

2005 at a Glance

~~866~~ ~~866~~

13 430	13 555
12 731	12 654
656	680
	1:18.6

495

10 304

10 799

868

987

1 855

12 654

+222

12 876

2 006

\$4.683 m

64

188

In \$ 000

82 716

71 017

19 153

14.9

17 998

553 601

6 072

Vice-Chancellor's Report

00



2005 was a year when the University of

University Mission and Vision



Whāia te matauranga
Above all, seek after learning

The University of Canterbury comprises its staff, students, graduates and alumni. The University of Canterbury Act 1961 describes the purpose of the University as existing “for the advancement of knowledge and the dissemination and maintenance thereof by teaching and research.” This is carried through to the Education Act 1989 and informs the mission of the University.

Our purpose within the international community of scholars is to advance knowledge by research; to maintain and disseminate this knowledge through teaching, publications and critical debate; to confirm outcomes through the awarding and conferring of degrees, diplomas and certificates; to serve as a repository of knowledge and expertise; and to act as critic and conscience of society.

Our purpose within the New Zealand tertiary sector is to contribute to a tertiary education system that is characterised by excellence, relevance, academic freedom and improved access for all; to work with others to enrich intellectual discourse, educational quality and research activity; and to contribute to the intellectual, cultural, social and economic life and well-being of our city, region and nation.

Our purpose as a university of Aotearoa New Zealand, acknowledging the Treaty of Waitangi in all our activities, is to respond and contribute to the educational, research and development needs and aspirations of Māori, as tangata whenua.



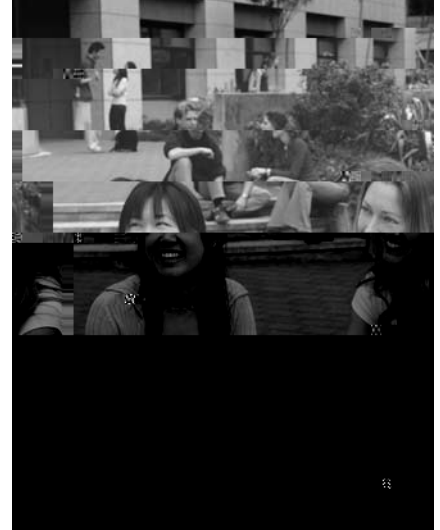
Tangata tū tangata ora
People prepared to make a difference

Since its founding the University of Canterbury and its people have made a difference locally and globally. Proud of that past, we now look to the future with fresh vision that blends the best of Canterbury tradition with the innovation necessary for success in a changing world. People are crucial to this process – people who are prepared to make a difference.

We will make a difference by the diligence we bring to our studies; the passion and rigour we bring to our teaching and research; the inclusiveness and transparency we bring to our decision-making; the pride we bring to our administrative tasks; the dedication we bring to service; and the courtesy, collegiality and respect we bring to our interactions.

We will make a difference to our city, region and nation by the quality of our graduates; the relevance and excellence of our research; the inspiration of our creative arts; the positive impact of our collaboration with others; the strength of our bonds with community, business, industry, and government; and the leadership we show in Treaty, equity and environmental issues.

We will make a difference internationally by enhancing the Canterbury tradition of world-class research and scholarship; working with selected overseas institutions; providing a welcoming destination for international students, and sending out well-equipped graduates who are prepared to make their mark on the world stage.



University Teaching Awards

Six University of Canterbury staff received 2005 Teaching Awards in recognition of outstanding teaching achievements. The recipients were Dr Ian Brooks (Management), Warwick Irwin (Computer Science and Software Engineering), Dr Simon Kingham (Geography), Andrew Maples (Accountancy, Finance and Information Systems), Associate Professor Jarg Pettinga (Geological Sciences) and Dr Jan Wkaira (Chemistry).

Canterbury Law Professor Appointed QC

Canterbury Law Professor John Burrows was one of four new Queen's Counsel appointments in 2005. It is believed to be the first time the honour has been conferred on a full-time academic. Professor Burrows graduated from the University of Canterbury with a Master of Laws (LLM) in 1964 having won the Gold Medal in Law in 1961. Professor Burrows has lectured at the University since 1967 and was made a Professor in 1974. In 2002 he was awarded the inaugural University of Canterbury Teaching Medal. His main areas of research are media law, statute law and the law of contract and he is the author or co-author of three textbooks.

Rare Major Art Honour

University of Canterbury Fine Arts lecturer Julia Morison was one of five artists who received an Arts Foundation of New Zealand Laureate Award during 2005. The award recognises artistic achievements, and is one of the more generous awards available to artists in New Zealand. Ms Morison has been exhibiting her work in galleries in New Zealand and overseas since she graduated from Canterbury University in 1975. She has already won a number of other awards, including the Frances Hodgkins Fellowship (1988) and the Moet and Chandon Fellowship (1990). Ms Morison took up the position of senior lecturer in painting at Canterbury in 1999.

Rhodes Roll of Honour

Canterbury law graduate Rosara Josep 999.

In terms of Section 42 of the Public Finance Act ~~1989~~ we hereby certify that:

- We have been responsible for the preparation of these financial statements and the judgements used therein; and
- We have been responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting; and
- We are of the opinion that these financial statements reflect fairly the financial position and operations of the University for the year ended 31 December, 2005.

