

2002
YEAR

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ANNUAL REPORT

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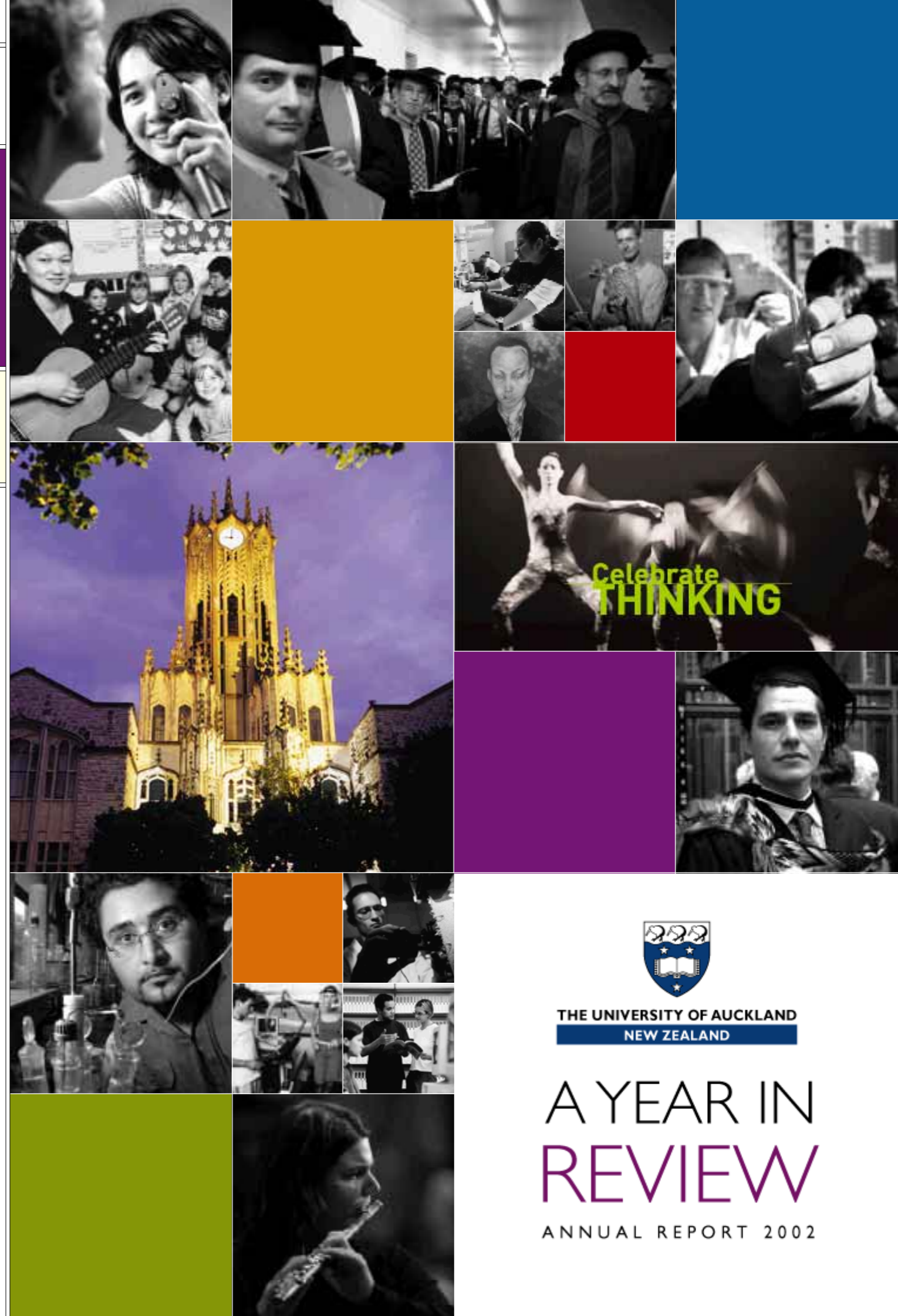
New Zealand

New Zealand

The University of Auckland

The University of Auckland

THE UNIVERSITY OF AUCKLAND ANNUAL REPORT 2002




THE UNIVERSITY OF AUCKLAND
NEW ZEALAND

A YEAR IN REVIEW

ANNUAL REPORT 2002

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The success of our University is the success of its members, its academic and general staff and students, and on their achievements rests the quality and reputation of the University.

CHANCELLOR'S INTRODUCTION

Council is the governing body of the University. At the heart of its governance role are the University's Charter and its mission. These describe the fundamental purpose of the University, its values and its most important goals. Around a central focus on excellence revolve the University's distinctive emphasis on research, its international focus, its broad teaching programme and its commitment to serve New Zealand. These themes are what most concern the Council as it monitors the University's performance and plans for its future.

One of the first, and most significant, steps the University must take as we move into the new post-reform era is to review the University Charter. This will engender, I am sure, active debate within the University and among its stakeholders. The Charter review will be a valuable opportunity to again underline the values, principles and goals of the University, and to demonstrate the broad coalition of support underpinning them.

2002 has been a challenging year for the University, and a year of contrast. That contrast, as the Vice-Chancellor's review outlines, is between, on the one hand, the University's success in pursuit of its goals and in further building its extensive network of local and international collaborations and, on the other hand, an increasingly difficult relationship with Government over the maintenance of academic freedom and university autonomy. The Council is firmly of the view that decisions about the teaching and research activities of the University are best made within the University, through its collegial processes, and will be vigilant against moves to transfer such decisions to external regulatory agencies and political forums.

A study carried out last year estimated the value of the University's contribution to the Auckland economy to be in excess of \$3 billion annually. This calculation measured the direct economic activity of the University and its population of staff and students, and is thus only the tip of the iceberg. Far greater, to both Auckland and New Zealand, are the economic and social benefits of a well-educated society and of the discovery and application of new knowledge. These benefits will not be fully realised, however, if public resourcing of universities stays at its current level, which is very low by international standards. Economic performance in the top half of the OECD is a worthwhile goal, but continued bottom-half support for the engines of growth will ensure that it is not achieved.

Highlights of the year for the University were the continued growth and success of its teaching and research programmes. Research income won reached another new high, and our

success in gaining four Centres of Research Excellence, of the seven awarded nationally, was powerful testimony to the breadth and depth of international quality scholarly talent at the University. Student numbers again grew substantially, reflecting both an understanding on the part of our students of the lifelong value of a quality education, and their awareness that The University of Auckland offers an unparalleled range of well-taught degree programmes. Graduate numbers again exceeded 6,000. Our graduates are the real success of the University, and their future contribution to the many societies and communities in which they live is our real achievement.

Finally, may I thank my colleagues on Council, the Vice-Chancellor and his staff for their part in another notable year for The University of Auckland.



John Graham
CHANCELLOR

VICE-CHANCELLOR'S REVIEW

It is normal at this time of year, and in this document, to reflect on the events of the year just passed, and while I shall do so with some satisfaction, it is instructive, from time to time, also to look further back.

When one does so, the growth in the University, its increasing success in generating its own revenue, and the extent of the Government's retreat from being a majority funder to a less significant role are all quite striking. From 1992 to 2002 the University's revenue grew from \$198 million to \$461 million. Over the same period, Government bulk funding fell from 66 per cent of revenue to only 37 per cent, student fees grew from 10 per cent to 25 per cent and external research funding grew from 8 per cent to 21 per cent. Despite our exceptional success amongst New Zealand universities in gaining public research funding, the low level of public funding for research in this country means that we would rank only 140th amongst US universities for public research funding. Our success, through our subsidiary Auckland UniServices Ltd in generating private research funding, however, means that we would rank in a much higher 29th place amongst US universities for commercial research income.

Research sponsors and students now well outweigh Government bulk funding in the University's revenue mix. Since 1995, revenue generated by the University from fees and research grew by \$137 million (181 per cent), while Government bulk funding grew by only \$26 million (18 per cent). During this period domestic inflation totalled 16 per cent, and student numbers grew by 25 per cent.

Government support for student tuition has shrunk substantially in real and relative terms. While one might reasonably expect this to be accompanied by a more 'hands off' position on the part of Government and a greater respect for university autonomy and academic freedom, the opposite is so. The conclusion inescapably reached from reviewing legislative moves of recent years is of a central desire more closely to regulate universities and to take a more invasive role in operational and academic decisions. Just in the last year we have seen domestic student fees regulated, international student fees taxed and the Minister and the new Tertiary Education Commission claim the power to overrule almost any academic decision of the Senate and Council of the University. Funding decisions taken in parallel with this legislative programme have quite lacked any real commitment to better facilitate and incentivise quality teaching and research. A third fees freeze deal has, once again, failed to compensate for domestic inflation, let alone reflect the much greater cost pressures the University is facing, for example, in recruiting and retaining top quality staff. The Centres of Research Excellence and Performance-Based Research Funding are welcome moves, but the level of resourcing dedicated to them falls well short of bridging the gap in investment in university research between New Zealand and other nations. The incremental funding allocated for the PBRF is only sufficient to maintain the fund in real terms over four years, while the source of the balance

of the fund – cutting tuition funding for postgraduate programmes to the same rate as sub-degree certificate programmes in each field – is a bizarre decision that establishes perverse incentives and in many ways undermines the objectives of the PBRF.

The public policy framework for higher education emerging from the 'reform' process of recent years is not readily reconcilable with this University's mission:

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

It is clear that the resourcing levels the University needs to achieve its mission will not be available from public sources in the foreseeable future, and that the mechanisms and incentives through which the limited public funding available is distributed inadequately recognise excellence in a research university. What is not clear is whether Government is prepared to allow university autonomy and academic freedom, which universities have long cherished as necessary conditions for successful scholarship, to subsist at any reasonable level. Legislative moves taken during 2001 and 2002, and further changes foreshadowed for the immediate future, raise serious concerns in this regard. Inadequate public funding can – to an extent – be compensated for by generating resources from other sources, as we have most successfully done over the last decade. Legislative and regulatory abatement of the university's autonomy and its scholars' academic freedom, however, cannot be offset in the same way. They represent a fundamental undermining of the very idea of a university and a potentially severe barrier to this University's pursuit of its mission.

In stark contrast to my serious concern for the future is the satisfaction that the University community can take in the significant progress and impressive successes recorded by members of the University in 2002.

During the year we made three significant additions to our extensive array of teaching and research collaborations. We signed agreements with the Auckland College of Education, to offer co-operative academic programmes for initial teacher education qualifications and postgraduate programmes, with AgResearch, the country's largest Crown Research Institute, to collaborate in life sciences research and education, and with Landcare Research Ltd, which will build a new 'super-green' building on the Tamaki Campus as a base for their own activities, and for greater collaboration with the University in biological and ecological research. Already the agreement with ACE has led to our two Councils each resolving to investigate much closer relations between our institutions and possibly full integration. Such an integration has the potential to create a powerful and broadly based faculty carrying out teaching, research and consultancy in the field of education. Other relationships were formed with organisations as diverse as the Auckland Philharmonia, the Malaysian Ministry of Education and Fonterra. The development of the Fale project has re-energised the

VICE-CHANCELLOR'S REVIEW (CONTINUED)

University's engagement with Auckland's Pacific Island communities and our co-operation with Auckland City Council on the Tamaki Campus project continues to strengthen.

The University has been active in positioning itself internationally as a major research-intensive institution through its international relations initiatives. It has deepened its engagement with strategic partner universities including members of *Universitas 21* and the Association of Pacific Rim Universities through a range of projects. These include *Universitas Global*, a joint venture in e-learning with Thomson Learning, professional portability initiatives, academic benchmarking and student mobility programmes. It has consolidated its regional strategy for Asia by a series of alumni events in Hong Kong, Kuala Lumpur and Singapore. It is currently developing its strategies for Latin America and the Middle East.

Research funding won during the year totalled \$156.9 million - \$90.5 million through the Research Office and \$66.4 million through Auckland UniServices Ltd. Our success in winning four of the seven Centres of Research Excellence (CoREs) was a significant contribution to the new high reached this year. The University's CoREs are the Centre for Molecular Biodiscovery, the New Zealand Institute of Mathematics and its Applications, Nga Pae o te Maramatanga (Horizons of Insight): The National Institute of Research Excellence for Maori Development and Advancement, and the National Research Centre for Growth

and Development. These centres represent extensive interdisciplinary research within the University, and partnerships with several other universities and research organisations. The University is a partner in a fifth Centre of Research Excellence, the Allan Wilson Centre for Molecular Ecology and Evolution. CoRE contracts signed by the University with the Royal Society of New Zealand have an aggregate value of \$25 million, with a further \$13.1 million allocated but not formally contracted until 2003. The University gained 22 of 87 Marsden Fund awards made in 2002, the highest number won by any institution for the second year running. Five of ten holders of James Cook Fellowships during 2002 were from The University of Auckland.

The rapid growth in student numbers experienced in recent years continued, with EFTS increasing by 1,641 (6.7 per cent) to 25,979. The University also met its key financial target for the year, recording an operating surplus of \$11.6 million, \$1.0 million ahead of budget, and \$1.6 million up on 2001. This result is due to the University's reliable financial management and reporting system and careful management of budgets across the University.

During the year we carried out the annual review of the Capital Plan and Financial Projections, and Mission, Goals and Strategies, adopted in 1999, was also due for review. Its successor, Strategic Plan 2002-2004, was approved by Senate and Council early in the year. Two commissions – on the curriculum and student life – and four taskforces – on the position of the academic head of department, postgraduate

issues, transport and parking, and future intake levels in Medical and Health Sciences, Science and Engineering – were established to review key parts of the University. These processes, outside the constraints of the University's normal structures, have enabled us to take a fresh look at some fundamental issues, and have led to the development of some powerful and far-reaching recommendations for the consideration of Senate and Council.

The University's capital works programme, aimed at bringing the University's physical facilities and equipment closer to a reasonable standard in international terms, gained momentum during the year. Three major projects are at an advanced stage of construction and will open before or during semester one 2003 – extensions and improvements to the School of Engineering buildings, an extension to the Science Building, principally for Computer Science, and the Student Commons and Information Commons buildings. The Information Commons is to be named for Kate Edger, the first woman in the then British Empire to gain a BA degree. We were successful in gaining commitments from the Government of \$25 million under its Partnerships for Excellence programme to match private sector gifts to the Business School, and \$2.5 million from the Strategic Change Fund towards the Fale Pasifika project. A special budget allocation of \$10 million was made available to fund major research items of equipment that are beyond the capacity of faculty base capital expenditure allocations. Updated benchmarking analyses showed that the higher investment levels in equipment and library committed in recent years are closing the gap between this University and leading research universities in Australia. The Library is now one of the finest research resources in New Zealand, and one of the best university libraries in Australasia. Major new capital projects under way or close to final approval are the School of Population Health, the new Business School and the Fale Pasifika.

Finally, I encourage readers to study closely the Faculty and other reports that follow. The breadth and depth of scholarly achievement, by members of the University community individually, in teams and collectively, that they record is impressive. It is a fitting reminder that the success of our University is the success of its members, its academic and general staff and students, and that on their achievements rests the quality and reputation of the University. It is a privilege to work in such distinguished company.



John Hood
VICE-CHANCELLOR



KEY FACTS & FIGURES

	2002 ACTUAL	2001 ACTUAL	2000 ACTUAL
Staff			
Full-time equivalent staff (FTE)			
Academic	1,692	1,561	1,556
General	1,841	1,732	1,811
Total	3,533	3,293	3,367

	2002 ACTUAL	2001 ACTUAL	2000 ACTUAL
Students			
EFTS	25,979	24,338	22,932
Male	14,854	13,919	13,529
Female	16,648	15,546	14,563
Total	31,502	29,465	28,092
Full-time	20,429	19,305	18,803
Part-time	11,073	10,160	9,289
Total	31,502	29,465	28,092

	2002 ACTUAL	2001 ACTUAL	2000 ACTUAL
Student Ethnicity			
European students	13,191	13,977	14,077
Maori students	1,650	1,804	1,872
Pacific Islands students	1,780	1,839	1,783
Asian students	9,619	9,089	8,509
Other students	1,360	1,197	1,025
No response	3,902	1,559	826
Total	31,502	29,465	28,092

	2002 ACTUAL	2001 ACTUAL	2000 ACTUAL
Age of Students			
18 or Less	4,981	4,677	4,326
19-20	7,919	7,116	6,541
21-23	7,183	6,443	6,147
24-29	4,353	4,105	4,132
30-39	3,981	4,086	4,011
40+	3,085	3,038	2,935
Total	31,502	29,465	28,092

	2002 ACTUAL	2001 ACTUAL	2000 ACTUAL
Undergraduate Student Enrolment			
Faculty			
APPFA	1,348	1,289	976
Arts	5,960	5,726	5,665
Business and Economics	4,161	3,634	3,189
Engineering	1,805	1,647	1,473
Law	584	594	585
Medical and Health Sciences	1,411	1,219	1,026
Science	5,229	5,054	4,667
Theology	220	248	254
University Conjoint Programmes	3,001	2,850	2,632
University Programmes	1,627	1,429	1,519
Total	25,346	23,690	21,986

NOTE: University Programmes include Wellesley Programmes (retitled to Tertiary Foundation Certificate in 2002) and Certificate of Proficiency. Students enrolled in conjoint degrees are listed under University Conjoint Programmes. Continuing Education and NEWSTART are excluded from the enrolment tables.

