	540	488	≤ 650	684
Rating in self-assurance review	Tertiary	Tertiary	Tertiary	Tertiary

- **The University Council approved a new Health and Safety Policy.** The policy applies to all staff and students, sets out clear principles and policy focus, provides links to the overall governance and details the specific responsibilities of individual roles. A leadership resource pack for Deans and Directors of Service Divisions has been developed and is being utilised by faculty and service division teams in developing their local initiatives. The policy has been translated into high quality staff and student leaflets and orientation tools.
- **The policy and the work that lead to its development has resulted in the University moving away from the "hazard and risk identification" approach to health, safety and wellness to a risk management approach involving risk profile and business unit risk registers.** An annual self-assessment return, to provide baseline performance and maturity data on leadership, risk and control, inspection and improvement planning has been completed for all faculties, LSRI and service divisions.
- **A reporting and monitoring framework, aligned to the policy, that links governance, leadership and practitioner processes has also been developed.**

## Objective 18

High-quality governance and management practices consistent with the mission and values of the University of Auckland.

Performance indicators	2013 Actual	2014 Actual	2015 Target	2015 Actual
Operating surplus as a % of revenue	3.0	4.4	3.6	6.3
Operating cash receipts as a % of operating cash payments	118.3	122.2	117.5	121.9
Revenue achieved as a % of Budget	101.6	101.2	100.0	101.1

- **The Council approved the 2016 Budget and noted the University and Faculty Key Performance Indicators that measure progress toward the Strategic Plan objectives.** Progress toward the annual targets for eleven key indicators was reported to Council at each meeting. Progress toward faculty and LSRI annual targets was reviewed by the Vice-Chancellor as part of Deans' and Directors' mid-year and annual reports and through the Semestral Review Process.

- **The operating surplus at 6.3% was also well ahead of budget (3.6%).** A number of one-off items including a significant debt recovery, one-off donations and non-cash revenues associated with achieving the milestones for Partnerships for Excellence programmes contributed to the surplus.
- **Faculties, service divisions and LSRI submitted progress and end-of-year reports against their 2015 Annual Plans. 2016 Annual Plans** were submitted and discussed at the Senior Management Team

Planning Meeting in November. Compliance with University financial management policies, including treasury and transactional policies, was monitored on an on-going basis.

- **The reporting requirements to the TEC for the Starpath Partnership for Excellence programme were fully met and the loan liability fully discharged.**
- **The University reported quarterly to the Audit Committee on key issues in risk management.**

### A public university of global standing

To continue to realise our aspiration to be a leading public university of global standing, we will maintain and build strong partnerships with leading universities who share our commitment to excellence in research-led education. These relationships will help us to advance and measure our performance in an international context, and ensure that we are an integral part of the international community of leading public universities.

## Objective 19

An international standing that places us in the top half of the groups of leading Australian, British and Canadian universities.

Performance indicators	2013 Actual	2014 Actual	2015 Target	2015 Actual
Rankings in the Times Higher Education	164	175	≤ 155	172
QS Rankings	94	92	≤ 80	82

- **The University of Auckland retained its position as the top New Zealand University in the three main world university ranking systems.** It was the only New Zealand University among the top 100 universities in the QS World University Rankings, attaining a ranking of 82. In the QS individual subject rankings, the University was in the top 50 for thirteen of the thirty-four subjects, with Development Studies (23), Accounting and Finance (26), Education (26), Psychology (28), Law (33), English Language and Literature (33), and Linguistics (33) ranking particularly well.
- **In the Times Higher Education World University Rankings, the University of Auckland ranked 172nd in the world.**
- **In 2015, the University ranked in the 201-300 band in the Shanghai Jiao-Tong World Ranking of Universities.**

- **The 10th anniversary of the establishment of Confucius Institutes was recognised at the annual Confucius Institute conference in Xiamen, China with the Confucius Institute Pioneer award.** Ten universities, including the University of Auckland were recognised for their contributions.
- **The University's international relationships allow access to international forums and networks that provide staff with opportunities for development and collaboration.** The University is an active member and participant in the Worldwide Universities Network, Universitas 21, the Association of Pacific Rim Universities, and also in the Australian Group of Eight working groups and committees. A range of academic and professional staff enjoyed the benefits of the University's membership of these groups, through research collaborations and grants.

- **Participation in the Annual Meetings of the networks and contributing to the policy agendas and decisions of those groups is key to maintaining and enhancing our international reputation, leading to further collaborative and research opportunities.**

# Statement of the cost of outputs

The University's Mission and Values establishes three broad classes of output that result from its activities. The outputs are research-informed teaching, learning and scholarship; fundamental and commercial applications of research and creative works; and contributions to its local, national and international communities.

	Consolidated			
	2015 Actual \$000	2015 Budget \$000	2014 Actual \$000	2013 Actual \$000
Teaching and learning	664,595	664,842	637,651	624,070
Research	296,847	314,816	288,835	284,323
Community Service	45,323	43,677	41,744	35,390
<b>Total cost of outputs</b>	<b>1,006,765</b>	<b>1,023,335</b>	<b>968,230</b>	<b>943,784</b>

## Compulsory student service fees

	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Actual \$000
	Advocacy and legal advice	Careers information advice and guidance	Counselling and pastoral care	Employment information	Financial support and advice	Health services and Disability services	Media	Childcare services	Clubs and societies	Sports, recreation cultural activities	Other	Total
Compulsory Student service fees											20,404	20,404
Other			26			1,786		5,398				7,210
Total revenue	-	-	26	-	-	1,786	-	5,398	-	-	20,404	27,614
Expenses	1,466	1,829	3,684	106	(15)	3,320	78	5,294	1,217	10,635	-	27,614
Total expenses	1,466	1,829	3,684	106	(15)	3,320	78	5,294	1,217	10,635	-	27,614
Surplus/(deficit)	(1,466)	(1,829)	(3,658)	(106)	15	(1,535)	(78)	104	(1,217)	(10,635)	20,404	0

The Compulsory Student Services Fee (CSSF) was set at \$726.00 per full-time student in 2015. The administration of the CSSF is integrated within the University's normal operations. All income and expenditure associated with the provision of student services is separately identifiable in the University's accounting system.

### Advocacy and Legal advice

Advocacy support is provided to students by student organisations, including AUSA and PGSA. AUSA offers all students access to a free and confidential advocacy service, which is independent from the University. The Advocacy team provide professional advice on any issue, whether academic, financial or of a more personal nature. It offers advice about student rights and University procedures.

### Career information and support

Career Development and Employment Services (CDES) assists current students and alumni for up to three years after graduation with all aspects of career development. The support provided enables students and graduates to develop the capabilities to successfully self-manage and navigate their world of work, life and learning. This includes online information and resources, and a range of tailored workshops and individual appointments. CDES provides opportunities for students to engage with employers through large expos, career events, employer presentations and a job board. Career development consultants have special responsibilities including being the lead consultant for specific faculties as well as for Māori, Pacific, international and postgraduate students.

### Counselling services & pastoral care

Counsellors are available for one-on-one and group appointments to help students overcome barriers to academic progress arising from personal circumstances. A range of staff are also available to provide pastoral care including chaplains, resident assistants in halls of residence and faculty-based staff. The University's Student Proctor is available to address disputes between students and concerns about student behaviour.

### Employment information

Part-time employment opportunities for current students are promoted on campus in a variety of ways. There is also a job board on the CDES website which is accessible to all students and alumni up to three years after graduation.

### Health services

University Health Services provides primary health care services to students to help prevent and overcome personal difficulties relating to their physical and mental wellbeing. Primary health care services are delivered by GPs and nurses. Disability Services provides a range of support to students with physical and mental disabilities.

### Media

The University supports the production and dissemination of information by students to students including web-site hosting, print-based media and online communities for students across the University.

### Childcare services

Childcare facilities are available to parents across all campuses.

### Clubs and societies

The University of Auckland supports clubs and societies through the provision of administrative support, grants, facilities and equipment.

### Sports, recreation and cultural activities

The University provides sport and recreation facilities and services to students. The University Recreation Centre offers gym and fitness equipment, fitness classes and sports facilities such as a sports hall and squash courts. The sport and recreation department delivers student sporting tournaments, events, wellness programmes and supports sports club activities. The University also provides a range of cultural activities on campus.







# FINANCIAL STATEMENTS

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## Statement of responsibility

- 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 2015 fairly reflect the financial position and operations of the University of Auckland.
- The Council of the University of Auckland has reviewed these Financial Statements at its meeting of 7 March 2016 and formally adopted these Financial Statements for issue on 24 March 2016.



Dr Ian Parton  
CHANCELLOR



Professor Stuart McCutcheon  
VICE-CHANCELLOR



Mrs Adrienne Cleland  
DIRECTOR OF ADMINISTRATION

# Statement of comprehensive income

for the year ended 31 December 2015

	Note	Consolidated			University	
		2015 Actual \$'000	2015 Budget \$'000	2014 Actual \$'000	2015 Actual \$'000	2014 Actual \$'000
<b>Operating revenue</b>						
Government grants	2	416,432	409,699	399,278	416,432	399,278
Tuition fees		275,720	272,520	257,764	275,720	257,764
Research and contracts	3	252,925	271,369	234,655	133,014	112,993
Service income		100,056	93,719	96,631	126,155	124,794
Donations		12,109	5,808	10,963	13,505	11,612
Interest received		5,272	3,290	3,993	5,159	3,877
Other revenue		12,110	6,126	9,555	12,103	9,546
<b>Total operating revenue</b>		<b>1,074,624</b>	<b>1,062,531</b>	<b>1,012,839</b>	<b>982,088</b>	<b>919,864</b>
<b>Operating expenses</b>						
People costs	4	600,629	605,957	585,598	528,220	509,698
Operating costs	5	282,712	306,257	264,271	271,299	247,391
Finance costs		141	200	413	2,448	2,484
Depreciation and amortisation	8,9	123,283	110,921	117,948	121,690	116,196
<b>Total operating expenses</b>		<b>1,006,765</b>	<b>1,023,335</b>	<b>968,230</b>	<b>923,657</b>	<b>875,769</b>
Net surplus before tax		67,859	39,196	44,609	58,431	44,095
Income tax expense		389	420	6	-	-
<b>Net surplus after tax</b>		<b>67,470</b>	<b>38,776</b>	<b>44,603</b>	<b>58,431</b>	<b>44,095</b>
<b>Other comprehensive income</b>						
Gain/(loss) on asset revaluation reserve	16	115,759	-	36,553	115,679	36,328
Gain/(loss) on cash flow hedges taken to equity	16	(631)	-	61	(602)	308
Gain/(loss) in foreign currency translation reserve	16	(331)	-	(3)	-	-
Gain/(loss) in statutory reserves	16	94	-	-	-	-
<b>Total comprehensive income for the year</b>		<b>182,361</b>	<b>38,776</b>	<b>81,214</b>	<b>173,508</b>	<b>80,731</b>
<b>Attributable to:</b>						
Members of the parent entity		182,361	38,776	81,214	173,508	80,731

The accompanying Notes to the Financial Statements on pages 50 to 75 form part of and should be read in conjunction with these financial statements.