I ngti kruk

Key Performance Indicators	2003 Actual	2004 Actual	2005 Estimate	2005 Actual
Income Measures				
Total Revenue	\$80.0m	\$81.5m	\$82.9m	\$82.7m
Total Revenue (Excluding State-Related Activities)	\$60.0m	\$68.3m	\$66.4m	\$71.0m
Operating Profit	\$11.4m	\$10.5m	\$16.3m	\$19.2m
Expenditure Measures				
Total Expenditure	\$100.9m	\$107.8m	\$114.6m	\$117.6m
Total Expenditure (Excluding State-Related Activities)	5.2% [3.0% FRP]	6.8% [3.0% FRP]	6.0% [3.0% FRP]	9.1%
Total Expenditure (Excluding State-Related Activities) as a Percentage of Total Revenue	60%	60%	60%	63%
Balance Sheet Measures				
Change in Net Assets (Excluding State-Related Activities)	(\$3.7m) [\$(9.1m) FRP]	\$2.4m [\$(2.7m) FRP]	\$10.4m [\$6.2m FRP]	\$16.3m
Net Assets	\$25.3m [\$23.7m FRP]	26.3m [\$27.5m FRP]	\$28.9m [\$30.8m FRP]	\$56.8m
TAMU Guideline Measures				
Operating Profit (Excluding State-Related Activities) as a Percentage of Total Revenue	\$3.4m [\$2.1m FRP] 2.0%	\$6.1m [\$4.3m FRP] 3.3%	\$7.2m [\$6.0m FRP] 4%	

Risks

- 1. Income targets as set in the Financial Recovery Plan (FRP) are not met.*
- 2. Income increases are not achieved because of changes in government funding mechanisms.*
- 3. Costs, especially staff costs, are not constrained within the Financial Recovery Plan guidelines.*
- 4. TAMU guidelines for financial performance are not met.*
- 5. Bank covenants are not met.*

Controls

The Financial Recovery Plan income target for 2005 was \$181 million. By year end this was exceeded by \$16 million.

During the year, government funding mechanisms did not alter in any way that was unexpected. The risk to income did not eventuate.

Processes have been put in place to ensure that costs are monitored on a monthly basis by the Senior Management Team. Areas of risk were identified during the year and remedial action taken where necessary. Despite this, staffing costs as a proportion of University operating expenditure in 2005 exceeded the 60% target by 2.6%.

TAMU guidelines were consistently met during the year.

All bank covenants were met during the year.

Future Budget Implications

- 1. Targeted funding will be needed to recruit additional EFTS.*
- 2. Additional costs may be incurred in meeting funding and monitoring regimes introduced by government.*

Controls

Funding was made available during the year to open, operate and staff a recruitment and liaison office in Auckland. By the end of 2005 a Liaison Officer had been appointed and the Auckland office was operating. The staff member in Auckland has already had better access to schools than had previously been the case.

Compliance continued to be a cost issue throughout the year and is now a significant budget consideration.

Key Strategic Area 2



Ensure that the University is recognised as a top research-led university

Action on the development of a University research strategy was held up pending the appointment of a new Deputy Vice-Chancellor in April. At College level, work began on developing College research plans and this was progressed during the year. At a University level, initial attention was focused on articulating high-level research goals and strategic targets. A statement on research strategic direction was included in Part A of the University's 2006-2008 Profile. Building on this, appropriate targets, goals and indicators relating to Research and Scholarship were developed for Part B of the Profile. In addition, the Research Committee made good progress during the latter part of the year on preparing a substantial redraft of the University's research plan. After ratification by College research committees and the University Research Committee, implementation of the plan will commence in 2006. While this is later than anticipated, it reflects the wish of the Deputy Vice-Chancellor that the plan has grassroots support.

Research committees are in place in each College. They are meeting regularly and have been developing College research profiles, policies, plans and resource allocation mechanisms to support and encourage research activity. Discussions have taken place with individual staff members concerning research plans and Performance-Based Research Fund (PBRF) participation. In addition, some Colleges have been working with external stakeholders to identify and prioritise support for key research themes. Strong linkages are being developed between the Research Office and College research committees. Underpinning this is a major initiative to ensure success in the Foundation for Research and Technology (FRST) funding rounds in 2006-2007. This is being led by the Deputy Vice-Chancellor and Pro-Vice-Chancellors with support from the Research Office.

The University's Performance-Based Research Fund Working Party (reconstituted as a sub-group of the Research Committee) met initially under the chairmanship of the Pro-Vice-Chancellor (Science) and developed a strategy to prepare the University for the 2006 PBRF partial round. After being approved by the Senior Management Team and the Research Committee, the strategy was formally launched by the Deputy Vice-Chancellor. Emphasis has been placed on identifying new PBRF-eligible staff and those staff whose grading could be improved. The focus has been on ensuring that such staff receive appropriate mentoring in preparing the technical and content components of their PBRF evidence portfolios. This was done at College level with assistance from Research Office staff. The University's PBRF intranet site was updated during the year, and the UC Research database, which will be used in the collection of PBRF information, was upgraded in an effort to ensure that evidence portfolios were easier to prepare. This was formalised in the second half of the year with the establishment of a PBRF project team to manage PBRF 2006. This is now well underway, led by staff based in the Research Office and will culminate in an internal assessment round for relevant staff in March 2006. Final portfolios will be submitted to the Tertiary Education Commission by 21 July 2006.

The University already has numerous inter-institutional and industry-based research links in place. These were built on and extended during the year. In conjunction with Lincoln University, the University was involved in a successful bid to the TEC Growth and Innovation Pilot Initiative scheme. Alongside this, the Deputy Vice-Chancellor has been working closely with Lincoln and Otago universities to ensure future alignment of other research portfolios and funding bids where

the Reserve Bank in the public sector. The College of Business and Economics has also been an active partner in the 'Seafood Cluster,' a consortium of South Island tertiary providers and seafood companies. The College of Engineering has been involved in working with industry partners to develop internships and relationships that will support the Partnerships for Excellence initiative.

On 12 August, the Ministry of Education announced that the University's Partnerships for Excellence bid to establish an ICT Innovation Institute had been provisionally approved. Following this, the Vice-Chancellor established a Steering Group to guide implementation of the project under the

<p> <i>Handwritten text in a cursive script, possibly representing a list or notes.</i> </p>	3	3	4	5
--	---	---	---	---

3.6 Continue to identify areas of flexible delivery need and assist the development of WebCT provision, including giving consideration to establishing an e-Learning Centre to assist this.