	2002 ACTUAL	2001 ACTUAL	2000 ACTUAL
Postgraduate Student Enrolment			
Faculty			
APPFA	261	226	203
Arts	1,529	1,541	1,631
Business and Economics	2,122	1,948	1,779
Engineering	537	420	486
Law	139	77	78
Medical and Health Sciences	1,288	1,138	897
Science	1,522	1,468	1,444
Theology	62	68	82
University Programmes	322	314	314
Total	7,782	7,200	6,914

NOTE: University Programmes include Institution of Legal Studies enrolments. PhD degrees are counted towards their faculties (i.e. PhD in Sociology). Overseas-trained doctors (from Malaysia, total 120) were added to Medical and Health Sciences in 2002.

	2002 ACTUAL	2001 ACTUAL	2000 ACTUAL
All Programmes¹			
Faculty			
APPFA	1,663	1,570	1,232
Arts	8,329	8,064	8,025
Business and Economics	7,155	6,412	5,731
Engineering	2,431	2,133	2,010
Law	1,409	1,340	1,304
Medical and Health Sciences	2,728	2,380	1,941
Science	7,177	6,928	6,483
Theology	289	323	343
University Programmes	1,949	1,743	1,833
Total	33,128	30,890	28,900

¹Conjoint enrolments are reported with their respective faculty. For example, a student enrolled in BA/BSc will be distributed to both Science and Arts at a ratio of 50/50. Previous years' figures have been updated to reflect this.

Figures for the current year are provisional. Prior years' figures have been updated to reflect actual data or to be consistent with current year reporting convention.

	2002 ACTUAL	2001 ACTUAL	2000 ACTUAL
Student Enrolments by Qualification			
Doctor of Philosophy	1,119	1,027	967
Other Doctoral Degree	72	59	34
Master Degree	2,402	2,189	2,159
Conjoint Honours	176	165	179
Conjoint Degree	2,825	2,685	2,453
Bachelor Honours	472	417	390
Bachelor Degree	20,150	18,797	17,361
Diploma	3,867	3,613	3,449
Certificate	1,711	1,472	1,465
Other Programme	334	466	443
Total	33,128	30,890	28,900

	2002 ACTUAL	2001 ACTUAL	2000 ACTUAL
Qualifications Awarded (by Faculty)			
APPFA	339	329	356
Arts	1,816	1,863	1,935
Business and Economics	1,636	1,557	1,542
Engineering	431	383	403
Law	265	249	246
Medical and Health Sciences	489	535	472
Science	1,332	1,369	1,353
Theology	53	56	62
University Programmes	115	104	128
Total	6,476	6,445	6,497

	2002 ACTUAL	2001 ACTUAL	2000 ACTUAL
International Students			
Country of Citizenship			
China	1,765	836	244
USA	213	165	122
Malaysia	190	166	147
Korea	184	147	141
Germany	124	93	71
Hong Kong	119	115	117
India	101	35	12
Indonesia	90	87	80
Fiji	84	73	60
Japan	77	97	91
Norway	74	71	42
Taiwan	62	59	64
Sweden	60	59	73
United Kingdom	49	31	29
Samoa	35	35	26
Singapore	34	33	30
Tonga	32	30	33
Canada	32	28	19
Vietnam	29	16	7
France	27	22	11
Thailand	26	35	29
Other	266	223	152
Total	3,673	2,456	1,600

	2002 ACTUAL	2001 ACTUAL	2000 ACTUAL
Research Revenue			
Externally sponsored research, including Auckland UniServices Ltd	97,365	86,962	72,812

	2002 ACTUAL	2001 ACTUAL	2000 ACTUAL
Revenue sources - %			
Government grants	39.0	40.6	42.6
Tuition fees	25.2	23.1	22.8
Research	21.1	20.9	19.4
Other	14.7	15.4	15.2

Figures for the current year are provisional. Prior years' figures have been updated to reflect actual data or to be consistent with current year reporting convention.



OFFICERS OF THE UNIVERSITY AND BUSINESS DETAILS

(AS OF 31 DECEMBER 2002)

Chancellor	John Graham MA
Pro-Chancellor	Lyn Stevens QC BCL <i>Oxf.</i> , BA(Hons) LLB
Vice-Chancellor	John Hood MPhil <i>Oxf.</i> , BE PhD
Deputy Vice-Chancellors	
Academic	Professor Raewyn Dalziel BA PhD <i>Well.</i>
Research	Professor Thomas Barnes MSc PhD <i>UMIST</i> , FRSNZ
Pro Vice-Chancellors	
Equal Opportunity	Distinguished Professor Dame Anne Salmond DBE, CBE, MA, PhD <i>Penn.</i> , FRSNZ
International	Associate Professor Chris Tremewan MA PhD <i>Cant.</i> , MPA <i>Harv.</i>
Maori	Adjunct Professor Michael Brown (Acting) LLB Honorary LLD
Tamaki	Professor Ralph Cooney BSc PhD DSc <i>Qld.</i> , FRSNZ, FRACI, FNZIC
Deans	
Architecture, Property, Planning and Fine Arts	Associate Professor Michael Pritchard BSc <i>Wales</i> , DipTP, MNZPI
Arts	Professor Douglas Sutton MA PhD <i>Otago</i>
Business and Economics	Professor Barry Spicer BCom <i>Qld.</i> , PhD <i>Wash.</i>
Engineering	Professor Peter Brothers BSc BE, PhD <i>Colorado State</i> , MASME, MASHRAE FIPENZ
Law	Professor Julie Maxton LLB <i>Land.</i> , LLM <i>Cant.</i> , PhD
Medical and Health Sciences	Professor Peter Smith MBBS BSc MD <i>Qld.</i> , FRACP, FRCPA
Science	Professor Dick Bellamy BSc NZ, MSc PhD, FRSNZ
Theology	Professor David E. Richmond (Honorary Acting) MBChB, BD, MPHEd, MD FRACP FRCP <i>Land.</i> DipABIMed

Postgraduate Dean

Professor Peter S. Jackson
PhD *Camb.*, ME, CEng, FIPENZ, FRAeS

Assistant to the Vice-Chancellor, and Registrar

Warwick Nicoll
BCom

Director of Administration

Jonathan Blakeman
MPP *Well.*, BCom, DipLGA, FNZIM, CA

University Librarian

Janet Copsey
DipNZLS *Well.*, BA DipBus, FNZLIA

Chief Executive, Auckland UniServices Ltd

John Kernohan
MSc, PhD *Boston*

Directors

 Advancement

Annabel Lush
LLB DipBus

 External Relations and Development

Bridget Wickham
BCom MA DipTchg, CFA USA

 Finance

Paul Mullooly
MBA, CA, CICM, AFNZIM

 Human Resources

Doug Northey
PhD *Well.*

 Information Technology Systems and Services

Stephen Whiteside
BCom *Cant.*, CA, MNZCS

 International

Andrew Holloway
BA(Hons) DipEd *WAust.*

 Planning

Robert Felix
BSc *MIT*, MBA *Chicago*

 Property Services

Maurice Matthewson
BE NZ

 Schools

Colin Prentice
MA

 Student Administration

Wayne Clarke
MEd, PhD *Pret.*, BA SA, HDipEd *Witw.*

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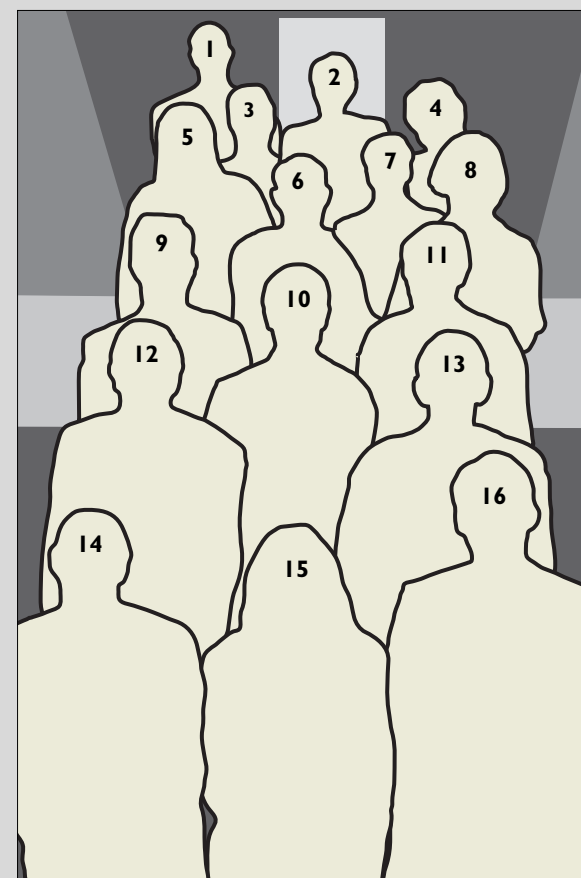
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COUNCIL MEMBERS

1. **John Hood**
Vice-Chancellor
MPhil *Oxf.*, BE PhD
Ex officio
2. **Raewyn Dalziel**
Deputy Vice-Chancellor (Academic)
BA PhD *Well.*
Ex officio
3. **Hugh Fletcher**
MBA *Stanford*, BSc MCom
Appointed by the Minister of Education
4. **Jenny Gibbs**
MA
Appointed by Council
5. **Stephanie Thompson**
BA
Elected by Students
6. **Ken Larsen**
PhL *Rome*, MA PhD *Camb.*
Elected by Lecturers
7. **Jill Holt**
MA PhD
Court of Convocation
8. **Brian Van Dam**
MSc
Elected by Students
9. **Richard Faulk**
BMedSc MBChB *Otago*, PhD DSc, FRSNZ
Elected by Academic Staff
10. **Lyn Stevens QC**
Pro-Chancellor
BCL *Oxf.*, BA(Hons) LLB
Court of Convocation
11. **Roger France**
BCom, CA
Appointed by Council
12. **Warren Moran**
MA NZ, PhD, FRSNZ
Professor Elected by Senate
13. **John Graham**
Chancellor
MA
Appointed by the Minister of Education
14. **John Morris**
MA
Court of Convocation
15. **Kim Hope**
MEd
Elected by General Staff
16. **Gregory Taylor**
MA
Appointed by the Minister of Education
17. **Peter Menzies**
ME
Appointed by Council
18. ---
Appointed by the Minister of Education



TEACHING AND RESEARCH REPORTS

Architecture, Property, Planning and Fine Arts

Staff and students from the schools and departments across the Faculty again excelled, winning awards and competitions both nationally and internationally. The profile of the Faculty continues to develop with related professionals and industry bodies.

Architecture

Students in the School of Architecture had another successful year in competitions. These included winning the student project section of the 2002 Cavalier Brenworth Design Competition and the 2002 NZIA/Dulux Student Travel Award. Among other successes, University of Auckland students also won two of the top three prizes at the 2002 Association of Collegiate Schools of Architecture (ACSA)/DuPont Benedictus International Student Design Competition for the design of a 'Future Library'. Students published a book of final-year student work, fully funded by sponsorship from architecture professionals and the building industry.

Staff were also recognised in 2002 for their capabilities, with several appointments to advise on redevelopment projects, in New Zealand and overseas, while Professor Brenda Vale and Dr Robert Vale were invited to offer a series of seminars in Australia by the Australian Greenhouse Office. Dr Diane Brand was awarded the WORLDVEST Houston Platinum Award.

Professor Errol Haarhoff was appointed School Head in February for a four-year term, and four Associate Heads were also appointed. The School welcomed its first Adjunct Professor, Rewi Thompson, who will assist the School with updating its Maori policy in addition to his teaching commitments.

The design studios were refurbished, providing the School with some of the best facilities among architecture schools in Australasia.

Two Study Abroad Programmes were run during the year, to central Europe and Croatia, and work from a 2001 programme visit to Serbia was exhibited in Wellington. The Architecture Archive continued to expand with further cataloguing of the 80,000 drawings in its collection.

Events for 2002 included an exhibition of Japanese architecture, a four-day programme on sound insulation in buildings, and the Tenth Australasian Urban and Planning History Conference, as well as participation in World Architecture Day. There were numerous visits by scholars from around the world.

Property

The Department of Property undertook an extensive programme of fundraising throughout the property profession. A successful graduation dinner and the establishment of three new scholarships by property groups did much to enhance the profile of the Department. Application was made towards the end of the year for accreditation of the BProp degree with the Royal Institution of Chartered Surveyors.



The design studios were refurbished, providing the School with some of the best facilities among architecture schools in Australasia.

There was an increased focus on catering for career interests of students, with workshops being run for final year BProp students and successful career evenings held with presentations from major property groups.

Planning

The Department of Planning began 2002 with an improved number of EFTS, although postgraduate numbers were fewer than desired. More permanent staffing appointments will be a priority for 2003 to strengthen existing teaching and research capabilities.

Highlights for the Department of Planning included discussions with the Royal Town Planning Institute (RTPI) education convenor on accreditation of the BPlan degree, ongoing collaboration with Landcare Research Ltd and the establishment of the Centre for Urban Ecosystem Sustainability (CUES), development of a research strategy for a new Environmental Impact Assessment (EIA) unit, agreement to establish an international research unit in ekistics (the science of human settlements), and a strong presence by staff at significant international conferences. The award of a Deutsche Akademischer Austauschdienst grant from the German Government enabled a 12-student group to undertake a planning study tour of Germany, which focused on eco-settlements and sustainable city issues.

Fine Arts

Staff and students at the Elam School of Fine Arts again achieved highly. Yvonne Todd, a BFA graduate, won the inaugural Walters Prize; Judy Millar, Lecturer in Painting, won the Wallace Award; Lisa Crowley, Lecturer in Studio Theory, won the Waikato Art Award; and Sara Hughes was awarded the Frances Hodgkins Fellowship for Otago University for 2003 after graduating MFA in May. Michael Parekowhai, Sculpture, represented New Zealand at the Sydney Biennale while Nuala Gregory received a Distinguished Teaching Award.

The School hosted the International Print Conference in May, which attracted speakers from Australia and Britain, with a keynote address by Australian printmaker Kim Westcott. There were three overseas artists in residence at Elam in 2002 – Susanne Paesler, a German painter from Berlin, Rose Nolan, from Melbourne, and Marco Fusinato, also from Melbourne – who exhibited their work during their visit.

Arts

The Faculty of Arts is distinguished in its teaching and research in the fields of humanities, languages, social sciences, education, music and performing arts.

The Faculty is attracting increasing numbers of international students. The English Language Academy for international and permanent resident students, who need support with their learning in English, has continued to enhance its offerings. Malaga, an initiative for Pacific Islands students, ran successfully again in early 2002.

The year 2002 was the first year of teaching the BPerfArts with new majors in Maori Performing Arts, Pacific Performing Arts, and Popular Music. Additional subjects offered in the BA include English Language Acquisition and Linguistics, and Sound Recording in the Master of Creative and Performing Arts (MCPA). Approval has been given to begin New Zealand's first Doctorate in Musical Arts (DMA) from 2003.

The Centre for Continuing Education (CCE) ensured that over 200 equivalent full-time students from the community accessed a diverse array of courses.

Fast Forward>>Arts also ran successfully, providing learning support to 24 Pacific Islands and Maori students from throughout the Faculty.

During 2002, the Faculty of Arts explored opportunities for collaboration with the Faculty of Medical and Health Sciences and Auckland University of Technology. Work on the development of the Institute of Education (a venture between the Auckland College of Education and the School of Education) is also under way. International collaborations include a distance education initiative between the University and the Malaysian Ministry of Education. A partnership between the School of Music and the Auckland Philharmonia led to the formation of AP~SOM (Auckland Philharmonia-School of Music).

Revenue from external research grants and contracts in 2002 totalled \$21.7 million, compared with \$12 million in 2001, an increase of 81 per cent. Key contributions came from funding of \$8.5 million for Nga Pae o te Maramatanga (Horizons of Insight), the National Institute of Research Excellence for Maori Development and Advancement, and an increase in Auckland UniServices Ltd research and development funding from \$9.5 million to \$17.2 million, including substantial new research and development contracts from the Ministry of Education and the expansion of the English Language Academy. There were also five new awards from the Marsden Fund and new grants from the Foundation for Research, Science and Technology (FoRST) and the Health Research Council.

There were 54 grants to staff, totalling \$420,000, from the University Staff Research Fund, as well as numerous grants from the New Staff Research Fund, the Graduate Research Fund and the Research Collaboration Fund. The research centre for Mediaeval and Early Modern Studies, funded by a Vice-Chancellor's University Development Fund (VCUDF) grant in 2001, began its work in 2002, and the establishment of the Centre for Critical Inquiry, funded by a 2002 VCUDF grant, is currently under way.

Postgraduate students were awarded 15 Top Achiever Doctoral Scholarships from the national Bright Futures Scheme in 2002. The three-year-old scheme has awarded 39 scholarships to the Faculty of Arts, representing 37 per cent of those awarded to The University of Auckland.

There were many significant and valuable results achieved from externally funded projects this year. Among them, the Assessment Tools for Teaching and Learning (AsTTLe) research programme led by Professor John Hattie developed and delivered a highly innovative CD Rom assessment engine to highlight curriculum learning problems and gains for teachers, which will be sent to every school in New Zealand in 2003. Research led by Dr Kuni Jenkins resulted in a booklet and a compact disc being distributed nationwide by the New Zealand Women's Refuge Foundation Research Committee to help break the cycle of domestic violence. The Principals' Induction Programme team, led by Professor Viviane Robinson, delivered a new course to 190 newly appointed principals, and will deliver it to another 200 in 2003. The Rockefeller Foundation granted the Marsden-funded project team in Maori Studies funding to attend a workshop/conference in Italy in January 2003.

