

AUCKLAND
UNIVERSITY
OF TECHNOLOGY

ANNUAL REPORT
2013

AUT
UNIVERSITY

Tāwhaitia te ara, o te tika, te pono me te aroha,
kia piki ki te taumata tiketike

Follow the path of integrity, respect and compassion;
scale the heights of achievement



CONTENTS

THE YEAR: 2013

Chancellor's Foreword.....	2
The Council of Auckland University of Technology	4
Vice-Chancellor's Report	5
Officers of Auckland University of Technology	9
About AUT	10
Key Facts and Figures	13
Financial Review.....	18
Statement of Responsibility.....	19
Independent Auditor's Report	20

STATEMENT OF SERVICE PERFORMANCE

Learning and Teaching	24
Research and Scholarship.....	30
Staff	34
Engagement with Communities.....	38
Continuous Development and Capacity Building	43

REPORTS

Equal Opportunities	50
Compulsory Student Services Fees	51

FINANCIAL STATEMENTS

Income Statement	56
Statement of Comprehensive Income.....	57
Balance Sheet.....	58
Statement of Changes in Equity.....	59
Statement of Cash Flows	60
Notes to the Consolidated Financial Statements.....	61

STATEMENT OF RESOURCES

Library	108
Information and Communications Technology Services	110
Land and Buildings	111

DIRECTORY

Industry Advisory Committees	114
Professorial Staff.....	116
Research Institutes.....	118

CHANCELLOR'S FOREWORD



Kia ora tātou, and welcome to the Auckland University of Technology's 2013 Annual Report. 2013 was a momentous year for AUT; both Council and the University are justly proud of the many achievements laid out in the following pages.

The year's most significant milestone came in July, when the Prime Minister announced the Government's commitment to providing tuition funding to allow expansion of the AUT South Campus to more than 4,000 EFTS by 2020. In doing so, the Government affirmed the University's vision for the Campus and acknowledged its success to date. In only four years AUT has transformed an abandoned company headquarters into a thriving campus for more than 1,200 students, founded a research programme to serve local needs, and established the Campus as a nexus for the community. These are truly remarkable achievements. However, celebrations were tempered with the knowledge that this is only the first stage of a long journey. The foundations have been well laid, and further effort and investment will be required over the coming years to fulfil the vision for the Campus – a vision that is shared by the University, the Government, and the wider Auckland community. I am confident that AUT will continue to meet the challenge at every stage.

AUT's international reputation continued to advance. The 2013 QS World University Rankings again placed AUT amongst the world's best. AUT was one of only two New Zealand universities to improve its rank, reaching the 471-480 band. The University was also honoured to receive visits from several international dignitaries, including King Tupou VI of Tonga, and Her Excellency Yingluck Shinawatra, Prime Minister of Thailand, both of whom were on their first official visits to New Zealand.

Council commends the work of staff seeking to broaden research collaborations with industry. I would like to acknowledge AUT researchers for their work to enhance successful commercial relationships which is testament to the expertise at AUT. Research teams working with industry are producing skilled graduates who

have not only gained valuable experience, but also continue to strengthen the reputation of the University with industry. Research collaborations were carried out with industry partners such as IT company Cisco, engineering company Fulton Hogan, and work with the Cloudy Bay Group was recognised at the Kiwinet Research Commercialisation Awards. These examples are discussed in more detail later in this Annual Report.

I was also pleased to be able to confer honorary doctorates on four noted individuals to acknowledge their contribution and excellence in their fields of endeavour; Sir Ronald Carter for his outstanding contribution to business, Pauline Kingi for her outstanding and sustained contribution to education and Māori advancement, and her long service to AUT in various governance roles, and Stephen Jennings in recognition of his contribution to international investment banking. Her Excellency Yingluck Shinawatra also received an honorary doctorate during her visit to AUT recognising her position as Thailand's first female Prime Minister and reflecting the value AUT places on the educational relationships it has with Thailand. Congratulations must also be extended to Professor Welby Ings, School of Art and Design, winner of the inaugural AUT University Medal, AUT's pre-eminent academic award.

University governance procedures came under scrutiny in 2013, following the release of a review by Minister for Tertiary Education Steven Joyce. The review proposed improving the efficiency of university decision-making by moving away from the current representative model and instead limiting councils to a maximum of 12 members, including four appointed by the Minister. However, the removal of mandatory representation clauses would mean that staff, students, workers, employers and professional bodies would no longer be guaranteed a place on Council. While in principle supportive of moves towards greater efficiency, Council recognises that if not handled carefully, such changes could undermine the fundamental tenets of the university system: autonomy, academic freedom, and service to

the community. It is Council's considered opinion that stakeholder and community group interests are far better represented and protected with a voice on Council. With dedicated positions for Māori and Pacific communities, and a third of Council members being women, the diversity represented through the composition of AUT's Council clearly illustrates this point. Our submission to the review panel argued strongly for a 14-member governance structure, which we have found to provide a better balance of perspectives and representative voices, while maintaining efficiency and ease of communication.

On behalf of Council, I congratulate Vice-Chancellor Derek McCormack and his executive management team for the achievements outlined in this Annual Report and I wish to thank all Council members for their invaluable contributions throughout the year. We are honoured to be associated with AUT as it extends its rich heritage of service to the local, national and international community.

A handwritten signature in black ink, appearing to read 'John Maasland', with a stylized, flowing script.

John Maasland
Chancellor

THE COUNCIL OF AUCKLAND UNIVERSITY OF TECHNOLOGY

For the year ended 31 December 2013

Chancellor	John Maasland MA, FIOD Appointed by Auckland University of Technology Council
Pro-Chancellor	Lex Henry LLB Appointed by the Minister of Education
Secretary to Council	Dr Andrea Vujnovich LLB (Hons), MSc (Hons), PhD <i>Auckland</i> General Counsel and Director of Governance
Members	Dr Pat Alley MBChB, FRACS, Dip Prof Ethics Appointed by Auckland University of Technology Council (after consultation with the Council of Trade Unions) Greg Campbell BCom (Hons) Appointed by the Minister of Education Dr Alan Cocker MA (Hons), PhD <i>Auckland</i> Elected by the academic staff of Auckland University of Technology until 30 June 2013 Filomena Davies BA (Hons), NZLSC, ALIANZA Elected by the allied staff of Auckland University of Technology until 30 June 2013 Dr Henry Duncan BSc, MS, PhD <i>UCLA</i> , Dip Tchg Appointed from the nominations of Auckland University of Technology Academic Board Kizito Essuman MEngSt, ME (Hons) Appointed by the Auckland Student Movement at Auckland University of Technology Sophie Hayman BA (Hons), PgDipArts, PGCE Elected by the allied staff of Auckland University of Technology from 1 July 2013 John Kingi Appointed by the Auckland Student Movement at Auckland University of Technology Lyn Lim LLB (Hons) Appointed by the Minister of Education Derek McCormack MSc, Dip Tchg Vice-Chancellor of Auckland University of Technology Professor Kathryn McPherson RN, RM, DipHV, BA (Hons), PhD <i>Edinburgh</i> Elected by the academic staff of Auckland University of Technology from 1 July 2013 James Schofield BCom, MSc (Econ), FCA Co-opted member Stephen Stehlin BA Appointed by Auckland University of Technology Council (after consultation with Pacific Island organisations and communities of New Zealand) Judith Thompson BSocSc, MMgt Appointed by the Minister of Education

VICE-CHANCELLOR'S REPORT



INTRODUCTION

2013 was characterised by two main themes for AUT: celebrating our successes, and looking to the future. We received a four-star rating from international quality agency Quacquerelli Symonds (QS), who again placed AUT within the world's top 500 universities. Our achievements with widening participation in Auckland were acknowledged by Government as they confirmed funding for the next major phase of student growth at AUT South Campus. The greatly enhanced research capabilities of our staff were rewarded in the Performance-Based Research Fund (PBRF) quality evaluation. The opening of the Sir Paul Reeves Building transformed the City Campus. And finally, our sustainability efforts were recognised with several awards. For the immediate future, we have our sights firmly set on further improving both our international ranking and our research performance.

We are immensely proud of our achievements at AUT South Campus to date, the graduates we have produced, and the partnerships we have established. This solid foundation now provides the basis for future expansion and it is pleasing to see the entire University community embracing the opportunity this Campus provides. In July, the Government committed funding for student growth to more than 4,000 EFTS by 2020. Prime Minister John Key attended the official announcement along with Ministers Steven Joyce and Pita Sharples; we were delighted at their warm support for the University and their commitment to improving educational access and success in the region. Now that future tuition funding is secured, AUT can expand provision in line with our plans and student demand. Attention now shifts to securing the capital investment necessary to accommodate the increased number of students.

AUT's *Strategic Plan 2012-2016* identifies the University's development objectives for five key themes: learning and teaching, research and scholarship, staff, engagement with communities, and continuous development and capacity building. I turn now to these five themes and the relevant highlights for the year.

LEARNING AND TEACHING

Enrolments remained strong for 2013, consolidating the gains made in the previous year. Postgraduate EFTS grew seven percent from 2012, an especially pleasing result given the removal of student allowances for domestic students. International EFTS also climbed four percent, as further evidence of the University's expanding international reputation. There were more than 7,100 graduates from AUT in 2013, including 250 from AUT South. A preliminary study of the first cohort of graduates from this Campus suggested that they are highly sought after, and that most found employment within the South Auckland region. The University's doctoral programme also continues its rapid expansion with more than 625 candidates and 70 graduates in 2013.

In addition to our extensive co-operative education programme, work and clinical placements, and industry internships, we were thrilled to offer nine exceptional graduates the opportunity to gain work experience in the United States as AUT's first InterNZ scholars. They will be placed at a diverse range of organisations including Play Rugby USA, The B Team, Kiwi Landing Pad, and Westpac Americas, and we will follow their experiences with great interest. The programme is the culmination of many months' work by AUT staff and the New York-based Friends of AUT Foundation.

RESEARCH AND SCHOLARSHIP

AUT is now New Zealand's top-ranked university for research in sport and exercise science, as revealed by the latest PBRF quality evaluation. This is an outstanding achievement, made possible by the investment in, and partnerships established through, the AUT Millennium Campus. Researchers have access to world-class facilities to assist high-performance athletes and promote healthy, active lifestyles to community groups and individuals. In other PBRF highlights, the University achieved a top-three placing in another five disciplines, the number of research-active staff almost doubled from the previous round, and more than a third (35%) of eligible staff received A or B ratings, up from

27% in 2006. These results testify to the rapid growth of research capacity and capability at AUT, with a doubling of the overall quality score from 2006 to 2012, and the largest increase in funding share of any university.

Through its research programmes, AUT is committed to grappling with issues that affect the lives of New Zealanders. Professor Stephen Henry developed a biosurface paint, KODE, with a large range of potential applications including cancer treatments, antidotes, neutralising toxin0073 and even combating counterfeiting. Following a deal with United States-based Emergent Technologies, KODE may become one of New Zealand's greatest science and commercial success stories.

Other highlights of the year included the world's largest clinical study of problem gambling treatments, led by Professor Max Abbott and funded by the Ministry of Health. Professor Valery Feigin also attracted international attention with his Stroke Riskometer, a smartphone app that calculates an individual's risk of stroke, and provides appropriate advice. The Riskometer is endorsed by the World Stroke Organisation and the International Association on Neurology and Epidemiology.

Professor Feigin was also invited to join a prestigious European investigation, 'Neuro-trauma effectiveness research in traumatic brain injury'. This is a large study, with up to €29 million in funding from the European Commission. Dr Andrew Ensor, School of Computer and Mathematical Sciences, was another researcher gaining international endorsement – and significant government funding. Dr Ensor was selected from a global field to lead the design phase of the Survey Correlator, an integral part of the Square Kilometre Array. The work done by his international team on big data, high performance and green computing, modelling, algorithms, and data processing will place New Zealand researchers at the forefront of global developments in these areas, yielding a range of economic dividends.

In 2013 projects with industry accounted for approximately one-third of all external research income. The NZ Work Research

Institute (NZWRI), in conjunction with the University of Melbourne, was commissioned by IT company Cisco to undertake an Australasian survey of 1,800 employees and 100 managers on teleworking, a major piece of research funded by the private sector. The School of Applied Sciences' partnership with Cloudy Bay Clams was recognised at the 2013 Kiwinet Research Commercialisation Awards, receiving the People's Choice Award and being one of three finalists for the Research and Business Partnership Award.

STAFF

The results of the second biennial Employee Engagement Survey again indicated a high level of staff engagement and commitment to AUT, and showed that the University performs well relative to other benchmark organisations. The over-riding message from staff was that they believe in AUT's vision for the future, feel they are working for a successful organisation, and receive a strong sense of personal accomplishment from their work. Proposals to improve those areas identified for development were generated from discussions between staff and senior management, and we will look to implement these suggestions over the coming months.

We celebrated the achievements of some truly outstanding staff members in 2013. Professor Nikola Kasabov was awarded a distinguished visiting fellowship by the Royal Academy of Engineering in the United Kingdom. This award is offered to only a few eminent scientists. Professor John Raine was elected a distinguished fellow of the Institute of Professional Engineers of New Zealand, in recognition of his leadership in research and commercialisation, and his contribution to national policy. Professor Welby Ings became the first recipient of the AUT University Medal, the supreme award for academic excellence in teaching, research and contribution to the community. Dr Tony Lanigan, former Chancellor and now Group Director – Estates, was made a Member of the New Zealand Order of Merit for services to tertiary education and the community. Professor Marilyn Waring received the Science and Innovation prize at the New Zealand Women of Influence awards.

Finally, we celebrated with Dr Luke Krieg and Colleen Leauanae as they became the latest graduates of the Committee for Auckland's Future Auckland Leaders programme.