# Statement of financial position

as at 31 December 2015

	Note	Consolidated			University	
		2015 Actual \$'000	2015 Budget \$'000	2014 Actual \$'000	2015 Actual \$'000	2014 Actual \$'000
<b>Current assets</b>						
Cash and cash equivalents		24,068	-	10,372	17,549	2,158
Short term bank deposits		8,973	-	22,771	8,973	22,671
Receivables	7	50,550	55,069	50,712	39,280	35,592
Research work in progress		13,263	10,117	11,437	8,395	7,417
Derivative financial instruments	20	-	275	443	-	343
Inventories		1,788	1,775	1,787	1,692	1,442
Prepayments and other current assets		22,859	18,074	15,452	22,861	15,452
<b>Total current assets</b>		<b>121,501</b>	<b>85,310</b>	<b>112,974</b>	<b>98,750</b>	<b>85,075</b>
<b>Non current assets</b>						
Long term investments		25,252	25,395	24,681	25,213	24,659
Investment in subsidiaries	18	-	-	-	1,000	1,000
Property, plant and equipment	8	2,035,521	1,874,523	1,808,019	2,030,778	1,802,278
Intangible assets	9	14,530	32,966	17,087	14,309	16,725
<b>Total non current assets</b>		<b>2,075,303</b>	<b>1,932,884</b>	<b>1,849,787</b>	<b>2,071,300</b>	<b>1,844,662</b>
<b>Total assets</b>		<b>2,196,804</b>	<b>2,018,194</b>	<b>1,962,761</b>	<b>2,170,050</b>	<b>1,929,737</b>
<b>Current liabilities</b>						
Payables	10	131,272	127,807	136,186	113,452	118,211
Revenue in advance	11	117,263	113,091	104,105	91,096	77,175
Income tax payable		389	637	6	-	-
Loan and borrowings	13	620	616	618	62,620	47,618
Employee entitlements	12	46,347	43,980	43,565	42,974	40,676
Derivative financial instruments	20	188	-	-	259	-
<b>Total current liabilities</b>		<b>296,079</b>	<b>286,131</b>	<b>284,480</b>	<b>310,401</b>	<b>283,680</b>
<b>Non current liabilities</b>						
Employee entitlements	12	48,085	46,236	44,333	48,048	44,295
Revenue in advance	11	1,250	3,000	2,500	1,250	2,500
Loans and borrowings	13	44,292	55,456	6,711	44,292	6,711
<b>Total non current liabilities</b>		<b>93,627</b>	<b>104,692</b>	<b>53,544</b>	<b>93,590</b>	<b>53,506</b>
<b>Total liabilities</b>		<b>389,706</b>	<b>390,823</b>	<b>338,024</b>	<b>403,991</b>	<b>337,186</b>
<b>Net assets</b>		<b>1,807,098</b>	<b>1,627,371</b>	<b>1,624,737</b>	<b>1,766,059</b>	<b>1,592,551</b>
<b>Equity</b>						
General equity	16	1,157,785	1,074,233	1,091,036	1,118,079	1,060,369
Reserves	16	610,893	517,065	497,451	609,560	495,932
Trust and special funds	17	38,420	36,073	36,250	38,420	36,250
<b>Total equity</b>		<b>1,807,098</b>	<b>1,627,371</b>	<b>1,624,737</b>	<b>1,766,059</b>	<b>1,592,551</b>

The accompanying Notes to the Financial Statements on pages 50 to 75 form part of and should be read in conjunction with these financial statements.



# Statement of cash flows

for the year ended 31 December 2015

	Note	Consolidated			University	
		2015 Actual \$'000	2015 Budget \$'000	2014 Actual \$'000	2015 Actual \$'000	2014 Actual \$'000
<b>Cash flows from operating activities</b>						
Government grants		412,031	406,700	396,215	412,031	396,215
Tuition fees		278,301	273,082	262,711	278,301	262,711
Other operating receipts		388,551	392,140	348,995	293,021	256,869
Goods and services tax (net)		(4,230)	(12)	2,953	(3,886)	1,411
Payments to employees		(527,728)	(513,899)	(514,415)	(473,520)	(456,357)
Other operating payments		(353,275)	(399,985)	(313,623)	(324,963)	(285,941)
Net cash provided by operating activities	6	193,650	158,026	182,836	180,984	174,908
<b>Cash flows from investing activities</b>						
Interest received		5,005	2,590	3,539	4,820	3,423
Proceeds of loan from subsidiary		-	-	-	15,000	7,000
Acquisition of short term bank deposits		12,869	(700)	(2,320)	13,144	(3,354)
Proceeds from sale of held for sale property		-	-	60,655	-	60,655
Acquisition of property, plant and equipment and work in progress		(235,011)	(203,521)	(183,353)	(233,477)	(182,989)
Borrowing costs capitalised		(76)	-	(312)	(76)	(312)
Net cash provided by/(used in) investing activities		(217,213)	(201,631)	(121,791)	(200,589)	(115,577)
<b>Cash flows from financing activities</b>						
Proceeds from borrowings		118,000	44,435	64,000	118,000	64,000
Interest paid		-	(200)	(158)	(2,234)	(2,228)
Repayments of borrowings		(80,630)	(630)	(120,380)	(80,630)	(120,380)
Net cash provided by/(used in) financing activities		37,370	43,605	(56,538)	35,136	(58,608)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>13,807</b>	<b>-</b>	<b>4,507</b>	<b>15,531</b>	<b>723</b>
Cash and cash equivalents at the beginning of the financial year		10,372	-	5,763	2,158	1,338
Effects of exchange rate changes on cash and cash equivalents		(111)	-	102	(140)	97
<b>Cash and cash equivalents at the end of the financial year</b>		<b>24,068</b>	<b>-</b>	<b>10,372</b>	<b>17,549</b>	<b>2,158</b>
<b>Reconciliation of cash and cash equivalents</b>						
Current accounts at bank		18,401	-	4,075	16,177	370
Foreign currency current accounts at bank		5,667	-	6,297	1,372	1,788
<b>Total cash and cash equivalents</b>		<b>24,068</b>	<b>-</b>	<b>10,372</b>	<b>17,549</b>	<b>2,158</b>

The accompanying Notes to the Financial Statements on pages 50 to 75 form part of and should be read in conjunction with these financial statements.

# Statement of cash flows (continued)

for the year ended 31 December 2015

Cash flows are classified into three sources:

## Operating activities

- The principal revenue producing activities of the consolidated entity and generally result from the transactions and other events that are integral to the determination of the net surplus. Operating activities include all transactions and other events that are not investing or financing activities.

## Investing activities

- Those activities relating to the acquisition, holding and disposal of property, plant and equipment and of investments. Investments include securities not falling within the definition of cash and cash equivalents.

## Financing activities

- Those activities that result in changes to the size and composition of the capital structure. This includes both equity and debt not falling within the definition of cash and cash equivalents.

Interest Paid is classified as a financing cash flow and Interest and Dividends Received are classified as investing cash flows.

Cash and Cash Equivalents comprise cash on hand, cash in banks and investments in money market instruments and other short term, highly liquid investments with original maturities of 90 days or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents are stated net of outstanding bank overdrafts when the bank has full right of set off against accounts which are in funds. Bank overdrafts, for which the bank has no right of set off, are shown within current liabilities in the statement of financial position.

# Statement of changes in equity

for the year ended 31 December 2015

	Note	Asset re-valuation reserve \$000	Hedging and statutory reserves \$000	Foreign currency translation reserve \$000	General equity \$000	Trust and special funds \$000	Total equity \$000
<b>Consolidated</b>							
Balance as at 1 January 2015		497,011	443	(3)	1,091,036	36,250	1,624,737
Net surplus for the year		-	-	-	67,470	-	67,470
Other comprehensive income for the year	16	115,759	(537)	(331)	-	-	114,891
Transfer revaluation reserve on disposed assets	16	(1,449)	-	-	1,449	-	-
Transfer surplus to trust and special funds	17	-	-	-	(2,170)	2,170	-
<b>Balance as at 31 December 2015</b>		<b>611,321</b>	<b>(94)</b>	<b>(334)</b>	<b>1,157,785</b>	<b>38,420</b>	<b>1,807,098</b>
Balance as at 1 January 2014		512,671	382	-	998,051	32,419	1,543,523
Net surplus for the year		-	-	-	44,603	-	44,603
Other comprehensive income for the year	16	36,553	61	(3)	-	-	36,611
Transfer revaluation reserve on disposed assets	16	(52,213)	-	-	52,213	-	-
Transfer surplus to trust and special funds	17	-	-	-	(3,831)	3,831	-
<b>Balance as at 31 December 2014</b>		<b>497,011</b>	<b>443</b>	<b>(3)</b>	<b>1,091,036</b>	<b>36,250</b>	<b>1,624,737</b>
	Note	Asset re-valuation reserve \$000	Hedging and statutory reserves \$000	Foreign currency translation reserve \$000	General equity \$000	Trust and special funds \$000	Total equity \$000
<b>University</b>							
Balance as at 1 January 2015		495,589	343	-	1,060,369	36,250	1,592,551
Net surplus for the year		-	-	-	58,431	-	58,431
Other comprehensive income for the year	16	115,679	(602)	-	-	-	115,077
Transfer revaluation reserve on disposed assets	16	(1,449)	-	-	1,449	-	-
Transfer surplus to trust and special funds	17	-	-	-	(2,170)	2,170	-
<b>Balance as at 31 December 2015</b>		<b>609,819</b>	<b>(259)</b>	<b>-</b>	<b>1,118,079</b>	<b>38,420</b>	<b>1,766,059</b>
Balance as at 1 January 2014		514,139	35	-	965,227	32,419	1,511,820
Net surplus for the year		-	-	-	44,095	-	44,095
Other comprehensive income for the year	16	36,328	308	-	-	-	36,636
Transfer revaluation reserve on disposed assets	16	(54,878)	-	-	54,878	-	-
Transfer surplus to trust and special funds	17	-	-	-	(3,831)	3,831	-
<b>Balance as at 31 December 2014</b>		<b>495,589</b>	<b>343</b>	<b>-</b>	<b>1,060,369</b>	<b>36,250</b>	<b>1,592,551</b>

The accompanying Notes to the Financial Statements on pages 50 to 75 form part of and should be read in conjunction with these financial statements.

# Notes to the Financial Statements

for the year ended 31 December 2015

## 1 Statement of accounting policies

### 1.1 Reporting entity

The financial statements of The University of Auckland and its subsidiaries for the year ended 31 December 2015 were authorised for issue by the Council on 24 March 2016.

The University of Auckland was established by The University of Auckland Act 1961. The principal activities of the University and its subsidiaries are the provision of teaching and research services.

The central office of the University's management is located at the Clock Tower, 22 Princes St, Auckland, New Zealand.

The financial statements have been prepared in accordance with the requirements of the Crown Entities Act 2004 and Section 203 of the Education Act 1989, which include the requirement to comply with generally accepted accounting practice in New Zealand.

The University and Group are designated as public benefit entities (PBE) for financial reporting purposes.

### 1.2 Basis of preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

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

The net GST paid to, or received from, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

### Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with Tier 1 PBE accounting standards.

These financial statements comply with PBE Standards.

These financial statements are the first financial statements presented in accordance with the new PBE accounting standards. The University has not identified any material

adjustments arising on transition to the new PBE accounting standards as explained in note 21.

### Historical cost convention

These financial statements have been prepared under the historical cost convention except the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments held for trading, land and buildings, library special collections and works of art.

Works of art, library special collections and land and buildings are revalued every three years (unless there is evidence that suggests it should be done sooner in order to carry the assets at fair value) and are stated at revalued amount less impairment, if any, and subsequent accumulated depreciation on buildings.

### Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of the University and Group is New Zealand dollars.

### Budget figures

The budget figures are those approved by Council before the beginning of the 2015 financial year. They have been prepared using the same accounting policies as those used in the preparation of these financial statements. The budget figures have not been audited.