The Faculty of Arts continued to enhance its outstanding record of publications throughout 2002, and produced many significant original works: books, monographs, journal articles, performances and recitals.

Staff and students were distinguished in a number of other creative areas, including the award of best film at the New Zealand Media Peace Awards, and three School of Music students won and were placed in the Young Musician of the Year Competition 2002 (the winner, Victoria Simonsen (cello), also won a Royal Overseas League Travelling Scholarship and the Patricia Pratt Scholarship in Musical Performance). The School's students were well placed in many other national and international competitions. The Department of Philosophy has been ranked by an international survey as among the top four in Australasia for graduate studies. Professor Jamie Belich's *Paradise Reforged: A History of the New Zealanders from 1880s to the Year 2000* (Penguin Press) was a co-winner of the Ernest Scott Prize.



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TEACHING AND RESEARCH REPORTS (CONTINUED)

Reviews of Women's Studies, the Languages, Philosophy and Music were completed in 2002, and all will lead to enhancements to curricula and research from 2003.

The expansion of courses available on the Internet in 2002 has greatly enhanced student access and learning support; and the upgrade of websites has improved the Faculty profile. Operation of Artsmarks (student information database) will cease and Arts will have CECIL as its main platform in 2003.

The Faculty has undertaken a significant programme of events designed to profile the diversity of the departments and their links within the University and the wider community. These included events highlighting facilities (for example, Arts Foundation New Zealand Laureate's Awards) and the talents of its staff (Galileo – the Opera), visiting scholars (Faculty of Arts Lecture Series), and celebrations of service and commitment to the University (for example, the dedication of a lane to Professor Charles Nalden). Community outreach projects included Professor Kyu-Hyung Lee, visiting lecturer to the School of Asian Studies from Korea, who also exhibited his pottery at the Aotea Centre, and SCAPA jazz students who performed with visiting lecturer Andy Jaffe from the United States, in concert and on national television.

During 2002, 33 academic posts were filled or processed, including ten professorships. Professor Anthony Spalinger (Classics and Ancient History) and Professor Viviane Robinson (Education) were promoted to professorships. Maori and Pacific Islands academic staff were actively recruited to areas such as Malaga, the School of Creative and Performing Arts, the Centre for Pacific Studies, Nga Pae o te Maramatanga, and the School of Education.

The Faculty made progress towards consolidating departmental accommodation, which included the relocation of a number of departments and accommodation upgrades. The Faculty has been closely engaged in the development of plans for the Pacific Fale, which will be available for University and community events from 2003. The upgrade of the School of Music – instruments, lecture theatre seating and lighting, and the composition studio – began in late 2002 and will be completed in 2003.

The Faculty also procured major new equipment necessary to its research capability: a grand piano and three-dimensional reality data capture equipment, both totalling around \$500,000.

Endowment and advancement funding programmes have been developed (for example, the School of Music Endowment, a \$5 million programme) along with a variety of other scholarships and gifts that profile and support the Faculty of Arts.

Science

In 2002 the Faculty of Science continued to strengthen its reputation for teaching and research of international standard. The Faculty hosted the establishment of two newly-formed Centres of Research Excellence (CoREs) and is a partner in two others. Growth in student numbers and success in attracting major external research funding continued apace. These developments were complemented by a major capital works programme that is providing state-of-the-art facilities to underpin the Faculty's future growth and development. A hugely successful open day, called 'Incredible Science', attracted some 5,000 schoolchildren and parents to the Faculty and helped sow the seeds of future generations of science students.

The School of Biological Sciences became host to the Centre of Research Excellence in Molecular Biodiscovery (Director, Professor Ted Baker), and a partner in both Nga Pae o te Maramatanga (Horizons of Insight), the National Institute of Research Excellence for Maori Development and Advancement (Co-director, Associate Professor Michael Walker) and the Allan Wilson Centre for Molecular Ecology and Evolution.

Level 7 and part of Level 6 of the Chemistry Building were refurbished to provide much improved teaching and research facilities with new staff offices, instrument laboratories, synthetic laboratories and a new food-processing laboratory for the Food Science programme, which is one of the most advanced of its type in the country. Planning for the second stage of the refurbishment, which will include Level 5 and the remainder of Level 6, has been completed. Awards to staff included a James Cook Fellowship to Professor Peter Schwerdtfeger. The new degree in Medicinal Chemistry commenced.

The Department of Computer Science had considerable success in the Foundation for Research, Science and Technology (FoRST) New Enterprise Research Fund (NERF) round, gaining more than \$2 million in research contracts for a range of software-related projects. Two new professors were also appointed: James Goodman, previously at the University of Wisconsin, Madison, was appointed to a Chair in Applied Computer Science, and John Grundy was appointed to the Chair in Software Engineering, a joint appointment with Electrical and Electronic Engineering.

Geography and Environmental Science were incorporated into a new School of Geography and Environmental Science. A team from the School was awarded a five-year FoRST research grant on climate change – its third such FoRST research contract. Other staff members have also secured new research awards and contracts from the Health Research Council, Auckland Regional Council, the Department of Conservation, the Ministry of Agriculture and other bodies. Staff members are also organising two major conferences to be hosted in 2003.

A Marsden grant was awarded to a multidisciplinary team in the Department of Geology, led by Dr Kathy Campbell, to track and fingerprint bio-signatures (DNA, lipid biomarker and textural). Drs Jeff Mauk and Stuart Simmons had their FoRST contract extended until 2004, to allow them to



Growth in student numbers and success in attracting major external research funding continued apace.

continue their comparative studies between epithermal Au-Ag deposits from the Hauraki Goldfields and active geothermal systems in the Taupo Volcanic Zone and Northland.

Distinguished Alumni Professor Vaughan Jones was made a Distinguished Companion of the New Zealand Order of Merit in the Queen's Birthday Honours. Five members of the Mathematics Department were key participants in the successful proposal for a Centre of Research Excellence. Professors Marston Conder and Vaughan Jones have become the co-directors of this new centre – the New Zealand Institute of Mathematics and its Applications. Drs Rod Gover and Shayne Waldron each received Marsden Fund grants. The Department won the inaugural University of Auckland Students' Association WAVE Student Friendly Award for the best and most effective Staff Student Consultative Committee.

The newly launched research vessel, R/V Hawere, has proven a great success in supporting Marine Science research and teaching, and in attracting external contract work. Newly appointed staff member Dr Richard Taylor has received an Emerging Research Excellence grant and a Marsden Fast Start award. During the year, much effort has been expended on planning for the redevelopment of the Leigh facility.

Newly-appointed Professor Michael Kalloniatis in the Optometry and Vision Science Department was awarded the Leitch Professorship and obtained significant support for his research from several agencies including the Health Research Council, Retina Australia, and the New Zealand Optometric Vision Research Foundation. A summer research scholarship established by a grant from the ophthalmologists at Auckland Eye was awarded for the first time.

New research grants for the Physics Department include a Marsden grant for the Microlensing Observations in Astrophysics (MOA) project (Associate Professor Phil Yock); a NERF grant for Optical Communications Research (Professor John Harvey) and Pixel X-ray Detectors (Dr David Krofcheck); and a Vice-Chancellor's Development Fund grant for Quantum Information Atom Trapping (Dr Maarten Hoogerland). Professor Howard Carmichael took up the Dan Walls Chair in Theoretical Physics and Dr Hoogerland took up a Senior Lectureship in Optoelectronics and Atom Trapping. Associate Professor Ron Keam was one of two researchers jointly awarded a RSNZ Silver Medal for their work to protect New Zealand geysers.

Highlights for the Department of Psychology were the granting of an Emerging Research Excellence Award to Dr Karen Waldie, the success of Drs Russell Gray, Gavin Hunt,

and Professor Michael Corballis in securing further Marsden funding, and the publication of Michael Corballis' latest book *From Hand to Mouth: The Origins of Language*. The American Psychological Association's Division 25 annual Best Doctoral Thesis Award was won by Jason Landon, and Lotteries and Health Research Council grants were awarded to John Fenaughty. The year 2002 saw the opening of the Psychology Clinic on the Tamaki Campus and the successful introduction of the *Tuakana* mentoring programme for Maori and Pacific Islands students.

Sport and Exercise Science continued and enhanced its tradition of supporting collaborative research projects. A large programme studying the role of exercise in smoking cessation was undertaken with the National Heart Foundation. Through collaboration with neurologists and practitioners in the Auckland region, staff and postgraduate students continued to investigate new strategies for evaluating and improving brain and motor dysfunction in patients with Parkinson's disease, focal dystonia and those recovering from stroke. This was undertaken with funding from the Neurological Foundation of New Zealand.

Considerable success in raising the pass rate for Maori and Pacific Islands students was achieved as a result of the development of the *Tuakana* mentoring programme. In addition, increased enrolments in the summer mathematics courses for talented Maori and Pacific Islands students, access for technical staff to postgraduate training, and better support of at-risk students in several departments were all made possible through the Initiative Fund implemented by the Faculty. The Wellesley Programme has gained the Committee on University Academic Programme's approval and has been renamed The University of Auckland Tertiary Foundation Certificate Programme. In the programme's first year, over 70 students gained the Certificate and thus qualified for entry to the University.

Summer 2001-2002 saw the first intake of the Faculty of Science Summer Scholarships. One hundred students were awarded \$4,000 each in order to undertake a research project during the summer break, with a view to encouraging them to stay on for postgraduate study. The standard of the projects in this inaugural year was excellent.

Major building developments included opening of the new Faculty of Science Student Centre which provides excellent new student services facilities. The extension to building 303, which will house elements of Mathematics, Statistics and Computer Science, was near completion in late 2002, and construction has started on the wine science research bay at the Tamaki Campus.

TEACHING AND RESEARCH REPORTS (CONTINUED)

Engineering

Mechatronics and BioEngineering undergraduate programmes took their first cohorts into their second year. Both programmes have been popular with demand exceeding available spaces. The first cohort in Software Engineering completed their third year and next year will begin their industry-linked project, which is a key part of the degree.

An emerging theme in the engineering profession is that of 'the business engineer' – the professional engineer who plays a key role in business activities. The Institution of Professional Engineers New Zealand (IPENZ) has a task group to define and develop the idea. Therefore, the economic impact of the profession is a strong emerging theme within the Faculty. In 2002 for the first time a course entitled 'Creating wealth through technology' was offered as a final-year elective, taught jointly by the Faculties of Business and Economics and Engineering, to students from both faculties. The course was very well received and will be developed.

In 2001 students from the Faculty competed for the first time in the NBR Business competition, and the two teams were placed second and third in the Education section. In 2002 four teams from Engineering entered, gaining the top four places. These are very strong results, demonstrating the relevance of an engineering education to business issues.

For the sixth year in a row, students from Mechanical Engineering were placed in the top three in the Warman competition, a design competition competed for by the top 20 engineering schools in Australasia. This continued success is testament to the quality of design teaching in the School.

Several Faculty of Engineering staff were recognised for their achievements in 2002. Professors Andy Philpott (Engineering Science), George Ferguson (Chemical and Materials) and Wei Gao (Chemical and Materials) were promoted to professorships. Associate Professor Pat Browne (Geothermal Institute) was made a Fellow of the Royal Society of New Zealand, and Associate Professor Mohammed Farid was elected a Fellow of the Institute of Chemical Engineers (London). Pat Browne and Wei Gao were both awarded Marsden Fund grants.

Professor Bruce Melville was awarded the 2002 American Society of Civil Engineers Hydraulic Structures Medal and Professor Gao was awarded the prestigious RJ Scott Medal by the Royal Society of New Zealand.

Major accommodation improvements for the Faculty in 2002 included construction of a mezzanine floor over half of the test hall. The Engineering Atrium and Lecture Theatre project has greatly expanded undergraduate computing laboratories and vastly improved cafeteria and general assembly areas, and, together with a new 250-seat lecture theatre, will provide much needed space for students to work and interact. The Tamaki Engineering and Science Research Centre is a set of highly flexible two-storey bays that can be fitted out to house research programmes, providing both equipment and office space for researchers and students. Initial occupants are to be inter-faculty programmes in composites and food and bio-processing.



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Industry New Zealand and the Forest Industries Council have jointly funded a major initiative, the National Centre of Excellence in Wood Processing Training and Education. The Faculty of Engineering, in partnership with the Waiariki Institute of Technology in Rotorua, will produce the human capacity needed to process the burgeoning forest harvest. Over the last few years the Faculty has recruited a number of young staff of high potential. Over 2002, many of these had pleasing accomplishments in their research and teaching which give much confidence for the future of the Faculty.

Medical and Health Sciences

The Faculty of Medical and Health Sciences continued to obtain extensive funding in 2002 for research.

The Faculty was awarded \$12.3 million by the New Economy Research Fund (NERF), with funds being awarded to Professor Peter Gluckman (Liggins Institute), Professor Bill Wilson (Cancer research) and Dr Debbie Young (Neurosciences research). A successful Health Research Council (HRC) grant round saw Faculty applicants awarded ten project grants in each sphere of research, with large awards to Associate Professor Simon Malpas (Physiology), Associate Professor Marie Dziadek (Liggins Institute), Dr Janet Fanslow (Injury Prevention Research Centre), Dr Kathy Mountjoy (Molecular Medicine/Physiology), Dr Lindsay Plank (Surgery), and Associate Professor Lai-Ming Ching (Auckland Cancer Society Research Centre). Programme grants were awarded to Professor Jane Harding and Associate Professor Alistair Gunn from the Liggins Institute.

There were four successful Faculty of Medical and Health Sciences Marsden grant applications: to Associate Professor Louise Nicholson (Anatomy), Associate Professor Marie Dziadek (Liggins Institute), Professor Kathryn Crosier (Molecular Medicine) and Dr Bronwen Connor (Pharmacology). A FoRST grant was awarded to Professor Harry Rea (Medicine) as part of the Fisher and Paykel consortium. Additional research funding has been gained across the Faculty from a range of charitable trusts including the Wellcome Trust, Auckland Medical Research Foundation, the Neurological Foundation, the Maurice and Phyllis Paykel Trust, Cancer Society, Lotteries Health, Child Health Research Foundation, Heart Foundation and the Arthritis Foundation.

Staff were again successful in obtaining internal funding, receiving a total of \$790,000 from competitive funds held and distributed by The University of Auckland Research Committee.

The Faculty awarded 45 summer studentships in 2002. These are aimed at introducing undergraduates to research at an early stage in their studies and encouraging more students to pursue research careers. Funding from various sources amounted to over \$180,000.

There is an increasing trend towards the commercialisation of research and the transfer of invention to industry, so a large amount of contract research (\$28.8 million in 2002) is now undertaken within the Faculty under contract via Auckland UniServices Ltd.

Research achievements during 2002 included a new gene therapy approach to Parkinson's disease, developed by Faculty scientist Professor Matthew During and co-researchers in Auckland and Weill Cornell Medical College, New York, which gained approval for clinical trials in the United States. Faculty researchers, led by Associate Professor Robert Scragg, are taking part in the first national New Zealand survey of children's nutrition. A team led by Professor Diana Lennon began important clinical trials to test the effectiveness of a vaccine to fight meningococcal disease in New Zealand in collaboration with the Ministry of Health and the California-based Chiron Corporation. Dr Debbie

Young was awarded one of the first three Sir Charles Hercus Health Research Fellowships, from the Health Research Council, for her ground-breaking research into the causes of Alzheimer's and Huntington's diseases.

The Faculty is also involved in three of the Centres of Research Excellence named by the Government in 2002: the National Research Centre for Growth and Development, led by Professor Peter Gluckman; the Centre for Molecular Biodiscovery, which includes Professors Peter Hunter, Bill Denny and John Fraser from the Faculty; and Nga Pae o te Maramatanga (Horizons of Insight), the National Institute of Research Excellence for Maori Development and Advancement, which involves Professor Colin Mantell.

Dr Anthony Rodgers was principal author of the World Health Organisation's (WHO) major annual report *World Health Report 2002: Reducing risks to health, promoting healthy life*. The new director of Clinical Nursing Research, Dr Bridie Kent, will head the Centre for Evidence Based Nursing Aotearoa (CEBNA), a joint initiative between The University of Auckland and Auckland District Health Board.



A successful Health Research Council (HRC) grant round saw Faculty applicants awarded ten project grants in each sphere of research.

Many awards recognised staff achievements in 2002. The inaugural Peter Gluckman Medal and Distinguished Faculty International Lecturer Award went to Professor Richard Faull for his significant contribution to neurological research into neurodegenerative diseases. Professor Jane Harding of the Liggins Institute was named an Officer of the New Zealand Order of Merit for services to paediatrics in the Queen's Birthday Honours.

Other awards received in 2002 include the Arthur C. Guyton Award for Excellence in Integrative Physiology from the American Physiological Society to Associate Professor Simon Malpas (Physiology), the Royal Pharmaceutical Society of Great Britain's Practice Research Award Medal to Associate Professor Janie Sheridan (Pharmacy), and the Ian Houston General Staff Award to Christine Tait (Anatomy with Radiology).

Six new professors were appointed: Professor Innes Asher (Chair in Paediatrics), Professor Bill Wilson (Auckland Cancer Society Research Centre), Professor Alan Merry (Anaesthesiology), Professor Michael Findlay (new Foundation Chair in Oncology), Professor David Simmons (Professor of Medicine, Waikato Clinical School) and Professor Cynthia Farquhar (Postgraduate Professor in Obstetrics and Gynaecology).