AUT initiated a review of its health and safety arrangements in preparation for the changes to be introduced by Government in 2015. A proposal for a new health and safety strategy was developed, focussed on the five key areas of leadership, accountability, capability, staff engagement and process. The strategy will be implemented in early 2014, with faculties and divisions encouraged to establish their own action plans.

ENGAGEMENT WITH COMMUNITIES

AUT continues to break new ground with its community partnerships, using the relationships to enhance the curriculum and thereby share the resultant benefits with students. An agreement with Auckland Theatre Company will see the University invest \$5 million in the Waterfront Theatre Project at Wynyard Quarter over the next three years. The first of its kind in New Zealand, this partnership will provide opportunities for experiential learning in many associated disciplines, including event management, spatial and fashion design, and creative writing.

Held in June, the Shadow a Leader Day was an exceptional event, providing applied learning opportunities for students and further enhancing relationships with major organisations in the Auckland region. More than 100 students from AUT and local secondary schools spent a day with some of the city's most prominent leaders, learning from the best how to influence others and spearhead change.

The annual AUT Excellence in Business Support Awards also continue to reinforce AUT's standing in the business community. The Hon Steven Joyce was the speaker at this black-tie event, which was attended by over 700 business people. In early July we hosted the Lifewise Big Sleepout at the City Campus. Eighty participants – including Sir Bob Harvey, Labour MP Jacinda Ardern and ten AUT staff – raised approximately \$150,000 to help combat homelessness in our city.

CONTINUOUS DEVELOPMENT AND CAPACITY BUILDING

AUT continued to perform well financially, once again achieving all its financial covenants by a comfortable margin and increasing revenue by close to \$15 million. This allowed the University to post a net surplus of more than \$14 million and to reduce its total debt to less than \$80 million, well below the targeted level for the year.

The 2013 QS World University Rankings revealed that AUT has consolidated its place amongst the best, improving several places to reach the 471-480 band. Further improvement in research performance measures will be necessary for AUT to sustain its move up the rankings, a challenge we accept with enthusiasm. AUT sought further accreditation from QS, achieving an overall four-star rating. We were especially pleased to achieve five stars in several areas that are critical to our mission: teaching, graduate employability, internationalisation, facilities and access. The AUT Business School also continues to gain international recognition; it was the first business school in the world to receive four stars under QS's new school accreditation programme. EdUniversal further awarded the Business School with Four Palmes, ranking it as the second best business school in New Zealand, and 135th in the world.

The City Campus was transformed by the opening of the Sir Paul Reeves Building in March. The building has surpassed even our highest expectations, winning several prestigious accolades including a Best Designers Institute award for built environment, and Auckland Architecture Awards in the education and interior architecture categories. More importantly however, the building has received unqualified approval from students and community partners, with the formal, informal and specialist spaces in constant demand. Attention now turns to the next phase of development, primarily at the AUT South and North Shore Campuses. The University has commenced negotiations with the Government to increase the debt ceiling to an appropriate level, and to lobby for capital investment for AUT South Campus.

One of my priorities for the year was to enhance our contribution to environmental sustainability through research, teaching and practice. The work of dedicated staff from across the University was recognised when AUT won the Mega Efficiency Impact category at the National Sustainable Business Network Awards, for our power saving and waste reduction initiatives. Australasian Campuses Towards Sustainability also recognised AUT's efforts with a highly commended award for carbon reduction, noting our alternative transport plan, cycling facilities, lighting upgrades and waste audits.

Emergency planning procedures were overhauled in the wake of the Christchurch and Wellington earthquakes. A University-wide emergency exercise was held in June involving the New Zealand Police and the Armed Offenders Squad. The exercise was successful and provided staff with experience in police liaison during an emergency. The University has also contracted a second independent data centre to reduce the chances of a full ICT outage.

CONCLUSION

While this Annual Report celebrates the successes of the last year, the University uses them as a pointer to the future; a bright and challenging future of rapid growth at AUT South Campus, newly forged partnerships, a stronger international reputation, and a reduced environmental impact. I thank all our staff for their hard work and dedication to establishing

AUT amongst the world's best institutions of higher learning. I also wish to express my appreciation for the support and guidance of Chancellor John Maasland and the AUT Council; their partnership with executive management and their contribution to the University are invaluable. I am grateful for the contribution of our President and Vice-President of the Auckland Student Movement [\[a\]](#) AUT (AuSM), Kizito Essuman and John Kingi, and for their unfailing professionalism and dedication to the student cause.

On a sad note, I wish to recognise the passing of Ngāti Whātua kaumātua, Takutai (Dr) Wikiriwhi. He was highly respected for the support he provided to AUT and many other educational institutions, and played a central role in opening our marae and the AUT Māori Expo.

We reflect on 2013 with a great sense of achievement and pride. We now look to the future, and to AUT's next major role in shaping the direction of Auckland and New Zealand.



Derek McCormack
Vice-Chancellor

OFFICERS OF AUCKLAND UNIVERSITY OF TECHNOLOGY

For the year ended 31 December 2013

Vice-Chancellor

Derek McCormack MSc, Dip Tchg

Deputy Vice-Chancellor

Professor Robert Allen BA (Econ), PhD *Edinburgh*

Pro Vice-Chancellors and Deans

Pro Vice-Chancellor
Dean, Faculty of Business and Law

Professor Geoff Perry BA, MA, MPhil (Hons),
PhD *Auckland*, DipCom, PGDipSocSci (Dstn), Dip Tchg

Pro Vice-Chancellor (International)
Dean, Faculty of Culture and Society

Professor Nigel Hemmington BSc (Hons), PhD *Surrey*,
FCIM, FICPD, FIH, Chartered Marketer

Pro Vice-Chancellor
Dean, Faculty of Design and
Creative Technologies

Professor Desna Jury MEd (Hons), Dip Tchg,
FDINZ, FRSA

Pro Vice-Chancellor (North Shore)
Dean, Faculty of Health and Environmental
Sciences

Professor Max Abbott BA, BSc, MA (Hons),
PhD *Canterbury*, DipClinPsych, TColDip (Dstn),
MNZCCP, MRSNZ

Pro Vice-Chancellor (Learning and Teaching)
Pro Vice-Chancellor (Māori Advancement)
Dean, Te Ara Poutama (Faculty of Māori
Development)

Professor Pare Keiha QSO, MBA,
MComLaw, MSc, PhD *Auckland*, FRSA, MInstD, MRSNZ

Pro Vice-Chancellor (Research)

Professor Richard Bedford QSO, MA (Hons),
PhD *Australian National University*, FRSNZ

Pro Vice-Chancellor (Innovation and
Enterprise)

Professor John Raine BE (Hons), PhD *Canterbury*,
CEng, FIMechE, FIPENZ, MSAE, MASPACI

Pro Vice-Chancellor

Professor Philip Sallis BA, PhD *City (UK)*, DipGrad
(Theol), FIITNZ, FSMC, MIEEE, MIAGS, MRSNZ, MIDNZ

Pro Vice-Chancellor

Professor Ian Shirley MA (Hons), PhD *Massey*

General Managers

Estates
Finance
University Relations

Judith McKay BA, BCom, CA, MInstD, MNZSCT
Lyle Williams BCom, CA
Vivien Bridgwater Dip Tchg

Head of the Vice-Chancellor's Office

Dr Andrew Codling BSc (Hons), MSc, MEdAdmin,
EdD *New England*

General Counsel & Director of Governance

Dr Andrea Vujnovich LLB (Hons), MSc (Hons),
PhD *Auckland*

Internal Auditor

Alastair Burrows CFIIA, AIIA (NZ)

Auditor

Audit New Zealand on behalf of the Auditor-General

Bankers

ANZ Bank New Zealand Limited

ABOUT AUT

Auckland University of Technology was established on 1 January 2000, becoming New Zealand's eighth university. Although a relatively young university, it draws on a proud, century-long history of providing vocational education geared to the needs of Auckland residents, employers and businesses. The values established during those early days as the Auckland Technical College continue to influence AUT today, creating an institution unique amongst New Zealand's universities.

Today, AUT is the university for the changing world. Responsive, contemporary and engaged, its heritage is reflected in its core activities: delivering advanced education that produces sought-after graduates; conducting research with impact; building partnerships and creating knowledge exchange with business, industry and the community; and being a catalyst for community transformation through wider participation in higher education. The University values the pursuit of excellence through creativity, curiosity and critical enquiry, conducting its activities with integrity, respect and compassion. Taken together, this underlying ethos drives AUT to be an increasingly powerful force for learning and discovery, promoting the well-being of people and their environments, both in New Zealand and beyond.

Each of AUT's campuses has a distinct character, reflective of its surrounding environment and mix of students and programmes. In the heart of Auckland's CBD, the City Campus houses close to 13,000 students studying a range of disciplines including design, engineering, business, Māori development, hospitality, languages, and communications. The North Shore Campus is the home of health sciences and education; and the adjunct AUT Millennium Campus is a specialist sports sciences facility conducting leading research on enhancing the performance of elite athletes. The AUT South Campus was established in 2010 and is the University's largest venture to date, with plans to expand to more than 4,000 undergraduate and postgraduate EFTS by 2020. The Campus offers new opportunities for the development of innovative curricula and this will be structured so it is responsive to the needs of the region's business, industry, school and community groups.

STRATEGIC DIRECTION

Now in its second decade, AUT's roadmap for continued development is outlined in the *Strategic Plan 2012-2016*. The *Strategic Plan* celebrates AUT as a collegial, inclusive and diverse institution, engaged with issues of national and international importance. To enhance this culture and deepen the University's impact, it presents a series of objectives to guide decision-making. The objectives are grouped under five themes, representing the key activities that meet AUT's strategic direction and fulfil government priorities. The themes and their associated objectives are:

LEARNING AND TEACHING

- provide an enriched and rewarding student experience
- provide a relevant, high quality curriculum
- advance educational opportunities and success in the diverse communities of Auckland and New Zealand
- grow postgraduate programmes

RESEARCH AND SCHOLARSHIP

- create a vibrant academic learning community
- grow national and international research impact

STAFF

- ensure the University is a vibrant, achievement-oriented and rewarding place to work
- grow the University's capability and performance

ENGAGEMENT WITH COMMUNITIES

- contribute to the social, cultural, environmental and economic well-being and development of Auckland and New Zealand
- promote individual and community transformation
- promote Māori potential and educational success
- promote the advancement of Pacific peoples

CONTINUOUS DEVELOPMENT AND CAPACITY BUILDING

- ensure the University's enduring viability
- ensure the University's facilities, technology and infrastructure create a vibrant environment for teaching, learning, research and administration
- build the University's reputation for the benefit of students, staff and the community

To achieve these objectives, the University adopted a series of levers for change, which were then translated into key performance indicators in *Investment Plan 2013-2015*. The Outcomes Framework demonstrates how these levers influence the University's key outputs, which in turn contribute to the five impacts made by the University¹.

These impacts are:

- excellent scholars and sought-after graduates;
- research that inspires curiosity, advances knowledge and benefits communities;
- wider participation and success in education;
- educated citizens igniting change in their communities; and
- a stronger reputation for AUT.

These impacts then contribute to three outcomes that will help New Zealand achieve its economic, socio-cultural and environmental goals.

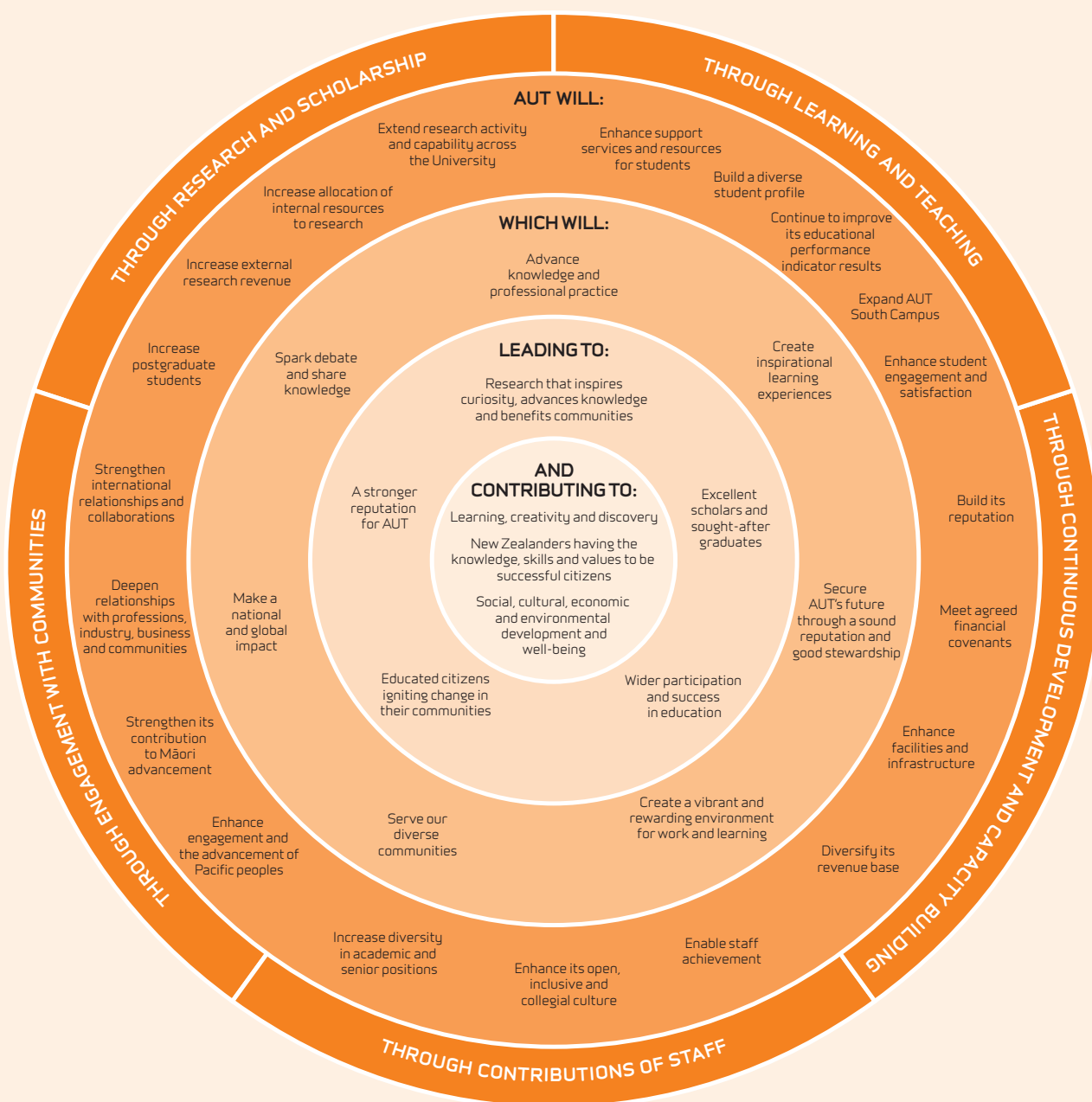
These outcomes are:

- learning, creativity and discovery;
- New Zealanders having the knowledge, skills and values to be successful citizens; and
- cultural, social, economic and environmental development and well-being.