### Critical accounting estimates

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

The following are the estimations and assumptions that management has made in the process of applying the University's accounting policies and that have the most significant effects on the amounts recognised in these financial statements:

- The estimated useful lives of Property, Plant and Equipment and Intangible Assets.
- Whether the fair value of Property, Plant and Equipment has been impaired during the year.
- The fair value estimation of Property, Plant and Equipment. Land, buildings, library special collections and works of art at the University are revalued at least every three years or when there is a material change between the fair value and the carrying value of the assets.
- The rate of future salary increases and the discount rate used to present value future cash flows, which are used to calculate the employee entitlements liabilities.
- The selection of the categories for reporting of Financial Assets and Liabilities within the financial statements.
- The discount rate used to present value future cash flows of non-interest bearing loans.
- The designation of certain assets as fair value through profit and loss where the group of financial assets is managed and its performance evaluated on a fair value basis in accordance with the University's Treasury Management Policy.
- The value of work in progress and expensing of any expenditure that will not contribute to the long term value of the asset being constructed.
- The classification of revenue as exchange or non-exchange in nature, and the accounting consequences related to each revenue class.

### Change in accounting estimate

During 2015 the University Library undertook a detailed review of depreciation rates for electronic media and printed books. The result of this review was that depreciation over a life of three years for electronic media and printed books was considered by management to better reflect generally accepted practice and the estimated useful lives.



# Notes to the Financial Statements

for the year ended 31 December 2015

## 1 Statement of accounting policies (continued)

Depreciation rates have been adjusted from 20 percent straight line to 33.3 percent straight line for electronic media and printed books accordingly.

An additional \$15.77 million of depreciation expense in relation to these assets has been recognised in 2015. The 2016 impact of this change in depreciation rate is estimated to be an increase of \$1.03 million on the original budget for depreciation expense.

### 1.3 Basis of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the University of Auckland and its subsidiaries. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

### Subsidiaries

Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies so as to benefit from its activities, generally accompanying a shareholding of more than one half of the voting rights.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair values of the identifiable net assets acquired exceed the cost of acquisition, the difference is credited to the statement of comprehensive income. Investment in subsidiaries is recognised at cost on initial recognition, and at cost less accumulated impairment (if any) subsequent to initial recognition.

Non-controlling interests are allocated their share of net surplus in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent.

Deficits are attributed to the non-controlling interest even if that results in a deficit balance.

### Associates

Associates are entities over which the consolidated entity has significant influence but not control and that are neither subsidiaries nor joint ventures, generally evidenced by holdings of between 20% and 50% of voting rights. Associates are equity accounted, and then we use judgement to assume there are no material differences between cost and equity accounting given they are primarily non-trading or start-up.

### Investments

Investments are all entities over which the consolidated entity does not have significant influence, joint control, or control and that are neither a subsidiary nor an interest in a joint venture or associate, generally evidenced by holdings of less than 20% of the voting rights.

Unlisted investments are recognised at cost less impairment. Measurement of fair value of unlisted investments is not used as the fair value of these investments cannot be reliably measured. These investments relate to start-up and non-trading entities with limited financial information available. The consolidated entity invests only intellectual property and staff costs. All other investments are recognised in accordance with the 'Financial Assets' accounting policy.

### The University of Auckland Foundation

The University of Auckland Foundation is a registered charitable trust that raises funds for a number of charitable purposes including achievement of knowledge and dissemination thereof by teaching and research, assisting students to pursue courses of study at The University of Auckland and general advancement of The University of Auckland. The University Council has received independent professional advice that the Foundation is a separate legal entity, is not under the control of The University of Auckland and determines its own financial and operating policies with the power to distribute funds to parties other than the University. Accordingly the University Council is of the view that it should not consolidate the Foundation, as to do so would overstate the financial

position of the University and may give the misleading impression that the Foundation is in some way controlled by the University.

The University has not calculated the financial effect of a consolidation. The latest published financial position of the Foundation shows that it had net assets of \$118.8 million as at 31 December 2014. The financial statements of the Foundation for 2015 are not publicly available as they have not yet been approved by the Foundation's trustees.

### 1.4 Foreign currency transactions

#### Transactions and balances

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the balance date are translated to New Zealand dollars at the foreign exchange rate ruling at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated to New Zealand dollars at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Foreign exchange gains and losses resulting from settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rate ruling at balance date are recognised in the statement of comprehensive income, except where cash flow hedge accounting is used and the resulting fair value movements on the forward exchange contracts are deferred in the hedging reserve

### 1.5 Significant accounting policies

Significant accounting policies which are pervasive throughout the financial statements or where there is no dedicated note disclosure are set out below. Other significant accounting policies which are specific to certain transactions or balances are disclosed within the particular note to which they relate.

# Notes to the Financial Statements

for the year ended 31 December 2015

## 1 Statement of accounting policies (continued)

The accounting policies set out in the financial statements and the accompanying notes have been applied consistently to all periods presented in these consolidated financial statements.

### Revenue recognition

#### Tuition fees

Domestic student tuition fees are subsidised by government funding and are considered non-exchange. Revenue is recognised at the amount received when the course withdrawal date has passed, which is when a student is no longer entitled to a refund for withdrawing from the course. Prior to the course withdrawal date domestic student tuition fees are treated as deferred revenue.

International student tuition fees are accounted for as exchange transactions. Revenue is recognised at the amount received when the course withdrawal date has passed, which is when a student is no longer entitled to a refund for withdrawing from the course. Prior to the course withdrawal date international student tuition fees are treated as revenue in advance.

#### Service income

Service income is recognised as revenue throughout the period of the service delivery where the transaction is classified as exchange in nature. Where the transaction is classified as non-exchange in nature and where there are in substance conditions to return the funds to the funder if performance stipulations are not met, service income is recognised as revenue at the time that the conditions are met. For non-exchange transactions where there are no in substance obligations to return the funds service income is recognised as revenue at the point the University has an enforceable claim to resources.

#### Donations

Unrestricted donations are recognised as revenue at the point the University has an enforceable claim to resources. Where the consolidated entity receives a donation with conditions, a liability is recognised. Once the condition is met, the donation is recognised as revenue. Donated assets are recognised at fair value.

#### Revenue received while acting as an agent

Where the consolidated entity collects money from contracts as an agent for a third party, the consolidated entity only recognises the commission received from the collections as revenue.

#### Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer.

#### Dividend and interest revenue

Dividend revenue from investments is recognised when the shareholders' rights to receive payment have been established. Interest revenue is recognised on a time proportionate basis using the effective interest rate method.

The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset, or where appropriate a shorter period, to the net carrying amount of the financial asset.

The effective interest rate is used to calculate the amortised cost of a financial asset and to allocate interest income over the relevant period.

#### Inventories

Inventories are valued at the lower of cost and net realisable value. The weighted average method is used to determine cost. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### Prepayments

Prepayments are originally recognised at cost and are evenly recognised in the statement of comprehensive income over the expected period of the benefit.

#### Impairment

##### Impairment of financial assets

Financial assets other than those at fair value through profit and loss are assessed for indicators of impairment at each balance

date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that have occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been adversely impacted.

Objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counter party; or
- Default or delinquency in interest or principal payments; or
- It becomes probable that the borrower will enter bankruptcy or financial re-organisation.

Receivables that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables includes past experience of collecting amounts due, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observed changes in economic conditions that correlate with default on receivables.

The carrying amount of trade receivables is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in the statement of comprehensive income.

##### Impairment of property, plant, and equipment and intangible assets

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use are not subject to amortisation and are tested annually for impairment.

Property, plant, and equipment subsequently measured at cost are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

# Notes to the Financial Statements

for the year ended 31 December 2015

## 1 Statement of accounting policies (continued)

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

### *Value in use for non-cash-generating assets*

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

### *Value in use for cash-generating assets*

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

### **Income tax**

The University and its subsidiaries are exempt from the payment of income tax in New Zealand as they are treated as charitable organisations by the Inland Revenue Department.

Income tax payable by the consolidated entity relates to net profits derived from the subsidiary operating in Hong Kong and the branch in the Kingdom of Saudi Arabia being taxed at the applicable rates under the laws of those countries.

Current tax liabilities for the current period are measured at the amount expected to be paid to the taxation authorities of that country based on the current period's taxable income of the branch.

Deferred income tax is provided on all temporary differences, if any, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

# Notes to the Financial Statements

for the year ended 31 December 2015

## 2 Government grants

Student Achievement Component (SAC) funding is the University's main source of operational funding from the Tertiary Education Commission (TEC). The University considers SAC funding to be non-exchange and recognises SAC funding as revenue when the course withdrawal date has passed, based on the number of eligible students enrolled in the course at that date and the value of the course. Prior to the course withdrawal date SAC funding is treated as deferred revenue.

The University considers Performance-Based Research Fund (PBRF) funding to be non-exchange in nature. PBRF funding is specifically identified by the TEC as being for a funding period as required by section 159YA of the Education Act 1989. The University recognises its confirmed allocation of PBRF funding at the commencement of the specified funding period, which is the same as the University's financial year. PBRF revenue is measured based on the University's funding entitlement adjusted for any expected adjustments as part of the final wash-up process. Indicative funding for future periods is not recognised until confirmed for that future period.

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as deferred revenue when received and recognised as revenue when the conditions of the grant are satisfied.

	Consolidated/			University	
	2015 Actual \$000	2015 Budget \$000	2014 Actual \$000	2015 Actual \$000	2014 Actual \$000
Student component funding	316,005	312,884	303,160	316,005	303,160
Clinical Training Agency grants	4,413	3,784	4,384	4,413	4,384
Other Government grants	10,598	5,082	8,239	10,598	8,239
Performance Based Research Funding	85,416	87,949	83,495	85,416	83,495
<b>Total Government grants</b>	<b>416,432</b>	<b>409,699</b>	<b>399,278</b>	<b>416,432</b>	<b>399,278</b>

## 3 Research and contracts revenue

The University and group exercises judgement in determining whether funding received under a research contract is received in an exchange or non-exchange transaction. In determining whether a research contract is exchange or non-exchange, the Group considers factors such as the following:

- Whether the funder has substantive rights to the research output. This is a persuasive indicator of exchange or non-exchange.
- How the research funds were obtained. For example, whether through a commercial tender process for specified work or from applying to a more general research funding pool.
- Nature of the funder
- Specificity of the research brief or contract.

For an exchange research contract, revenue is recognised on a percentage completion basis. The percentage of completion is measured by reference to the actual research expenditure incurred as a proportion to total expenditure expected to be incurred.

For a non-exchange research contract, the total funding receivable under the contract is recognised as revenue immediately when the funds become receivable, unless there are substantive conditions in the contract. If there are substantive conditions, revenue is recognised when the conditions are satisfied. A condition could include the requirement to complete research to the satisfaction of the funder to retain funding or return unspent funds. Revenue for future periods is not recognised where the contract contains substantive termination provisions for failure to comply with the requirements of the contract. Conditions and termination provisions need to be substantive, which is assessed by considering factors such as contract monitoring mechanisms of the funder and the past practice of the funder.

Judgement is often required in determining the timing of revenue recognition for contracts that span a balance date and multi-year research contracts.

Research contract obligations are identified in note 11.