TEACHING AND RESEARCH REPORTS (CONTINUED)

The School of Pharmacy offered a Postgraduate Certificate and Postgraduate Diploma in Pharmacy Practice for the first time in 2002, and approval was also granted for a Doctor of Pharmacy programme from 2003. The first group of Masters of Nursing students graduated and the first Bachelor of Nursing class completed the course, with a 100 per cent pass rate in the final year. The visit of Emeritus Professor Anwar Hussein (University of Kentucky) allowed two successful short courses to be held for the pharmaceutical industry. The inaugural Maori Health Week, held in July, saw second-year students concentrating on Maori health concerns.

The School of Population Health was established within the Faculty, aimed at improving the health and well-being of communities within New Zealand. Plans are under way for a purpose-built teaching and research facility, to be occupied in early 2004, as part of the Tamaki Campus redevelopment.

The new Peter Rothwell Academic Centre, opened at the Waikato Clinical School, includes a new library, teaching rooms, offices and common room space. It also contains a Clinical Skills Centre, which is run cooperatively with the Waikato District Health Board and used regularly by students from the Faculty. The Hearing and Tinnitus Clinic was established in Newmarket, Auckland for teaching and research into aural rehabilitation and tinnitus management.

The most significant event for the Faculty was the visit by Her Majesty Queen Elizabeth II on February 26 to officially open the Liggins Institute. She was welcomed by the Prime Minister, the Rt Hon Helen Clark, and University representatives, and attended four presentations by Liggins Institute researchers.

Another important visitor was internationally renowned scientist Dr Rino Rappuoli, Vice President of Vaccine Research at the Chiron Corporation in Italy, and head of the team that successfully sequenced the meningococcal genome. He presented a special seminar at the Faculty on 'The future of meningococcal B vaccines and the meningococcal genome'.

Professor John Bligh, Director of the Institute of Clinical Education at the new Peninsula Medical School in Britain, talked to and worked with Faculty members on teaching and learning in the health care professions. Professor David Barker FRS, Director of the Medical Research Council (MRC) Environmental Epidemiology Unit at Southampton General Hospital, England, visited the Faculty and delivered the 2002 Sir Douglas Robb Lectures in August.

Dr Peter Pockley, correspondent for *Nature* magazine, and Professor Bob Seemark, a reproductive technologist who directs the Flinders Medical Research Institute in Australia, visited the Faculty as part of the Liggins Institute's Science, Medicine and Society Programme.

The Department of Ophthalmology hosted the Vision 2020: International Association for the Prevention of Blindness (IAPB) and World Health Organisation (WHO) Pacific Region Meeting.

Business and Economics

The year 2002 has seen many changes in the Business School as it works to develop a world-class, international business school. The School is actively pursuing its *Agenda for Action* based on a forward-looking vision of an enterprising, research-led business school that makes a significant contribution to New Zealand's competitiveness and to the capacity of its people, enterprises and organisations to create wealth. The objectives are to strengthen underlying disciplinary teaching and research in business and economics and to build multi-disciplinary programmes of teaching and research in entrepreneurship, innovation and technology management; digital enterprise; Maori and Pacific Islands business development; global business development; economic and regulatory policy; health management and health informatics; leadership and governance.

In late 2001, based on a proposal from the University, Cabinet made an in-principle commitment of \$25 million to match private sector contributions to the development of a world-class Business School at Auckland. Cabinet confirmed its commitment in October 2002 based on an assessment of a substantial business case provided to Government.

Considerable work has been done on building the organisation needed to raise the necessary development funds. These funds are needed to leverage the Business School's investment in talented people, to strengthen and enhance existing programmes and to build new ones, and to construct a new, world-class teaching and learning facility. The short-term goal is to raise \$25 million to claim the Government's matching grant; the longer term goal is to raise a further \$25 million to assist the development of the School. The financial and other related support that the Business School is receiving from the business community is very encouraging.

Work is continuing on the design of the new building with construction planned to start in the third quarter of 2003 and occupancy expected for the first semester of 2006.

Significant progress has been made in attracting world-class professors to the School with the appointment of new chairs in both entrepreneurship and marketing and international entrepreneurship. The director of the highly successful University of Cambridge Entrepreneurship Centre visited the Business School in the second half of the year. The School is forging close working relationships with Cambridge and other leading entrepreneurship centres.

An important highlight this year has been the School's involvement with The ICEHOUSE, which the School developed in conjunction with eight other corporate partners to provide business incubation/acceleration, networking, educational programmes, and research into entrepreneurship and SME issues in New Zealand. The incubator/accelerator now has ten resident ventures employing 30 people and is at 75 per cent of capacity. Seed funding and venture capital raised for resident firms have reached \$3.3 million. A new venture development course is being prepared for ICEHOUSE residents and The ICEHOUSE recently hosted the third New Zealand incubator summit. The Business



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School and The ICEHOUSE have developed a series of programmes for owner managers which have resulted in many of them expanding their businesses based on the learning and personal development provided. An expanded range of programmes for owner managers is under development.

Inside the University the School was involved in designing and delivering a new course 'Creating wealth through technology' which was run in conjunction with the Faculty of Engineering and with the assistance of its ICEHOUSE partners. In 2003 the Business School will work with the University's Postgraduate Students' Association to introduce a business planning competition to help to lift the spirit of enterprise within the University.

Other academic programme developments during 2002 include the launch of an e-Commerce major and the completion of the second year of the roll-out of the Bachelor of Business and Information Management (BBIM) at the North Shore Campus in Takapuna, at the University's Tamaki Campus and in The University of Auckland Programme at Manukau. The year also saw the Auckland MBA programme accredited by the Association of MBAs (AMBA) and the appointment of a new director. Enrolment in the highly successful and extensive Short Courses programme now exceeds 2,500 participants a year.

2002 saw the establishment of the Centre of Digital Enterprise (CODE) and a Business Case Writing Centre which will focus on the compilation and development of teaching and research cases in the New Zealand context. The School is now working with The ICEHOUSE to develop a series of ICT business cases under a grant to The ICEHOUSE from Industry New Zealand.

A new research manager was appointed by the Business School and Auckland UniServices Ltd. He has assisted

greatly with the development of grant applications for larger-scale, team-based programme research and educational development. The number of grant applications generated is now rising at a pleasing rate and some grant writers have had notable successes. These include (amongst others) almost \$450,000 to fund a programme under the Enterprise Culture Skills Activities Fund to provide biotechnology entrepreneurship education to high schools, a FoRST grant of \$2.5 million to investigate socially and culturally sustainable biotechnology in New Zealand, and participation in an \$800,000 Health Research Council-funded national research team project to evaluate current health reforms. All of these grants involve collaboration between the Business School, other faculties and/or researchers at other universities.

A range of staff and student accomplishments were recognised. Professor Rod Brodie was recognised as 'Best Researcher' at the 2002 Australia and New Zealand Marketing Conference, following Professor Peter Danaher who was recognised in 2001. University Distinguished Teaching awards were won by Dr Christine Woods, Dr Doug Carrie and Peter Smith for innovation in the BBIM curriculum.

Two of the three New Zealand Rhodes Scholarships awarded in 2002 were won by Juliet Tompkins and Alexander Fala. Both are students of the Business School, the first in economics and the latter in finance. Student teams performed outstandingly well in international case competitions including the Global Business Challenge at the University of Washington, the Boston Consulting Group Australasian Case Competition, and the North American Case Research Competition.

TEACHING AND RESEARCH REPORTS (CONTINUED)

Law

The redesigned postgraduate programme was a principal success of 2002 for the Faculty of Law. By widening the choice of subjects, providing a range of intensively taught courses and bringing internationally renowned teachers to help teach the programme, more students have been drawn into postgraduate study. The result is an 83.6 per cent increase in equivalent full-time student (EFTS) postgraduate enrolments in 2002. LLM enrolments approached 10 per cent of total Law EFTS, compared with 6.4 per cent in 2001. International enrolments in the LLM have also more than doubled from 2001. More LLM papers are being offered in 2003, and 11 distinguished, international teachers have been invited to join the programme.

Other developments at postgraduate level include the introduction of specialisms in the LLM, enabling students to have their LLM awarded with one of three designations (Commercial Law, Public Law, or Environmental Law), and reciprocal entry arrangements with the Law Faculty of the University of Melbourne, thereby broadening the range of courses available to students at both places.



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After a slight decrease in demand for undergraduate places in the Law School during the late 1990s, 2002 saw the average grade required for entry to Part II of the LLB degree climb again. Fewer than 50 per cent of applicants gained a place, and the 2003 entry point has been set above the B+ level. Of those entering the Faculty in 2002, approximately 15 per cent were already graduates and 63 per cent were enrolled in conjoint degree programmes.

The Faculty offers its undergraduates the largest range of elective papers (39 in 2002) of the five New Zealand law schools. Choice is widened by variations in the programme annually. New in 2002 was a course in Advocacy and in 2003 a course in South Pacific Legal Studies will be revived after some years' absence.

The Faculty's graduates continued in 2002 to obtain places in internationally competitive postgraduate programmes at leading law schools, and to win scholarship funding to support their study. Amongst these are Fulbright

Scholarships awarded to John Ip and to Richard Ekins, a Rotary Scholarship awarded to Rachel Carnachan for study at Harvard, a Commonwealth Scholarship to Oxford for Gareth Kayes, and the Frank Knox Scholarship to Barnaby Stewart for study at Harvard.

On the initiative of Professor Jim Evans, the Faculty helped set up the Blind Lawyers' Network, a support network for blind and sight-impaired lawyers, both students and practitioners, which meets monthly.

Research output was again strong in 2002 and seven books authored or edited by members of the Faculty have been published or have gone to press: Professor Michael Taggart, *Private Property and Abuse of Rights in Victorian England: The Story of Edward Pickles and the Bradford Water Supply* (OUP, UK); Associate Professor Paul Rishworth and Grant Huscroft, eds, *Litigating Rights, Perspectives from Domestic and International Law* (Hart Publishing, UK); Georgos Mousourakis, *The Historical and Institutional Context of Roman Law* (Ashgate, UK); Professor Jane Kelsey, ed, *International Economic Regulation* (Ashgate, UK); Professor Jane Kelsey, *At the Crossroads* (Bridget Williams, NZ); Paul Myburgh, *New Zealand Transport Law* (Kluwer, Holland); and Professor Charles Rickett and Professor Ross Grantham, *Company Law & Securities: Commentary and Materials* (Brookers, NZ).

The New Zealand Centre for Environmental Law, based at the Faculty, ran the 2002 Social Ecology Seminar Series and, with the Department of Planning, staged a very well attended seminar entitled 'The permitted baseline assessment: much ado about something'. Its publications included the 2002 issue of the *NZ Journal of Environmental Law*, and two monographs. The Centre also played host to a range of overseas academic visitors.

Prominent visitors to the Faculty in 2002 included David Dyzenhaus, of the Law and Philosophy Departments, University of Toronto, who was the Legal Research Foundation Fellow for 2002; Sir Peter North, former Vice-Chancellor of Oxford; and Harry Arthurs, a former President and Vice-Chancellor of York University, Ontario.

The Faculty and Davis Law Library received external financial support from mainly professional sources. Among these were renewed support from Chapman Tripp for the Chapman Tripp Research Scholars scheme and the upgrading of the computer facilities in the Bell Gully Computer Laboratory.

Auckland Consortium for Theological Education

Negotiations between the University and the four theological colleges teaching theology on its behalf reached a satisfactory conclusion and a revised memorandum of agreement setting up a new School of Theology was signed on November 22.

Dr Elaine Wainwright has been appointed Professor of Theology and Head of School. When she takes up her appointment in early January 2003, the School will be established, and the teaching of theology on behalf of the University by the Auckland Consortium for Theological Education (ACTE) will come to an end after 12 years. At that point also, the position of Dean of ACTE (and Honorary Dean of Theology, University of Auckland) will be disestablished, and Professor Emeritus David Richmond, the incumbent, will retire.

Peter Dormon, previously the University's internal auditor, has been appointed Registrar of the School. He replaces Claire Morrison who served in that role for nearly eight years.

The 2002 academic year saw the graduation of two PhD, seven Master of Theology, 33 Bachelor of Theology and seven Graduate Diploma (Theology) students.

Dr Tim Bulkeley was awarded the Distinguished Teaching Award in Theology for 2001 at a ceremony held in August 2002.

As in past years, members of the academic staff have assisted Sia'atoutai Theological College in Tonga with the grading of student dissertations on a variety of subjects. Ten were graded this year. Both the Principal, the Rev Dr 'Ahio, and Deputy Principal, Dr Sandy Yule, of Sia'atoutai visited New Zealand to discuss the ongoing relationship between Sia'atoutai and Auckland once the new School has been established.

In addition to the representatives from Sia'atoutai College, another distinguished visitor was Professor Daniel Smith-Christopher from Loyola Marymount University, Los Angeles. Members of the academic staff contributed to research in theology with the publication of three authored books, one edited book, ten book chapters, four papers in journals and 28 other publications.

University of Auckland at Manukau Programme

In 2002 four degrees were available for study in The University of Auckland at Manukau Programme, delivered on the campus of the Manukau Institute of Technology. These were the Bachelor of Arts, Bachelor of Business and Information Management, Bachelor of Education (Teaching) and Bachelor of Visual Arts. Enrolments at Manukau rose from 396 EFTS in 2001 to 430 EFTS.

The first students from the new Bachelor of Visual Arts graduated at the autumn graduation ceremony.

The BEd (Teaching) degree offered third-year courses for the first time. This degree focuses on teaching in diverse urban schools and has a significant Maori and Pacific Islands enrolment. Dedicated staff are located at Manukau Institute of Technology to teach in the degree, which provides a major in Education, courses in English, Mathematics and Science, and Teaching Studies and Professional Practice taught in partnership with The University of Auckland Schools Consortium.

Second-year courses were offered in the BBIM for students majoring in Accounting and Information Management.

The University's Woolf Fisher Research Centre, which focuses on developing education and schooling success within South Auckland communities, is located at the Manukau Institute of Technology.

The University has discussed with Manukau Institute of Technology and the Manukau City Council the further provision of tertiary education programmes in Manukau City.



The BEd (Teaching) degree ... focuses on teaching in diverse urban schools and has a significant Maori and Pacific Islands enrolment.

TEACHING AND RESEARCH REPORTS (CONTINUED)

The University of Auckland Tamaki Campus

During 2002 the Tamaki Campus master plan was finalised and approved by the University Council. The master plan is the basis for the University component of an Auckland City-led district plan change, and it seeks to make the vision of an interdisciplinary, postgraduate and research-intensive campus a physical reality. A joint University of Auckland and Auckland City Planning Group is facilitating the implementation of the master plan. The University is also part of the Tamaki Edge Planning Group established by Auckland City to co-ordinate the development of the district surrounding the campus, described as the largest urban redevelopment in New Zealand.

Major building projects under way at the campus include the School of Population Health, the Engineering and Science Research Centre including the Research Centre for Advanced Composite Materials, and the Landcare Research Ltd 'Super Green Building'. The construction of the latter incorporates the set of sustainability principles imbedded within the master plan, while the arrival of the School of Population Health in 2003 will be the most significant single development for the campus so far.

Three University-External Partner Clusters based on research, teaching, clinical and community relations were negotiated in 2002: the Environmental Cluster including Landcare Research Ltd, MAF Biosecurity and University personnel will include about 100 scientific staff; the Education in the Community Cluster, based on Ministry of Education Group Special Education, is expected to bring 60 external professionals to the campus; and the Centre for Advanced Composite Materials will involve Forest Research Ltd and private sector partners.

EFTS taught at the campus increased by nine per cent in 2002, with the major growth being in computer-based programmes in Bachelor of Business and Information Management (BBIM) and in Computer Science. EFTS are expected to increase by 23 per cent in 2003 when several new postgraduate programmes (Wine Science, Clinical Psychology, Speech Language Therapy, Applied Behaviour Analysis) will start.

A Tamaki Campus Communications Plan 2002-2005 has been developed for potential co-locators, students and staff. A series of print and radio advertisements ran during the year, a prospectus was produced and circulated, and a new website is under development. The development of excellent relations with the local community was seen as a priority in 2002 and a Campus Community Forum has been established that includes 12 representatives each from the community and campus academics.

A number of important new research projects progressed at Tamaki in 2002, including a collaborative project with CERN, the European Laboratory for Particle Physics near Geneva. The existing research programmes include Image Technology and Robotics, Exercise Science, Biodiversity and Biosecurity, Biostatistics and Health Psychology as well as several others.

The installation of the Charlotte Fisher sculpture 'Fathom' was another highlight of the year.

University of Auckland Developments

University of Auckland Developments (UAD) completed its first year of operation in 2001. UAD was created to 'broaden the University's interaction with the research, business and industrial worlds' thereby enabling the University to achieve its goal of becoming a key source of the innovation and discovery needed to create economic wealth for New Zealand.

Key projects in 2002 involved further extension of The ICEHOUSE concepts, various projects associated with the economic development of Auckland including participation in Competitive Auckland and the Auckland Regional Economic Development Strategy, support for the foundation of various centres and institutes, and the organisation of the Leadership Forum for February 2003, which focuses on leadership across all sectors of New Zealand economy and society.