Following the recent review of e-Learning, a proposal for an e-Learning Centre was developed. This took account of the implications for e-Learning of the possible merger of the Christchurch College of Education with the University. Although progress with the proposal has been delayed pending the outcome of the merger, the initiative itself has been bolstered by recommendations contained in the Cycle 3 Audit report (Teaching and Learning). Plans for submitting a proposal to CUAP to jointly award a Diploma and Graduate Diploma in e-Learning developed by Canterbury Tertiary Alliance (CTA) partners have also been deferred pending the outcome of the merger proposal involving Christchurch College of Education. In other related developments during the year, consideration was given to creating online courses within the UC Opportunity programme; the Web team's planning for 2006-2008 included an emphasis on support for web-based teaching initiatives in line with the move to the flexible delivery of courses; and market research on course and degree offerings was commissioned on behalf of the College of Business and Economics. A distance learning working group is exploring courses that might be appropriate for further flexible delivery enhancement with a view to offering them in distance mode. This includes some courses in the STAR (Secondary Tertiary Alignment Resource) programme.

3.7 Extend the use of course and teaching surveys to include postgraduate exit and experience surveys.

During the year, the Postgraduate Committee considered recommendations from the 2004 Postgraduate Survey. A survey of PhD supervisors was carried out to provide a staff perspective on the supervision process and supervision workshops were organised by the University Centre for Teaching and Learning. The significance of the Postgraduate Survey was highlighted during the development of the University Postgraduate Student plan where the need to extend the survey to Masters students was recognised. Further developments from the postgraduate survey will be attended to in 2006. It is expected that course experience surveys will need to be carried out in due course at the request of the Tertiary Education Commission. Information on this is still awaited.

3.8 Enhance the University's foundation, bridging and study skills programmes in order to ensure that they are effectively meeting the needs of students, especially Māori and Pacific.

A review of the UC Opportunity English Language Centre and Bridging programmes was carried out and changes implemented to align structure and staffing to future needs and to ensure a sustainable future for the programmes. An academic review of the Foundation Studies programme was also carried out to ensure the programme continues to meet the needs of students and Colleges. Student Services embarked on a review of transition and study skills programmes to ensure that they too are meeting the needs of students and to identify gaps in provision. A computer literacy skills gap in relation to Adult Entry students has already been identified and a remedial initiative for 2006 has been explored with the Christchurch College of Education.

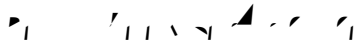
3.9 Continue to develop and implement plans for broadening the provision of adult, community and professional education through the University's Centre for Continuing Education (since renamed UC Opportunity).

The UC Opportunity Business Plan for 2005 identified eleven projects in the areas of Community Education and Professional Short Courses that addressed this target. These included: completion of the development phase of the Graduate Diploma in Management (Industry Stream), broadening the range of community education courses, reviewing the Creative Summer programme, building new linkages with universities in Asia for group study abroad programmes, and consolidating international training programmes. By year's end, most of the eleven projects had been completed satisfactorily. Those not completed were in non-critical areas or in areas where the context had changed and the projects were no longer directly relevant.

3.10 Undertake developmental work to ensure that the University's Adult and Community Education programmes are suitably aligned with ACE priorities established by government and that the University retains its share of community education funding.

UC Opportunity courses have been subject to ongoing review in order to ensure and confirm their alignment with the government's Adult and Community Education (ACE) priorities. The government's July 2005 announcement on Community Education funding confirmed that while ACE funding has been secured for 2006 (at the same level as for 2005), priorities for universities will not be agreed by Cabinet until early 2006. The Director of UC Opportunity has been a member of the reference group that has been advising the Tertiary Education Commission on ACE developments and has been involved in the drafting of ACE priorities for universities.

Key Strategic Area 4



Support the economic, social and cultural development of the region through strong collaborative and mutually beneficial links with external stakeholders²

Activities

Development of a University Stakeholder Engagement plan was deferred until 2006. A relevant strategic target to this effect has been included in Profile 2006-2008.

A meeting was held with Christchurch City Council staff on 9 February 2005 when progress with the implementation of the UC/CCC protocol was reviewed. Priorities for the year were identified. Staff members from the City Council were attending uncc m eouy .ogrg pof tou cc ol" e

Relationships with Christchurch College of Education

A main focus here has been the rationalisation of Service units with Christchurch College of Education. This progressed on schedule during the year.

Further joint academic initiatives with Canterbury Tertiary Alliance (CTA) partners were held up pending the outcome of the proposed merger of the Christchurch College of Education with the University. These academic initiatives are still on hold.

Following approval by the Councils of both institutions, the business case for the merger of the College of Education with the University was submitted to the Minister of Education. Consideration of the matter by government has been delayed, however, and a formal outcome is still awaited.

Key Strategic Area 5



By working with Māori, make a significant and sustained contribution to regional and national Māori development aspirations

A

On the advice of the Assistant Vice-Chancellor (Māori), the concept of a Treaty Advisory Committee has been placed under review. Discussions have been held with the kaiwhakahaere and chief executive of Ngāi Tahu as to the best way of further developing links and cooperation with Ngāi Tahu and Ngāi Tahu. The matter is as yet unresolved.

Sir Tipene O'Regan took up the position of Assistant Vice-Chancellor (Māori) in February. Following his arrival, plans were drawn up for holding Treaty workshops within the University. Six workshops were held during the year with members of the Council and senior managers. These were also extended to other staff within the University. In a new development, the Assistant Vice-Chancellor (Māori) and other senior University staff officially welcomed on to the campus sixty academic and general staff who had joined the University in the previous 15 months. This was done at a special powhiri in late June 2005. These developments will be built upon in 2006.

The matter of an appropriate appointment to the University Council was the subject of discussion with Ngāi Tahu during the year. With the formalities of consultation and approval completed, a nomination from Ngāi Tahu is now awaited.

Consideration of strategies to encourage and facilitate the recruitment, retention and development of Māori staff was initially held up pending the appointment of an Assistant Vice-Chancellor (Māori) and finalisation of the review of Human Resources (Centk i e! of evieheouu evyflitiubject tt C

5.6 Work with Māori to identify research programmes which will make a significant contribution to regional and national Māori development aspirations.

Work on identifying research programmes relevant to Māori began after the arrival of the Assistant Vice-Chancellor (Māori) in February and the new Deputy Vice-Chancellor in April. The matter was eventually progressed under the auspices of Te Tapuāe o Rehua. After completion of a stocktake of research of direct relevance to Māori, a meeting was held with all the Te Tapuāe partners on 5 December, 2005 to present the results. A research hui is planned for March 2006. Development of a preliminary version of a Māori research linkages plan will be attended to by a sub-committee of the Research Committee in early 2006.