	Consolidated/			University	
	2015 Actual \$000	2015 Budget \$000	2014 Actual \$000	2015 Actual \$000	2014 Actual \$000
External research income	157,562	270,413	140,022	121,044	101,902
Other research and contract income	95,363	956	94,633	11,970	11,091
<b>Total research and contracts revenue</b>	<b>252,925</b>	<b>271,369</b>	<b>234,655</b>	<b>133,014</b>	<b>112,993</b>



# Notes to the Financial Statements

for the year ended 31 December 2015

## 4 People costs

	Consolidated/			University	
	2015 Actual \$000	2015 Budget \$000	2014 Actual \$000	2015 Actual \$000	2014 Actual \$000
Academic salaries	277,920	291,155	272,355	262,817	256,423
Professional salaries	235,388	245,713	228,909	195,726	185,370
Defined contribution expense	18,985	18,021	17,721	18,985	17,721
Contracts for service	42,222	42,179	37,917	23,632	19,677
Other people costs	26,114	8,889	28,696	27,060	30,507
<b>Total people costs</b>	<b>600,629</b>	<b>605,957</b>	<b>585,598</b>	<b>528,220</b>	<b>509,698</b>

The consolidated entity and the University have termination benefits of \$0.64 million included in total people costs in the current year (2014: \$5.23 million).

## 5 Operating costs

	Consolidated			University	
	2015 Actual \$000	2015 Budget \$000	2014 Actual \$000	2015 Actual \$000	2014 Actual \$000
Operating costs include the specific expenses:					
<b>Losses/(gains)</b>					
Loss on disposal of property, plant and equipment	1,461	83	83	1,460	69
Net foreign currency loss / (gain)	(1,059)	-	(443)	(140)	(172)
<b>Consumable supplies</b>	<b>23,827</b>	<b>46,852</b>	<b>21,644</b>	<b>18,086</b>	<b>15,566</b>
<b>Repairs and maintenance</b>	<b>40,599</b>	<b>24,044</b>	<b>33,833</b>	<b>39,836</b>	<b>33,166</b>
<b>Operating leases</b>					
Properties	15,212	15,111	14,930	12,961	12,670
Equipment	5,532	5,878	5,517	5,517	5,517
Motor vehicles	840	326	665	231	216
<b>Total operating lease costs</b>	<b>21,584</b>	<b>21,315</b>	<b>21,112</b>	<b>18,709</b>	<b>18,403</b>
<b>Auditor remuneration</b>					
Audit fees to EY for audit of financial statements - current year	364	364	389	280	280
Audit fees to EY for audit of financial statements - prior year	2	-	-	-	-
Taxation services paid to EY	10	-	26	-	-
Taxation services paid to other audit firms	26	-	-	-	-
Other services paid to EY - benchmarking/survey reports	9	-	-	-	-
<b>Total auditors' remuneration</b>	<b>411</b>	<b>364</b>	<b>415</b>	<b>280</b>	<b>280</b>

# Notes to the Financial Statements

for the year ended 31 December 2015

## 6 Reconciliation of operating surplus and net cash flows from operating activities

	Consolidated			University	
	2015 Actual \$000	2015 Budget \$000	2014 Actual \$000	2015 Actual \$000	2014 Actual \$000
Net surplus for the year	67,470	38,776	44,603	58,431	44,095
<b>Add/(less) non-cash items:</b>					
Depreciation and amortisation	123,283	110,921	117,948	121,690	116,196
Donated assets	(433)	(910)	(140)	(1,825)	(782)
Foreign exchange fluctuation	110	-	(103)	139	(97)
Other non cash items	(5,125)	(2,815)	(3,000)	(5,125)	(3,000)
	117,835	107,196	114,705	114,879	112,317
<b>Add/(less) changes in net assets and liabilities:</b>					
Decrease/(increase) in receivables	162	(1,667)	2,929	(3,689)	859
Decrease/(increase) in prepayments and other current assets	(7,407)	705	4,213	(7,409)	510
Decrease/(increase) in inventories	-	(60)	125	(250)	(80)
Decrease/(increase) in research work in progress	(1,826)	(1,098)	2,131	(978)	1,952
Increase/(decrease) in payables and provisions	(4,531)	3,677	10,851	(4,758)	8,004
Increase/(decrease) in income in advance	11,908	4,722	(5,271)	12,671	(1,958)
Increase/(decrease) in employee entitlements	6,534	6,003	7,191	6,051	5,773
	4,840	12,282	22,169	1,638	15,060
<b>Add/(less) items classed as investing activities or finance activities:</b>					
Interest income	(5,272)	(3,290)	(3,993)	(5,159)	(3,877)
(Gain)/loss on disposal of property, plant, and equipment	1,460	83	69	1,460	69
Movements relating to capital expenditure	2,051	2,779	1,870	2,162	1,760
Finance costs	141	200	413	2,448	2,484
(Increase)/decrease in income in advance	5,125	-	3,000	5,125	3,000
	3,505	(228)	1,359	6,036	3,436
<b>Net cash flow from operating activities</b>	<b>193,650</b>	<b>158,026</b>	<b>182,836</b>	<b>180,984</b>	<b>174,908</b>

# Notes to the Financial Statements

for the year ended 31 December 2015

## 7 Receivables

Receivables are recognised initially at fair value, and subsequently at amortised cost less impairment. Due to the short-term nature of receivables they are not discounted.

	Note	Consolidated		University	
		2015 Actual \$000	2014 Actual \$000	2015 Actual \$000	2014 Actual \$000
Trade receivables		51,531	52,330	35,651	32,305
Less provision for receivables impairment		(981)	(1,618)	(800)	(660)
Net receivables		50,550	50,712	34,851	31,645
Related company receivables	19	-	-	4,429	3,947
<b>Total receivables</b>		<b>50,550</b>	<b>50,712</b>	<b>39,280</b>	<b>35,592</b>

The ageing profile of trade receivables at year end is as follows:

	2015			2014		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
<b>Consolidated</b>						
Current	37,430	-	37,430	37,821	-	37,821
Past due 31-60 days	6,041	-	6,041	8,086	-	8,086
Past due 61-90 days	2,051	(3)	2,048	1,547	(4)	1,543
Past due > 90 days	6,009	(978)	5,031	4,876	(1,614)	3,262
<b>Total</b>	<b>51,531</b>	<b>(981)</b>	<b>50,550</b>	<b>52,330</b>	<b>(1,618)</b>	<b>50,712</b>
<b>University</b>						
Current	32,760	-	32,760	30,044	-	30,044
Past due 31-60 days	1,160	-	1,160	2,433	-	2,433
Past due 61-90 days	1,045	(3)	1,042	758	(4)	754
Past due > 90 days	5,115	(797)	4,318	3,017	(656)	2,361
<b>Total</b>	<b>40,080</b>	<b>(800)</b>	<b>39,280</b>	<b>36,252</b>	<b>(660)</b>	<b>35,592</b>

All receivables greater than 30 days in age are considered to be past due.

Receivables past due but not considered impaired are \$13,120k (2014: \$12,891k) for the Group, and \$6,520k (2014: \$5,548k) for the parent.

Payment terms on receivables past due but not considered impaired have not been re negotiated. Each operating unit has been in direct contact with the relevant debtor and is satisfied that payment will be received in full.

Movements in the provision for receivables impairment are as follows:

	Consolidated		University	
	2015 Actual \$000	2014 Actual \$000	2015 Actual \$000	2014 Actual \$000
Balance at beginning of financial year	1,618	953	660	514
Additional provisions made during the year	290	896	290	377
Provisions reversed during the year	(343)	(39)	(126)	(39)
Receivables written-off during the period	(584)	(192)	(24)	(192)
<b>Balance at end of financial year</b>	<b>981</b>	<b>1,618</b>	<b>800</b>	<b>660</b>

# Notes to the Financial Statements

for the year ended 31 December 2015

## 8 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost, with the exception of donated assets, which are initially recorded at fair value.

University land in crown title with a value of \$283.4 million (2014: \$243.8 million) 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 collection held as at 31 December 1991 was valued internally, based on the estimated volume of the collection and weighted average cost as at that date. This valuation is taken as deemed cost. The library collections are made up of two distinct asset classes (i.e. the general library collection, and library special collections which includes a range of historical and rare books). Except for library special collections all subsequent acquisitions are recorded at cost less accumulated depreciation and impairment, if any. At balance date the library collection is carried at deemed cost less accumulated depreciation and impairment, if any. Library special collections are carried at assessed market value. All permanent withdrawals from the collection are recorded at average cost less accumulated depreciation and impairment, if any.

Plant and Equipment are carried at cost less accumulated depreciation and impairment, if any.

Leasehold Improvements are carried at cost less accumulated depreciation and impairment, if any.

Assets under construction are carried at cost comprising expenditure incurred and certified Gross Progress Claim Certificates up to balance date less impairment, if any. Work in progress is not depreciated.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

Land and Buildings, Library Special Collections and Works of Art are revalued to fair value at least every three years by an independent valuer. Fair value for land is 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 which are specialised in nature, fair value reflects the depreciated replacement cost, and for non specialised buildings, works of art and library special collections, fair value reflects the assessed market value.

Any revaluation increase is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrement for the same asset class previously recognised as an expense in the statement of comprehensive income, in which case the increase is credited to the statement of comprehensive income to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of land and buildings or works of art is charged as an expense in the statement of comprehensive income to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset class.

Depreciation on revalued buildings is charged to the statement of comprehensive income. On a sale or retirement of a revalued property, the revaluation surplus attributable remaining in the property's revaluation reserve is transferred directly to general equity. No transfer is made from the revaluation reserve to the retained earnings except when an asset is derecognised.

All items of property, plant and equipment other than freehold land, works of art, library special collections and work in progress are depreciated using the straight line method at rates that will write off the cost or revalued amount 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 - serials	100%
- other	33%
Plant and equipment	5 - 50%
Leasehold improvements	9 - 21%