Auckland UniServices Ltd

Despite a difficult international environment in 2002, Auckland UniServices Ltd's revenues grew by 27.8 per cent over 2001 to \$55.9 million. This amounted to about 12 per cent of University income and over half of all external research revenues. This figure is four to five times the proportion of commercial activity of the acknowledged research leaders in the United States. In 2002, Auckland UniServices Ltd contributed \$15.1 million directly to the University. This funding was applied through salary reimbursement (\$1.7 million), scholarships (\$0.7 million), surpluses from projects (\$1.3 million), equipment donation (\$1.6 million) and occupancy costs (\$5.3 million). The company also provided support to the International Research Institute for Indigenous and Maori Education, the Clinical Trials Research Unit, the Liggins Institute, the Auckland Cancer Society Research Centre, the University's Bioengineering Institute and the Alcohol and Public Health Research Unit. In addition to researchers employed by the University, Auckland UniServices Ltd employed directly a further 507 research staff.

Auckland UniServices Ltd again recorded growth in the commercialisation of intellectual property, filing 36 new patents, up from 30 the previous year. During the year, 36 new technologies were licensed to 24 partners, of which 12 were New Zealand companies. Significant deals included a licensing contract with Melbourne-based biotechnology company, Metabolic Pharmaceuticals Ltd. Auckland UniServices Ltd negotiated to undertake clinical trials on a new vaccine to end New Zealand's group B meningococcal disease epidemic, part of a \$187 million Government programme.

Auckland UniServices Ltd further developed commercial educational services, including the First-time Principals Programme and the Assessment Tools for Teaching and Learning programme. With the National Heart Foundation, Auckland UniServices Ltd funded the STOMP clinical trial, using mobile phone text-messaging services to help young smokers quit. In October, Auckland UniServices Ltd announced the opening of the Light Metals Research Centre.



Despite a difficult international environment in 2002, Auckland UniServices Ltd's revenues ... amounted to about 12 per cent of University income and over half of all external research revenues.

Auckland UniServices Ltd formed an unincorporated joint venture, Lactopharma, with Fonterra, to discover and develop human health bioactives in milk. Other companies launched involving UniServices Ltd include EndocriNZ Ltd, FastStarts Ltd and Cecil Ltd.

The year 2002 again saw increased activity with almost every faculty involved in Auckland UniServices Ltd projects. Faculties contributing the most income were Medical and Health Sciences (51.5 per cent), Arts (28.3 per cent), Science (7.7 per cent) and Engineering (6.8 per cent).

STATEMENT OF SERVICE PERFORMANCE

In December 2001, The University of Auckland published its statement of objectives for 2002, 2003 and 2004. In the year 2002, the University worked towards meeting these objectives in order to support its mission statement to be 'a research-led, international university, recognised for excellence in teaching, learning, research, creative work, and administration, for the significance of its contributions to the advancement of knowledge and its commitment to serve its local, national and international communities'. The achievements and highlights of the year follow.

Teaching and Learning

Goal

To ensure that The University of Auckland is a university of high international standing recognised for the quality of its undergraduate and postgraduate education.

Objectives

- Promote strong disciplinary studies and encourage innovative interdisciplinary programmes.
- Assure improvement in the quality of departments and programmes through a regular programme of reviews.
- Retain a core commitment to research-based teaching and enhancing scholarship.
- Evaluate effectiveness of teaching and assessment practices.
- Improve the University's overall pass rates for undergraduate students.
- Maintain the ratio of postgraduate to undergraduate students, as measured in EFTS.

Achievements and Highlights

- Six new qualifications were introduced, including two degrees, two diplomas and two certificates, and 14 new subjects and interdisciplinary programmes.
- The Institute of Education, a joint initiative to build a centre of excellence in educational research and teacher education, was launched by The University of Auckland and the Auckland College of Education.
- The University entered into a Partnership for Excellence with the Government to develop the Business School.
- Two University of Auckland students, Juliet Tompkins and Alexander Fala, were awarded Rhodes Scholarships.
- The Schools of Biological Sciences and Music and the Departments of Chemical and Materials Engineering, Philosophy, and Economics were reviewed. There were 13 reviews of academic programmes that produced their first cohort of graduates. The Faculty of Arts reviewed the teaching of languages.

- After several years of steady growth, the use of the CECIL Learning Management System increased in excess of 100 per cent from 2001.
- A Curriculum Commission reported on the University's curriculum and made recommendations to enhance the University's ability to meet its academic mission.
- A Student Life Commission reported on ways to improve the student environment and experience and the University's links with prospective students and graduates.
- A Taskforce reported on the establishment of a Postgraduate School and the enhancement of postgraduate activities.
- Maori and Pacific student pass rates were substantially increased in many of the *Tuakana* mentoring/tutoring programmes funded by a Special Supplementary Grant (SSG). Additional programmes were also run for Maori and Pacific Islands postgraduate students.
- University of Auckland Scholarships and Chancellor's Awards for Top Maori and Pacific Scholars were awarded to 74 school leavers.
- The Teaching Improvement Grants Fund was substantially increased, with 18 projects receiving funding.
- Fourteen members of the academic staff received Distinguished Teaching Awards.
- An agreement was negotiated with the Catholic Institute of Theology, Carey Baptist College, St John's Theological College and Trinity Methodist College to form a School of Theology within the University and the first Professor of Theology was appointed.
- A Certificate of University Teaching and Learning was designed for introduction in 2003.
- The University collaborated in the television pilot series *The Knowledge Breakfast*.

Performance Indicators

	2002 TARGET	2002 ACTUAL	2001 ACTUAL	2000 ACTUAL
Qualifications				
Degrees offered	78	77	75	72
Diplomas and certificates offered	60	61	59	57
Equivalent Full Time Students (EFTS)				
Ministry of Education subsidised	22,488	22,639	22,080	21,373
Private and other funding	2,500	3,340	2,258	1,559
Total EFTS	24,988	25,979	24,338	22,932
Undergraduate	20,338	20,979	19,659	18,628
Postgraduate	4,350	4,541	4,238	4,076
Non-degree programmes	300	459	441	228
Total EFTS	24,988	25,979	24,338	22,932
Departmental and School Reviews completed	8	5	9	9
Conjoint degrees				
Number of enrolments in conjoint degrees	2,950	3,001	2,850	2,632
Postgraduate percentage of total EFTS	17.4	17.5	17.4	17.8



STATEMENT OF SERVICE PERFORMANCE (CONTINUED)

Research and Creative Work

Goal

To foster and disseminate high quality research and creative work which will maintain and enhance the position of The University of Auckland as an internationally recognised, research-led university.

Objectives

- Be internationally recognised as leaders in the University's areas of strength in research and creative work.
- Increase income from external sources.
- Provide innovative high quality education at postgraduate level.
- Increase the numbers of students undertaking research programmes.

Achievements and Highlights

- During 2002, The University of Auckland was awarded funding for four Centres of Research Excellence (CoREs), under the new CoRE fund scheme administered by the Royal Society of New Zealand. In the first round of the scheme, the University was successful in its proposals for: the Centre for Molecular Biodiscovery (Director: Distinguished Professor Ted Baker), the New Zealand Centre for Mathematics and its Applications (Directors: Professors Marston Conder and Vaughan Jones), and Nga Pae o te Maramatanga (Horizons of Insight), the National Institute of Research Excellence for Maori Development and Advancement (Directors: Professor Linda Smith and Associate Professor Michael Walker). A second round was held late in 2002 and the University was successful in obtaining funding for the National Research Centre for Growth and Development (Director: Distinguished Professor Peter Gluckman).
- The University of Auckland gained 22 from a total of 87 Marsden Fund Awards made in 2002, the highest number allocated to any institution in the country for the second year running. The total funding allocated to The University of Auckland was \$8.7 million, some 23.7 per cent of the total awarded.
- Professor Peter Schwerdtfeger FRSNZ, of the Department of Chemistry, was made a James Cook Research Fellow by the Royal Society of New Zealand. The fellowship was awarded for his research on the search for electroweak effects in molecules. During 2002, five of the 10 James Cook Fellows were from The University of Auckland.

- Associate Professor Pat Browne of the Geothermal Institute was elected as a Fellow of the Royal Society of New Zealand. Election as a Fellow is an honour conferred only after a very rigorous selection process which demands a high level of excellence in research achievement.
- Professor Xiao Dong Chen (Food and Process Engineering) was awarded the prestigious Cooper Medal of the Royal Society.
- Associate Professor Simon Malpas (Physiology) was awarded the Arthur Guyton Award for Excellence in Integrative Physiology from the American Physiological Society in 2002. This award was made for his analysis of the mechanisms by which the brain controls blood pressure.
- Dr Deborah Young, Senior Research Fellow at the Department of Molecular Medicine and Pathology, was one of three recipients of the Sir Charles Hercus Health Research Fellowship, awarded by the Health Research Council of New Zealand. She received the award for groundbreaking research using genetically modified vectors to unlock the causes of Alzheimer's and Huntington's disease.
- Revenue earned by the University from externally-sponsored research projects reached \$41.4 million. Research revenue from Auckland UniServices Ltd was \$55.9 million, giving total research revenue of \$97.4 million.
- The value of new research grants and contracts won was \$156.9 million, \$90.5 million from the Research Office and \$66.4 million from Auckland UniServices Ltd.
- Auckland UniServices Ltd entered into a joint venture with Fonterra to form Lactorpharma, which was awarded \$2 million per year for seven years from the Foundation for Research Science and Technology. The joint venture was one of four Research Consortia funded in the first round of the new Consortium initiative of the Foundation for Research, Science and Technology. Lactorpharma is engaged in new fundamental research on bone growth, the treatment of inflammatory diseases and cancer, and the discovery of bioactive compounds leading to new treatments and nutraceuticals.

Performance Indicators

	2002 TARGET	2002 ACTUAL	2001 ACTUAL	2000 ACTUAL
Postgraduate EFTS				
Taught postgraduate EFTS	2,820	2,907	2,595	2,471
Research-based postgraduate EFTS	1,530	1,634	1,643	1,605
Total postgraduate EFTS	4,350	4,541	4,238	4,076
Research postgraduate to total postgraduate percentage	35.2	36.0	38.8	39.4
Research grants awarded from external sources \$million¹				
University only (from external sources)	36.2	90.5	44.1	51.3
Auckland UniServices Ltd	52.5	66.4	59.5	41.8
Total	88.7	156.9	103.6	93.1
Publications and creative works²				
Books and refereed chapters in books	565	571	578	581
Refereed papers and other works and reports	4,190	4,286	4,727	4,167
Creative work	250	48	74	213
Reviews and comments	520	421	479	460

¹Includes CoRE funding.

²Non refereed publications are no longer included.

STATEMENT OF SERVICE PERFORMANCE (CONTINUED)

The University Community

Goal

To attract and retain staff of the highest quality and students who have the potential to succeed in a top-ranking university.

Objectives

- Recruit and retain staff of high quality.
- Encourage and assist staff to reach their potential in teaching, research and administration.
- Attract a diverse and academically able student body.

Achievements and Highlights

- Adjunct Professor Michael J A Brown was appointed as Special Advisor to the Vice-Chancellor and Acting Pro Vice-Chancellor (Maori) to lead the University's commitment to the Treaty of Waitangi.
- Professor John Morrow joined the University as Professor of Political Studies and has been appointed as Dean of the Faculty of Arts with effect from April 2003.
- Professors Wei Gao (Chemical and Materials Engineering), Andrew Philpott (Engineering Science), Viviane Robinson (Education), Anthony Spalinger (Classics and Ancient History), and William Wilson (Auckland Cancer Society Research Centre) were promoted to professorships. Promotion to professor recognises professorial and academic eminence at an international level.
- Professors appointed to established chairs during the year were Innes Asher (Paediatrics), Howard Carmichael (Dan Walls Chair in Physics), Nicole Coviello (Marketing and International Entrepreneurship), Cynthia Farquhar (Obstetrics and Gynaecology), Michael Findlay (Oncology), Rosalind Hursthouse (Philosophy), Michael Kalloniatis (Leitl Chair in Optometry), Bruce Melville (Civil Engineering), Alan Merry (Anaesthesiology), John Morrow (Political Studies), Margaret Mutu (Maori Studies), Zoran Salcic (Computer Systems Engineering), David Simmons (Medicine, Waikato Clinical School), James Sneyd (Applied Mathematics), and Jack Vowles (Political Studies).
- Fourteen staff received Distinguished Teaching Awards for 2001 at a ceremony held in August. They were Professor Richard Faull (Anatomy with Radiology), Associate-Professors Bakhadur Khoussainov (Computer Science) and Chris Tindle (Physics), Drs Christine Arkinstall (Spanish), Simon Bickerton (Mechanical Engineering), Tim Bulkeley (Theology), Doug Carrie (Marketing), Tracey McIntosh (Sociology), Christine Woods (Management and Employment Relations), and Graeme Aitken (Education), Neil Campbell (Law), Nuala Gregory (Elam), Mandy Harper (Biological Sciences) and Peter Smith (Management and Employment Relations).
- Four University of Auckland staff were awarded *Universitas 21* Fellowships to further their professional development at other *Universitas 21* institutions. They were Associate Professor Tony Norris (Management Science and Information Systems), Don Kerr (General Manager Operations, School of Business and Economics), Christine Berry (Graduate Centre, Student Administration), and Dr Lee Wallace (Women's Studies).
- The inaugural Vice-Chancellor's Award for distinguished contribution to the University was received by Janet Copsey, University Librarian, at the spring graduation.
- Applicants from The University of Auckland were awarded 32 out of 85 Top Achiever Doctoral Scholarships granted nationwide, the highest number of any University.
- The inaugural Orientation Welcome for students new to the University in semester two was held in July.
- The University continued to attract a demographically diverse student body. A head count of students showed that 41.8 per cent were European, 30.5 per cent Asian, 5.2 per cent Maori, 5.7 per cent Pacific Islands, 4.3 per cent came from other ethnic groups and 12.4 per cent did not state their ethnicity. Of these students 28 per cent were under 20, 38 per cent between 20 and 24, and 33 per cent were 25 or older.
- The University had a significant increase in the number of students who reported as being from secondary schools in 2002 compared to 2001. In 2002 there were 3,780 students admitted directly from secondary school, compared to 3,280 students in 2001. The number of students admitted under the Bursary entrance qualification increased from 3,310 in 2001 to 3,500 in 2002.

Performance Indicators

	2002 TARGET	2002 ACTUAL	2001 ACTUAL	2000 ACTUAL
Students (actual number)				
Domestic students	27,395	27,829	27,009	26,492
International students	2,840	3,673	2,456	1,600
Total students enrolled	30,235	31,502	29,465	28,092
Students — academic standard of Bursary students entering directly from secondary school:				
A bursary (%)	52	50	51	55
B bursary (%)	32	33	32	31
Student/staff ratio (EFTS per FTE academic staff)	15.1	15.4	15.6	14.7
Staff (FTE)				
Academic staff	1,650	1,692	1,561	1,556
General staff	1,900	1,841	1,732	1,811
Total staff	3,550	3,533	3,293	3,367

STATEMENT OF SERVICE PERFORMANCE (CONTINUED)

Equal Opportunity

Goal

To fulfil the University's equal opportunity responsibilities and to continue to give high priority to the principles and practices of equity in respect of both equal education and equal employment as set out in the Equal Opportunities Plan.

Objectives

- To recruit diverse staff, foster their abilities, and ensure employment procedures that are effective in achieving equity goals.
- To recruit and retain a diverse student body, providing research and curricular activities relevant to their needs.

Achievements and Highlights

- The proportion of male and female staff has remained the same but the percentage of women professors has increased. Numbers of Maori staff have increased slightly but this has been masked by percentile increases in other groups. Pacific Islands staff have increased both numerically and by proportion of the total staff.
- The highly successful Women and Leadership Programme expanded to three strands catering for different levels of female staff. The programme has included mentoring, workshops, seminars, panel discussions, and guest speakers.
- A Pacific Equity Audit was undertaken and recommendations are being implemented.
- A new Work, Life and Family Policy was launched, appropriate training has begun and related resources are being produced.
- The EEO database has been updated, the response rate has increased and high quality statistical data is now available for reporting.
- The pilot MATES (Mentoring and Tutoring Education Scheme) project was implemented by the University, in partnership with the Pacific Foundation for Health, Education and Parent Support. The project involves 40 University students working as mentors one-on-one with students at three Auckland secondary schools, and is to be expanded to four schools and 58 mentors in 2003.
- The Chancellor's Awards for Top Scholars (CATS) scholarships were presented to 40 students across New Zealand to assist them with University study.

- Targeted tutorials and dedicated study space are available for Maori and Pacific Islands students in all faculties.
- Foundation programmes are available for students entering the Faculties of Medical and Health Sciences and Engineering.
- Equity Advisors held a range of targeted events on campus to attract Maori and Pacific Islands students, focusing on opportunities that exist for a tertiary education in Science, Technology, Engineering, Architecture, and Medicine. Other events encourage women students to enrol in Engineering and areas in Science where they are under-represented.
- Equity Advisors promote target group student recruitment at career expos, through schools' careers evenings and school visits within the Auckland area and the North Island.
- 368 students received support from Disability Services during the year.

Performance Indicators

	2002 TARGET	2002 ACTUAL	2001 ACTUAL	2000 ACTUAL
Equal Employment Opportunities				
% Female academic staff (FTE)	38	37	37	36
% Female general staff (FTE)	60	59	59	58
% Pacific Islands academic staff (FTE)	2.4	2.0	1.6	1.6
% Pacific Islands general staff (FTE)	5.1	4.9	4.1	4.1
Comprehensive reporting of EEO plans and reports within the University	yes	yes	yes	yes
Equal Educational Opportunities				
Number of Pacific Islands EFTS ¹	1,570	1,467	1,541	1,422
Pacific Islands EFTS (% of total University)	6.3	5.0	6.4	6.3
Number of students identifying with a disability	685	791	653	697
Comprehensive EEdO plans and reports within the University	yes	yes	yes	yes

¹Note that this excludes community education and NEW START programmes.