5.7 Identify Māori staff with leadership potential and, in consultation and partnership, work to develop this to the mutual benefit of those staff and the University.

As with strategies to encourage and facilitate the recruitment, retention and development of Māori staff (see 5.4 above), so too the matter of identifying Māori staff with leadership potential was delayed pending the appointment of an Assistant Vice-Chancellor (Māori) and finalisation of the review of Human Resources (Central). Preliminary thought has now been given to what it will take to facilitate this. Implementation will take place in 2006.

Key Performance Indicators	2003 Actual	2004 Actual	2005 Estimate	2005 Actual
Percentage of research funding from Māori sources	1.0%	2.0%	2.0%	1.8%
Percentage of research funding from Māori sources (excluding Māori staff)	2.0%	3.0%	3.0%	2.3%
Percentage of research funding from Māori sources (excluding Māori staff and Māori research)	1.6%	2.5%	3.0%	2.2%
Number of Māori research projects funded	5	3	3	4
Percentage of Māori research projects funded	6%	4.2%	4%	5.6%
Total EFTS of Māori staff	518	479	545	575
Percentage of EFTS of Māori staff	4.7% EFTS Total	3.8% EFTS Total	4.5% EFTS Total	4.5% EFTS Total
Total EFTS of Māori staff (excluding Māori research)	34.5	35.6	38.2	36.7
Percentage of EFTS of Māori staff (excluding Māori research)	6.6% Māori EFTS	7.4% Māori EFTS	7.0% Māori EFTS	6.0% Māori EFTS
Percentage of Māori staff with leadership potential identified	66%	69%	67%	69%
Percentage of Māori staff with leadership potential identified (excluding Māori research)	65%	67%	66%	65%
Percentage of Māori staff with leadership potential identified (excluding Māori research and Māori research)	89%	89%	89%	86%

C

The risk did not eventuate. The new Assistant Vice-Chancellor (Māori) was appointed in February 2006.

lor

Key Strategic Area 6



Recruit, retain and develop high quality, motivated and enthusiastic staff at all levels who contribute to fulfilling the research, teaching, curriculum and administrative aspirations of the University

Annual Report 2005

A review of HR (Central) was carried out early in the year. The new structure was confirmed and recruitment to new positions took place. Following this, plans were developed to produce Success Profiles for roles, to review recruitment and selection processes in the light of those profiles and to develop new information packs to support these enhancements. The Success Profiles project has begun. However, the emergence of other priorities meant that further progress has had to be delayed. A new project plan was developed in light of this that will see further work carried out in 2006. In the meantime, a new interim information pack has been developed for staff.

As part of the review of HR (Central), the University's approach to organisational development was significantly reshaped. A Learning and Development Facilitator was appointed and work began on developing and implementing a new professional development programme. The first initiative in this new programme, a Leadership Development programme for Academic and Service Heads, was commenced in October. An orientation programme for new staff has also been developed and was being trialled at year's end.

A new University plan for performance management has been developed. A project leader was appointed who has been working with many areas within the University. Full implementation will take place in 2006. In the meantime, a Professional Development and Review policy has been developed and signed off.

As holder of the Equity and Diversity portfolio the Pro-Vice-Chancellor (Arts) initiated discussions with the Senior Management Team and the Equity and Diversity Advisory Committee on possible ways to improve diversity in the University.

Key Performance Indicators	2003 Actual	2004 Actual	2005 Estimate	2005 Actual
<ul style="list-style-type: none"> ▲ Total Expenditure ▲ Total Expenditure ▲ Total Expenditure 	505 149	500 156	512 120	509 171
<ul style="list-style-type: none"> ▲ Total Expenditure / Total Expenditure ▲ Total Expenditure ▲ Total Expenditure 	784 108	812 120	865 105	837 120
▲ Total Expenditure	1546	1588	1602	1637
<ul style="list-style-type: none"> ▲ Total Expenditure (% Total Expenditure) ▲ Total Expenditure (% Total Expenditure / Total Expenditure) ▲ Total Expenditure (% Total Expenditure) 	27% 54% 49%	29% 54% 49%	30% 53% 46%	29% 56% 46%
<ul style="list-style-type: none"> ▲ Total Expenditure (% Total Expenditure) ▲ Total Expenditure (% Total Expenditure) 	1.6% 0.5%	2.2% 0.6%	3% 1.0%	2.6% 0.9%

Cr

Staffing costs are the responsibility of Pro-Vice-Chancellors and Service unit Heads, and are monitored by the Senior Management Team on a monthly basis. Risk areas are identified in monthly reports to Council. The staffing target for 2005 was 60% of total spending. The actual result was

Key Strategic Area 7

7.2 Develop and implement a Postgraduate Student plan for the University which incorporates appropriate recruitment, retention and support strategies and goals for postgraduate students.

7.6 Make the necessary changes to ensure that degree and programme pathways are clearly identified and marketed to prospective and continuing students and meet their study needs.

The "Think Canterbury: Undergraduate Prospectus" was published and distributed to secondary schools in mid-February. It contained expanded course and degree information. Degree/Faculty brochures were also published and distributed to secondary schools by the end of March. These brochures had an increased focus on student profiles, subjects and career options and were available on campus for Discovery Day in March. As part of the transition to the new degree structure, all undergraduate degrees were reviewed and resulting changes were incorporated into the Course Information System database. Academic Deans were also involved in clarifying programme pathways. Course information deadlines were able to be met for the 2006 Student Handbook, which was produced nearly a month earlier than in the previous year. All course and subject pages on the University's website were updated to reflect the content of the 2006 Student Guide, which was also published ahead of schedule. Liaison presentations were updated to reflect these changes and course and undergraduate qualifications pages on the web were redesigned and updated accordingly. All school presentations were consistently branded, delivering key messages that were supported by appropriate publications. Course planning visits to schools commenced in mid-September. School visits took place nationally with the bulk of these being completed by early November. A brochure for Australian students, and information for adult students was also developed.