The following schematic depicts how the University's resources, processes and activities feed into these overarching outcomes, and provides a structure for reporting on the University's medium-term goals and annual performance through its Statement of Service Performance.

1 For an explanation of why these impacts were chosen, refer to *Auckland University of Technology Investment Plan 2013-2015*

AUCKLAND UNIVERSITY OF TECHNOLOGY'S OUTCOMES FRAMEWORK



KEY FACTS AND FIGURES

ALL EFTS

EFTS ²	2013 Budget	2013 Actual	2012 Actual	2011 Actual
Domestic Ministry-funded EFTS	15,816	15,404	15,470	14,942
Onshore International exchange EFTS	-	54	40	44
Onshore International PhD EFTS	98	131	118	109
International postgraduate research MoE EFTS	34	44	36	6
Funded EFTS³	15,948	15,633	15,664	15,101
Domestic RGA EFTS	79	173	205	217
International EFTS ⁴	2,564	2,599	2,506	2,369
Other International EFTS	349	502	447	492
Non EFTS	1	39	52	96
Total programme EFTS	18,941	18,946	18,874	18,275
AUT International House	170	232	283	287
Total EFTS	19,111	19,178	19,157	18,562
Total number of students		27,299	26,787	26,243

EFTS BY QUALIFICATION TYPE

	2013		2012		2011	
	Numbers	Percentage	Numbers	Percentage	Numbers	Percentage
Funded EFTS						
Postgraduate	1,843	12%	1,784	11%	1,736	12%
Bachelor degree and graduate programme	12,234	78%	12,063	77%	11,385	75%
Diploma and certificate	1,556	10%	1,815	12%	1,977	13%
Not categorised	-	-	2	<1%	2	<1%
Total Funded EFTS	15,633	100%	15,664	100%	15,101	100%
International EFTS						
Postgraduate	622	24%	518	21%	427	18%
Bachelor degree and graduate programme	1,805	69%	1,788	71%	1,675	71%
Diploma and certificate	172	7%	200	8%	267	11%
Total International EFTS	2,599	100%	2,506	100%	2,369	100%

² In 2013, AUT began receiving Student Achievement Component funding for EFTS in approved onshore international exchange programmes.

Throughout this report, 2011 and 2012 EFTS have been restated accordingly

³ Funded EFTS are all EFTS receiving Student Achievement Component (SAC) funding

⁴ Not including Revenue Generating Activity (RGA) or Special Purpose Funding (SPF)

DOMESTIC MINISTRY-FUNDED STUDENTS

	2013		2012		2011	
	Numbers	Percentage	Numbers	Percentage	Numbers	Percentage
Students by ethnicity⁵						
Asian	5,094	24%	5,275	25%	5,380	26%
Māori	2,100	10%	1,983	10%	1,932	9%
New Zealand European/Pākehā	9,033	43%	8,796	42%	8,619	42%
Pasifika	2,710	13%	2,653	13%	2,492	12%
Other	1,791	9%	1,857	9%	1,828	9%
Non-declared	188	1%	246	1%	232	1%
Students by mode of study						
Full-time	14,200	68%	14,356	69%	13,912	68%
Part-time	6,716	32%	6,454	31%	6,571	32%
Students by age						
Under 25 years	13,659	65%	13,341	64%	12,909	63%
25-39 years	4,974	24%	5,151	25%	5,208	25%
40+ years	2,283	11%	2,318	11%	2,366	12%
Students by gender						
Female	12,632	60%	12,635	61%	12,441	61%
Male	8,284	40%	8,175	39%	8,042	39%

INTERNATIONAL STUDENTS

International students were enrolled from 82 countries. The top ten are listed below.

	2013		2012
	Numbers	Percentage	Percentage
China	1,566	43%	40%
India	413	11%	12%
Vietnam	216	6%	7%
Saudi Arabia	177	5%	5%
South Korea	172	5%	5%
Malaysia	88	2%	3%
Russia	86	2%	3%
Taiwan	70	2%	2%
Hong Kong	62	2%	2%
United States of America	55	2%	1%
Other (72 countries)	717	20%	20%
Total International students⁶	3,622	100%	100%

⁵ Based on students' primary self-selected ethnicity

⁶ This includes International students that are SAC funded

QUALIFICATIONS AWARDED

	2013	2012	2011
Doctorates	70	68	40
Masters	634	635	592
Honours, Postgraduate Diplomas and Postgraduate Certificates	822	784	750
Degrees, Graduate Diplomas and Graduate Certificates	4,002	3,858	3,458
Diplomas	463	627	657
Certificates	1,337	1,468	1,301
Total qualifications awarded	7,328	7,440	6,798

KEY FACTS BY FACULTY

	Business and Law		Culture and Society		Design and Creative Technologies		Health and Environmental Sciences		Te Ara Poutama		University programmes	
	2013 Actual	2012 Actual	2013 Actual	2012 Actual	2013 Actual	2012 Actual	2013 Actual	2012 Actual	2013 Actual	2012 Actual	2013 Actual	2012 Actual
EFTS												
Enrolments												
Funded EFTS	3,353	3,473	3,288	3,431	3,820	3,721	4,618	4,532	35	46	519	461
International EFTS	1,211	1,162	423	422	692	648	264	267	-	-	9	7
Other EFTS	211	188	47	118	172	85	151	179	-	-	133	134
Total programme EFTS	4,775	4,823	3,758	3,971	4,684	4,454	5,033	4,978	35	46	661	602
Taught EFTS	4,882	4,877	3,648	3,835	5,043	4,795	5,121	5,080	248	227	4	60
	Business and Law		Culture and Society		Design and Creative Technologies		Health and Environmental Sciences		Te Ara Poutama			
	2013 Actual	2012 Actual	2013 Actual	2012 Actual	2013 Actual	2012 Actual	2013 Actual	2012 Actual	2013 Actual	2012 Actual	2013 Actual	2012 Actual
Research and cost of service												
Student:academic staff ratio	26.9:1	26.2:1	17.9:1	18.7:1	17.6:1	17.3:1	14.1:1	13.8:1	12.7:1	10.9:1		
MpE bulk-funded taught EFTS	4,727	4,795	3,507	3,637	4,828	4,660	4,929	4,860	241	218		
Research												
Research outputs ⁷	290	521	399	503	781	563	894	832	69	129		
External grants	\$313,655	\$196,302	\$208,904	\$236,925	\$1,274,146	\$1,434,403	\$7,826,475	\$6,554,650	-	\$76,648		
Financial \$000s												
Faculty costs	30,597	31,886	25,954	23,890	38,276	36,417	37,167	38,254	2,450	2,205		
Administrative costs	21,154	18,627	18,448	19,087	32,437	26,373	28,338	25,887	1,321	1,062		
Total costs	51,751	50,514	44,402	42,977	70,713	62,789	65,505	64,141	3,771	3,267		
Less recoveries	233	179	3,097	2,013	412	269	22	258	250	176		
Net cost of service	51,518	50,335	41,305	40,964	70,301	62,520	65,483	63,883	3,521	3,091		
Net cost of service per EFTS	\$10,899	\$10,497	\$11,778	\$11,263	\$14,561	\$13,416	\$13,285	\$13,145	\$14,610	\$14,179		

7 These figures count verified research outputs. Where there are multiple AUT authors in more than one faculty, an output can be counted once per faculty. The University total of distinct, verified research outputs was 2,433 for 2013. KPI 4.1 reports peer-reviewed research outputs only

STAFF⁸

For the year ended 31 December 2013

Faculties	2013			2012		
	Academic	Admin	Total	Academic	Admin	Total
Business and Law	176	69	245	183	58	241
Culture and Society	196	68	264	195	66	261
Design and Creative Technologies	274	101	375	270	91	361
Health and Environmental Sciences	349	116	465	352	121	473
Te Ara Poutama	19	4	23	20	3	23
Total faculty FTE	1,014	358	1,372	1,020	339	1,359

Central administration services						
Corporate Services	1	179	180	1	170	171
Finance and Estates	-	150	150	-	123	123
Innovation and Enterprise	-	7	7	-	9	9
International	19	20	39	25	21	46
Learning and Teaching	11	17	28	10	16	26
Library	-	70	70	-	67	67
Māori Advancement	-	3	3	1	2	3
Research and Development	5	22	27	7	21	28
University Relations	8	240	248	9	240	249
Vice-Chancellor's Office	-	19	19	-	18	18
Total central administration services FTE	44	727	771	53	687	740
Total University FTE	1,058	1,085	2,143	1,073	1,026	2,099

⁸ Annual Report 2013 reports staff FTE on the basis of actual duties performed, rather than the default substantive position used in previous years. 2012 figures have been restated accordingly, and seven FTE relating to guest lecturers have been removed

FINANCIAL REVIEW

For the year ended 31 December 2013

KEY FINANCIAL INDICATORS

Operations

Total revenue

Total expenses before finance costs

Surplus before finance costs

Finance costs

Interest on borrowings

Finance charges on finance leases

Total finance costs

Total expenses

Net surplus

Cash flows

Operating cash receipts

Operating cash payments

Net cash flows

Property, plant and equipment – net book value

Debt

Bank borrowings – current

Bank borrowings – term

Finance leases – current

Finance leases – term

Total debt

Equity

Operating ratios

Net surplus/revenue

Cash ratio

Interest cover ratio

Capital ratios

Debt cover ratio

Debt/debt + equity

	University		
	2013 Actual	2013 Budget	2012 Actual
	\$000s	\$000s	\$000s
Total revenue	327,076	323,967	312,764
Total expenses before finance costs	310,144	307,249	295,722
Surplus before finance costs	16,932	16,718	17,042
Finance costs			
Interest on borrowings	1,040	1,560	1,024
Finance charges on finance leases	1,951	2,029	2,059
Total finance costs	2,991	3,589	3,083
Total expenses	313,135	310,838	298,805
Net surplus	13,941	13,129	13,959
Cash flows			
Operating cash receipts	336,954	323,967	314,692
Operating cash payments	273,651	276,882	259,148
Net cash flows	63,303	47,085	55,544
Property, plant and equipment – net book value	578,875	543,726	552,964
Debt			
Bank borrowings – current	43,320	63,145	21,250
Bank borrowings – term	–	–	40,000
Finance leases – current	4,868	5,817	5,044
Finance leases – term	31,153	31,000	33,271
Total debt	79,341	99,962	99,565
Equity	434,629	391,006	389,883
Operating ratios			
Net surplus/revenue	4.3%	4.1%	4.5%
Cash ratio	123%	117%	121%
Interest cover ratio	5.7	4.7	5.5
Capital ratios			
Debt cover ratio	1.3	2.1	1.8
Debt/debt + equity	15%	20%	20%

STATEMENT OF RESPONSIBILITY

For the year ended 31 December 2013

In terms of the Education Act 1989 and the Crown Entities Act 2004 we certify that:

- the Council and management of the Auckland University of Technology accept responsibility for the preparation of these statements of service performance and financial statements and the judgements used therein; and
- the Council and management of the Auckland University of Technology accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of performance reporting and financial reporting; and
- the Council and management of the Auckland University of Technology are of the opinion that these statements of service performance and financial statements fairly reflect the financial position for the Auckland University of Technology and Group at 31 December 2013 and the results of the operations for the year ended 31 December 2013.



John Maasland
Chancellor



Derek McCormack
Vice-Chancellor

31 March 2014

INDEPENDENT AUDITOR'S REPORT

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

To the readers of Auckland University of Technology and Group's financial statements and non-financial performance information for the year ended 31 December 2013

The Auditor-General is the auditor of Auckland University of Technology (the University) and Group. The Auditor-General has appointed me, Leon Pieterse, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and non-financial performance information of the University and Group on her behalf.

We have audited:

- the financial statements of the University and Group on pages 56 to 106, that comprise the balance sheet as at 31 December 2013, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the consolidated financial statements that include accounting policies and other explanatory information; and
- the non-financial performance information of the University and Group in the statement of service performance on pages 23 to 48.

OPINION

In our opinion:

- the financial statements of the University and Group on pages 56 to 106:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the University and Group's:
 - financial position as at 31 December 2013; and
 - financial performance and cash flows for the year ended on that date;
- the non-financial performance information of the University and Group on pages 23 to 48 fairly reflects the University and Group's service performance achievements measured against the performance targets adopted in the investment plan for the year ended 31 December 2013.