STATEMENT OF SERVICE PERFORMANCE (CONTINUED)

Treaty of Waitangi

Goal

To acknowledge and embrace the responsibilities and obligations of The University of Auckland under the Treaty of Waitangi.

Objectives

- Recognise that all members of the University community are encompassed by the Treaty with mutual rights and obligations.
- Increase the number of academic and general Maori staff.
- Continue and enhance initiatives to retain and support Maori students.
- Recruit and provide for the learning needs of Maori students.

Achievements and Highlights

- Reporting across the University on Treaty compliance has continued with faculties providing information to support development and advancement. Liaison personnel in faculties have been identified as part of this process and have been briefed on reporting responsibilities and processes.
- With the change in research funding, greater consultation with, among others, Maori, is required and many Maori academics at The University of Auckland have been involved in the development of these research strategies.
- The key appointment of Maori staff in a number of faculties is being undertaken. Growth strategies planned for Maori are based on Maori student uptake of courses of study within faculties. Part of the planning has been to support Maori staff in upskilling in a number of areas, which has resulted in five graduating with PhDs in 2002. The inaugural National Maori Academic Excellence Awards 2002 saw five Maori PhD graduates from The University of Auckland being recognised out of the 17 awardees.
- Maori students participating in undergraduate and postgraduate courses of study continue to be represented through University committees such as the Runanga by Nga Taurua Maori (Maori Students Association) and Te Roopu Kapa Haka o Waipapa representatives. There are still disproportionate numbers of Maori students not completing qualifications. Reasons for this vary from funding issues to resource support and continue to be addressed across the University.

- The Maori and Indigenous Graduate Studies Centre (MAI) programme has continued to grow. There are in excess of 80 Maori students bridging into PhD programmes and 64 Maori enrolled in PhD programmes. Cohorts have now been established in Wellington, Waikato and Palmerston North. International cohorts are also running in Alaska, Canada, Washington State and Hawaii.
- A review of the Hineteiwaiwa Kohanga Reo organisation and management has been completed. The Kohanga Reo is an integral part of the University offering high quality childcare services to Maori staff and student children and other staff children.
- Strategies from previous years continue to be reviewed in seeking to recruit and provide ongoing support for Maori students, particularly postgraduates. Recruitment strategies include the Mentoring and Tutoring Education Scheme (MATES) and *Tuakana* programme in Science, both of which have been successful. Specific advancement has been made in the Faculty of Engineering with the creation of three new positions.

Performance Indicators

	2002 TARGET	2002 ACTUAL	2001 ACTUAL	2000 ACTUAL
Students				
Number of Maori EFTS	1,370	1,243	1,391	1,382
% Maori students (EFTS) ¹	5.5	4.9	5.8	6.1
Staff				
% Maori academic staff (FTE)	5.0	3.5	3.7	3.5
% Maori general staff (FTE)	6.5	5.2	5.2	5.2
Comprehensive reporting of Treaty Plans and reports within the University	yes	yes	yes	yes

¹Note that this excludes community education and NEW START programmes.

STATEMENT OF SERVICE PERFORMANCE (CONTINUED)

National Relationships

Goal

To build close relationships with the educational, cultural and business communities of Auckland and beyond; and develop constructive relationships with local and central government, consistent with the maintenance of institutional autonomy and academic freedom.

Objectives

- Contribute to the intellectual and cultural life of the nation and act as a critic and conscience of society.
- Work with the community and cultural organisations and institutions.
- Strengthen the relationships between the University, the professions, the media, business and industry, and encourage their involvement in University activities.
- Develop links with other tertiary educational institutions and research institutions.

Achievements and Highlights

- A study by the New Zealand Institute of Economic Research (NZIER) has found that The University of Auckland contributes \$3.1 billion a year in economic value to the Auckland region. In addition, the University brings social and cultural benefits that, although not measured in monetary terms, add to the region's vibrancy and diversity.
- A Memorandum of Understanding was signed with AgResearch, the country's largest Crown Research Institute, to collaborate in life sciences research and education.
- The University also formed a partnership with Landcare Research Ltd, under which they will build a new 'Super Green' building on the Tamaki Campus as a base for their own activities.
- The University of Auckland worked with the Auckland College of Education to form the Institute of Education, which aims to be a centre of excellence in educational research and teacher education.
- In its first year of operation, the Advancement Office worked to set standards and procedures in place to effectively seek and then administer donated funds. This includes the stewardship of all donors and potential supporters.
- Developments were made to enhance alumni relationships with the establishment of AlumniNet, an online reunion service that allows alumni to track down long lost friends anywhere in the world. It is the first such website for any New Zealand university.
- The new Business School campaign was launched and an Advisory Board of business leaders established.
- The University of Auckland Charitable Trust was registered. The Trustees are chaired by Mr Ricketts.

- Owen Glenn, a successful NZ businessman, supported the University's campaign for a Chair in Marine Science with \$500,000, as well as the use of his superyacht, Ubiquitous, for client hospitality during the Louis Vuitton races.
- Discussions are continuing with donors to fund five professorships.
- Major meetings were held in nine New Zealand cities with groups of principals concerning entry and selection to the University through the new National Certificate of Educational Achievement (NCEA) qualifications.
- Close relationships with Auckland secondary school principals were fostered. Greater involvement with schools south of the Bombay Hills was initiated by inviting selected careers teachers to the University's Teacher Update Day, and by arranging transport for school students from Hamilton, Whangarei and Tauranga to attend Courses and Careers Day in August.
- The 'Incredible Science' day, an open day for primary school students, was held in the Faculty of Science on July 1. About 5,000 children came with their families, a considerable increase on the previous year's 3,000. The Science Faculty Student Centre celebrated its official opening on the same day. The Centre aims to assist students with enrolments, course advice and planning, and other information.
- Auckland University Press had another successful year producing 19 new books, one new edition, four reprints and running a poetry festival, Seeing Voices, in August. Two books were shortlisted in the Montana Book Awards; and *Husk* by Chris Price won the New Zealand Society of Authors (NZSA) Jessie Mackay Best First Book Award for Poetry, while *Proportional Representation on Trial* by Jack Vowles et al won the Wallace Award for best book on electoral matters.
- *Whale Rider* won the People's Choice award at the Toronto Film Festival – the only award to be presented at the festival. Associate-Professor Witi Ihimaera (English) wrote the book on which the film was based and was also a co-producer. Director Niki Caro is a graduate of Elam.
- The School of Music and the Auckland Philharmonia entered a partnership called AP~SOM in October, which combines their musical expertise and talent and is designed to strengthen joint and individual musical endeavours in Auckland and throughout New Zealand.
- A conference, organised by The University of Auckland and the Screen Directors' Guild of New Zealand, held over Labour Weekend, featured the work of 16 film-makers from all over the country.
- In honour of their achievements and their contributions to their professions, community, and nation, Distinguished Alumni Awards were given to Judge Mick Brown LL.D (1992), Vincent Cheng MPhil (1979), Emeritus Professor Sidney (Ben) Gascoigne AO MSc (1937), Dr Ruth Harley MA (1975) PhD (1980), Rosslyn Noonan MA (1969), and Arthur Young LLB (1958).
- In 2002 honorary doctorates were conferred on the late Allen M. Curnow (DLitt) and Sir Graeme Davies (DEng).

Performance Indicators

	2002 TARGET	2002 ACTUAL	2001 ACTUAL	2000 ACTUAL
Community Education (Ministry of Education funded)				
Number of Community Education courses	390	421	357	314
Total EFTS funded by the Ministry of Education ¹	320	245	278	110
Total enrolments in courses	14,400	8,690	9,185	9,009

¹Includes NEW START programme.

STATEMENT OF SERVICE PERFORMANCE (CONTINUED)

Internationalisation

Goal

To maintain and develop international relationships and activities which position The University of Auckland as a top-ranking international university.

Objectives

- Recruit international researchers, scholars and students of high ability.
- Develop the relationship with *Universitas 21* and the Association of Pacific Rim Universities.
- Stabilise the number of exchange agreements with other universities to eliminate those which have only marginal contribution to the University.
- Increase the number of international students to ten per cent of the University.
- Diversify the support and resource base of the University by building active links with government agencies, international organisations and businesses, overseas foundations and alumni, and by marketing educational services internationally.

Achievements and Highlights

- International students from 100 countries worldwide enrolled at the University in 2002, representing the largest international student enrolment in New Zealand. The total international student EFTS, including full-fee paying students, exchange students and study abroad students, equalled 3,066. The number of international students was 3,673. International students represented 12 per cent of the total EFTS.
- The University awarded five international doctoral scholarships and 33 international doctoral fees scholarships. In total, 96 international students were enrolled as candidates for a PhD. Another 282 students were pursuing masters degrees and 127 were studying for postgraduate diplomas.
- The University of Auckland through its membership in *Universitas 21* has become a partner in the establishment of *Universitas Global*. *Universitas Global* will initially offer technology and business courses that are targeted at the estimated \$200 billion worldwide demand for higher education.

- The New Zealand Asia Institute hosted a series of seminars and conferences that drew in local Asian communities, government, media and the business sector. 'The Asian communities in Auckland' focused on employment and education challenges as well as political participation, and a lecture series covered the many aspects of the New Zealand-China relationship after 30 years of diplomatic relations, culminating in addresses by the New Zealand Prime Minister and the Minister of Foreign Affairs.
- The Office of the Pro Vice-Chancellor (International) and International Office established The University of Auckland International e-newsletter, a web-based comprehensive quarterly publication of internationalisation and international relations activities of the University at www.auckland.ac.nz/international.
- The International and Immigrant Students Online Survey of nearly 1,000 eligible students at the University has informed a series of recommendations to improve the services to international and immigrant students.
- The University signed eight agreements with universities in Australia, Denmark, Japan, Norway, Singapore, Sweden, Korea and Britain that will facilitate academic cooperation and collaboration and student exchanges.
- The number of fee-paying Study Abroad students increased 19 per cent from 192 to 228 students, predominantly from USA programmes.
- The University increased the number of students studying overseas at partner universities to 66. The number of exchange students from overseas universities who came to study at the University was 87.
- The International Office expanded its recruitment activities to India, Russia and Mexico as part of initiatives to diversify the source countries for international students.
- The University hosted 64 visits from international delegations, leading academics and diplomats from countries such as France, Belgium, China, Korea, Iran, Japan, Scotland, Sweden, India, Israel, Malaysia, South Africa and Samoa.

Performance Indicators

	2002 TARGET	2002 ACTUAL	2001 ACTUAL	2000 ACTUAL
International Students				
Full fee paying (not Ministry subsidised)	2,250	3,222	1,932	1,181
Study abroad students (incoming)	140	228	192	173
Exchange students (incoming)	50	87	51	45
Research postgraduate and other	400	136	281	201
Total students	2,840	3,673	2,456	1,600
Total international EFTS	2,150	3,066	2,039	1,328
Exchange agreements with other universities	80	72	64	48

STATEMENT OF SERVICE PERFORMANCE (CONTINUED)

Organisation, Management, Infrastructure and Resources

Goal

To ensure that the academic aims and activities of the University are enabled and supported by the highest quality management and administrative processes, practices and policies.

To optimise the use of the University's infrastructure and resources by flexible, innovative approaches which serve the best interests of the University, the staff, the students and the community.

Objectives

- Ensure that the University's organisational structures and management processes provide high quality policy recommendations and promote sound and timely decision-making.
- Refine the budget and planning process instituted in 2001 to ensure the University's planning and commitments are aligned with its goals and with the priorities set by the Council.
- Maintain and develop quality collections, libraries, archives, technology and information services to support the teaching, learning, research and creative work of the University.
- Implement efficient and effective enterprise information systems.
- Manage the IT resources of the University to gain the maximum synergy and effectiveness between systems while ensuring the integrity of the data and systems.
- Develop campuses which are environmentally friendly and safe, and buildings which are equipped and maintained to the best modern pedagogical standards.

Achievements and Highlights

- The PeopleSoft Student Administration System, nDeva, was fully utilised during 2002, providing more comprehensive information and enrolment flexibility.
- The PeopleSoft Financials migration to the web-enabled version 8.4 continued and is on schedule for implementation in the first quarter of 2003.
- Further refinements were made to the planning and budgeting processes, with greater emphasis on monthly financial forecasting, resulting in a higher degree of overall financial management.
- ITSS, the University's enterprise IT group, was restructured to improve efficiency and effectiveness.
- A full review of the Information Technology business continuity plans was undertaken, and improved back-up systems were introduced.
- The Information Technology Strategy and Policy

Committee introduced many new IT policies, particularly in the security area. A University IT Strategy has been commenced, with completion due mid-2003.

- The efficiency of the network infrastructure was improved.
- Significant enhancements were made to the capacity and availability of computer servers hosting the University's major applications.
- The University Portal became operative to enhance access to information.
- Staff members were provided with on-line access to personal pay and leave information through hrConnect.
- An interim Information Commons was established, and IT support for the new Kate Edger Information Commons building planned.
- The University Library's collection was substantially enhanced by spending \$5.8 million on purchasing electronic resources, both e-books and e-journals. The University Library also acquired the unique and extensive Western Pacific Archive from the British Government.
- The external relations database, managed by the Advancement Office, was integrated into the PeopleSoft System. The University Alumni have now reached 95,000, and much work is done to keep up to date with contact details.
- The PeopleSoft Advancement module was put in place with training given to enable Development staff to effectively manage their prospects and track all activity.
- The updating of the master plan for the Tamaki Campus was completed during 2002 and good progress was made on preparation of a master plan for development of the Elam sector of the City Campus.
- Major capital projects completed during 2002 included:
 - Library Building Alterations
 - Thomas Building Refit - Stage 4
 - HSB/Arts 1 Covered Ways
 - Chemistry Building Refit - Levels 7 and part 6
 - Science Student Centre
 - Chemistry Building Foyer Upgrade
 - Architecture Studios HVAC and Lighting
 - FMHS Buildings Steam Supply
 - International House Bathrooms
 - 132 Hurstmere Road Fitout
 - Tamaki Fences and Gates
 - Tamaki Siteworks 2001/2002
- Substantial progress was made during the year on construction of the following major building projects:
 - Student Amenities Complex
 - Science Building 303 Extension
 - Engineering Atrium and Lecture Theatre
 - Engineering and Science Research Centre at Tamaki
- Major maintenance projects completed during 2002 included:
 - O'Rorke Hall Renovations
 - Pool Seminar Rooms Renovation
 - Upgrading of Schindler Lifts

Performance Indicators

	2002 TARGET	2002 ACTUAL	2001 ACTUAL	2000 ACTUAL
Operating costs per EFTS (Teaching & Research) (\$/EFTS)	11,378	11,411	10,682	10,291
Implementation of scheduled PeopleSoft system	yes nDeva Enterprise data base	yes nDeva Enterprise data base	yes nDeva On-line admissions	yes nDeva On-line admissions
Library resources				
Total printed volumes (000's)	1,810	1,834	1,743	1,731
Serial titles (electronic)	8,500	45,915	43,270	29,342
e-books	4,000	10,231	5,839	-

STATEMENT OF SERVICE PERFORMANCE (CONTINUED)

Financial Performance

Goal

To ensure the University's financial resources are prudently and efficiently managed within normal performance limits for tertiary academic institutions.

Objectives

- Improve the University's net revenues, optimising and diversifying existing revenue streams, developing potential revenue, and ensuring the effectiveness of all expenditures.
- Meet or exceed the key financial indicators as agreed with the Ministry of Education.

Achievements and Highlights

- Overall Operating Revenues increased by \$44 million. Increases were recorded in all categories of revenue, with the main increases derived from Tuition Fees at \$20 million (predominantly resulting from increases in International Student Fee income), Research income up by \$10.4 million, and Service income up by \$4.4 million.
- Operating Surplus of \$11.6 million was \$1.0 million ahead of budget and up on 2001 by \$1.6 million.
- Operating Cash Flow of \$69.3 million was ahead of 2001 by \$11.4 million.
- Performance against Ministry of Education key financial indicators;

	MoE Target Band	Actual Achieved
Operating Surplus as % of Revenue	3%-4%	2.5%
Return on Assets	1.75%-2.25%	1.4%

Performance Indicators

	2002 TARGET	2002 ACTUAL	2001 ACTUAL	2000 ACTUAL
Financial measures (\$millions)				
Operating surplus	10.6	11.6	10.0	9.1
Net cash flows from operating activities	53.7	69.3	57.8	55.5
Net equity	654	709	644	627
Liquidity measures				
Cash inflow as a per cent of cash outflow (from operations)	114.0	117.5	116.1	117.1
Debt:equity (Total liabilities as a % of total equity)	18.0	19.8	17.7	15.9
Investment				
Fixed assets per EFTS (\$ per EFTS)	28,850	28,955	26,715	26,793

Statement of Resources

Buildings

	2002 ACTUAL	2001 ACTUAL	2000 ACTUAL	1999 ACTUAL
Gross area of University buildings (m²)	376,721	374,555	372,722	370,689

There are a total of 149 (in 2001 there were 152) buildings across all campuses, which are included in the Statement of Financial Position. In addition, the University leases space in 21 buildings (17 in 2001).