7.7 Develop and administer annual

It was felt that an appropriate way of achieving this target was to develop a University plan focusing on the recruitment, retention and support of Adult Students. After preliminary discussions, however, it was concluded that the content of such a plan would be dependent on the content of the Undergraduate, Postgraduate and International Student plans that were also being developed. Further work on an Adult Student plan was therefore deferred until such time as the content of these other plans became clearer. In the meantime, Student Services has put in place a number of initiatives designed to enhance the recruitment and support of adult students, including the appointment of a dedicated Adult Student Advisor, the setting up on campus of a Family House for Adult Students (Te Whare Whanau), an adult student mentoring programme, preparatory and transition programmes for adult students (as part of UC Pathways), the "50 Free Papers" programme for part-time study and an adult student orientation programme.

7.8 Develop and administer annual

Early in 2005 Student Services staff carried out a preliminary review of student satisfaction surveys currently undertaken by support services of the University. The purpose was to identify issues emerging from these surveys and to use them in framing up a student support satisfaction survey to be carried out later in the year. The survey was subsequently carried out in July with 2,626 randomly selected students. The survey produced 811 valid responses of which 475 had used one or more of the services provided by Student Services. A report that summarised the survey findings was produced in August. It is being used to fine tune the provision of student services. In the meantime, plans have been developed to carry out a comprehensive review of methods used to evaluate student experience in general and to revise these as necessary. This review will take place in 2006.

Cr

Staffing and resources have been allocated to recruiting and retaining students from under-represented groups. This is now part of the Marketing Unit's responsibilities.

Diversification of the University's international markets has been, and continues to be, a priority. Student numbers from countries outside China have doubled in the five years since 2000.

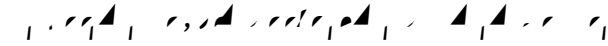
This risk did not eventuate. The University is operating within all external controls.

The need for a new degree structure and degree pathways has been a focus of Project Catalyst and the reworking of marketing efforts. It has also been a matter that has been receiving attention from the AVC (Academic). The streamlining of academic business processes took place during the year but some work still remains to be done. The risk will therefore continue through into 2006.

Ongoing support for students with disabilities is provided through a dedicated office in Student Services. There was comment from TEC in late 2005 however, that the University was not providing resources additional to those advanced by the government in this regard. The matter is receiving attention.

This has been addressed through a leasing arrangement with Campus Living. This will result in the upgrading of existing student accommodation and the addition of 500 new beds by mid-2007. This in Student Services is anticipated by more than \$10 million in accommodation and other activities.

Key Strategic Area 8



Have governance, leadership and management structures in place which will ensure the achievement of Charter and Profile goals

Strategic Target 2005

Induction sessions for new Council members were held during February and March and a Council Induction workshop was held after the April Council meeting. TEC/TAMU Development Workshops were held in April for new Council members and for Chancellors/Council chairs. Five Council members attended the first of these workshops while the Chancellor, Pro-Chancellor and one Council member attended the second. A further TEC/TAMU Development Workshop took place in August in Christchurch. Three Council members attended. Arrangements for succession planning were handled in one-on-one discussions between Council members and the Chancellor in October/November. These initiatives will now be built on in 2006.

Activities

At a meeting of the Senior Management Team on 29 November, the requirement to complete a review of the 2003-2004 restructuring was noted and a proposal to undertake the review was received from KPMG, the University's internal auditors. Senior Management Team members supported the approach outlined in the KPMG proposal and approval was given by the Vice-Chancellor for the review to proceed.

All planned reviews of Service units were carried out on schedule during the year. Strategic plans (2005-2007), Operational plans (2005) and Staffing plans (2005) were in place for most Service units by the end of February and in many cases the content of these plans formed the basis of the performance reviews of Service unit managers. A new timeframe is being implemented for Service unit planning in 2006 that will see a better integration between planning and budget setting and between planning and reporting. A consolidation of planning documents is also taking place which will see a stronger focus among Service units on operational planning and on themes of service and strategic alignment.

Enhanced reporting protocols and procedures have been put in place for Service units that report to the Chief Operating Officer. This is being done in conjunction with an increased emphasis on operational planning and on ensuring that Service units increasingly align their activities with the University's strategic direction as expressed in the Profile. These planning and reporting protocols and procedures will be extended to other Service units as necessary. Attention has also been paid to ensuring that Service unit Heads are aware of and respond appropriately to specific statutory compliance requirements that sit with their departments. This is being done in conjunction with the Policy and Risk Manager's wider task of formalising statutory compliance awareness and reporting across the University. Regular quarterly Statement of Service Performance reporting to Council took place during the year according to the pattern established in 2004.

This was done in conjunction with Strategic Target 8.4. Accountability and monitoring structures have been progressively put in place for service areas. Pro-Vice-Chancellors have begun implementing similar processes of accountability and monitoring in their respective Colleges.

ky

Strategic Target 2005

Induction sessions for new Council members were held during February and March and a Council Induction workshop was held after the April Council meeting. TEC/TAMU Development Workshops were held in April for new Council members and for Chancellors/Council chairs. Five Council members attended the first of these workshops while the Chancellor, Pro-Chancellor and one Council member attended the second. A further TEC/TAMU Development Workshop took place in August in Christchurch. Three Council members attended. Arrangements for succession planning were handled in one-on-one discussions between Council members and the Chancellor in October/November. These initiatives will now be built on in 2006.

At a meeting of the Senior Management Team on 29 November, the requirement to complete a review of the 2003-2004 restructuring was noted and a proposal to undertake the review was received from KPMG, the University's internal auditors. Senior Management Team members supported the approach outlined in the KPMG proposal and approval was given by the Vice-Chancellor for the review to proceed.

All planned reviews of Service units were carried out on schedule during the year. Strategic plans (2005-2007), Operational plans (2005) and Staffing plans (2005) were in place for most Service units by the end of February and in many cases the content of these plans formed the basis of the performance reviews of Service unit managers. A new timeframe is being implemented for Service unit planning in 2006 that will see a better integration between planning and budget setting and between planning and reporting. A consolidation of planning documents is also taking place which will see a stronger focus among Service units on operational planning and on themes of service and strategic alignment.