Our audit was completed on 31 March 2014. This is the date at which our opinion is expressed.

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

BASIS OF OPINION

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

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

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

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the financial statements and non-financial performance information; and

- the overall presentation of the financial statements and non-financial performance information.

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

We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

RESPONSIBILITIES OF THE COUNCIL

The Council is responsible for preparing financial statements that:

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

The Council is also responsible for preparing non-financial performance information that fairly reflects the University and Group's service performance achievements measured against the performance targets adopted in the investment plan.

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

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

RESPONSIBILITIES OF THE AUDITOR

We are responsible for expressing an independent opinion on the financial statements and non-financial performance information and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

INDEPENDENCE

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, the performance-based research funding external research income engagement and the audits of the Group subsidiaries, we have no relationship with or interests in the University or any of its subsidiaries.



Leon Pieterse

Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand

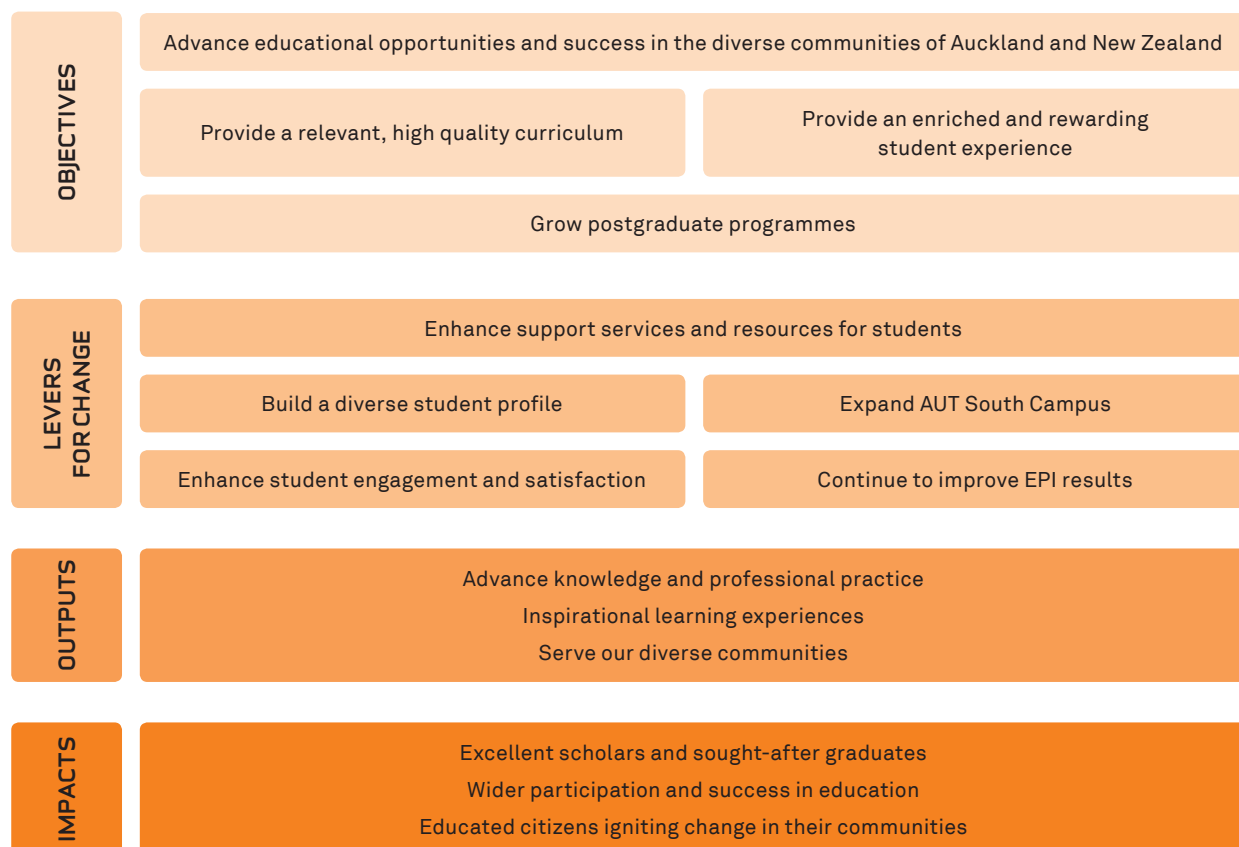


STATEMENT OF SERVICE PERFORMANCE

The following Statement of Service Performance contains information on the University's levers for change and KPIs. This documents the services provided by AUT to meet stakeholder needs and to ensure the intent of the *Strategic Plan* is fulfilled. For an overall view of the performance of the University, the Statement of Service Performance section must be read in conjunction with the section entitled '*The Year: 2013*'.



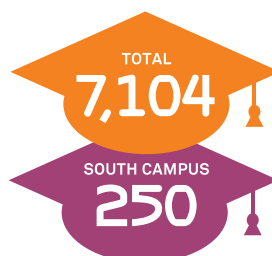
LEARNING AND TEACHING



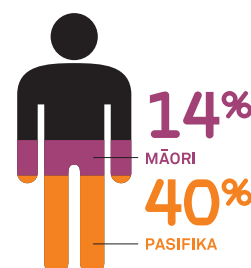
recommend AUT



Digital media channel launched



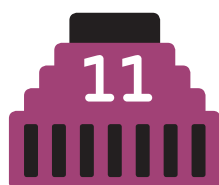
2013 AUT graduates



AUT South Campus



of available graduates employed full-time



recipients – Prime Minister's Scholarships for Asia



Winner – NASA New Zealand Space Apps Challenge



Finalist – international hotel design competition

PERFORMANCE MEASURES

Student profile

1. Build a diverse student profile by 2016 that has:

Key performance indicators

EFTS	Target 2013	Actual 2013	Actual 2012	Actual 2011
1.1 more than 90% of EFTS in degree and postgraduate qualifications	85-90%	90%	88%	87%
1.2 more than 15% of EFTS in postgraduate study	13-15%	14%	13%	12%
1.3 an increased number of research EFTS	610-635	671	593	592*
1.4 an increased number of doctoral students (distinct students)	600	627	555**	520**

Achieved

* This figure is incorrectly recorded as 597 in *Investment Plan 2013-2015*

** This KPI now includes students with approved extensions. Results for 2011 and 2012 have been updated accordingly.

Learning experience

- 2.1 Improve the University's performance in the national educational performance indicators (EPI) results by 2016.

AUT continues to improve steadily in the national educational performance indicators. Provisional 2013 results show a pleasing increase in the qualification completion rate, up four percentage points. In previous years, final results have shown an improvement on what was provisionally reported.

The University continues to work to improve success and retention rates for all students, particularly in papers with low course completion rates. The University undertook a review of all low-performing papers which resulted in the introduction of a wide range of remedial actions. These included changes to assessments, spreading content over two papers, introducing additional pre-requisites and establishing additional tutorial or peer mentoring services. Early feedback on these initiatives was promising; it is expected that results in these papers should show improvement over the coming years.

	Provisional 2013	Actual 2012	Provisional 2012*	Actual 2011**
Successful course completion rate	82.9%	84.1%	83.0%	83.3%
Qualification completion rate	79.1%	74.7%	74.0%	65.7%
Student progression rate (Levels 3-4 only)	82.8%	85.0%	85.0%	80.4%
Student retention rate	82.9%	81.3%	81.2%	79.2%

Partially achieved (based on provisional results)

PERFORMANCE MEASURES (continued)

Learning experience

2.1 (Continued)

* Provisional EPI results are calculated using the TEC Workspace. Final results for 2013 will not be available until after the submission of the University's April Single Data Return (SDR).

** 2012 Actuals are slightly higher than the 2012 provisional results reported in the previous Annual Report. The difference between the two is due to timing: provisional results are derived from interim data submitted in the December SDR, whereas final results are based on comprehensive data provided in the April SDR.

2.2 Enhance support services and resources for students.

AUT is committed to providing an inspirational learning experience for its students. A holistic approach to student support is crucial to achieving this aim, encouraging students to pursue full, balanced and healthy lives. To this end, several new initiatives were introduced during the year, adding to the already wide-ranging services available.

Campus Care was introduced to promote well-being, raise awareness of support services, and help those students struggling with study or life issues. The project uses an online tool to capture information on student well-being, then offers targeted advice and referrals to appropriate services. The tool will be used again in 2014 after a successful trial with first-year students in the Faculty of Health and Environmental Sciences; 12% of users requested contact from counsellors or student learning services. Health, Counselling and Well-being also introduced e-chat, an iPad-based health screening tool developed by the University of Auckland. Patients complete the survey while in the waiting room; responses are added to the patient record and used to identify behaviours or health issues that may need to be addressed during the subsequent consultation.

Recognising that childcare is an important issue for many students, AUT introduced a childcare subsidy in 2013. Worth up to \$50 per child per week, the subsidy is available to all full-time students, both domestic and international, with a child enrolled at an Auckland childcare centre. Feedback from both students and childcare centres has been highly positive; some students even reported that it enabled them to continue studying when they may otherwise have withdrawn. By the end of the year, AUT had assisted 96 students place a total of 115 children at 58 Auckland centres, at an overall cost of \$155,000.

The Student Learning Centre introduced several new programmes, including increased academic support in te reo and for postgraduate students, and for those using new digital technologies. The major initiative for the year was StudySmart, a learning skills course for both undergraduate and postgraduate students. Sessions commenced during Orientation and continued throughout each semester, covering topics such as time management, research skills, assignment preparation, and academic writing. As with the childcare subsidy, the response was enthusiastic; more than 1,200 undergraduate and 234 postgraduate students participated over the year.

Another student support programme, Kaveinga, was introduced for Pacific students; this is discussed more fully in KPIs 3.3 and 6.4. The Library also sought to improve its accessibility and service to Pacific students, introducing additional workshops as part of the Hokule'a Pasifika Tertiary Readiness programme. Other initiatives introduced by the Library included a live Library Chat service to augment existing online tutorials and video clips, and a new website based on user-centred design principles.

Achieved

PERFORMANCE MEASURES (continued)

Learning experience

2.3	Enhance engagement and satisfaction of students.	<i>Key performance indicator</i>	Target	Actual	Actual	Actual
			2013	2013	2012	2011
2.3.1	Percentage of students reporting satisfaction with student life at AUT		>80%	81%	79%	80%

Achieved

There was a significant increase in the proportion of students who were satisfied with student life at AUT from 2012 to 2013. Relatedly, there is a pleasing upward trend in overall satisfaction as well, with the proportion of students willing to recommend AUT to others climbing three percentage points since 2011, reaching an impressive 87% in 2013.

Educational opportunities

3.1	Increase Manukau Campus ⁹ to more than 4,000 EFTS by 2020.	<i>Key performance indicator</i>	Target	Actual	Actual	Actual
			2013	2013	2012	2011
	EFTS					
	Manukau Campus EFTS		940	712	696	563*
	Manukau Impact EFTS			1,099	1,115	**

* This figure is incorrectly recorded as 464 in *Investment Plan 2013-2015*

** Manukau Impact EFTS are not available for 2011

Not achieved

EFTS continued to grow at AUT South Campus in 2013, albeit at a slower pace than in previous years. The delayed announcement of future funding presented a challenge for the University, requiring a cautious approach to investment in both student recruitment and programme delivery and expansion. A careful balance was needed between attracting the targeted number of students, while remaining within existing capacity constraints and without the ability to guarantee the availability of places to prospective students. Part of the chosen strategy was to demonstrate the pathways from existing programmes at AUT South Campus into established degrees at City and North Shore. Known as Manukau Impact students, this strategy was particularly successful, with 1,099 EFTS in 2013. As these students achieve success in their chosen programmes, they demonstrate the vital contribution of AUT South Campus to the health and diversity of AUT as a whole.

Now that the long-term future of the Campus is assured, the University has invested considerable resources into expanding existing programmes, introducing new qualifications, and recruiting students for 2014. These activities are supported by the many relationships built with school, community and employer groups in the region over the last few years. With EFTS funding secure, the emphasis now shifts to securing the necessary capital investment for the expansion of the Campus in line with agreed growth plans.

⁹ In 2013 AUT Council resolved to change the official name of AUT Manukau Campus to AUT South Campus

PERFORMANCE MEASURES (continued)

Educational opportunities

3.2	Continue to build Māori and Pacific participation.	<i>Key performance indicators</i>	Target	Actual	Actual	Actual
			2013	2013	2012	2011
3.2.1		Increase the proportion of undergraduate students that are Māori	>10%	10.4%	10.2%	9.8%
3.2.2		Increase the proportion of postgraduate students that are Māori	>8%	8.3%	8.3%	8.2%
3.2.3		Increase the proportion of undergraduate students that are Pasifika	>12%	12.7%	12.0%	11.2%
3.2.4		Increase the proportion of postgraduate students that are Pasifika	>5%	6.3%	6.0%	5.2%
Achieved						

PERFORMANCE MEASURES (continued)

Educational opportunities

3.3 Improve the EPI results for Māori and Pacific students.

Educational performance indicator results for Māori and Pacific students have increased steadily in recent years, in some cases at a faster pace than the overall rate of improvement. The University is extremely pleased to see strong increases in the qualification completion rate for Māori (up 4.8 percentage points) and Pacific students (up 11.1 percentage points). These results provide some evidence of the efficacy and effectiveness of AUT's Māori and Pacific student support initiatives.

The University has a range of initiatives targeted at improving success for Māori and Pasifika. After proving highly effective in one paper, Pasifika Learning Villages was extended to other courses in the Faculty of Health and Environmental Sciences. After a successful pilot the previous year, He Korowai Mātauranga again provided peer mentoring and academic support to Māori experiencing difficulty with their studies. This was joined by Kaveinga in 2013. Aimed at Pacific students, Kaveinga is based on the He Korowai Mātauranga model, but incorporates Pacific knowledges and cultural practices to build identity and create a culture of success at AUT.