Land

The University is responsible for a total land area of 176.8ha (176.9 in 2001). This includes 19.9ha (22.8ha in 2001) on the City Campus, 32.2ha (32.2ha 2001) at the Tamaki Campus and 122.0ha (122.0ha 2001) at the Leigh Marine Research Laboratory and various bush reserves.

Within the total land area is 107.1ha (107.1 2001) of land owned by the Crown and valued at \$45 million.

Library Resources

	2002 ACTUAL	2001 ACTUAL	2000 ACTUAL	1999 ACTUAL
Collections:				
Books	1,275,251	1,193,402	1,196,664	1,166,195
Serials (volumes)	558,877	549,448	534,732	524,804
Total printed volumes	1,834,128	1,742,850	1,731,396	1,690,999
Serials (print titles)	28,400	27,804	23,939	21,059
Other Items:				
Electronic serials	45,915	43,270	29,342	4,111
Electronic books	10,231	5,839	-	-
Microfilms	345,918	343,328	341,061	333,478
Sound recordings	10,717	8,950	8,544	8,357
Visual recordings	6,273	5,290	4,684	4,387
Cartographic materials	49,542	53,636	55,246	54,900
Graphic materials	44,014	43,915	43,872	43,617
Slides and multimedia	40,138	40,106	40,063	40,046
Computer files	5,021	4,150	3,612	3,061
Archives and manuscripts (metres)	2,439	1,677	1,675	1,671
Services:				
Loans:				
Books and periodicals	681,831	681,809	723,941	763,094
Desk copies	237,151	288,743	311,238	331,665
Total	918,982	970,552	1,035,179	1,094,759
Reservations	91,462	84,616	69,577	76,017
Interloans:				
Items borrowed from other libraries	18,139	18,130	24,116	26,385
Items lent to other libraries	19,366	14,651	14,620	15,713
LEARN visits¹	2,623,068	1,309,498	-	-

The University has 16 (18 in 2001) separate libraries on three campuses and an off-campus storage facility. During semesters, the General Library is open for an average of 99 (99 in 2001) hours per week. The larger divisional libraries are open for 80-85 hours per week during the year. There are 2,859 (2,889 in 2001) reading spaces available in the system, of which 1,360 (1,213 in 2001) are in the General Library, and 1,499 (1,676 in 2001) in the divisional libraries. There are also 315 computer workstations. The General Library has a total shelving capacity of 25,915 metres (21,733 metres in 2001), with a further 38,214 metres in the divisional libraries and off-site storage.

¹LEARN visits - previous counts have been for 'hits' rather 'visits'. Redesign of LEARN in 2002 has meant that this figure is no longer meaningful and the number of 'visits' has been reported instead.

FINANCIAL STATEMENTS 2002

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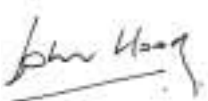
STATEMENT OF RESPONSIBILITY BY COUNCIL AND MANAGEMENT

for the year ended 31 December 2002

- 1 The Council and Management of The University of Auckland accept responsibility for the preparation of the Financial Statements and the judgements used in them.
- 2 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.
- 3 In the opinion of the Council and Management of The University of Auckland, the Financial Statements for the year ended 31 December 2002 fairly reflect the financial position and operations of The University of Auckland.
- 4 The Council of The University of Auckland has reviewed these Financial Statements and by resolution approved these Financial Statements for issue at its meeting of 17 March 2003.



Chancellor
John Graham



Vice-Chancellor
Dr John Hood



Director of Administration
Jonathan Blakeman

STATEMENT OF ACCOUNTING POLICIES

for the year ended 31 December 2002

Reporting Entity

The University of Auckland was established by The University of Auckland Act 1961. The University had previously operated as Auckland University College (part of the University of New Zealand).

These financial statements report on the activities of The University of Auckland and its subsidiaries.

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

Measurement Base

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

Accounting Policies

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

BASIS OF CONSOLIDATION

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

REVENUE

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

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

FINANCIAL INSTRUMENTS

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

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

INVESTMENTS

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

RECEIVABLES

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

INVENTORIES

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



STATEMENT OF ACCOUNTING POLICIES

for the year ended 31 December 2002

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The University of Auckland was established by The University of Auckland Act 1961. The University had previously operated as Auckland University College (part of the University of New Zealand).

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INVENTORIES

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



STATEMENT OF CASH FLOWS

for the year ended 31 December 2002

	Note	CONSOLIDATED			UNIVERSITY	
		2002 Actual \$'000	2002 Budget \$'000	2001 Actual \$'000	2002 Actual \$'000	2001 Actual \$'000
Cash Flows from Operating Activities						
Cash was provided from:						
Government grants		183,072	181,281	165,240	183,072	165,240
Tuition fees		122,797	108,481	97,932	122,797	97,932
Dividends received		49	-	38	199	203
Interest received		6,968	3,429	7,861	5,707	6,472
Other operating receipts		152,527	137,105	145,918	97,435	98,773
Cash was applied to:		465,413	430,296	416,989	409,210	368,620
Goods and Services Tax		1,401	836	84	1,239	(132)
Payments to employees		222,257	214,113	198,148	198,650	184,402
Interest paid		162	182	-	162	-
Other operating payments		172,332	161,470	160,933	141,562	128,150
Net Cash Flows from Operating Activities	6	396,152 69,261	376,601 53,695	359,165 57,824	341,613 67,597	312,420 56,200
Cash Flows from Investing Activities						
Cash was provided from:						
Fixed assets		4,043	-	66	4,043	66
Capital contributions		7,474	-	2,434	7,474	2,434
Investments		-	8	22,239	-	22,239
Cash was applied to:		11,517	8	24,739	11,517	24,739
Fixed assets and work in progress		95,639	109,972	65,435	93,654	65,966
Investments		(674)	4	30,796	117	30,479
Net Cash Flows from Investing Activities		94,965 (83,448)	109,976 (109,968)	96,231 (71,492)	93,771 (82,254)	96,445 (71,706)
Cash Flows from Financing Activities						
Cash was provided from:						
Term Loan		-	8,113	-	-	-
Cash was applied to:		-	8,113	-	-	-
Repayment of finance lease liabilities		645	-	-	645	-
Net Cash Flows from Financing Activities		645 (645)	- 8,113	- -	645 (645)	- -
Net Increase/(Decrease) in Cash Held		(14,832)	(48,160)	(13,668)	(15,302)	(15,506)
Opening cash balance		63,924	63,924	77,188	40,413	55,678
Effects of exchange rate changes on cash		105	-	404	221	241
Closing Cash Balance		49,197	15,764	63,924	25,332	40,413
This is shown in the Statement of Financial Position as follows:						
Cash and bank		4,426	4,226	4,220	4,044	2,718
Short term investments - unrestricted		44,483	11,794	57,709	21,000	35,700
Short term investments - restricted		288	(256)	1,995	288	1,995
		49,197	15,764	63,924	25,332	40,413

The Statement of Accounting Policies on pages 47 to 50 and the Notes to the Financial Statements on pages 54 to 64 form part of and should be read in conjunction with these statements.



STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 December 2002

	Note	CONSOLIDATED			UNIVERSITY	
		2002 Actual \$000	2002 Budget \$000	2001 Actual \$000	2002 Actual \$000	2001 Actual \$000
Operating revenue						
Government grants	3	179,747	181,281	168,960	179,747	168,960
Tuition fees		116,050	105,852	96,059	116,050	96,059
Research contracts		97,365	87,396	86,962	41,418	40,623
Service income		52,443	49,151	48,044	54,585	49,639
Donations		4,031	2,130	3,549	4,031	3,549
Interest		6,754	3,231	7,549	5,493	6,159
Other income		4,031	3,586	4,923	4,093	5,534
Total operating revenue		460,421	432,627	416,046	405,417	370,523
Operating expenses						
People costs	2	248,794	237,635	229,104	224,775	209,928
Operating costs	2	155,870	141,558	140,186	125,169	113,490
Depreciation	2	44,900	42,840	36,744	44,306	36,502
Total operating expenses		449,564	422,033	406,034	394,250	359,920
Current operating surplus for the year before adjustments		10,857	10,594	10,012	11,167	10,603
Movements in Provisions	4	781	-	3	781	3
Current operating surplus for the year after adjustments		11,638	10,594	10,015	11,948	10,606
Non Operating Revenue*		126	-	2,434	126	2,434
Non Current Adjustments**		(4,617)	-	-	(4,617)	-
Net Surplus transferred to University Equity		7,147	10,594	12,449	7,457	13,040

* Non Operating Revenue is income received specifically as capital contributions toward the acquisition of assets and endowments and is not available as a contribution towards operating costs.

**Non Current Adjustments are due to the write down of expenses capitalised in prior years.

STATEMENT OF MOVEMENTS IN EQUITY

for the year ended 31 December 2002

	Note	CONSOLIDATED			UNIVERSITY	
		2002 Actual \$000	2002 Budget \$000	2001 Actual \$000	2002 Actual \$000	2001 Actual \$000
Equity at start of the year		643,607	643,607	626,678	640,707	623,187
Transferred from Statement of Financial Performance		7,147	10,594	12,449	7,457	13,040
Increase in revaluation reserve	18	51,029	-	4,480	51,029	4,480
Contribution from the Crown***		7,348	-	-	7,348	-
Total recognised revenue and expenses		65,524	10,594	16,929	65,834	17,520
Equity at end of the year		709,131	654,201	643,607	706,541	640,707

***Contribution from the Crown represents a capital injection of \$2.5 million from the Tertiary Education Strategic Change Fund and Centre of Research Excellence capital funds payment of \$4.8 million.

The Statement of Accounting Policies on pages 47 to 50 and the Notes to the Financial Statements on pages 54 to 64 form part of and should be read in conjunction with these statements.

STATEMENT OF MOVEMENTS IN EQUITY

for the year ended 31 December 2002

	Note	CONSOLIDATED			UNIVERSITY	
		2002 Actual \$000	2002 Budget \$000	2001 Actual \$000	2002 Actual \$000	2001 Actual \$000
Equity at start of the year		643,607	643,607	626,678	640,707	623,187
Transferred from Statement of Financial Performance		7,147	10,594	12,449	7,457	13,040
Increase in revaluation reserve	18	51,029	-	4,480	51,029	4,480
Contribution from the Crown***		7,348	-	-	7,348	-
Total recognised revenue and expenses		65,524	10,594	16,929	65,834	17,520
Equity at end of the year		709,131	654,201	643,607	706,541	640,707

***Contribution from the Crown represents a capital injection of \$2.5 million from the Tertiary Education Strategic Change Fund and Centre of Research Excellence capital funds payment of \$4.8 million.

The Statement of Accounting Policies on pages 47 to 50 and the Notes to the Financial Statements on pages 54 to 64 form part of and should be read in conjunction with these statements.

STATEMENT OF FINANCIAL POSITION

as at 31 December 2002

	Note	CONSOLIDATED			UNIVERSITY	
		2002 Actual \$000	2002 Budget \$000	2001 Actual \$000	2002 Actual \$000	2001 Actual \$000
Current Assets						
Cash and bank	7	4,426	4,226	4,220	4,044	2,718
Short term investments - unrestricted	7	44,483	11,794	57,709	21,000	35,700
Short term investments - restricted	7	288	(256)	1,995	288	1,995
Receivables and prepayments	8	22,095	20,507	18,809	14,237	13,736
Inventories	9	9,029	4,987	6,810	2,500	2,714
Total Current Assets		80,321	41,258	89,543	42,069	56,863
Current Liabilities						
Finance lease liabilities	11	811	-	-	811	-
Payables	12	111,419	88,841	85,429	75,138	55,357
Employee entitlements	13	8,664	9,969	8,865	7,890	8,379
Provisions	14	2,327	4,319	5,176	2,327	5,176
Total Current Liabilities		123,221	103,129	99,470	86,166	68,912
Working Capital		(42,900)	(61,871)	(9,927)	(44,097)	(12,049)
Non Current Assets						
Long term investments - unrestricted	7	1,573	1,440	1,440	2,573	2,440
Long term investments - restricted	7	15,061	15,786	15,788	14,855	15,136
Loans		328	(7,845)	275	340	(35)
Fixed assets	10	752,231	720,909	650,179	750,032	649,363
Total Non Current Assets		769,193	730,290	667,682	767,800	666,904
Non Current Liabilities						
Employee entitlements	13	14,878	14,218	14,148	14,878	14,148
Finance lease liabilities	11	2,284	-	-	2,284	-
Total Non Current Liabilities		17,162	14,218	14,148	17,162	14,148
Net Assets		709,131	654,201	643,607	706,541	640,707
Represented by:						
General equity		627,207	620,734	607,892	624,617	604,992
Revaluation reserves	18	67,217	17,158	17,158	67,217	17,158
Trust and special funds	19	14,707	16,309	18,557	14,707	18,557
Total Equity		709,131	654,201	643,607	706,541	640,707

The Statement of Accounting Policies on pages 47 to 50 and the Notes to the Financial Statements on pages 54 to 64 form part of and should be read in conjunction with these statements.

STATEMENT OF CASH FLOWS

for the year ended 31 December 2002

	Note	CONSOLIDATED			UNIVERSITY	
		2002 Actual \$000	2002 Budget \$000	2001 Actual \$000	2002 Actual \$000	2001 Actual \$000
Cash Flows from Operating Activities						
Cash was provided from:						
Government grants		183,072	181,281	165,240	183,072	165,240
Tuition fees		122,797	108,481	97,932	122,797	97,932
Dividends received		49	-	38	199	203
Interest received		6,968	3,429	7,861	5,707	6,472
Other operating receipts		152,527	137,105	145,918	97,435	98,773
Cash was applied to:		465,413	430,296	416,989	409,210	368,620
Goods and Services Tax		1,401	836	84	1,239	(132)
Payments to employees		222,257	214,113	198,148	198,650	184,402
Interest paid		162	182	-	162	-
Other operating payments		172,332	161,470	160,933	141,562	128,150
Net Cash Flows from Operating Activities	6	396,152	376,601	359,165	341,613	312,420
Cash Flows from Investing Activities						
Cash was provided from:						
Fixed assets		4,043	-	66	4,043	66
Capital contributions		7,474	-	2,434	7,474	2,434
Investments		-	8	22,239	-	22,239
Cash was applied to:		11,517	8	24,739	11,517	24,739
Fixed assets and work in progress		95,639	109,972	65,435	93,654	65,966
Investments		(674)	4	30,796	117	30,479
Net Cash Flows from Investing Activities		94,965	109,976	96,231	93,771	96,445
Cash Flows from Financing Activities						
Cash was provided from:						
Term Loan		-	8,113	-	-	-
Cash was applied to:		-	8,113	-	-	-
Repayment of finance lease liabilities		645	-	-	645	-
Net Cash Flows from Financing Activities		(645)	8,113	-	(645)	-
Net Increase/(Decrease) in Cash Held		(14,832)	(48,160)	(13,668)	(15,302)	(15,506)
Opening cash balance		63,924	63,924	77,188	40,413	55,678
Effects of exchange rate changes on cash		105	-	404	221	241
Closing Cash Balance		49,197	15,764	63,924	25,332	40,413
This is shown in the Statement of Financial Position as follows:						
Cash and bank		4,426	4,226	4,220	4,044	2,718
Short term investments - unrestricted		44,483	11,794	57,709	21,000	35,700
Short term investments - restricted		288	(256)	1,995	288	1,995
		49,197	15,764	63,924	25,332	40,413

The Statement of Accounting Policies on pages 47 to 50 and the Notes to the Financial Statements on pages 54 to 64 form part of and should be read in conjunction with these statements.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2002

1 Comparatives

The 2001 financial statement figures have been restated to conform with the presentation of financial statements adopted in this report.

While the underlying transactions have not been altered the comparatives have been restated to enable valid comparisons to be made with the current year.