Project Catalyst progressed successfully during the year meeting timeline targets and budget. The first major milestone during the year was a mid-year "dress rehearsal" in August. This involved a mock-enrolment trialling new processes. Preparation for this included scoping the project modules; carrying out current-state analysis; planning and trialling data migration processes; planning and piloting a web development architecture; beginning future state analysis; and Jade SMS system configuration. Following the successful dress rehearsal, attention of the project team focused on completion of future state work; completion of a range of academic related decisions; development of a draft change proposal; carrying out data migration and configuration for the User Acceptance Testing (UAT) environment; commencement of the UAT processes; and completion of initial web applications. The JADE SMS component of Project Catalyst went live on 4 October 2005 incorporating the new 120 points per year qualification structure and changed business processes, and is operating successfully. Training has been provided for over 700 staff and operational responsibility for the new system has been handed over to Student Administration. Full testing and implementation of a disaster recovery site for the new system has been completed, and a full external security review of a new systemation is completed, and a thorough assessment of the system has been completed.

pin»

k! y review

Key Performance Indicators	2003 Actual	2004 Actual	2005 Estimate	2005 Actual
Professional Development	-	Council identifies need to formalise induction, professional development and succession processes.	Formalised processes are put in place for induction, professional development and succession.	Council induction, professional development and succession issues have been addressed.
Project Catalyst	-	Council approves contract, project team in place, training commenced.	Implementation continues, second semester enrolments captured in new system.	Project Catalyst progressed successfully during the year meeting timeline targets and budget.
Service Reviews	-	Service departments will have established processes for reviewing their functions and priorities.	The consequential effects of restructuring on service areas will have been considered.	All planned reviews of Service units were carried out on schedule.
Accountability and Monitoring	-	The need for accountability and monitoring regimes for academic and service areas is identified.	Accountability and monitoring regimes are implemented and clear delegations for staff in key leadership and management roles are developed.	Accountability and monitoring structures have been progressively developed and put in place.

Results

74% of staff have completed their induction and professional development activities.

80% of Pro-Vice-Chancellors and College Managers have completed their induction and professional development activities.

90% of staff have completed their succession planning activities.

40% of staff have completed their succession planning activities.

Comments

There is still work to be done in identifying any duplication and added efficiencies, and a review has been initiated. However, the new structures are now in place and appear to be working well.

Pro-Vice-Chancellors and College Managers are in place and are working well together. The performance of Pro-Vice-Chancellors is reviewed and managed by the Vice-Chancellor.

A start has been made on ensuring that some limited succession planning mechanisms and processes are put in place for governance and management.

Catalyst Project is on time and within budget and has been subject to external review each month. Jade SMS went live on 4 October 2005 and by the end of the year operational responsibility for the student management system had been handed over to Student Administration.

Financial Budget

The new resourcing system for Colleges and Service units is in place and the 2006 budget has been approved. Some teething issues still need to be resolved. A start was made on this in a review of the budget system that was carried out late in 2005.

Identified professional development resourcing now needs to be included in the budgets of Colleges and Service units.

Colleges

The new resourcing system for Colleges and Service units is in place and the 2006 budget has been approved. Some teething issues still need to be resolved. A start was made on this in a review of the budget system that was carried out late in 2005.

Identified professional development resourcing now needs to be included in the budgets of Colleges and Service units.

Inventory

- Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis.

Leases

- Operating lease payments, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are included in the determination of the operating result in equal instalments over the lease term.
- Leases, which effectively transfer substantially all the risks and benefits of ownership of the leased item, are classified as finance leases. These are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. The leased assets and corresponding lease liabilities are recognised in the Statement of Financial Position. The leased assets are depreciated over the period of expected benefit from the asset's use on a straight line basis.
- The University has entered into a thirty five year lease of its student accommodation facilities. Lease rental has been received in advance in 2005 and will be released as income equally over the period of the lease.

Income tax

- The University is exempt from the payment of income tax as it is treated by IRD as a charitable organisation. Accordingly, there is no provision for income tax.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies since the date of the last audited financial statements. The policies have been applied on a basis consistent with prior years.

Statement of Financial Performance

19,954,929 (2005) 00
 6,111,895 (2004) 00

	Notes	DEC-05 University & Group (\$000's)	DEC-04 University & Group (\$000's)	DEC-05 University Actuals (\$000's)	DEC-05 University Budget (\$000's)	DEC-04 University Actuals (\$000's)
OPERATING INCOME						
Government Grant		82,716	81,482	82,716	83,768	81,482
Performance-Based Research Funding (PBRF)		4,683	1,904	4,683	4,609	1,904
Student Tuition Fees Domestic Fee Paying		34,590	33,325	34,590	35,648	33,325
Student Tuition Fees Full Fee Paying		30,427	27,323	30,427	30,887	27,323
Student Tuition Fees Other		6,000	7,698	6,000	7,569	7,698
Other Student Related Fees		1,765	1,591	1,765	1,590	1,591
Student Accommodation		5,476	5,177	5,476	5,399	5,177
Research Income		14,740	8,870	14,470	14,011	8,558
Interest Income		3,295	2,304	3,245	2,933	2,252
Other Income	1	13,998	16,041	13,791	11,235	15,480
TOTAL OPERATING INCOME		197,690	185,715	197,163	197,649	184,790
OPERATING EXPENDITURE						
Personnel Expenses	2	118,321	108,365	117,578	116,225	107,811
Site & Property Costs	3	7,286	6,915	7,266	6,788	6,895
General / Operating Expenditure	4	45,521	43,219	45,243	48,979	42,881
Depreciation	5c	17,873	21,121	17,867	18,988	21,117
TOTAL OPERATING EXPENDITURE		189,001	179,620	187,954	190,980	178,704
NET SURPLUS	8	8,689	6,095	9,209	6,669	6,086

For a complete breakdown of the University's financial performance, please refer to the financial statements.