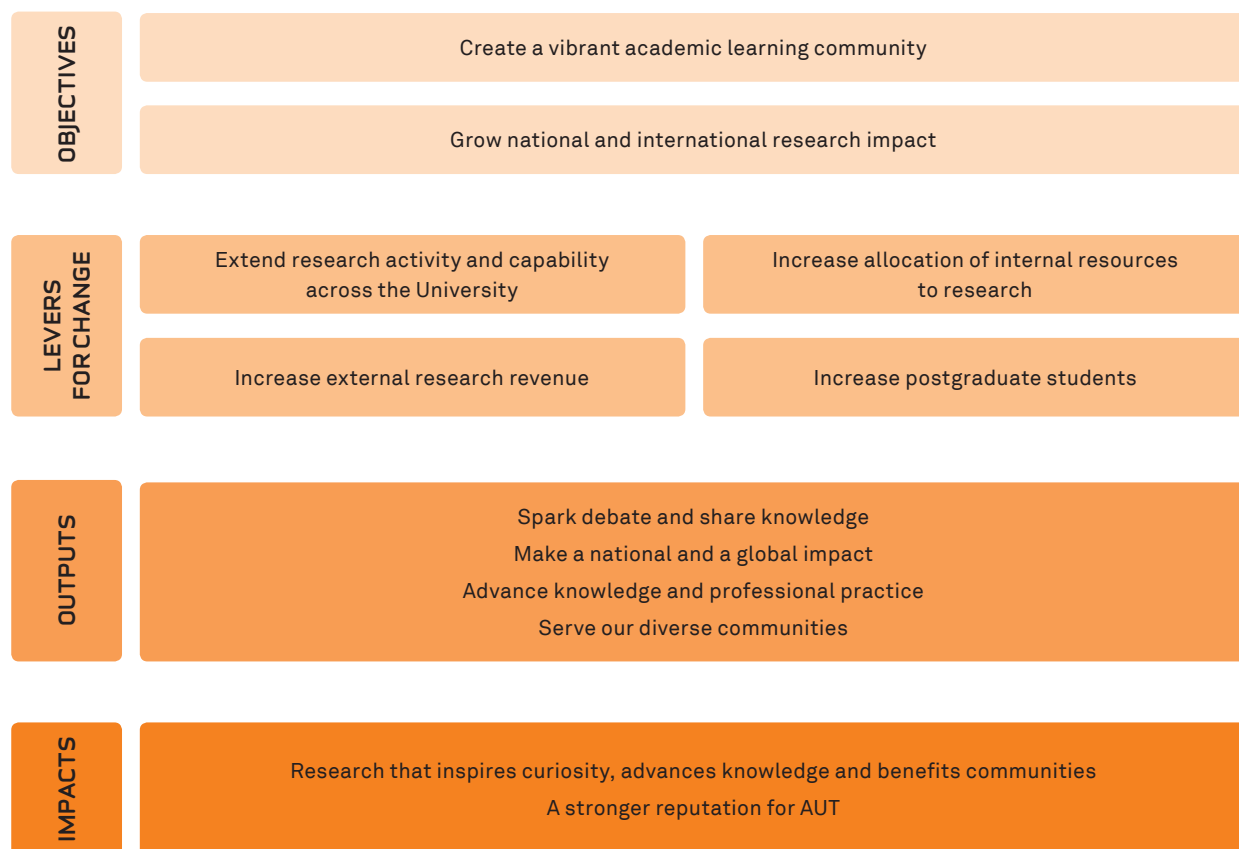
<i>Māori</i>	Provisional 2013*	Actual 2012	Provisional 2012**	Actual 2011
Successful course completion rate (Level 4 and above)	78.8%	81.2%	80.3%	79.5%
Qualification completion rate (Level 4 and above)	69.7%	65.2%	65.0%	58.1%
Student progression rate (Levels 3-4 only)	80.8%	75.7%	75.7%	72.5%
Student retention rate (Level 4 and above)	77.8%	74.0%	74.0%	71.8%
<i>Pacific</i>	Provisional 2013*	Actual 2012	Provisional 2012**	Actual 2011
Successful course completion rate (Level 4 and above)	70.4%	70.9%	70.3%	70.1%
Qualification completion rate (Level 4 and above)	65.9%	53.9%	53.7%	49.0%
Student progression rate (Levels 3-4 only)	89.2%	86.3%	86.3%	88.2%
Student retention rate (Level 4 and above)	75.8%	75.1%	75.1%	72.0%

Substantially achieved (based on provisional results)

* Provisional EPI results are calculated using the TEC Workspace. Final results for 2013 will not be available until after submission of the University's April SDR.

** 2012 Actuals for course and qualification completion are slightly higher than the provisional results reported in the 2012 Annual Report. The difference between the two is due to timing: provisional results are derived from interim data submitted in the December SDR, whereas final results are based on comprehensive data provided in the April SDR.

RESEARCH AND SCHOLARSHIP



Health Research Council funding



student satisfaction with research supervision



Winner – Kiwinet Research Commercialisation Award



First Manukau Research Symposium held at AUT South Campus



iSafe study for women experiencing domestic violence



Children in Project Energise: faster, fitter, less likely to become obese

PERFORMANCE MEASURES

- 4.1 Increase the number and quality of peer-reviewed research outputs.

Key performance indicator

	Target 2013	Actual 2013	Actual 2012	Actual 2011
Number of peer-reviewed research outputs	1,800-1,900	1,536	1,607	1,619

The *Strategic Plan 2012-2016* set some relatively ambitious targets for research activity, based on the sustained growth achieved over several preceding years. However, the level of preparation required for the 2012 PBRF round, coupled with the length of the publication process, has resulted in a decrease in peer-reviewed outputs in 2013. AUT has a significant proportion of new and emerging researchers who may require intensive support to establish a research career. The University continues to invest in services such as the doctoral study awards, mentoring programmes, research and teaching assistants, and (as is discussed further in KPI 4.3), increased provision of research and study leave.

Not achieved

- 4.2 Increase the proportion of academic staff contributing verified research outputs to 75% by 2016.

Key performance indicator

	Target 2013	Actual 2013	Actual 2012	Actual 2011
Proportion of academic staff contributing research outputs	63%	58%	56%	*

The proportion of research-active academic staff contributing research outputs did not achieve target in 2013. As with KPI 4.1, reaching target in the year following a PBRF round was always ambitious, particularly given the intensity of research activity leading up to PBRF.

* This key performance indicator was introduced in 2012. Results for 2011 are not available.

Not achieved

- 4.3 Increase the allocation of internal resources to research.

AUT has continued to devote more internal resources to support its strategic commitment of increasing research activity. Investment in the PBRF assessment has resulted in a significant increase in funds being made available to faculties for research activities and research assistance. Additional research support staff were appointed to the Library and the University Research Office. The Vice-Chancellor's doctoral scholarship programme has been expanded with 25 scholarships offered in 2013, up from 20 in 2012. More than 50 doctoral candidates now receive these scholarships, and the University plans to increase the annual intake to 30 in 2014. Within the constraints of low staff turnover and restrained EFTS growth, AUT continued to appoint research-capable staff across all faculties. This approach, in conjunction with the growing research capabilities of existing academic staff, proved hugely successful; AUT's overall quality score doubled in the 2012 PBRF round. More than a third (35%) of eligible staff received A or B ratings, and AUT achieved the largest increase in funding share of any university.

Achieved

PERFORMANCE MEASURES (continued)

- 4.4 Ensure that each academic unit has an active research plan with clear targets for research activity and outputs.

Faculty research plans are based on the *Strategic Plan 2012-2016* and therefore centre on common goals: extending collaboration with national and international partners, increasing research revenue, growing the number of high-quality publications and strengthening the faculty's research reputation. This KPI highlights some of the specific initiatives and distinct aims adopted by the faculties in support of their over-arching research plans.

Health and Environmental Sciences introduced a new Faculty Plan 2013-2015. The research component of the plan involves: supporting the development of academic staff through mentoring programmes, postgraduate supervisor training and a researcher development fund; developing a distinct research programme for AUT South Campus; and increasing resources, infrastructure and support for research. There were four key outcomes from the plan in 2013. The Dean's café research fund was established, providing a three-year commitment of funding for ten new research programmes. The Dean's champion research fund was also introduced, providing funding for initiatives such as the new MindSpace room, awards for students publishing from their theses, and a faculty research communication project. The contestable fund for projects, conference travel and writing retreats received additional investment, and finally the Biostatistics Unit was established to provide regular clinics for both researchers and students.

Te Ara Poutama's Research Plan 2011-2015 seeks to advance knowledge in Māori, Pacific and indigenous studies through excellence in scholarship, research, publications and postgraduate teaching. Te Ipukarea: the National Māori Language Institute and the International Centre for Language Revitalisation (ICLR) are the centrepieces of the Faculty's national and international research efforts respectively. The ICLR is quickly establishing a formidable international reputation in its field, with scholars from a wide range of indigenous backgrounds as partners in their work. Te Ara Poutama is committed to advancing Māori knowledge through the development of Māori scholars; the faculty aims to recruit a minimum of two doctoral candidates each year, supports the Māori and Pacific postgraduate wānanga series, and seeks to recruit staff with the ability to supervise postgraduate students in te reo Māori.

'Research that matters' is the key message of the School of Business' Research Plan 2013-2016. Stemming from the Faculty of Business and Law's 2012-2016 strategic planning process, the plan encourages engaged research projects that respond to societal issues and challenges, including the social and environmental responsibilities of businesses. As part of this strategy, the Business School launched the Future of Work programme in November, an investigation into workplace changes driven by factors such as technological advancement and the globalisation of the employment sector.

During the year the Faculty of Culture and Society developed its Strategic Research Plan 2014-2019; each school and institute will now develop their own plan in line with the Faculty's and University's overall goals. Key targets include a five percent annual increase in both the number of peer-reviewed research outputs and the amount of external research revenue, and to continue its rate of improvement in the PBRF. In support of these aims, the faculty will introduce annual audits in preparation for the next PBRF round, provide scholarships for research students, invest in seminars and research events, and encourage the dissemination of information to stakeholders. The plan also recognises the importance of developing staff at all stages of their research careers, from engaging and supporting new academics, to extending the performance and reputation of established researchers. As a result, the faculty will offer research scholarships for postgraduate students, provide mentors and other professional development opportunities, offer annual research awards, and conduct an annual analysis of publication quality.

PERFORMANCE MEASURES (continued)

4.4 (Continued)

Schools in the Faculty of Design and Creative Technologies are updating their research plans, from which a faculty plan will be established. The plans are supported by a series of faculty-wide objectives to advance research, including the publication of a faculty research profile to promote staff expertise, the provision of contestable funding for research projects, and a series of Summer Research Assistant Awards. The major undertaking for the year was the proposal for a new centre of research excellence (CoRE). The proposed centre would provide a base for national transdisciplinary collaboration to advance the information technology sector, with the ultimate aim of making New Zealand cleaner, greener and smarter. The CoRE bid has a number of measures attached, focussed on publication of scientific papers, conference presentations, and new doctoral and masters graduates.

Achieved

4.5 Increase external research revenue.

Key performance indicators

	Target 2013	Actual 2013	Actual 2012	Actual 2011
4.5.1 Total external research revenue	\$12.0M	\$9.6M	\$10.3M	\$10.8M
4.5.2 External research revenue from research with industry	\$3.8M	\$3.2M	\$3.3M	\$3.6M
PBRF Income	\$8.6M	\$12.3M	\$8.4M	\$7.3M

Although external research revenue has declined in recent years, overall research revenue has continued to increase, reaching \$21.9 million in 2013. This is largely the result of a greatly improved showing in the recent PBRF round, and is testament to the focussed energies and investment of the University, and its increased profile and contribution to research.

Not achieved

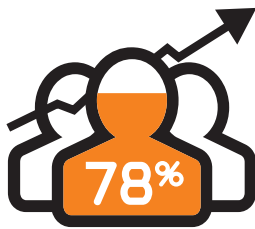
STAFF



The AUT Staff Engagement Survey 2013:



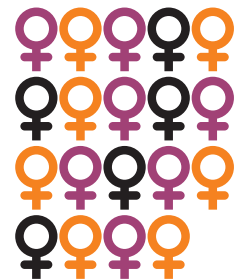
believe in AUT



say they are working for a successful organisation



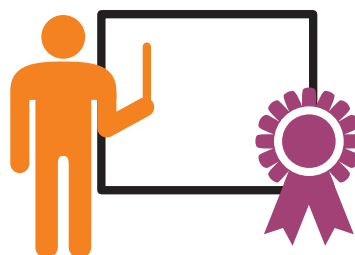
gain personal achievement from their job



19 women completed Ignite, Advance, Inspire leadership course

Awards for Academic Excellence in:

Research:
 Professor Judith Pringle
 Dr Alice Theadom
 Professor Stephen Teo
 Pain Research Team
 Centre for Occupational Health and Safety Research Team



Teaching:
 Andy Ballard
 Alan Brown
 Lesley Kaiser
 Dr Colleen Higgins

PERFORMANCE MEASURES

- 5.1 Increase the proportion of doctoral qualified academic staff to 60% by 2016.

Key performance indicator

	Target 2013	Actual 2013	Actual 2012	Actual 2011
Proportion of academic staff with doctoral qualifications	40-45%	40%	38%	*

* This key performance indicator was introduced in 2012; results for 2011 are not available.