# Notes to the Financial Statements

for the year ended 31 December 2015

## 8 Property, plant and equipment (continued)

	Consolidated							Total
	Assets in use						Assets under construction	
	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Works of art	Library collections	Capital work in progress	
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
<b>Gross carrying amount</b>								
Cost	-	-	25,934	373,211	-	285,877	-	685,022
Valuation	397,734	1,060,484	-	-	17,737	6,646	64,516	1,547,117
<b>Balance as at 1 January 2014</b>	<b>397,734</b>	<b>1,060,484</b>	<b>25,934</b>	<b>373,211</b>	<b>17,737</b>	<b>292,523</b>	<b>64,516</b>	<b>2,232,139</b>
Additions	2,411	200	3,985	18,014	13	15,615	135,716	175,954
Disposals	-	-	(20)	(3,319)	-	(2,124)	-	(5,463)
Transfers	-	84,446	-	10,056	-	-	(94,502)	-
Transfers to held for sale	-	-	-	-	-	-	-	-
Net revaluation increments	34,365	-	-	-	912	1,281	-	36,558
<b>Balance as at 1 January 2015</b>	<b>434,510</b>	<b>1,145,130</b>	<b>29,899</b>	<b>397,962</b>	<b>18,662</b>	<b>307,295</b>	<b>105,730</b>	<b>2,439,188</b>
Additions	40,993	34,303	30	23,122	313	13,677	111,481	223,919
Disposals	-	(1,205)	(153)	(4,082)	(1)	(247)	-	(5,688)
Transfers	-	42,899	10	9,757	-	-	(52,666)	-
Transfers to held for sale	-	-	-	-	-	-	-	-
Net revaluation increments	115,759	-	-	-	-	-	-	115,759
<b>Balance as at 31 December 2015</b>	<b>591,262</b>	<b>1,221,127</b>	<b>29,786</b>	<b>426,759</b>	<b>18,974</b>	<b>320,725</b>	<b>164,545</b>	<b>2,773,178</b>
<b>Accumulated depreciation</b>								
Cost	-	-	21,205	264,775	-	240,168	-	526,148
Valuation	-	2,967	-	-	-	-	-	2,967
<b>Balance as at 1 January 2014</b>	<b>-</b>	<b>2,967</b>	<b>21,205</b>	<b>264,775</b>	<b>-</b>	<b>240,168</b>	<b>-</b>	<b>529,115</b>
Disposals	-	-	(20)	(3,231)	-	(2,011)	-	(5,262)
Depreciation expense	-	47,591	1,294	30,086	-	28,141	-	107,112
Transfers to held for sale	-	-	-	204	-	-	-	204
Net revaluation increments	-	-	-	-	-	-	-	-
<b>Balance as at 1 January 2015</b>	<b>-</b>	<b>50,558</b>	<b>22,479</b>	<b>291,834</b>	<b>-</b>	<b>266,298</b>	<b>-</b>	<b>631,169</b>
Disposals	-	(154)	(153)	(4,021)	-	(2,480)	-	(6,808)
Depreciation expense	-	50,088	1,314	30,629	-	31,265	-	113,296
Transfers to held for sale	-	-	-	-	-	-	-	-
Net revaluation increments	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2015</b>	<b>-</b>	<b>100,492</b>	<b>23,640</b>	<b>318,442</b>	<b>-</b>	<b>295,083</b>	<b>-</b>	<b>737,657</b>
<b>Net book value</b>								
<b>As at 1 January 2014</b>	<b>397,734</b>	<b>1,057,517</b>	<b>4,729</b>	<b>108,436</b>	<b>17,737</b>	<b>52,355</b>	<b>64,516</b>	<b>1,703,024</b>
<b>As at 31 December 2014</b>	<b>434,510</b>	<b>1,094,572</b>	<b>7,420</b>	<b>106,128</b>	<b>18,662</b>	<b>40,997</b>	<b>105,730</b>	<b>1,808,019</b>
<b>As at 31 December 2015</b>	<b>591,262</b>	<b>1,120,635</b>	<b>6,146</b>	<b>108,317</b>	<b>18,974</b>	<b>25,642</b>	<b>164,545</b>	<b>2,035,521</b>

# Notes to the Financial Statements

for the year ended 31 December 2015

## 8 Property, plant and equipment (continued)

	University							Total
	Assets in use						Assets under construction	
	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Works of art	Library collections	Capital work in progress	
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
<b>Gross carrying amount</b>								
Cost	-	-	22,760	363,215	-	285,877	64,516	736,368
Valuation	396,514	1,060,242	-	-	17,737	6,646	-	1,481,139
<b>Balance as at 1 January 2014</b>	<b>396,514</b>	<b>1,060,242</b>	<b>22,760</b>	<b>363,215</b>	<b>17,737</b>	<b>292,523</b>	<b>64,516</b>	<b>2,217,507</b>
Additions	2,411	200	3,985	17,711	13	15,615	135,716	175,651
Disposals	-	-	(20)	(3,195)	-	(2,124)	-	(5,339)
Transfers	-	84,446	-	10,056	-	-	(94,502)	-
Transfers to held for sale	-	-	-	-	-	-	-	-
Net revaluation increments	34,135	-	-	-	912	1,281	-	36,328
<b>Balance as at 1 January 2015</b>	<b>433,060</b>	<b>1,144,888</b>	<b>26,725</b>	<b>387,787</b>	<b>18,662</b>	<b>307,295</b>	<b>105,730</b>	<b>2,424,147</b>
Additions	40,993	34,303	-	23,042	313	13,677	111,438	223,766
Disposals	-	(1,205)	(153)	(3,961)	(1)	(247)	-	(5,567)
Transfers	-	42,899	10	9,757	-	-	(52,666)	-
Transfers to held for sale	-	-	-	-	-	-	-	-
Net revaluation increments	115,679	-	-	-	-	-	-	115,679
<b>Balance as at 31 December 2015</b>	<b>589,732</b>	<b>1,220,885</b>	<b>26,582</b>	<b>416,625</b>	<b>18,974</b>	<b>320,725</b>	<b>164,502</b>	<b>2,758,025</b>
<b>Accumulated depreciation</b>								
Cost	-	-	19,501	258,759	-	240,168	-	518,428
Valuation	-	2,897	-	-	-	-	-	2,897
<b>Balance as at 1 January 2014</b>	<b>-</b>	<b>2,897</b>	<b>19,501</b>	<b>258,759</b>	<b>-</b>	<b>240,168</b>	<b>-</b>	<b>521,325</b>
Disposals	-	-	(20)	(3,139)	-	(2,011)	-	(5,170)
Depreciation expense	-	47,572	890	29,111	-	28,141	-	105,714
Transfers to held for sale	-	-	-	-	-	-	-	-
Net revaluation increments	-	-	-	-	-	-	-	-
<b>Balance as at 1 January 2015</b>	<b>-</b>	<b>50,469</b>	<b>20,371</b>	<b>284,731</b>	<b>-</b>	<b>266,298</b>	<b>-</b>	<b>621,869</b>
Disposals	-	(155)	(153)	(3,903)	-	(2,480)	-	(6,691)
Depreciation expense	-	50,070	901	29,833	-	31,265	-	112,069
Transfers to held for sale	-	-	-	-	-	-	-	-
Net revaluation increments	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2015</b>	<b>-</b>	<b>100,384</b>	<b>21,119</b>	<b>310,661</b>	<b>-</b>	<b>295,083</b>	<b>-</b>	<b>727,247</b>
<b>Net book value</b>								
<b>As at 1 January 2014</b>	<b>396,514</b>	<b>1,057,345</b>	<b>3,259</b>	<b>104,456</b>	<b>17,737</b>	<b>52,355</b>	<b>64,516</b>	<b>1,696,182</b>
<b>As at 31 December 2014</b>	<b>433,060</b>	<b>1,094,419</b>	<b>6,354</b>	<b>103,056</b>	<b>18,662</b>	<b>40,997</b>	<b>105,730</b>	<b>1,802,278</b>
<b>As at 31 December 2015</b>	<b>589,732</b>	<b>1,120,501</b>	<b>5,463</b>	<b>105,964</b>	<b>18,974</b>	<b>25,642</b>	<b>164,502</b>	<b>2,030,778</b>

# Notes to the Financial Statements

for the year ended 31 December 2015

## 8 Property, plant and equipment (continued)

### Valuation

Fair value is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

#### *Land and buildings*

The University and Group engage Darroch Limited, an accredited independent valuer that uses the International Valuation Standards Committee, and International Valuation Standards as a reference, to determine the fair value of its freehold land and buildings.

For land and buildings that are not specialised in nature, fair value is determined by direct reference to recent market transactions on arm's length terms for land and buildings comparable in size and location to those held by the consolidated entity, and to market based yields for comparable properties. Where buildings are specialised in nature, their value is determined on an optimised depreciated replacement cost basis.

The most recent valuation of land was effective 31 December 2015 and the most recent valuation of buildings was effective 31 December 2013.

#### *Library special collections*

Library special collections held by the University are independently valued by Rowan Gibbs of Smith's Bookshop Limited. The valuation basis is assessed at market value. Guidance for the valuation is taken from the New Zealand Government Treasury Valuation Guidance for Cultural and Heritage Assets (November 2002), and that valuation is designed to be consistent with the methodology and outcome of other comparable major heritage collections with established valuations held elsewhere in New Zealand, in particular those of the Alexander Turnbull Library, the Auckland City Libraries, Dunedin Public Library, and the University of Otago Hocken Collections.

Values are based on prices realised at auction for copies in similar condition and on prices asked by reputable dealers for similar copies, catalogues prices of rare books still available for sale, or in the absence of any current or recent sale records a 'best estimate' value is assigned, based on the valuer's experience in the book trade, taking into account the scarcity of the book and likely demand for it, and market prices for similar items.

The most recent valuation of Library special collections was effective 31 December 2014.

#### *Works of art*

Works of art held by the University are independently valued by ART+OBJECT. The valuation basis is assessed at market value. Guidance for the valuation is taken from the New Zealand Government Treasury Valuation Guidance for Cultural and Heritage Assets (November 2002), Te Papa National Services Valuing Collections Resource Guide and the New Zealand Property Institute Trans-Tasman and International Valuation Standards.

Fair value is determined by where an active market exists for the same or similar asset the market prices are deemed to be fair value, or where there is no active market fair value is determined by other market based evidence adjudged by the valuer as active and knowledgeable participants in the market.

The most recent valuation of Works of art was effective 31 December 2014.

# Notes to the Financial Statements

for the year ended 31 December 2015

## 9 Intangible assets

An intangible asset arising from development expenditure on an internal project is recognised only when the consolidated entity can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits and service potential, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefit from the related project.

Capital work in progress is not amortised (until it is reclassified to software), whereas completed/purchased software is amortised.

Computer software that is not integral to the operation of hardware is capitalised as an intangible asset on the basis of costs incurred to acquire and bring to use the specific software.

The amortisation rates used are:

Software 20 - 33%

	Consolidated			University		
	Software at cost	Capital work in progress at cost	Total	Software at cost	Capital work in progress at cost	Total
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Gross carrying amount</b>						
Balance as at 1 January 2014	76,047	3,236	79,283	74,222	2,750	76,972
Additions	869	5,900	6,769	843	6,386	7,229
Disposals	(1,482)	-	(1,482)	(1,482)	-	(1,482)
Transfers	5,843	(5,843)	-	5,843	(5,843)	-
<b>Balance as at 1 January 2015</b>	<b>81,277</b>	<b>3,293</b>	<b>84,570</b>	<b>79,426</b>	<b>3,293</b>	<b>82,719</b>
Additions	1,542	6,339	7,881	1,316	6,339	7,655
Disposals	(1,278)	-	(1,278)	(1,278)	-	(1,278)
Transfers	5,335	(5,335)	-	5,335	(5,335)	-
<b>Balance as at 31 December 2015</b>	<b>86,876</b>	<b>4,297</b>	<b>91,173</b>	<b>84,799</b>	<b>4,297</b>	<b>89,096</b>
<b>Accumulated amortisation and impairment</b>						
Balance as at 1 January 2014	58,129	-	58,129	56,994	-	56,994
Disposals	(1,482)	-	(1,482)	(1,482)	-	(1,482)
Amortisation expense	10,836	-	10,836	10,482	-	10,482
<b>Balance as at 1 January 2015</b>	<b>67,483</b>	<b>-</b>	<b>67,483</b>	<b>65,994</b>	<b>-</b>	<b>65,994</b>
Disposals	(827)	-	(827)	(828)	-	(828)
Amortisation expense	9,987	-	9,987	9,621	-	9,621
<b>Balance as at 31 December 2015</b>	<b>76,643</b>	<b>-</b>	<b>76,643</b>	<b>74,787</b>	<b>-</b>	<b>74,787</b>
<b>Net book value</b>						
<b>As at 1 January 2014</b>	<b>17,918</b>	<b>3,236</b>	<b>21,154</b>	<b>17,228</b>	<b>2,750</b>	<b>19,978</b>
<b>As at 31 December 2014</b>	<b>13,794</b>	<b>3,293</b>	<b>17,087</b>	<b>13,432</b>	<b>3,293</b>	<b>16,725</b>
<b>As at 31 December 2015</b>	<b>10,233</b>	<b>4,297</b>	<b>14,530</b>	<b>10,012</b>	<b>4,297</b>	<b>14,309</b>



# Notes to the Financial Statements

for the year ended 31 December 2015

## 10 Payables

Payables are recognised at fair value on initial recognition.