Statement of Movements in Equity

13/05/2006 to 31/12/2005 00

	<i>Notes</i>	<i>DEC-05 University & Group (\$000's)</i>	<i>DEC-04 University & Group (\$000's)</i>	<i>DEC-05 University Actuals (\$000's)</i>	<i>DEC-05 University Budget (\$000's)</i>	<i>DEC-04 University Actuals (\$000's)</i>
Balance as at 1 January		368,101	357,122	367,899	367,899	356,929
Net Surplus / (Deficit)		8,689	6,095	9,209	6,669	6,086
Movements in revaluation reserves relating to asset valuations	6b	131,312	4,884	131,312	0	4,884
Capital Issued		50	0	0	0	0
Total Recognised Income and Expenditure for the year		140,051	10,979	140,521	6,669	10,970
Balance as at 31 December		508,152	368,101	508,420	374,568	367,899

13/05/2006 to 31/12/2005 00

Statement of Cash Flows

1,000,000,000

	Notes	DEC-05 University & Group (\$000's)	DEC-04 University & Group (\$000's)	DEC-05 University Actuals (\$000's)	DEC-05 University Budget (\$000's)	DEC-04 University Actuals (\$000's)
OPERATING ACTIVITIES						
Cash provided from:						
Government Grant		82,310	79,983	82,310	83,768	79,983
Tuition Fees		70,871	67,238	70,871	74,105	67,238
Other Income		63,931	25,540	63,265	30,131	24,604
Agency Funds		4,370	5,047	4,370	0	5,047
Interest Received		3,109	2,220	3,059	2,933	2,168
Rental Income		5,476	5,177	5,476	5,399	5,177
		230,067	185,205	229,351	196,336	184,217
Cash applied to:						
Personnel Expenses		114,363	105,543	113,620	113,871	104,946
Site & Property Expenses		7,267	6,754	7,247	6,788	6,754
General / Operating Expenses		47,823	40,244	47,322	46,197	40,244
Agency Funds		4,370	5,047	4,370	0	5,047
Interest Paid		935	909	935	890	909
Net GST Movement		(895)	61	(927)	0	46
		173,863	158,558	172,567	167,746	157,946
Net cash provided by Operating Activities	8	56,204	26,647	56,784	28,590	26,271

INVESTING ACTIVITIES

Cash provided from:						
Proceeds of disposal:						
Fixed Assets		40	2	40	0	2
		40	2	40	0	2
Cash applied to:						

Notes to the Financial Accounts

2022/23 Financial Accounts

	<i>DEC-05 University & Group (\$000's)</i>	<i>DEC-04 University & Group (\$000's)</i>	<i>DEC-05 University Actuals (\$000's)</i>	<i>DEC-05 University Budget (\$000's)</i>	<i>DEC-04 University Actuals (\$000's)</i>
1 Other Income					
Donations / Koha	190	239	190	32	239
Macmillan Brown Collection	0	3,900	0	0	3,900
Rentals	1,061	831	1,061	1,034	831
External Sales	4,352	3,987	4,352	3,235	3,987
Sundry Income	8,395	7,084	8,188	6,934	6,523
TOTAL OTHER INCOME	13,998	16,041	13,791	11,235	15,480
2 Personnel Expenses					
Teaching Personnel	54,243	51,901	54,243	54,558	51,901
Non Teaching Personnel	53,867	48,786	53,204	52,551	48,298
Total Direct Personnel Costs	108,110	100,687	107,447	107,109	100,199
Superannuation	3,656	3,419	3,656	3,872	3,419
Accident Compensation (ACC)	408	375	408	380	375
Councillors' Honoraria	62	63	62	80	63
Directors' Fees	80	66	0	0	0
Other Salary Related Expenditure	6,005	3,755	6,005	4,784	3,755
Total Other Personnel Expenses	10,211	7,678	10,131	9,116	7,612
TOTAL PERSONNEL EXPENSES	118,321	108,365	117,578	116,225	107,811
3 Site & Property Costs					
Repairs & Maintenance to Property/Facilities	2,756	3,533	2,756	2,747	3,533
Electricity, Coal, Gas	3,408	2,291	3,388	2,818	2,291
Resources	618	600	618	595	600
Other Site and Property Costs	504	491	504	628	471
TOTAL SITE & PROPERTY COSTS	7,286	6,915	7,266	6,788	6,895
4 General / Operating Expenditure					
Academic Expenses	332	443	332	377	443
Advertising	1,143	1,098	1,143	1,221	1,098
Auditors Remuneration- Financial Audit	137	103	124	100	95
Auditors Remuneration- Other Services	0	5	0	0	5
Bad Debts Written Off	71	49	71	75	49
Increase / (Decrease) in Provision for Doubtful Debts	80	(24)	80	0	(24)
Consultancy / Contractors	4,528	3,698	4,528	5,070	3,698
Direct Academic Costs	4,925	4,798	4,925	5,710	4,798
Interest Paid	935	934	935	890	934
Office Equipment	3,397	3,648	3,392	3,085	3,643
Photocopying, Postage, Printing and Stationery	4,931	4,476	4,931	5,678	4,476
Rental on Operating Leases	518	431	518	580	428
Scholarships & Prizes	7,913	6,147	7,913	6,949	6,147
Travel & Conference Costs	5,518	4,961	5,500	5,336	4,943
Other General / Operating Costs	11,093	12,452	10,851	13,908	12,148

AO Td(85,uaIText<F]TJ17(xt<FEFF0009-BDC ()TjEMC 5.399 0 Td[(4,96)10(1)]TJ/Span<<

	<i>DEC-05 COST/VALN (\$000's)</i>	<i>DEC-05 ACCUM DEPN (\$000's)</i>	<i>DEC-05 NET BOOK VALUE (\$000's)</i>	<i>DEC-04 NET BOOK VALUE (\$000's)</i>
5a Non Current Assets				
UNIVERSITY				
Land at Valuation	48,574	0	48,574	34,315
Buildings at Cost	0	0	0	28,073
Buildings at Valuation	405,614	0	405,614	260,264
Plant & Equipment at Cost	81,992	55,312	26,680	25,545
Leased Equipment at Cost	2,265	1,534	731	974
Library / Other Collections at Cost	87,221	36,341	50,880	48,754
Library / Other Collections at Valuation	15,463	0	15,463	15,463
Work-In-Progress at Cost	3,770	0	3,770	6,812
TOTAL NON-CURRENT ASSETS excluding Investments	644,899	93,187	551,712	420,200
UNIVERSITY AND GROUP				
Land at Valuation	48,574	0	48,574	34,315
Buildings at Cost	0	0	0	28,073
Buildings at Valuation	405,614	0	405,614	260,264
Plant & Equipment at Cost				

7 Financial Instruments

Financial instruments in the form of fixed interest investments are subject to the risk that market values may change subsequent to their acquisition.