Achieved

AUT continues to make steady progress in increasing the proportion of doctoral-qualified academic staff. New academic appointments normally require a doctorate. However, the turnover of academic staff has remained low for several years, which extends the timeframe necessary for the University to make significant changes in its staff profile. The University has also sought to establish a clear progression pathway for its own staff and students, and to provide appropriate assistance at each stage. The doctoral study awards focus on building capability amongst current staff members; fifteen staff received a semester's release from teaching duties to complete their doctoral programme in 2013. Other doctoral candidates are eligible for scholarships and research and teaching assistant roles.

- 5.2 Continue to develop an open, inclusive and consultative staff culture.

AUT aims to create a culture of open communication, consultation and inclusion for its staff. The 2013 Staff Engagement Survey found that the University is broadly succeeding in this area. With an overall engagement index score of 72.2%, AUT outperforms the benchmark set for large New Zealand organisations (70.7%). The response rate was also pleasing, with 72.9% of staff completing the survey, an increase of five percentage points from the previous survey in 2011. Although communication remains an area for improvement, efforts to improve the transparency and flow of information around the University have started to take effect; two-thirds (66.4%) of respondents felt informed about AUT and its activities, a significant 2.5 point increase from 2011. AUT now significantly outperforms other large organisations on this measure. Staff also affirmed the University's direction over the coming years, thereby validating the importance of past consultation processes such as that held during the development of AUT's current Strategic Plan. More than three-quarters (76.6%) of respondents stated that they believe in what AUT is trying to accomplish, 71.2% felt AUT was making the changes necessary to be recognised among New Zealand's best universities, and 71.1% agreed the University had a clear path to achievement of its goals.

The survey also presented AUT as a positive and inclusive place to work, with 70.7% of respondents believing the University effectively supports diversity. Along with the initiatives discussed in KPI 5.3 below, diversity is also celebrated through AUT-supported networks for staff with disabilities, Māori, Pasifika, Asian, female and LGBT staff, plus a new group for European expatriates launched during the year. A second highly successful cultural diversity event was held in November.

The Vice-Chancellor presented the overall findings of the survey, then staff participated in consultation groups and departmental workshops to identify areas for improvement and determine the appropriate remedial actions. As a result of this feedback, a number of organisation-wide and division-specific initiatives have been introduced, including workshops on managing change and providing performance feedback to staff. The survey will be repeated in 2015 to judge the effectiveness of these measures.

Achieved

PERFORMANCE MEASURES (continued)

5.3 Increase senior academic and allied appointments of Māori, Pacific people and women.	<p>The University experienced some success in recruiting and promoting senior female staff, with the number of academics growing from 38 in 2012 to 45 in 2013, and the number of allied staff also increasing from 22 to 31. An in-house leadership programme for women was launched in May (refer to KPI 5.5), along with the commencement of a gender equity study for allied staff, aiming to identify and remove barriers to career advancement experienced by women at AUT. To celebrate the 120th anniversary of women's suffrage in New Zealand, the 'Women in Leadership Week' was held in September. The programme aimed to recognise and enhance women's achievements, leadership capacities, and influence in teaching, research and administration throughout the University. Women in Leadership Week was organised by alumni of the New Zealand Women in Leadership (NZWiL) development programme. AUT sponsored the attendance of another five female staff members in the 2013 NZWiL programme.</p> <p>There were 13 senior Māori staff employed at AUT during 2013, up from 10 in 2012. After some resignations the number of senior Pacific staff fell from four to two but this is expected to increase again in 2014 with new appointments. In view of the competitive market for senior Māori and Pacific staff, the University accepts that achieving a truly diverse leadership team will require a longer term approach and clear, bold recruitment and development strategies. Arising from the 2012 gender equity study for academic staff, the AUT Diversity Strategy was finalised in 2013 to provide the framework for embedding and increasing diversity across the University. Short term initiatives have included reviewing recruitment procedures, and providing more education for hiring managers on the development of a diverse workforce.</p> <p>Partially achieved</p>
5.4 Encourage and support the development of all staff.	<p>The staff engagement survey demonstrated that AUT's investment in staff development is a genuine organisational strength. AUT's score of 68.7% for the learning and development section significantly outperformed the large organisation comparator group (65.2%). Staff especially acknowledged the encouragement to develop their skills, knowledge and abilities at AUT; this result was more than eight points higher than the benchmark for large organisations (66.8%). Many staff comments in the survey reflected appreciation for the personal and professional development opportunities.</p> <p>The University maintained its existing staff development policies and practices for 2013, including individual development plans, a formal annual performance review process, and access to time and financial support for study, research and professional development as appropriate. A wide range of training and advancement opportunities are also available in-house through the Organisational Development Group and the Centre for Learning and Teaching, or through partnerships with external organisations. One of the most notable partnerships is with the Committee for Auckland through the Future Auckland Leaders programme; Dr Luke Krieg and Colleen Leauanae became the latest AUT staff members to graduate from this intensive two-year programme in 2013.</p> <p>Achieved</p>

PERFORMANCE MEASURES (continued)

5.5 Enhance leadership and management performance.

The initial staff engagement survey in 2011 identified opportunities for more targeted leadership development training for mid- and senior-level managers. As is to be expected with a relatively short timeframe, there was no significant change in the assessment of leadership effectiveness in the 2013 staff survey. Of particular note is the relatively strong result for 'the person I report to' section, where AUT scored 72% in both 2013 and 2011. The University's response has centred on the introduction of a series of development programmes, including the highly successful Ignite, Advance, Inspire in 2013. This programme imparts leadership skills, knowledge and strategies and is aimed at prospective female leaders, in preparation for the advancement of their career within the University. Nineteen women from across AUT were selected to participate in the inaugural programme.

The two programmes piloted in 2012, Spark and the Academic Leadership Advancement Programme, were again held in 2013, with 15 and 16 participants respectively. All programmes were evaluated for their effectiveness and subsequently incorporated within the new Achieving Excellence leadership development framework introduced at the end of the year. The framework groups AUT's leadership and management training under four broad categories: How I lead; Who I am; How I communicate; and What I do, allowing easy identification of courses relevant to individual needs. It incorporates a mix of substantive leadership programmes such as those described above, along with specific workshops and a mentoring scheme to further enhance performance. It is anticipated that, as these programmes become embedded in the leadership and management culture at AUT, the results will be reflected in future surveys.

Achieved



ENGAGEMENT WITH COMMUNITIES



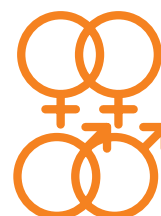
invested in Auckland waterfront theatre



First university to establish a partnership with the ASEAN New Zealand Business Council



Samoan and Cook Island language debates held at AUT South Campus



Partnership with the Gay Auckland Business Association (GABA)



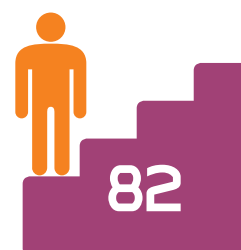
students participated in Shadow a Leader Day



Student group Poutama performed at One World, Many Voices in Washington DC



Hosted Shadows of Shoah exhibition



students from low-decile schools attended Go Uni! tertiary preparation programme

6.1 Strengthen the contribution to Māori advancement through education and research.

AUT makes a broad-ranging contribution to Māori advancement through local and international partnerships, research, support for Māori students, and the incorporation of mātauranga Māori into the curriculum. Titahi ki Tua (TKT), the Māori students' association, received funding, mentoring and secretarial support from the Office of the Pro Vice-Chancellor (Māori) to provide peer support and build cultural identity amongst Māori students at AUT. The AUT Marae provided a base for regular academic, social and cultural wānanga, out of which the TKT Kapa Haka group was established. The group performed with credit at several formal occasions during the year, including the welcome for the Prime Minister and other dignitaries to the opening of the Sir Paul Reeves Building.

Under the auspices of Te Ipukarea: the National Māori Language Institute, the ICLR was again innovative in its research, developing a dictionary for Tapuika iwi, building an online dictionary of Cook Islands languages, and sharing New Zealand's experience of revitalising te reo with a global audience of indigenous scholars. Dr Larisa Warhol became the ICLR's first Fulbright Scholar; during her tenure she presented a seminar on language revitalisation and policy considerations for Native American communities in the United States. The ICLR was also well represented at the 2013 Smithsonian Folklife Festival in America, participating in the 'One World, Many Voices: Endangered languages and cultural heritage' programme, and co-hosting a symposium on the revitalisation of te reo in Aotearoa/New Zealand. The two-day symposium included keynote addresses, academic presentations and cultural demonstrations that highlighted the work of the Centre in revitalising te reo Māori. The symposium was streamed live by the Smithsonian, and was viewed by an audience of 5,000 from Asia, North America and New Zealand.

Other schools also sought to expand their contribution to Māori advancement through research. The School of Rehabilitation and Occupation Studies formed a Mātauranga Māori Committee with the express intention of building the capacity of staff and students to conduct research in accordance with tikanga Māori. The committee provides a forum for researchers to enhance the cultural responsiveness of their work, identifies relevant community networks for future partnerships, and informs school and faculty policy on curriculum development and research.

Moves to improve success rates for Māori students continue. Following the successful pilot in 2012, a second cohort of 28 students participated in the He Korowai Mātauranga programme, a mentoring and academic support programme for students experiencing difficulties with their study. Pastoral care services were incorporated with learning support to provide a more seamless service to Māori students in need of assistance. AUT also appointed a Student Learning Advisor (te reo Māori), to better support the growing number of students for whom te reo is their first language. The appointment of this advisor extends the University's capacity to accommodate students preferring to submit their work in te reo. Alongside these University-wide initiatives, faculties and schools also sought to expand academic support and peer-mentoring programmes to Māori students in papers with higher-than-average failure rates.

Partnerships with schools are an essential part of AUT's Māori advancement strategy. Te Amorangi Whakamua (previously Te Arawhata Tuakana: Prefects Training Programme Māori) continues to foster strong relationships with key Māori secondary schools, and to generate a cohort of school leavers with the desire and preparation necessary for success in higher education. Alongside the established secondary programme, Te Amorangi Whakamua now also provides a continuing personal and leadership development programme for alumni who enrol at AUT. The partnership with Hato Petera College was further strengthened by an agreement whereby AUT's Māori students receive subsidised accommodation at the school, in return for acting as mentors, coaches or tutors to Hato Petera students.

Achieved

PERFORMANCE MEASURES (continued)

- 6.2 Extend and benchmark involvement with business, professions and communities through knowledge exchange, research and teaching.

AUT became the world's first university to join Alcatel-Lucent's ng Connect programme. The aim of ng Connect is to create a network of organisations seeking to share the benefits of ultra-fast broadband and other new technologies with society at large. AUT participated in the inaugural New Zealand ng Connect ideation meeting in August, and hosted a subsequent forum focussed on smart cities, in recognition of its particular expertise in this field. A group of three AUT students received funding from Alcatel-Lucent to develop one of the ideas arising from the August meeting. Auckland Transport and Chorus have also joined the programme, presenting opportunities for greater partnerships in the future.

In another New Zealand first, AUT pledged \$5 million towards the Auckland Theatre Company's new waterfront theatre project in Wynyard Quarter. Planned to open in mid-2014, AUT's involvement presents opportunities for experiential learning, knowledge exchange and research in a broad range of relevant disciplines, including event management, creative writing, fashion and spatial design, and the development of sustainable business practices for the arts.

Other new partnerships entered into during the year include a memorandum of understanding with Callaghan Innovation, and a scholarships agreement with Huawei Technologies. AUT and Callaghan Innovation formalised their collaboration in support of the research and innovation activities of New Zealand businesses. The partnership with Huawei presents an exciting opportunity for students at AUT South Campus, with \$3,000 for tuition fees, a top-range smartphone or tablet, and an all-expenses-paid trip to China, including a visit to Huawei's Shenzhen headquarters and the on-site university. From 2014, six scholarships will be offered to high-achieving computer science students at AUT South Campus.

The Go Uni! programme was introduced to help secondary students from low-decile schools in South Auckland prepare for university study. It includes NCEA practice, parents' evenings, and a university preparation course during the summer that covers academic skills, resilience and career pathways. In total, 82 students attended, of which two-thirds (66%) were Pacific, and 12% were Māori.

The University negotiated 17 commercial research contracts in 2013 with a total value of more than \$650,000, while another 22 organisations contracted the University's consultancy services. There are another nine active projects within Venture Management Services, a service that provides support and advice to businesses during their start-up phase.

The University strengthened its partnership with the Gay Auckland Business Association (GABA) through the AUT GABA Business series. There were three events focussed on career and business development strategies, business mentoring, and peak performance. This partnership promotes AUT as an organisation that values diversity to a network of 700 industry links and contacts.

Following on from the previous year's successful involvement with the Trans-Tasman Business Circle, AUT sponsored the Circle's post-Budget lunch in May. Featuring a keynote address by Prime Minister John Key, the event drew an audience of approximately 950 business leaders. The University also sponsored the TEDx Auckland event, which featured Professor Welby Ings as the keynote speaker.

Achieved

6.3 Raise the University's profile and increase the number of successful research commercialisation ventures through business and industry engagement.

Professor Stephen Henry's Kode BioTech company development is an exciting example of AUT's research commercialisation. With international licences from organisations such as the Mayo Clinic and Emergent Technologies, the biosurface 'paint' he created has a wide range of potential applications and a truly global audience. Healthcare applications include improving the effectiveness of cancer treatments, antidotes and virus testing. Other possible uses are being explored in cosmetics, anti-counterfeiting measures, and advanced nanofibres. The invention has been lauded as potentially one of New Zealand's greatest science and commercial success stories, and is expected to be used in almost all diagnostic laboratories within a decade.