2 Operating Expenses

	CONSOLIDATED			UNIVERSITY	
	2002 Actual \$000	2002 Budget \$000	2001 Actual \$000	2002 Actual \$000	2001 Actual \$000
People Costs					
Academic salaries	129,418	125,638	119,498	120,668	112,135
General salaries	89,621	87,773	82,748	74,619	71,092
Other salary related expenses	29,755	24,224	26,858	29,488	26,701
	248,794	237,635	229,104	224,775	209,928
Operating Costs					
Amortisation of intangible assets	-	6	19	-	-
Fees paid to auditors - external audit	164	139	110	143	95
- other services	276	-	70	273	32
Bad debts written off	190	50	216	126	93
Change in provision for doubtful debts	1,336	-	(6)	660	103
Council members and Directors fees	9	-	7	9	7
Interest expense	11	182	-	11	-
Interest on finance lease	151	-	-	151	-
Loss on disposal of fixed assets	1,488	-	1,580	1,488	1,580
Net foreign currency loss/(gain)	(105)	-	(404)	(221)	(241)
Prizes and scholarships	9,810	9,481	7,760	9,654	7,629
Operating lease cost - properties	6,336	6,224	5,598	6,336	5,598
- equipment	10,321	11,343	9,120	10,290	8,628
Other operating expenses	125,883	114,133	116,116	96,249	89,966
	155,870	141,558	140,186	125,169	113,490
Depreciation					
Buildings	19,600	17,354	16,969	19,600	16,969
Library collection	8,220	8,368	7,989	8,220	7,989
Equipment	16,519	17,118	11,786	15,925	11,544
Leased equipment	561	-	-	561	-
	44,900	42,840	36,744	44,306	36,502
Total Operating Expenses	449,564	422,033	406,034	394,250	359,920

3 Government Grants

	UNIVERSITY/CONSOLIDATED		
	2002 Actual \$000	2002 Budget \$000	2001 Actual \$000
EFTS Grant	172,278	176,776	164,583
Clinical Training Agency	1,935	2,018	1,898
Student stipends	1,771	1,944	1,762
Students with disabilities	3,763	543	717
Total Government Grants	179,747	181,281	168,960
4 Movements in Provisions			
(Increase)/Decrease Restructuring Provision	519	-	-
(Increase)/Decrease employee entitlement provisions	262	-	3
Total Movements in Provisions	781	-	3

5 Cost of Service Statements

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

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

The Cost of Service Summary on page 65 reconciles costs and income from significant activities to total revenue and total expenses as disclosed in the Statement of Financial Performance.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2002

6 Reconciliation of Operating Surplus and Net Cash Flows from Operating Activities

	CONSOLIDATED			UNIVERSITY	
	2002 Actual \$000	2002 Budget \$000	2001 Actual \$000	2002 Actual \$000	2001 Actual \$000
Operating surplus for the year after adjustments	11,638	10,594	10,015	11,948	10,606
Add/(less) non cash items					
Depreciation	44,900	42,840	36,744	44,306	36,502
Amortisation of research and development costs	-	6	19	-	-
Donated assets	(1,787)	(85)	(1,975)	(1,787)	(1,975)
Foreign exchange fluctuation	(105)	-	(404)	(221)	(241)
Add/(less) movements in working capital	43,008	42,761	34,384	42,298	34,286
(Increase)/Decrease in receivables	(3,286)	(1,698)	1,577	(501)	2,520
(Increase)/Decrease in inventory	(2,219)	1,823	(631)	214	36
Increase/(Decrease) in payables	18,103	(959)	9,647	11,909	6,077
Increase/(Decrease) in employee entitlements	(201)	1,104	1,571	(489)	1,414
Less items classed as investing activity	12,397	270	12,164	11,133	10,047
(Gain)/Loss on sale of fixed assets	1,488	-	1,580	1,488	1,580
Operating expenditure relating to movements in long term provisions	1,488	-	1,580	1,488	1,580
	730	70	(319)	730	(319)
	730	70	(319)	730	(319)
Net Cash Flows from Operating Activities	69,261	53,695	57,824	67,597	56,200

7 Financial Instruments

Consolidated	Weighted Average Interest Rate %	Mature within one year \$000	Mature in over one year \$000	2002 Book Value \$000	2002 Fair Value \$000	2001 Book Value \$000
Cash and bank	2.45	4,426	-	4,426	4,426	4,220
Bank deposits and bills	5.66	44,483	-	44,483	44,483	57,709
Share portfolio**	-	-	177	177	177	550
Other investments	-	-	1,602	1,602	1,602	1,542
Restricted Funds-Externally Managed Equities Portfolio	-	-	5,492	5,492	5,501	5,256
Restricted Funds-Externally Managed Bonds and Cash Portfolio	6.01	288	9,363	9,651	9,992	11,875
Total Financial Instruments - Consolidated		49,197	16,634	65,831	66,181	81,152
University						
	Weighted Average Interest Rate %	Mature within one year \$000	Mature in over one year \$000	2002 Book Value \$000	2002 Fair Value \$000	2001 Book Value \$000
Cash and bank	2.05	4,044	-	4,044	4,044	2,718
Bank deposits and bills	8.52	21,000	-	21,000	21,000	35,700
Shares in subsidiaries	-	-	1,000	1,000	1,000	1,000
Other investments	-	-	1,573	1,573	1,573	1,440
Restricted Funds-Externally Managed Equities Portfolio	-	-	5,492	5,492	5,501	5,256
Restricted Funds-Externally Managed Bonds and Cash Portfolio	6.01	288	9,363	9,651	9,992	11,875
Total Financial Instruments - University		25,332	17,428	42,760	43,110	57,989

Disclosed in the Statement of Financial Position as:

	CONSOLIDATED		UNIVERSITY	
	2002 Actual \$000	2001 Actual \$000	2002 Actual \$000	2001 Actual \$000
Cash and bank	4,426	4,220	4,044	2,718
Short term investments - unrestricted	44,483	57,709	21,000	35,700
Short term investments - restricted	288	1,995	288	1,995
Long term investments - unrestricted	1,573	1,440	2,573	2,440
Long term investments - restricted	15,061	15,788	14,855	15,136
Total Financial Instruments	65,831	81,152	42,760	57,989

Restricted investments are held for purposes specified by trust and special funds. They are not available for general University use.

** Included in the share portfolio of Auckland UniServices Ltd is a 10 per cent holding in Life FX. Auckland UniServices Ltd licenced intellectual property to Life FX relating to anatomical modelling. Life FX Networks Inc used to be listed on the US Nasdaq exchange. Life FX is now a private company, and with no liquid market for the shares, the year end value of the investment was written down to nil.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2002

7 Financial Instruments (continued)

Fair values of Financial Assets and Liabilities

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

Bank deposits and Bank bills

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

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

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

Share portfolio

Shares are held at cost.

Independently Managed Trust Fund Investments

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

Interest Rate Risk

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

Credit Risk

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

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

There is no concentration of credit risk in Receivables.

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The University has no significant exposure to currency risk.

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

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

	CONSOLIDATED		UNIVERSITY	
	2002 Actual \$000	2001 Actual \$000	2002 Actual \$000	2001 Actual \$000
Forward foreign exchange contracts	1,671	-	1,331	-

Shares in Subsidiaries

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

8 Receivables & Prepayments

	CONSOLIDATED		UNIVERSITY	
	2002 Actual \$000	2001 Actual \$000	2002 Actual \$000	2001 Actual \$000
Trade receivables	19,420	14,776	10,774	9,604
Less provision for doubtful debts	(2,982)	(1,646)	(2,184)	(1,546)
Net Receivables	16,438	13,130	8,590	8,058
Accrued interest	255	468	255	468
Prepayments	5,402	5,211	5,392	5,210
Total Receivables and Prepayments	22,095	18,809	14,237	13,736

9 Inventories

	CONSOLIDATED		UNIVERSITY	
	2002 Actual \$000	2001 Actual \$000	2002 Actual \$000	2001 Actual \$000
Raw materials	23	351	23	351
Research contracts in progress	8,420	5,934	1,891	1,838
Other work in progress	4	2	4	2
Finished goods	582	523	582	523
Total Inventories	9,029	6,810	2,500	2,714

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2002

10 Property, Plant and Equipment

	CONSOLIDATED		UNIVERSITY	
	2002 Actual \$000	2001 Actual \$000	2002 Actual \$000	2001 Actual \$000
Freehold land				
- at cost/valuation	86,896	81,828	86,703	81,828
Net Book Value	86,896	81,828	86,703	81,828
Buildings				
- at cost/valuation	435,694	425,028	435,327	424,512
- accumulated depreciation	(17,343)	(47,380)	(17,256)	(47,353)
Net Book Value	418,351	377,648	418,071	377,159
Leasehold improvements				
- at cost/valuation	14,411	7,395	13,463	6,936
- accumulated depreciation	(5,746)	(3,973)	(5,586)	(3,557)
Net Book Value	8,665	3,422	7,877	3,379
Library collection				
- at cost	139,288	133,436	139,288	133,436
- accumulated depreciation	(42,211)	(35,374)	(42,211)	(35,374)
Net Book Value	97,077	98,062	97,077	98,062
Works of art				
- at cost/valuation	8,850	4,148	8,850	4,148
Net Book Value	8,850	4,148	8,850	4,148
Plant and equipment				
- at cost	157,807	133,029	155,785	132,032
- accumulated depreciation	(92,033)	(81,265)	(90,949)	(80,552)
Net Book Value	65,774	51,764	64,836	51,480
Leased plant and equipment				
- at cost	3,740	-	3,740	-
- accumulated depreciation	(561)	-	(561)	-
Net Book Value	3,179	-	3,179	-
Other fixed assets				
- at cost	3,312	8,765	3,312	8,765
Net Book Value	3,312	8,765	3,312	8,765
Capital work in progress				
- at cost	60,127	24,542	60,127	24,542
Net Book Value	60,127	24,542	60,127	24,542
Total Property, Plant and Equipment				
- at cost/valuation	910,125	818,171	906,595	816,199
- accumulated depreciation	(157,894)	(167,992)	(156,563)	(166,836)
Net Book Value	752,231	650,179	750,032	649,363

All land and buildings occupied by the three campuses were revalued as at 1 January 2002. Land and building revaluations were carried out by DTZ New Zealand Ltd, Registered Valuers. Works of art have been revalued by Peter Webb Galleries Ltd as at 31 December 2002. Acquisitions since the date of revaluation are recorded at cost. Crown land with a value of \$44,998,558 is included in Property, Plant and Equipment.

11 Finance Lease Liabilities

	CONSOLIDATED/UNIVERSITY	
	2002 Actual \$000	2001 Actual \$000
Due within 1 year	811	-
Due within 1 to 2 years	886	-
Due within 2 to 5 years	1,398	-
Due in over 5 years	-	-
	3,095	-
Disclosed in Statement of Financial Position as:		
Current Liabilities	811	-
Non Current Liabilities	2,284	-
Total Finance Lease Liabilities	3,095	-

12 Payables

	CONSOLIDATED		UNIVERSITY	
	2002 Actual \$000	2001 Actual \$000	2002 Actual \$000	2001 Actual \$000
Trade payables	56,078	42,212	50,006	35,801
Revenue received in advance	10,356	8,546	10,356	8,546
Research contract obligations	44,428	33,991	14,323	10,402
Other payables	557	680	453	608
Total Payables	111,419	85,429	75,138	55,357

13 Employee Entitlements

	CONSOLIDATED		UNIVERSITY	
	2002 Actual \$000	2001 Actual \$000	2002 Actual \$000	2001 Actual \$000
Current Liabilities				
Accumulated annual leave	7,043	6,369	6,269	5,883
Retirement allowance	1,393	2,269	1,393	2,269
Long service leave	228	227	228	227
Total Employee Entitlements - current	8,664	8,865	7,890	8,379
Non Current Liabilities				
Retirement allowance	13,920	13,388	13,920	13,388
Long service leave	958	760	958	760
Total Employee Entitlements - non current	14,878	14,148	14,878	14,148

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2002

14 Provisions

	CONSOLIDATED/UNIVERSITY				
	Restructuring Provision \$000	Vice-Chancellor's University Development Fund \$000	Flexible Learning Initiatives Fund \$000	Emerging Research Areas Support Fund \$000	Total \$000
Balance 1 January 2002	2,508	1,428	305	935	5,176
Increase/(Decrease) to provision	(519)	1,973	(68)	-	1,386
Amounts incurred against provision	(1,974)	(1,738)	(158)	(365)	(4,235)
Balance 31 December 2002	15	1,663	79	570	2,327

Restructuring provision

These amounts represent committed costs in respect of voluntary severance, redundancy, and other costs associated with restructuring plans. These plans have been incorporated into budgets by Council and promulgated within the University community. These costs are expected to be incurred in the next financial year.

Vice-Chancellor's University Development Fund

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

Flexible Learning Initiatives Fund

The fund is to promote the University taking a leadership position in the creation and use of flexible learning strategies. These costs are expected to be incurred in the next financial year.

Emerging Research Areas Support Fund

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

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

15 Contingent liabilities

	CONSOLIDATED		UNIVERSITY	
	2002 Actual \$000	2001 Actual \$000	2002 Actual \$000	2001 Actual \$000
Personal grievance claims	-	50	-	50
Total Contingent Liabilities	-	50	-	50

No contingent liabilities have been identified as at 31 December 2002.

16 Operating Commitments

	CONSOLIDATED/UNIVERSITY	
	2002 Actual \$000	2001 Actual \$000
Commitments in Respect of Operating Leases		
Due within 1 year	16,548	11,475
Due within 1 to 2 years	12,046	9,624
Due within 2 to 5 years	13,401	14,277
Due in over 5 years	5,087	3,699
Total Operating Lease Commitments	47,082	39,075
Lease Commitments by type		
Properties	30,090	27,707
Equipment	16,992	11,368
Total Operating Lease Commitments by Type	47,082	39,075

17 Capital Commitments

	CONSOLIDATED/UNIVERSITY	
	2002 Actual \$000	2001 Actual \$000
Property Services projects	38,220	17,302
Other capital expenditure	2,680	3,937
Total Capital Commitments	40,900	21,239

18 Revaluation Reserves

	CONSOLIDATED/UNIVERSITY	
	2002 Actual \$000	2001 Actual \$000
Land and buildings		
Opening balance	17,158	12,523
Transferred to retained surplus on sale of revalued assets	(970)	155
Net revaluation of land and buildings	46,513	4,480
Closing Balance Land and Buildings	62,701	17,158
Works of Art		
Opening balance	-	-
Net revaluation of works of art	4,516	-
Closing Balance Works of Art	4,516	-
Total Closing Balance	67,217	17,158

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2002

19 Trust and Special Funds

	CONSOLIDATED/UNIVERSITY			
	Special Funds \$000	Endowment Funds \$000	Scholarships \$000	Total \$000
Balance 1 January 2002	2,245	9,772	6,540	18,557
Income	4,836	2,149	719	7,704
Less expenditure	(5,074)	(6,260)	(220)	(11,554)
Net surplus	(238)	(4,111)	499	(3,850)
Balance 31 December 2002	2,007	5,661	7,039	14,707

The University restricted funds disclosed in Note 7 represent the investment of Endowment Funds of \$5.661 million and Scholarships of \$7.039 million, plus \$2.443 million of Endowment and Scholarship Funds related to 2003 which are included in payables.

20 Related Parties

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

Auckland UniServices Limited

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

The value of transactions charged by the University to Auckland UniServices Ltd during 2002 was \$9.2 million (2001: \$7.7 million).

Auckland UniServices Ltd pays some salary costs and sundry expenses on behalf of the University and recharges these to the University. The value of transactions charged by Auckland UniServices Ltd to the University during 2002 was \$1.9 million (2001: \$1.4 million).

Balances outstanding at 31 December 2002 are :

1. Sundry Debtors \$557,969 (2001: \$63,656).
2. Current Account \$612,876 (2001: \$355,152) repayable within the next twelve months.
3. Sundry Creditors \$250,115 (2001: \$151,401).

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

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

Uni-Accommodation Limited

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

The balance owed by the University to Uni-Accommodation Ltd at 31 December 2002 is \$12,346 (2001: \$310,577).

COST OF SERVICE SUMMARY

for the year ended 31 December 2002

	CONSOLIDATED			UNIVERSITY	
	2002 Actual \$000	2002 Budget \$000	2001 Actual \$000	2002 Actual \$000	2001 Actual \$000
Cost of Significant Activities					
Teaching and research	242,535	240,414	227,767	242,535	227,815
Research programmes	102,828	93,129	88,251	50,906	44,708
Academic Services	91,944	87,035	81,697	88,552	79,078
Institutional Services	86,781	69,228	70,545	86,781	70,545
Total cost of significant activities	524,088	489,806	468,260	468,774	422,146
Less internal transactions	(74,524)	(67,773)	(62,226)	(74,524)	(62,226)
Total External Costs	449,564	422,033	406,034	394,250	359,920
Revenue From Significant Activities					
Teaching and research	322,952	311,079	300,904	323,791	304,726
Research programmes	111,714	105,015	91,535	58,939	44,109
Academic Services	28,839	25,948	27,336	25,621	24,613
Institutional Services	71,440	58,358	58,497	71,590	59,301
Total revenue from significant activities	534,945	500,400	478,272	479,941	432,749
Less internal transactions	(74,524)	(67,773)	(62,226)	(74,524)	(62,226)
Total External Revenue	460,421	432,627	416,046	405,417	370,523
Operating Surplus From Significant Activities	10,857	10,594	10,012	11,167	10,603

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



REPORT OF THE AUDITOR-GENERAL

To the readers of the Financial Statements of The University of Auckland and Group
For the year ended 31 December 2002

We have audited the financial statements on pages 24 to 43 and 47 to 65. The financial statements provide information about the past financial and service performance and financial position of The University of Auckland and group as at 31 December 2002. This information is stated in accordance with the accounting policies set out on pages 47 to 50.

Responsibilities of the Council

The Public Finance Act 1989 requires the Council to prepare financial statements in accordance with generally accepted accounting practice in New Zealand and fairly reflect the financial position of The University of Auckland and group as at 31 December 2002, the results of operations and cash flows and the service performance achievements for the year ended on that date.

Auditor's Responsibilities

Section 15 of the Public Audit Act 2001 and section 43(1) of the Public Finance Act 1989 require the Auditor-General to audit the financial statements presented by the Council. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and report that opinion to you.

The Auditor-General has appointed Ian Russell, of Deloitte Touche Tohmatsu, to undertake the audit.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Council in the preparation of the financial statements; and
- whether the accounting policies are appropriate to The University of Auckland and group's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with the Auditing Standards published by the Auditor-General, which incorporate the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with or interests in The University of Auckland or any of its subsidiaries.

Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion the financial statements of The University of Auckland and group on pages 24 to 43 and 47 to 65:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
 - The University of Auckland and group's financial position as at 31 December 2002;
 - the results of operations and cash flows for the year ended on that date; and
 - the service performance achievements in relation to the performance targets and other measures adopted for the year ended on that date.

Our audit was completed on 17 March 2003 and our unqualified opinion is expressed as at that date.



Ian Russell
Deloitte Touche Tohmatsu
On behalf of the Auditor-General
Auckland, New Zealand