The University has entered into a number of forward exchange contracts that have a face value, at balance date, of \$5,738,815.

Fair Values

Financial instruments measured at fair value are categorized as follows:

<i>DEC-05 Fair Value</i>	<i>DEC-05 Carrying</i>	<i>DEC-04 Fair</i>	<i>DEC-04 Carrying</i>
----------------------------------	---------------------------------------	------------------------	----------------------------

8 Reconciliation of Net Surplus with Net Cash From Operating Activities

	<i>DEC-05</i> <i>University</i> <i>& Group</i> <i>(\$000's)</i>	<i>DEC-04</i> <i>University</i> <i>& Group</i> <i>(\$000's)</i>	<i>DEC-05</i> <i>University</i> <i>Actuals</i> <i>(\$000's)</i>	<i>DEC-05</i> <i>University</i> <i>Budget</i> <i>(\$000's)</i>	<i>DEC-04</i> <i>University</i> <i>Actuals</i> <i>(\$000's)</i>
OPERATING ACTIVITIES					
Net Surplus / (Deficit)	8,689	6,095	9,209	6,669	6,086
Add (less) non-cash items:					
Depreciation / Asset Write-offs	17,873	21,121	17,867	18,988	21,117
Donated Assets (including Macmillan Brown Collection)	(121)	(3,990)	(121)	0	(3,990)
Adjustment to Loan	(176)	0	(176)	0	0
Movement in Employee Entitlements (Non Current)	1,040	253	1,040	472	253
Add (less) movements in other working capital items:					
Accounts Payable	1,786	3,827	1,929	501	3,766
Revenue in Advance	29,366	3,866	29,366	563	3,866
Accounts Receivable	(987)	(3,513)	(1,064)	(691)	(3,815)
Inventories	(315)	(38)	(315)	1	(38)
Add (less) items classified as Investing / Financing Activities:					
Movement in Accrued Capital Expenditure	(992)	(915)	(992)	2,132	(915)
Movement in Prepaid Capital Expenditure	41	(59)	41	(45)	(59)
NET CASH PROVIDED BY OPERATING ACTIVITIES	56,204	26,647	56,784	28,590	26,271

9 Loans and Leases

Non-current Loans and Leases

BNZ Term Loan	7,000	9,000	7,000	7,500	9,000
NZ Tertiary Education Trust	0	24,100	0	23,900	24,100
Finance Leases	276	647	276	216	647
Total	7,276	33,747	7,276	31,616	33,747
Loans Payable within 1 year					
BNZ Term Loan	2,000	1,500	2,000	1,500	1,500
NZ Tertiary Education Trust	0	180	0	180	180
Finance Leases	561	447	561	451	447
Total	2,561	2,127	2,561	2,131	2,127
TOTAL LOANS AND LEASES	9,837	35,874	9,837	33,747	35,874

The University currently has a working capital multi-option facility on a seasonal basis for up to \$15m and a committed cash advance, fixed rate facility for up to \$12m.

The committed cash facility has a maturity date of 20 July 2007 and is fixed at an interest rate of 7.2%.

Annual Leave	4,214	3,435	4,177	4,078	3,415
Long Service Leave	426	445	426	448	445
Retirement Leave	17,352	16,271	17,352	16,209	16,271
Total	21,992	20,151	21,955	20,735	20,131

M8r.5584 Tm()1 Tf-53.7 -2.755 Td((M8r.5584 Tm()1 Tf-53.7 -2.755t<FEFF()1 Tf-53.7 -2.755t<FEF:BDC ()TjEMC /TlQ1 Tf-53.7 -2.3af-53.7 -2.3af-53.7 -2.3af-53.7 -2.3af-53.7

=====

12 Reconciliation of Approved Budget to Revised Budget

In May 2005, the budget was revised from the approved budget to adjust for changed student numbers and other movements.

Changes affecting the surplus were: (\$000's)

Surplus per Approved Budget 2005	7,225
Reduction in Personnel Expenses	1,983
Reduction in General / Operating Expenditure	647
Additional Interest Income	555
Additional Research Income	432
Additional 'Other Income'	258
Reduction in Depreciation	125
Reduction in Government Grant / Tuition Fees Income	(3,703)
Increase in Site & Property Costs	(853)
Revised 2005 Budgeted Net Surplus	6,669

13 Related Party Transactions

Intergroup

Dec-05
(\$000's)

Dec-04
(\$000's)

During the financial period to 31 December Canterprise Limited had the following inter-group transactions :

Agency Sales collected from University of Canterbury	20	78
Agency Payments to University of Canterbury (net of commission paid to Canterprise)	4,640	4,570
Receivable from University of Canterbury	91	75
Payable to University of Canterbury	920	927

14 Impact of the Adoption of International Financial Reporting Standards

The Director of Finance and financial accounting staff fully considered the implications of moving to a New Zealand Equivalent International Financial Reporting Standard (NZ IFRS) accounting platform.

Comparative work was initiated in January 2004 and consisted of an overview appraisal of the similarities and differences between the current accounting platform and the proposed NZ IFRS accounting platform.

Equity and Diversity

During 2004 an Equity Plan was developed for the University covering equity and diversity issues pertinent to staff and students. Formal responsibility for implementing the plan rests with the Pro-Vice-Chancellor (Arts) who holds the equity and diversity portfolio within the Senior Management Team. Following the Human Rights Act, the University recognises that there should be equality of opportunity in education and employment for all, irrespective of their backgrounds. Thus age, gender, ethnicity or any type of disability should provide no disadvantage or barrier to the appointment and professional development of k

ide tmemployment for ó sAc aneó an mper dd mamf d myblect,irb

Notes

Notes