AUT also achieved national attention for its emerging expertise in aquaculture and fisheries research. The University won the People's Choice award at the Kiwinet Commercialisation Awards for its work with Cloudy Bay Clams to grow the surf clam industry. Another important industry partnership was the ongoing work of the Building Research Association of New Zealand with the School of Engineering in the field of construction management. Fulton Hogan has also invested in further research and development work with AUT, building on a previously successful collaboration under the former technology transfer voucher scheme.

Israeli incubation expert Oren Gershtein was the keynote speaker at an AUT-hosted forum to foster interest in the new Government-supported technology incubator funding programme. AUT has subsequently assisted Auckland Tourism, Events and Economic Development (ATEED) to facilitate discussions with parties interested in investor-led syndicate bids for the new programme.

Other commercialisation activities continued with 58 projects managed by AUT Enterprises Ltd (AUTEL), of which 20 remained active by the end of the year. AUT also registered 35 new disclosures of inventions or discoveries with commercial potential. Three new patent applications were filed, including one in association with Lincoln University, along with one new registered design. In total, over the year there were more than 50 business and industry engagements related to commercialisation projects. AUTEL established a staff consultancy agency, drawing close to \$200,000 in contracts during its first nine months of operation.

The AUTEL Innovation Challenge continues to strengthen and highlight the entrepreneurial abilities of AUT staff and students. The competition consists of three rounds: a written application, a full business plan, and a pitch to investors. RogenSI, a multinational performance coaching company, is a partner in the challenge and provides a workshop for competitors in preparation for their final pitch. The 2013 winner was the MS Energise team of Paula Kersten, Duncan Babbage and Kirsten van Kessel, with an application for the management of multiple sclerosis. Julian Harrison was second with a mobile application for vehicle management, and Mochu Dong placed third with a social media advergame that teaches players about infectious diseases.

Achieved

6.4 Strengthen the contribution to the advancement of Pacific people and their communities through education and research.

AUT's Pasifika advancement programme continued to build momentum in 2013, strengthening engagement and research links with both local and Pacific-based communities, and providing culturally responsive programmes and support services to students.

The Pacific research programme is broad based, covering language revitalisation, education and social issues in New Zealand and the Pacific. The major international project for the year was the Online Dictionary of Cook Islands Languages. Building on memoranda of understanding signed in recent years, the dictionary project uses technology developed by Te Ipukarea and is a collaboration between researchers from the ICLR and the University of the South Pacific Cook Islands Campus. When complete, the dictionary will contain images, audio, video and encyclopaedic information.

Aimed at strengthening the educational outcomes of Pacific students, Vaka o Manu Pasifika is funded by the Ministry of Education and led by Tagaloatele Professor Peggy Fairbairn-Dunlop. The project works with teachers and students from six schools in Auckland and Tokoroa, developing competencies for teachers to incorporate Pasifika knowledge and culture in the classroom. AUT also conducted the most detailed study to date of gambling within the Pacific community. Commissioned by the Ministry of Health, the study deepens the understanding of the impact of gambling on Pacific people, informs risk factors and better identifies the causes of problem gambling. The Manukau Research Symposium was organised by the Centre for Child Health Research at AUT South Campus. With the theme of 'Putting Children First', the Symposium highlighted the work of researchers and postgraduate students. Of particular note was the presentation by Dr El-Shadan Tautolo, 'Pacific Fathers Cultivating the Future'. An exemplar of AUT's policy of investing in Pacific staff and students, Dr Tautolo was a researcher with the longitudinal Pacific Islands Families (PIF) study for a number of years. He was appointed as the Associate Director of the PIF study in 2013, following the completion of his doctorate the previous year.

In addition to the existing support services for postgraduate students, AUT introduced the Pacific Postgraduate Methodology Lecture Series, with the aim of preparing postgraduate students for advanced study. The five seminars covered case study, Samoan, narrative, ecological, and feminist methodologies and were well received by participants. AUT also hosted postgraduate writing retreats in Rarotonga, which were attended by Māori and Pacific research students from AUT, as well as Cook Islands residents. Several research students gained invaluable experience through attending and presenting at conferences, including the 12th Pacific Science Inter-Congress in Suva, Fiji, the Equity Practitioners in Higher Education in Australasia Conference in Perth, and the Australian Anthropological Society Annual Conference in Canberra. Several Pacific postgraduate students also attended and presented at the inaugural Pacific Research Symposium, Kiwa's Colloquium T +10, and at AUT's Postgraduate Symposium.

AUT also introduced several new initiatives for undergraduate students during the year. The Bachelor of Pasifika Education (Early Childhood Teaching) was introduced at AUT South Campus, replacing the long-standing National Diploma in Teaching (Early Childhood Education, Pasifika). Based on the philosophy of talanoalālanga (weaving), the curriculum is steeped in concepts drawn from diverse Pacific knowledges. Students experiencing difficulties also received greater support with the pilot Kaveinga programme. Based on the successful He Korowai Mātauranga initiative for Māori students, Kaveinga is a collaborative partnership between students, Pacific learning mentors and faculties, with the aim of re-establishing engagement with learning and building a strong sense of Pacific identity.

Achieved



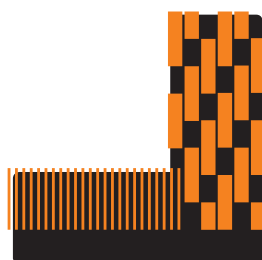
CONTINUOUS DEVELOPMENT AND CAPACITY BUILDING



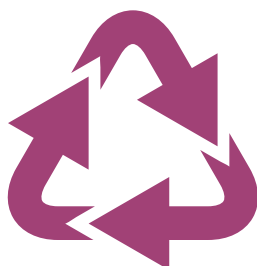
QS World University Ranking



Awarded 4 stars by QS



Sir Paul Reeves building
won Best Designers
Institute award



Finalist 2013 Australasian
Green Gown Awards



raised for Lifewise Big
Sleep Out

PERFORMANCE MEASURES

Continuous development

7.1 Continue to build the University's reputation.

Both national and international evidence of AUT's growing reputation was observed during 2013. As is discussed further in KPI 7.8, AUT improved its ranking within the QS World University Rankings, and achieved a four-star overall rating from the quality agency. Nationally, results of the 2012 PBRF quality evaluation round revealed that AUT is now the top-ranked university in New Zealand for sport and exercise science, and was placed in the top three in another five subjects. More than a third (36%) of research-active staff received an A or B rating, up from 27% in 2006, and crucially, AUT's share of funding increased from 2.2% to 4.9%, the largest increase of any university.

AUT and Friends of AUT continued their joint efforts to build the University's profile in the United States. The flagship internship programme, InterNZ, commenced in 2013, placing nine graduates at industry leaders such as Saatchi and Saatchi New York, The B Team, and Paramount Recording Studios. Other projects include a partnership with Play Rugby USA, which supports academic exchanges in high-performance sport, and provides funds for school-age players from low socio-economic areas to develop their skills in New Zealand.

The University continues to engage closely with local and central government over the development of AUT South Campus, building a shared vision for its transformative potential within the South Auckland community. As a result, the Government has committed to providing the tuition funding necessary to grow the Campus to more than 4,000 EFTS by 2020.

AUT takes seriously its reputation and responsibilities as a good corporate citizen, seeking to reduce its environmental impact and make a positive contribution to Auckland. The University again joined with Lifewise to host the Big Sleep Out, raising more than \$155,000 to provide shelter and assistance for Auckland's homeless. Efforts to improve its environmental sustainability resulted in an award from the Sustainable Business Network and a commendation at the Australasian Green Gown Awards.

Finally, independent media monitoring found that the key messages received by the public are favourable and closely aligned with the University's direction: AUT has high quality teaching staff, its research benefits the community, it is actively involved in the development and well-being of Pacific culture and language, and it is a good employer.

Achieved

PERFORMANCE MEASURES (continued)

Continuous development

7.2	Continue to meet agreed financial covenants.	Key performance indicators		Target 2013	Actual 2013	Actual 2012	Actual 2011
		7.2.1	Net surplus to external revenue ratio	3.0% - 5.0%	4.3%	4.5%	3.1%
		7.2.2	Maximum commercial debt borrowings (\$000s)	\$70,000	\$43,320	\$61,250	\$40,594
		7.2.3	Maximum aggregate financing (\$000s)	\$110,000	\$79,341	\$99,565	\$81,029
		7.2.4	Minimum cash ratio	111%	123%	121%	122%
		7.2.5	Debt to debt plus equity (maximum)	25%	15%	20%	18%
		7.2.6	Interest cover ratio (minimum)	2.50	5.70	5.50	3.73
		7.2.7	Debt cover ratio (maximum)	3.00	1.30	1.80	1.47
		Achieved					
7.3	Continue to diversify the University's revenue base.	AUT has a significantly higher reliance on government and tuition revenue than other universities. In 2012, the most recent comparative data available, more than 80% of AUT's revenue came from student or government tuition sources, compared with an average of 65% for the university sub-sector. In recent years the University has sought to diversify its revenue base through a series of medium- to long-range measures including investment in research, growing the number of international students, and maximising other income streams. The University's overall income increased by five percent from 2012 to 2013 and efforts in the area of annual gifts to the University were particularly successful with a 35% increase; AUT received more than \$670,000 in gifts during 2013, up from \$495,000 the previous year. Other revenues, including from international students and third stream sources, increased by seven percent.					
		Achieved					

PERFORMANCE MEASURES (continued)

Continuous development

7.4	Ensure progress is made against the Capital Asset Management Plan.	<i>Key performance indicator</i> (\$000s)	Budget 2013	Actual 2013	Actual 2012	Actual 2011
		Major capital works				
		City Campus				
		Sir Paul Reeves Building	15,700	15,520	45,826	32,850
		AUT South Campus				
		Refurbishment		530		1,984
		AUT Millennium Campus		9	740	5,838
		Total major capital works	15,700	16,059	46,566	40,672
		Other capital				
		Planned maintenance/ minor capital works	6,134	6,853	4,108	2,951
		Library	5,000	5,208	4,432	5,238
		Information technology	8,461	3,127	4,599	3,319
		Plant and equipment	5,578	6,301	4,473	5,245
		Total other capital	25,173	21,489	17,612	16,753
		Total capital plan	40,873	37,548	64,178	57,425

Achieved

The Sir Paul Reeves Building officially opened in March. The University's largest capital project to date, the building is the culmination of many years' work and is now the focal point for AUT's interaction with Auckland's central business district. There were few other major projects in 2013, as the University turned its attention to preparing for the next phase of development at North Shore and AUT South Campuses. The refurbishment of MA and MC blocks at AUT South was initially planned for 2014, but instead was approved to start in late 2013. Several information technology projects were delayed due to availability of external vendors, or deferred to 2014.

PERFORMANCE MEASURES (continued)

International reputation

7.5	Increase international EFTS to 15-20% of total EFTS ¹⁰ by 2016.	<i>Key performance indicator</i>	Target 2013	Actual 2013	Actual 2012	Actual 2011
		Proportion of international EFTS	13-16%	16%	15%*	14%*
		* This KPI now includes EFTS in the onshore international exchange, onshore international PhD, and international research MoE categories. 2011 and 2012 results have been updated accordingly.				
Achieved						
7.6	Increase international postgraduate EFTS.	<i>Key performance indicator</i>	Target 2013	Actual 2013	Actual 2012	Actual 2011
		International postgraduate EFTS	525-600	805¹¹	674	544
		Achieved				
7.7	Increase international research EFTS.	<i>Key performance indicator</i>	Target 2013	Actual 2013	Actual 2012	Actual 2011
		International research EFTS	170-190	185	162	143
		Achieved				

¹⁰ Includes EFTS in core Ministry-funded programmes only

¹¹ This result is higher than that reported in Key Facts and Figures due to the inclusion of onshore international exchange students, onshore international PhD students, and international students enrolled in research masters courses

PERFORMANCE MEASURES (continued)

International reputation

- 7.8 Strengthen and benchmark AUT's international reputation in teaching and research.

AUT strengthened its position amongst the world's top five percent of universities, improving 20 places to reach the 471-480 band in the QS World University Rankings. The University sought accreditation from QS and used their international benchmarking service. AUT achieved a four-star overall rating and a maximum five stars in the key fields of teaching, employability, internationalisation, facilities and access. The Business School was the first in the world to undergo the QS Stars Business School accreditation process, also achieving a four-star rating. This score denotes a highly international school that demonstrates excellence in both teaching and employability. These results are a clear reflection of the University's increasing international reputation in teaching, learning and research.

AUT signed ten university-level memoranda of understanding during the year, building on the groundwork laid over several years and presenting exciting opportunities for the future. An agreement with the Vietnamese Ministry of Education and Training (MOET) provides scholarships for masters and doctoral students; other memoranda were signed with the Thai Office of the Civil Service Commission (OCSC) and the Thailand Professional Qualification Institute (TPQI). The latter was signed at a high-profile event held at Bangkok's Government House, attended by both Prime Minister John Key and Thai Prime Minister, Her Excellency Yingluck Shinawatra. As further evidence of AUT's international standing, the School of Journalism was part of a consortium which received European Union funding for the Inclusive Journalism Initiative – Europe and Asia-Pacific; AUT was also awarded 14 students, the highest of any New Zealand university, under the Brazilian government's Science Without Borders mobility programme.

More than 50 high-level delegations visited AUT, including: Prime Minister Yingluck Shinawatra; King Tupou VI of Tonga; and Patricia Martínez Barrios, Vice-Minister of Higher Education, Columbia. In partnership with the University of Science, Vietnam National University, AUT also hosted the Governor-General of New Zealand, Sir Jerry Mateparae, during his visit to Vietnam. On a visit to Thailand, the Vice-Chancellor and Pro Vice-Chancellor (International) attended high-level strategic meetings with major corporations including: PTT Public Company Ltd, the national oil and gas company; CP All Company; and TPQI. As further evidence of the University's excellent reputation in the region, 30 Vietnamese public servants attended English Language training at AUT International House under Project 165, as did the fifth group of officials from the Thai Ministry of Foreign Affairs, under the Advanced Communication programme.