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services. They are carried at amortised cost and due to their short term nature they are not discounted.

	Note	Consolidated		University	
		2015 Actual \$000	2014 Actual \$000	2015 Actual \$000	2014 Actual \$000
Trade payables		131,272	136,186	112,794	117,141
Related company payables	19	-	-	658	1,070
<b>Total payables</b>		<b>131,272</b>	<b>136,186</b>	<b>113,452</b>	<b>118,211</b>

## 11 Revenue in advance

	Consolidated		University	
	2015 Actual \$000	2014 Actual \$000	2015 Actual \$000	2014 Actual \$000
<b>Current liabilities</b>				
Revenue received in advance*	50,447	49,668	50,447	49,668
Research contracts obligations	66,816	54,437	40,649	27,507
<b>Revenue in advance – current</b>	<b>117,263</b>	<b>104,105</b>	<b>91,096</b>	<b>77,175</b>
<b>Non current liabilities</b>				
Revenue received in advance*	1,250	2,500	1,250	2,500
<b>Revenue in advance – non current</b>	<b>1,250</b>	<b>2,500</b>	<b>1,250</b>	<b>2,500</b>

This note should be read in conjunction with note 3.

\*As at 31 December 2015 the consolidated entity had \$1.25m of Partnerships for Excellence funding classified as non current liabilities (2014: \$2.5m) and \$2.63m of Partnerships for Excellence funding classed as current liabilities (2014: \$6.5m).

The Partnerships for Excellence funding from the Crown is in the form of suspensory loans. The loans are to be forgiven when key milestones have been achieved. The income is to be recognised when the milestones have been met and the loans are forgiven. During the year the University met key milestones that resulted in \$5.13 million of loans being forgiven (2014: \$3.0 million). The income is included in Government Grants in the statement of comprehensive income.

If certain key contractual milestones are not met, up to \$3.88 million is repayable on 30 June 2018.

# Notes to the Financial Statements

for the year ended 31 December 2015

## 12 Employee entitlements

Provision is made for the University's liability for professional and academic staff annual leave, long service leave, retirement gratuities and sick leave when it is probable that settlement will be required and the liabilities are capable of being measured reliably.

- Annual leave is calculated on an actual entitlement basis at the rates expected to apply at time of settlement.
- Sick leave, 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 sickness, death, disablement, resignation, retirement and salary progression.

	Consolidated		University	
	2015 Actual \$000	2014 Actual \$000	2015 Actual \$000	2014 Actual \$000
<b>Current liabilities</b>				
Accumulated annual leave	30,421	27,961	27,048	25,072
Retirement allowance	15,482	15,187	15,482	15,187
Long service leave	444	417	444	417
<b>Total employee entitlements – current</b>	<b>46,347</b>	<b>43,565</b>	<b>42,974</b>	<b>40,676</b>
<b>Non current liabilities</b>				
Sick leave	1,438	708	1,401	670
Retirement allowance	44,361	41,549	44,361	41,549
Long service leave	2,286	2,076	2,286	2,076
<b>Total employee entitlements – non current</b>	<b>48,085</b>	<b>44,333</b>	<b>48,048</b>	<b>44,295</b>

## 13 Loans and borrowings

Borrowings are initially recognised at their fair value less directly attributable transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loan.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

	Note	Consolidated		University	
		2015 Actual \$000	2014 Actual \$000	2015 Actual \$000	2014 Actual \$000
<b>Current liabilities</b>					
Non interest bearing loan		620	618	620	618
Interest bearing loan from subsidiary	19	-	-	62,000	47,000
<b>Total loans and borrowings - current</b>		<b>620</b>	<b>618</b>	<b>62,620</b>	<b>47,618</b>
<b>Non current liabilities</b>					
Non interest bearing loan		2,792	3,211	2,792	3,211
Interest bearing loan facility		41,500	3,500	41,500	3,500
<b>Total loans and borrowings - non current</b>		<b>44,292</b>	<b>6,711</b>	<b>44,292</b>	<b>6,711</b>

# Notes to the Financial Statements

for the year ended 31 December 2015

## 13 Loans and borrowings (continued)

### Non interest bearing loan

On 30 June 2011 the University acquired a winery, which included property, plant and equipment, from the K & J Goldwater Family Trust. Consideration for the acquisition was made in three parts being a cash payment, a gift by way of reduction in the purchase price and an interest free loan with a term of 10 years. The non interest bearing loans above represent the value of the current and non current portions of this loan measured at amortised cost with an average effective interest rate of 3.5% (2014: 4.2%).

### Interest bearing loan from subsidiary

The loan from subsidiary represents advances by Auckland UniServices Limited to the University. The loan is on demand and the University pays a rate of interest equivalent to an investment portfolio of 12.5% on call, 67.5% 1 year and 20.0% 5 years as at August 2014 (2014: 12.5% on call, 67.5% 1 year and 20.0% 5 years as at August 2013).

### Borrowing costs capitalised

Borrowing costs of \$76k were capitalised during 2015 (2014:\$312k).

### Fair values

The carrying amount of current and non current loans and borrowings approximate their fair value. The fair value has been calculated by discounting the expected future cash flows at prevailing market interest rates ranging from 3.3% to 3.7% (2014: 4.1% to 4.2%).

### Assets pledged as security

All loans and borrowings are unsecured so there are no assets pledged as security.

### Defaults and breaches

During the current and prior years there were no defaults or breaches on any of the loans or borrowings.

### Interest rate and liquidity risk

Details regarding interest rate and liquidity risk are disclosed in note 20.

## 14 Operating leases and capital commitments

### Operating leases as lessee

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.

### Operating lease commitments

The University and its subsidiaries lease various offices, premises, motor vehicles and equipment under non cancellable operating leases. The leases have various terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

	Consolidated		University	
	2015 Actual \$000	2014 Actual \$000	2015 Actual \$000	2014 Actual \$000
<b>Non-cancellable operating leases</b>				
Commitments for non-cancellable operating leases are payable as follows:				
Not later than one year	26,509	25,203	24,806	23,278
Later than one year and not later than five years	55,743	57,047	53,953	55,138
Later than five years	116,020	79,174	116,020	79,174
<b>Total operating lease commitments</b>	<b>198,272</b>	<b>161,424</b>	<b>194,779</b>	<b>157,590</b>
<b>Operating lease commitments by type</b>				
Properties	190,715	153,700	187,335	149,941
Motor vehicles	364	233	315	158
Equipment	7,193	7,491	7,129	7,491
<b>Total operating lease commitments by type</b>	<b>198,272</b>	<b>161,424</b>	<b>194,779</b>	<b>157,590</b>

# Notes to the Financial Statements

for the year ended 31 December 2015

## 14 Operating leases and capital commitments (continued)

### Operating leases as lessor

Where the University and/or its subsidiaries are the lessor, assets leased to third parties under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment.

### Operating lease receivables

Operating leases relate to property held by the University that is leased to external parties to provide additional services to students. The properties are not investment properties because they are either held by the University, as a public benefit entity, for strategic purposes or to meet its service delivery objectives where rental revenue derived is incidental to the purpose of holding the property. The lease terms range from 1 to 21 years. All operating lease contracts contain market review clauses in the event the entity exercises its option to renew. There is no option to purchase the property at the expiry of the lease period.

	Consolidated		University	
	2015 Actual \$000	2014 Actual \$000	2015 Actual \$000	2014 Actual \$000
Not later than one year	3,170	2,007	4,717	3,561
Later than one year and not later than five years	5,464	2,770	5,855	4,722
Later than five years	2,202	244	2,202	244
<b>Total non-cancellable operating leases</b>	<b>10,836</b>	<b>5,021</b>	<b>12,774</b>	<b>8,527</b>

### Capital commitments

Capital expenditures contracted for at reporting date but not recognised as liabilities are as follows:

	Consolidated/ University	
	2015 Actual \$000	2014 Actual \$000
Property Services projects	39,158	108,024
Other capital expenditure	942	4,302
<b>Total capital commitments</b>	<b>40,100</b>	<b>112,326</b>

## 15 Contingencies

As at 31 December 2015 the Entity and Group had no contingent liabilities or assets (2014: Nil).

## 16 General equity and reserves

	Consolidated		University	
	2015 Actual \$000	2014 Actual \$000	2015 Actual \$000	2014 Actual \$000
<b>General equity</b>				
Balance at beginning of financial year	1,091,036	998,051	1,060,369	965,227
Surplus/(deficit) for the year	67,470	44,603	58,431	44,095
Transferred in from revaluation reserve	1,449	52,213	1,449	54,878
Less net (surplus)/deficit transferred (to)/from trust and special funds	(2,170)	(3,831)	(2,170)	(3,831)
<b>Balance at end of financial year</b>	<b>1,157,785</b>	<b>1,091,036</b>	<b>1,118,079</b>	<b>1,060,369</b>



# Notes to the Financial Statements

for the year ended 31 December 2015

## 16 General equity and reserves (continued)

	Consolidated		University	
	2015 Actual \$000	2014 Actual \$000	2015 Actual \$000	2014 Actual \$000
<b>Reserves</b>				
Land and buildings	593,851	479,541	592,349	478,119
Works of art and special library collections	17,470	17,470	17,470	17,470
Cash flow hedge reserve	(188)	443	(259)	343
Foreign currency translation reserve	(334)	(3)	-	-
Statutory reserve - international entities	94	-	-	-
<b>Total reserves</b>	<b>610,893</b>	<b>497,451</b>	<b>609,560</b>	<b>495,932</b>
<b>Land and buildings</b>				
Balance at beginning of financial year	479,541	497,394	478,119	498,862
Transferred to general equity	(1,449)	(52,213)	(1,449)	(54,878)
Revaluation increments/(decrements)	115,759	34,360	115,679	34,135
<b>Balance at end of financial year</b>	<b>593,851</b>	<b>479,541</b>	<b>592,349</b>	<b>478,119</b>
<b>Works of art and special library collections</b>				
Balance at beginning of financial year	17,470	15,277	17,470	15,277
Revaluation increments/(decrements)	-	2,193	-	2,193
<b>Balance at end of financial year</b>	<b>17,470</b>	<b>17,470</b>	<b>17,470</b>	<b>17,470</b>

Land, Buildings, Works of Art and Library Special Collections are re-valued to fair value every three years, as determined by an independent valuer. The latest revaluation for Land was carried out in 2015, revaluations for Library Special Collections and Works of Art were carried out in 2014, and the latest revaluation for Buildings was 2013. The asset revaluation reserve arises on the revaluation of land and buildings and works of art and special library collections. Where a revalued land or building or work of art or an item from the special library collections is sold or disposed of, that portion of the asset revaluation reserve which relates to that asset is transferred directly to general equity.

	Consolidated		University	
	2015 Actual \$000	2014 Actual \$000	2015 Actual \$000	2014 Actual \$000
<b>Foreign currency translation reserve</b>				
Balance at beginning of financial year	(3)	-	-	-
Currency translation gains/(losses)	(331)	(3)	-	-
<b>Balance at end of financial year</b>	<b>(334)</b>	<b>(3)</b>	<b>-</b>	<b>-</b>
<b>Cash flow hedge reserve</b>				
Balance at beginning of financial year	443	382	343	35
Gain/(loss) recognised	(1,569)	43	(1,928)	40
Transfers to initial carrying amount of hedged item	938	18	1,326	268
<b>Balance at end of financial year</b>	<b>(188)</b>	<b>443</b>	<b>(259)</b>	<b>343</b>

The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges in relation to forward exchange contracts. The cumulative deferred gain or loss on the hedge is recognised in the statement of comprehensive income when the hedged transaction impacts the statement of comprehensive income, or is included as a basis adjustment to the non-financial hedged item, as per the University's hedging policy.

# Notes to the Financial Statements

for the year ended 31 December 2015

## 17 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 of gift or by the terms of endowments and bequests. The balance of a fund is transferred to general equity when it is no longer required for a specific purpose.

	Consolidated/University			Total
	Special funds	Other restricted purpose trusts	Scholarships trusts	
	\$000	\$000	\$000	\$000
<b>2015</b>				
Balance at beginning of financial year	2,027	19,553	14,670	36,250
Income	2,190	1,899	1,133	5,222
Less expenditure	2,189	424	439	3,052
Net surplus (deficit)	1	1,475	694	2,170
<b>Balance at end of financial year</b>	<b>2,028</b>	<b>21,028</b>	<b>15,364</b>	<b>38,420</b>
<b>2014</b>				
Balance at beginning of financial year	1,754	17,485	13,180	32,419
Income	2,172	2,418	1,942	6,532
Less expenditure	1,899	350	452	2,701
Net surplus (deficit)	273	2,068	1,490	3,831
<b>Balance at end of financial year</b>	<b>2,027</b>	<b>19,553</b>	<b>14,670</b>	<b>36,250</b>

The income and expenditure items presented above are included in the statement of comprehensive income and are presented above for information purposes.

# Notes to the Financial Statements

for the year ended 31 December 2015

## 18 Investments

### 18.1 Investments in subsidiaries

The consolidated financial statements include the financial statements of The University of Auckland, the ultimate parent of the consolidated entity, and its subsidiary Auckland UniServices Limited and Group.

Investment in subsidiaries of \$1 million (2014: \$1 million) relates to shares held in Auckland UniServices Limited, which represents a 100% interest in the Company (2014: 100%). The principal activity of Auckland UniServices Limited is commercial research, it is incorporated in New Zealand, and it has a 31 December balance date.

Auckland UniServices Limited has a 100% interest in two subsidiaries Active Mobile Security Limited (AMSL) (2014: 100%) and Auckland UniServices (HK) Limited (AUHK) (2014: 100%). AMSL did not trade during the year and the directors have applied to the Companies Office to de register the company. AUHK began trading in 2013 and is consolidated in these financial statements. The value of each shareholding is \$1.00 (2014: \$1.00). Arataki Therapeutics Limited (ATL) did not trade during the year and was de registered from the Companies Office on 10 April 2015 (2014: 100% interest).

### 18.2 Investments in associates

The consolidated entity has the following investments in associates through ordinary shares held by Auckland UniServices Limited.

	Consolidated			
	2015 Fair value \$000	2014 Carrying value \$000	2015 Percentage ownership %	2014 Percentage ownership %
DNA Diagnostics Limited	-	-	50.00%	50.00%
Engender Technologies Limited*	-	-	22.79%	28.73%
Bloktech Systems Limited**	-	-	-%	41.67%
APIMatic Limited*	-	-	13.69%	41.01%
Mohio International Inc.*	-	-	19.60%	19.60%
Sensagrid Limited**	-	-	-%	50.00%

The above associates were incorporated in New Zealand, with the exception of Mohio International Inc., which was incorporated in the USA.

\*Non trading entities

\*\* Deregistered during 2015

### Other investments

Auckland UniServices Limited has acquired shares in the following entities: Airquality Limited, CoDa Therapeutics (NZ) Limited, Corra Life Sciences Incorporated, Fastec Limited, Obodies Limited, Pathway Therapeutics Incorporated, PowerbyProxi Limited, Proacta Incorporated, Ruga Corporation, Southern Photonics Limited, Stretchsense Limited, TiFiber Incorporated, Tinnitus Tunes Limited and VSPARS Limited.

These entities are neither subsidiaries nor associates and each shareholding has a nil or nominal value of \$1 as at balance date (2014: \$1.00 each).

# Notes to the Financial Statements

for the year ended 31 December 2015

## 19 Related party transactions

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the University would have adopted in dealing with the party at arm's length in the same circumstances.

The University transacts with other Government owned or related entities independently and on an arm's length basis. Transactions cover a variety of services, including funding and grants for education and research services and purchases of postage, travel and tax. Therefore, transactions with Government owned and related entities are not disclosed as related party transactions when they are consistent with the normal operating arrangements with TElS and undertaken on the normal terms and conditions for such transactions.

The University Council and Senior Leadership Team may be directors or officers of other companies or organisations with whom the University may transact. Such transactions are carried out independently on an arm's length basis.

### 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 and for rental on premises subleased from the University.

Auckland UniServices Limited pays some salary costs and sundry expenses on behalf of the University and recharges these to the University.

These transactions are consistent with the normal operating relationship between the University and Auckland UniServices Limited, and are carried out on an arm's length basis.

### Key management personnel compensation

	Consolidated/University	
	2015 Actual \$000	2014 Actual \$000
<b>Remuneration</b>		
Council members*	650	621
Senior Leadership Team	7,886	7,499
<b>Total key management personnel compensation</b>	<b>8,536</b>	<b>8,120</b>
<b>Full-time equivalent members**</b>		
Council members*	6.00	6.00
Senior Leadership Team	23.60	23.26
<b>Total full-time equivalent personnel</b>	<b>29.60</b>	<b>29.26</b>

The Senior Leadership Team comprises the Vice Chancellor, Deputy Vice Chancellors, Pro Vice Chancellors, Deans and Directors of the major service divisions.

\* Excludes the Vice-Chancellor and Deputy Vice-Chancellor (Academic), who are members of Council, but also included in the Senior Leadership Team. Council members are not paid for their services to Council. The total remuneration disclosed above relates to total remuneration paid to members of Council who are also employed by the University in other roles.

\*\* Due to the difficulty in determining the full time equivalent for Council Members, the full time equivalent figure is taken as the total number of Council Members.



# Notes to the Financial Statements

for the year ended 31 December 2015

## 20 Financial instruments

The University and Group's activities expose it to a variety of financial risks (market risk, liquidity risk and credit risk). The Group's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group is able to use derivative financial instruments such as interest rate swaps and forward foreign exchange contracts to hedge certain risk exposures.

The University's treasury management is carried out under the Treasury Management Policy, which is approved by the Council.

The policy does not allow any transactions that are speculative in nature to be entered into.

### 20.1 Financial instrument categories

#### Derivative Financial Instruments

The consolidated entity enters into foreign currency forward exchange contracts to manage foreign exchange risk on committed expenditure and highly probable forecast transactions denominated in foreign currencies.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into. Subsequent to initial recognition, derivative financial instruments are re-measured to their fair value at each reporting date.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion or any derivative which is not designated as a hedge instrument is recognised immediately in the statement of comprehensive income.

Amounts deferred in equity are recycled into the statement of comprehensive income in the periods when the hedged item is recognised in the statement of comprehensive income. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting. Any cumulative gains or losses deferred in equity at that time remains in equity until the forecast transaction occurs.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in the statement of comprehensive income.

#### Financial assets/liabilities

The consolidated entity holds financial assets/liabilities in the following specified categories:

- financial assets at fair value through surplus or deficit;
- loans and receivables; and
- financial liabilities measured at amortised cost.

The classification depends on the purpose of the financial asset and is determined at the time of initial recognition.

#### *Financial assets at fair value through surplus or deficit*

The consolidated entity holds investments which have been designated as financial assets at fair value through profit or loss. These assets are stated at fair value. Fair value is determined in the manner described in note 20.2. Any resultant gain or loss is recognised in the statement of comprehensive income and incorporates any dividend or interest earned on the financial asset.

The policy of the consolidated entity is to designate an asset as a financial asset at fair value through profit or loss if the asset is subject to frequent changes in fair value and the performance of the asset is evaluated by management on a fair value basis in accordance with investment policies.

#### *Loans and receivables*

Loans and receivables include trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate.

# Notes to the Financial Statements

for the year ended 31 December 2015

## 20 Financial instruments (continued)

### 20.1 Financial instrument categories (continued)

#### Financial liabilities measured at amortised cost

Financial assets measured at amortised cost include trade payables and loans and borrowings. After initial recognition, these liabilities are subsequently measured at amortised cost using the effective interest rate method.

	Consolidated		University	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
<b>Financial assets</b>				
<i>Derivatives that are hedge accounted</i>				
Derivative financial instrument assets	-	443	-	343
<b>Total derivatives that are hedge accounted</b>	<b>-</b>	<b>443</b>	<b>-</b>	<b>343</b>
<i>Loans and receivables</i>				
Cash and cash equivalents	24,068	10,372	17,549	2,158
Receivables	50,550	50,712	39,280	35,592
Short term bank deposits	8,973	22,771	8,973	22,671
<b>Total loans and receivables</b>	<b>83,591</b>	<b>83,855</b>	<b>65,802</b>	<b>60,421</b>
<b>Financial liabilities</b>				
<i>Derivatives that are hedge accounted</i>				
Derivative financial instrument liabilities	188	-	259	-
<b>Total derivatives that are hedge accounted</b>	<b>188</b>	<b>-</b>	<b>259</b>	<b>-</b>
<i>Financial liabilities at amortised cost</i>				
Payables	131,272	136,186	113,452	118,211
Borrowings:				
- non-interest bearing loan	3,412	3,829	3,412	3,829
- loan facility (revolving credit)	41,500	3,500	41,500	3,500
- loan from subsidiary	-	-	62,000	47,000
<b>Total financial liabilities at amortised cost</b>	<b>176,184</b>	<b>143,515</b>	<b>220,364</b>	<b>172,540</b>

### 20.2 Fair values of financial assets and liabilities

For those instruments recognised at fair value in the balance sheets, fair values are determined according to the following hierarchy:

Quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets.

Valuation technique using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

Equity bond and cash portfolios are recorded at fair value each month based on third party valuations.

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

# Notes to the Financial Statements

for the year ended 31 December 2015

## 20 Financial instruments (continued)

### 20.2 Fair values of financial assets and liabilities (continued)

	(Level 1) Quoted market price	(Level 2) Observable inputs	(Level 3) Significant non- observable inputs	Total
	\$000	\$000	\$000	\$000
<b>Consolidated 2015</b>				
<b>Financial assets</b>				
Externally managed equities portfolio	9,534	-	-	9,534
Externally managed bonds and cash portfolio	-	9,582	-	9,582
<b>Total financial assets</b>	<b>9,534</b>	<b>9,582</b>	<b>-</b>	<b>19,116</b>

#### Financial liabilities

Derivative financial instruments - foreign exchange contracts	-	188	-	188
<b>Total financial liabilities</b>	<b>-</b>	<b>188</b>	<b>-</b>	<b>188</b>

### Consolidated 2014

#### Financial assets

Externally managed equities portfolio	9,342	-	-	9,342
Externally managed bonds and cash portfolio	-	9,316	-	9,316
Derivative financial instruments - foreign exchange contracts	-	443	-	443
<b>Total financial assets</b>	<b>9,342</b>	<b>9,759</b>	<b>-</b>	<b>19,101</b>

	(Level 1) Quoted market price	(Level 2) Observable inputs	(Level 3) Significant non- observable inputs	Total
	\$000	\$000	\$000	\$000

### University 2015

#### Financial assets

Externally managed equities portfolio	9,534	-	-	9,534
Externally managed bonds and cash portfolio	-	9,582	-	9,582
<b>Total financial assets</b>	<b>9,534</b>	<b>9,582</b>	<b>-</b>	<b>19,116</b>

#### Financial liabilities

Derivative financial instruments - foreign exchange contracts	-	259	-	259
<b>Total financial liabilities</b>	<b>-</b>	<b>259</b>	<b>-</b>	<b>259</b>

### University 2014

#### Financial assets

Externally managed equities portfolio	9,342	-	-	9,342
Externally managed bonds and cash portfolio	-	9,316	-	9,316
Derivative financial instruments - foreign exchange contracts	-	343	-	343
<b>Total financial assets</b>	<b>9,342</b>	<b>9,659</b>	<b>-</b>	<b>19,001</b>

There were no transfers between the different levels of the fair value hierarchy.

# Notes to the Financial Statements

for the year ended 31 December 2015

## 20 Financial instruments (continued)

### 20.3 Financial instruments risk

#### Market risk

##### *Currency risk*

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

The University has exposure to currency risk from off shore transactions with suppliers. This exposure is mitigated through the use of financial instruments which are utilised in accordance with the University's Treasury Management Policy.

The University also holds foreign cash balances held at year end. The resulting currency risk is mitigated as the balances are used in the payment of foreign supplier invoices.

The derivatives are marked-to-market at the end of the reporting period. This has resulted in a loss of \$188k (2014: gain of \$443k). A shift in the NZD of +/- 10% would result in an equivalent change in the 2015 value of \$641k (2014: \$22k).

Auckland UniServices Limited and group have transactional currency exposures. Such exposures arise from sales or purchases in currencies other than the New Zealand dollar.

Approximately 12% (2014: 12%) of Auckland UniServices Limited and group revenues are denominated in foreign currencies, whilst 11% (2014: 6%) of costs are denominated in foreign currencies.

##### *Cash flow interest rate risk*

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates.

Borrowings and investments issued at variable interest rates expose the University and Group to cash flow interest rate risk. The Group does not currently hold any interest rate swaps.

##### *Interest rate risk*

Interest rate risk is managed in accordance with the Treasury Policy. The University applies maximum limits to approved counterparties to mitigate concentration of interest rate risk. There were no breaches of the Treasury Policy for the 12 months to 31 December 2015.

#### Credit risk

Credit risk is the risk that a third party will default on its obligation to the University and Group, causing it to incur a loss. Due to the timing of its cash inflows and outflows, surplus cash is invested in accordance with the Public Finance Act 1989, which gives rise to credit risk.

The University's investment policy limits the amount of credit exposure to any one financial institution or organisation to no more than 20% of total operating investments held. The University invests funds only with entities that have a Standard and Poor's credit rating of at least A+ for long-term investments.

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

There is no concentration of credit risk in Trade Receivables due to the relatively low value of individual amounts due.

#### Liquidity risk

##### *Management of liquidity risk*

Liquidity risk is the risk that the Entity will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. The Entity aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, the University maintains a target level of operating investments that must mature within one month, and no more than 12 months. The University manages its borrowings in accordance with its funding and financial policies incorporated in the Treasury Management Policy.

The Entity has a maximum amount that can be drawn down against its revolving credit facility of \$300 million (2014: \$300 million). The University has complied with all banking covenants under this facility.

# Notes to the Financial Statements

for the year ended 31 December 2015

## 20 Financial instruments (continued)

### 20.3 Financial instruments risk (continued)

	Mature within 1 year \$000	Mature within 1-5 years \$000	Total \$000
<b>Consolidated 2015</b>			
Loan facility (revolving credit)	-	-	-
Cash and cash equivalents	24,068	-	24,068
Bank term deposits	8,973	6,000	14,973
<b>Total financial instruments - consolidated entity</b>	<b>33,041</b>	<b>6,000</b>	<b>39,041</b>

<b>Consolidated 2014</b>			
Loan facility (revolving credit)	-	-	-
Cash and cash equivalents	10,372	-	10,372
Bank term deposits	22,771	6,000	28,771
<b>Total financial instruments - consolidated entity</b>	<b>33,143</b>	<b>6,000</b>	<b>39,143</b>

<b>University 2015</b>			
Loan facility (revolving credit)	-	-	-
Loan from subsidiary	(62,000)	-	(62,000)
Cash and cash equivalents	17,549	-	17,549
Bank term deposits	8,973	6,000	14,973
<b>Total financial instruments - University</b>	<b>(35,478)</b>	<b>6,000</b>	<b>(29,478)</b>

<b>University 2014</b>			
Loan facility (revolving credit)	-	-	-
Loan from subsidiary	(47,000)	-	(47,000)
Cash and cash equivalents	2,158	-	2,158
Bank term deposits	22,671	6,000	28,671
<b>Total financial instruments - University</b>	<b>(22,171)</b>	<b>6,000</b>	<b>(16,171)</b>

#### Explanation of interest rate risk sensitivity

For the year ended 31 December 2015 if interest rates on cash and cash equivalents, loans and investments had fluctuated up or down by 100 basis points, for the consolidated entity the impact on surplus would have been \$0.019m higher/lower (2014: \$0.357m higher/lower), and the impact on equity would have been \$0.394m higher/lower (2014: \$0.394m higher/lower). For the University the impact on surplus would have been \$0.727m higher/lower (2014: \$0.197m higher/lower), and the impact on equity would have been \$0.394m higher/lower (2014: \$0.394m higher/lower).

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease in 100 bps is equivalent to a decrease in interest rates of 1.0%. The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of -100bps/+100bps (2014 -100bps/+100bps).

#### Explanation of foreign exchange risk sensitivity

The foreign exchange sensitivity is based on a reasonable possible movement in foreign exchange rates, with all other variables held constant, measured as a percentage movement in the foreign exchange rate. The sensitivity for derivatives (forward foreign exchange contracts) has been calculated using a derivative valuation model based on movement in forward exchange rates of -10%/+10% (2014 -10%/+10%).

## 21 Adjustments to the comparative year financial statements

The University has not identified any reclassification adjustments to its comparative financial statements for the year ended 31 December 2014 on transition to the new PBE accounting standards.



**INDEPENDENT AUDITOR'S REPORT**

**TO THE READERS OF  
THE UNIVERSITY OF AUCKLAND AND GROUP'S  
FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE  
FOR THE YEAR ENDED 31 DECEMBER 2015**

The Auditor-General is the auditor of the University of Auckland (the University) and group. The Auditor-General has appointed me, Susan Jones, using the staff and resources of Ernst & Young, to carry out the audit of the financial statements and statement of service performance of the University and group on her behalf.

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

We have audited:

- the financial statements of the University and group on pages 45 to 75, that comprise the statement of financial position as at 31 December 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the University and group on pages 30 to 40.

In our opinion:

- the financial statements of the University and group on pages 45 to 75:
  - present fairly, in all material respects, the University and group's:
    - financial position as at 31 December 2015; and
    - financial performance and cash flows for the year then ended;
  - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with public benefit entity reporting standards.
- the statement of service performance of the University and group on pages 30 to 40 presents fairly, in all material respects, the University and group's service performance achievements measured against the proposed outcomes described in the investment plan for the year ended 31 December 2015.

**Capital contributions from the Crown**

Without modifying our opinion, we considered the recognition, presentation and disclosure of revenue in advance in the statement of financial position and note 11 on page 63 and the corresponding release of revenue in the income statement. In our view, the substance of the transaction relating to Partnership for Excellence funding is equity in nature given that the Crown has an in-substance ownership interest in the University and has appropriated the funds as a capital contribution in order to increase the capability of the University.

Our audit was completed on 24 March 2016. This is the date at which our opinion is expressed.

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

**Basis of opinion**

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

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

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

An audit also involves evaluating:

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

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

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

### **Responsibilities of the Council**

The Council is responsible for preparing financial statements that:

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

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

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

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

### **Responsibilities of the Auditor**

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

### **Independence**

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Ernst & Young Saudi Arabia has also provided tax compliance services to the branch of the University's subsidiary and Ernst & Young Hong Kong audit the financial statements of Auckland Uniservices (HK) Limited. We have also provided remuneration benchmarking services to the group. These assignments are compatible with the independence requirements.

Other than the audit, tax compliance and remuneration benchmarking services, we have no relationship with or interests in the University or any of its subsidiaries.



Susan Jones  
Ernst & Young  
On behalf of the Auditor-General  
Auckland, New Zealand

# Statement of resources

## Buildings

	2013	2014	2015
Gross area of University buildings (m <sup>2</sup> )	555,599	574,468	593,960

## Land

The University is responsible for a total land area of 189.9ha. This includes 19.7ha on the City Campus, 12.8ha at the Tāmaki Campus, 5.2ha at the Newmarket Campus, 4.4ha at the Grafton Campus, 9.6ha at Epsom, 1.5ha at Whangarei, 14.2ha at Waiheke and 122.6ha at Leigh Marine Research Laboratory and various bush reserves.

## Library and Learning Services

	2013	2014	2015
<b>Collections</b>			
Printed books & theses	1,739,503	1,733,492	1,757,981
Printed serials (volumes)	397,315	401,005	400,161
<b>Total printed volumes</b>	<b>2,136,818</b>	<b>2,134,497</b>	<b>2,158,142</b>
Electronic books	670,238	748,849	914,129
Print serial titles	4,662	4,507	4,359
Electronic serial holdings	127,949	118,662	113,833*
<b>Services</b>			
Loans - total	697,675	626,536	536,770
Library web page sessions	6,705,369	6,346,143	7,502,046
Libraries and Learning Services teaching sessions	2,128	2,530	2,642
Attendance at teaching sessions	31,076	36,390	33,411
Number of Libraries / Information Commons	15	15	15
General Library average open hours per week	90	90	90
Information Commons average open hours per week	113	113	113
Study spaces	3,480	3,555	3,557
Study / training spaces with computers	1,176	1,175	1,170
Laptops for loan	160	160	160
<b>Total number of study spaces</b>	<b>4,656</b>	<b>4,730</b>	<b>4,727</b>

† All web statistics gathered using Google Analytics from 2014, reducing robots/crawler traffic

\* Transition to new Library Management System changed serial holdings management

# Glossary

Acronym	Expanded meaning
ABI	Auckland Bioengineering Institute
ARWU	Academic Ranking of World Universities
APRU	Association of Pacific Rim Universities
AQS	Average Quality Score
CDES	Career Development and Employment Services
CSSF	Compulsory Student Services Fee
CTACP	Certificate in Academic Preparation
CoREs	Centre of Research Excellence
CRI	Crown Research Institute
DELNA	Diagnostic English Language Needs Assessment
DHB	District Health Board
EFTS	Equivalent Full-Time Students
EPA	Environmental Protection Authority
ERI	External Research Income
FMHS	Faculty of Medical and Health Science
FTE	Full-Time Equivalent
GPE	Grade Point Equivalent
HSNO	Hazardous Substances and New Organisms
HRC	Health Research Council
ICT	Information and Communications Technology
KPI	Key Performance Indicator
LSRI	Large Scale Research Institute
MBIE	Ministry of Business, Innovation and Employment
NICAI	National Institute of Creative Arts and Industries (also referred to as faculty of)
NIH	National Institutes of Health
NIWA	National Institute of Water and Atmospheric Research
OGGB	Owen G. Glenn Building
PBRF	Performance-Based Research Fund
PfX	Partnerships for Excellence
QS	Quacquarelli Symonds
SSC	Staff Service Centre
TEC	Tertiary Education Commission
TKA	Te Kāhui Amokura
THE	Times Higher Education Supplement
UTAS	Undergraduate Targeted Admission Scheme
U21	Universitas 21
WUN	Worldwide Universities Network