Achieved

REPORTS

EQUAL OPPORTUNITIES

AUT released its new Diversity Strategy in 2013. Overseen by the Equity Steering Committee, the Strategy provides a framework to embed diversity in University practices, with the ultimate aim of increasing the diversity of AUT's workforce and student communities. The Strategy considers issues related to organisational commitment and environment, staff recruitment and support, and student success. Alongside the new Strategy, formalised Action Plans were introduced to standardise reporting procedures and ensure departmental alignment to the Strategy's priorities.

With a plan to build 'the first accessible university in New Zealand', AUT became the first university to undergo a review by disability advocacy agency Be.Accessible. The review complements and extends the work undertaken in recent years as part of *Kia Ōrite: the disability code of practice*. Be.Accessible assesses organisations and awards gold-, silver- or bronze- standards of accessibility across a range of areas, including organisational culture, environment, and customer service and communications. With a gold-standard rating for environment, AUT was certainly pleased with the results of the initial audit and now has a development plan for achieving gold standards in all aspects.

The QS Stars evaluation provided further evidence of AUT's commitment to access, with the University achieving a maximum five stars in this category. Under the QS methodology, access encompasses a range of measures, including gender balance, outreach to low-income communities and students, and provision of scholarships as well as access for people with disabilities. This result confirms AUT as a national leader in this area, displaying a world-class approach to providing unfettered access for all students, staff and community members.

STAFF AND STUDENTS

AUT's Pasifika Staff Network initiated and hosted the University's inaugural Pasifika Graduation Celebration in 2013. With the highest proportion of Pacific students of all New Zealand universities and the largest numbers studying health, information technology, business and creative arts, the event celebrated the graduands' achievements and acknowledged AUT's support for Pacific students, their families and communities. Pacific students are once again the University's most satisfied student cohort, with 86% satisfied with their overall experience at AUT and 92% willing to recommend AUT to others.¹²

The University continues to create the conditions necessary to develop a more diverse senior leadership profile over the coming years; more female, Māori and Pasifika leaders are particularly sought. AUT initiated a gender equity study for allied staff, following on from the successful academic version. The study aims to identify institutional barriers to advancement, while ensuring female staff are accessing development and promotion opportunities, and have the ability to develop a full career at AUT. A review of staff appointment practices identified a series of recommendations for increasing Māori and Pacific staff representation over the longer term, to be discussed further in 2014.

AUT was pleased that Dr Juliet Nanai and Ali Rasheed were both elected to the board of EPHEA (Equity Practitioners in Higher Education Australasia). As the only New Zealand members on the board, their presence places AUT at the forefront of policy issues and professional practice in the higher education sector.

As part of its commitment to celebrating and supporting diversity within the student body, AUT appointed a diversity manager during the year. As well as building social and cultural engagement, the diversity manager is tasked with providing tailored assistance to former refugees and new migrants, taking into account their particular learning needs.

¹² Results taken from the 2013 Annual Programme Survey

COMPULSORY STUDENT SERVICES FEES

For the year ended 31 December 2013

The compulsory student services fee was set at \$460.00 (GST inclusive) per full-time student in 2013. The fee funds key services for students to assist their success, retention and overall well-being while studying at AUT. All students, except distance and exchange students, must pay the fee and can borrow the amount against their student loan.

STUDENT ADVISORY COMMITTEE

With the advent of voluntary student unionism and the establishment of the Student Services Levy, AUT and AuSM entered a collaborative and formal partnership, signing a memorandum of understanding and service level agreement at the beginning of 2012. The Student Advisory Committee was formed from this partnership, with equal membership from AUT and AuSM. The Committee operates to provide strategic feedback and input into the allocation and expenditure of the Student Services Levy, to ensure the best value for students and promote student engagement with learning and AUT.

The partnership between AUT and AuSM was renewed for 2013 and the following report outlines the investment in service provision.

ADVOCACY AND LEGAL ADVICE

AuSM provides AUT students with independent and confidential support, advice and advocacy services. This includes assistance for legal matters, disciplinary action, harassment, complaints, employment and tenant rights, grade appeals, and general information and translation of AUT rules and policies.

CAREERS ADVICE AND GUIDANCE

AUT offers career counselling, career development services and job search support to prospective and current AUT students and alumni. AUT's career specialists provide advice and support clients to make informed decisions about their career path and study programme, and to improve their employability.

CLUBS AND SOCIETIES

AuSM offers a range of student-run social, academic and cultural clubs through which students can meet new people, participate in events, and get involved in campus life.

CHILDCARE SERVICES

AUT hosts two childcare facilities – one at the City Campus (run by AUT) and an independently run crèche at North Shore Campus. Both centres provide excellent childcare facilities and services, including school holiday programmes. Health, Counselling and Well-being also provide comfortable and private rooms for breastfeeding at City and North Shore Campuses.

AUT offers a childcare subsidy of up to \$50 per week per dependent child, which is paid directly to the early childhood centre where the child is enrolled.

COUNSELLING AND PASTORAL CARE

AUT has a range of pastoral and counselling services to facilitate students' integration into university life and provide on-going personal, spiritual, psychological and emotional support. In addition, the University offers specialised services for students with a disability, or who are Māori, Pasifika, Chinese, International or elite athletes.

EMPLOYMENT INFORMATION

AuSM provides students with employment information and funding for Student Job Search (SJS). SJS is an employment agency targeted at finding employment for students.

FINANCIAL SUPPORT AND ADVICE

AUT offers students information and advice to help manage their money, including assistance with Studylink issues, budgeting, and banking. In addition, the University provides Justice of the Peace services and emergency financial assistance for students experiencing extreme financial hardship.

HEALTH SERVICES

AUT's health centres offer integrated general practice medical, nursing, counselling, spiritual and well-being services to support students' overall health and well-being. The centres are part of the Auckland primary health organisation and offer subsidised fees for registered eligible students.

MEDIA

AuSM supports the production and dissemination of information by students for students through *Debate* magazine and online media.

SPORT, RECREATION AND CULTURAL SERVICES

AUT delivers a range of recreational and competitive sport events and activities. Each campus has a fitness centre offering quality fitness equipment, group classes and personalised exercise programmes, and access to sport and exercise services.

The University also offers a wide range of cultural events and activities to engage the diverse student community.



FINANCIAL STATEMENTS

INCOME STATEMENT

For the year ended 31 December 2013

		University			Consolidated	
		2013 Actual \$000s	2013 Budget \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
	Note					
REVENUE						
Government operational funding	2	150,053	143,818	142,002	150,053	142,002
Student tuition fees	3	138,419	137,259	131,817	138,419	131,817
Research grants	4	9,581	12,118	10,310	9,762	10,373
Other income	5	29,023	30,772	28,635	29,775	29,434
Total revenue		327,076	323,967	312,764	328,009	313,626
EXPENSES						
Personnel costs	6	194,199	192,989	192,059	194,199	192,059
Supplies and other costs	7	79,434	76,846	75,060	80,583	75,853
Depreciation, amortisation and impairment	8	36,511	37,414	28,603	36,511	28,603
Total expenses before finance costs		310,144	307,249	295,722	311,293	296,515
Operating surplus before finance costs		16,932	16,718	17,042	16,716	17,111
Finance costs	9	2,991	3,589	3,083	2,991	3,083
Operating surplus		13,941	13,129	13,959	13,725	14,028
Share of associate's (deficit)/surplus	14	–	–	–	(10)	8
Share of jointly-controlled entity's surplus	15	–	–	–	1,084	8,114
NET SURPLUS		13,941	13,129	13,959	14,799	22,150

The accompanying notes form part of these Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2013

	Note	University			Consolidated	
		2013 Actual \$000s	2013 Budget \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
NET SURPLUS		13,941	13,129	13,959	14,799	22,150
OTHER COMPREHENSIVE INCOME/(LOSS)						
Items that may be reclassified subsequently to surplus/(deficit)						
Net gain/ (loss) on available-for-sale financial assets	26	1	1	(1)	1	(1)
Net gain on cash flow hedges	26	185	150	142	185	142
		186	151	141	186	141
Item that will not be reclassified to surplus/(deficit)						
Net gain on asset revaluations	26	30,619	-	11,705	30,619	11,705
Total other comprehensive income		30,805	151	11,846	30,805	11,846
TOTAL COMPREHENSIVE INCOME		44,746	13,280	25,805	45,604	33,996

The accompanying notes form part of these Financial Statements.

BALANCE SHEET

As at 31 December 2013

		University			Consolidated	
		2013 Actual \$000s	2013 Budget \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
	Note					
CURRENT ASSETS						
Cash and cash equivalents	10	6,894	3,830	8,704	8,048	9,428
Short-term Investments		-	-	-	-	542
Trade and other receivables	11	39,844	6,000	4,254	39,904	4,359
Inventories		125	171	208	125	208
Prepayments		1,507	1,059	1,408	1,507	1,408
Total current assets		48,370	11,060	14,574	49,584	15,945
NON-CURRENT ASSETS						
Available-for-sale financial assets	12	134	135	133	134	133
Investment in subsidiaries	13	100	100	100	-	-
Investment in associates	14	77	439	417	142	513
Investment in jointly-controlled entity	15	18,528	18,300	18,300	30,573	29,261
Property, plant and equipment	16	578,875	543,726	552,964	578,875	552,964
Intangible assets	17	5,728	5,364	5,339	5,728	5,339
Total non-current assets		603,442	568,064	577,253	615,452	588,210
TOTAL ASSETS		651,812	579,124	591,827	665,036	604,155
CURRENT LIABILITIES						
Trade and other payables	18	37,397	28,765	42,001	37,456	42,072
Income in advance	19	73,051	35,000	34,414	73,101	34,414
Employee entitlements	20	18,406	16,445	16,917	18,406	16,917
Provisions	21	1,506	1,530	1,525	1,506	1,525
Finance lease borrowings	22	4,868	5,817	5,044	4,868	5,044
Derivative financial instruments	23	42	-	-	42	-
Borrowings	24	43,320	63,145	21,250	43,320	21,250
Total current liabilities		178,590	150,702	121,151	178,699	121,222
NON-CURRENT LIABILITIES						
Borrowings	24	-	-	40,000	-	40,000
Employee entitlements	20	5,784	5,500	5,886	5,784	5,886
Provisions	21	1,656	916	1,409	1,656	1,409
Finance lease borrowings	22	31,153	31,000	33,271	31,153	33,271
Derivative financial instruments	23	-	-	227	-	227
Total non-current liabilities		38,593	37,416	80,793	38,593	80,793
TOTAL LIABILITIES		217,183	188,118	201,944	217,292	202,015
EQUITY						
General equity	25	274,962	273,990	261,021	288,077	273,278
Revaluation reserves	26	159,667	117,016	128,862	159,667	128,862
Total equity		434,629	391,006	389,883	447,744	402,140
TOTAL LIABILITIES AND EQUITY		651,812	579,124	591,827	665,036	604,155

The accompanying notes form part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2013

	Note	University			Consolidated	
		2013 Actual \$000s	2013 Budget \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
Total equity at the beginning of the year		389,883	377,726	364,078	402,140	368,144
COMPREHENSIVE INCOME						
Net surplus		13,941	13,129	13,959	14,799	22,150
Other comprehensive income		30,805	151	11,846	30,805	11,846
Total comprehensive income		44,746	13,280	25,805	45,604	33,996
TOTAL EQUITY AT THE END OF THE YEAR		434,629	391,006	389,883	447,744	402,140

The accompanying notes form part of these Financial Statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2013

		University		Consolidated	
		2013 Actual \$000s	2013 Budget \$000s	2012 Actual \$000s	2012 Actual \$000s
	Note				
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from government grants		150,053	143,818	142,002	150,053
Receipts from student tuition fees		138,442	137,259	132,935	138,442
Receipts from service activities		31,398	30,730	30,277	31,841
Interest received		33	-	167	63
Dividend received		21	-	21	21
Receipts from other revenue		9,933	12,160	9,290	10,359
Payments to employees		(192,812)	(192,989)	(188,406)	(192,812)
Payments to suppliers		(77,848)	(76,846)	(67,300)	(78,821)
Interest paid		(2,991)	(3,589)	(3,083)	(2,991)
Net GST received/(paid)		7,074	(3,458)	(359)	7,036
NET CASH FLOW FROM OPERATING ACTIVITIES	29	63,303	47,085	55,544	63,191
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		32	-	4,599	32
Purchases of property, plant and equipment		(36,737)	(34,318)	(65,252)	(36,737)
Purchases of intangible assets		(4,745)	(6,555)	(3,836)	(4,745)
Receipt on maturity/(placement) of short-term investments		-	-	-	542
NET CASH FLOW FROM INVESTING ACTIVITIES		(41,450)	(40,873)	(64,489)	(40,908)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from/(repayment of) borrowings		(17,930)	(4,140)	20,656	(17,930)
Repayment of finance lease borrowings		(5,733)	(1,143)	(5,828)	(5,733)
NET CASH FLOW FROM FINANCING ACTIVITIES		(23,663)	(5,283)	14,828	(23,663)
Net increase/(decrease) in cash and cash equivalents		(1,810)	929	5,883	(1,380)
Cash and cash equivalents at beginning of the year		8,704	2,901	2,821	9,428
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		6,894	3,830	8,704	8,048

The accompanying notes form part of these Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these Financial Statements are set out below. The Financial Statements comprise Financial Statements for Auckland University of Technology (the University) as an individual entity, and for the consolidated entity consisting of the University, its subsidiaries, interest in associates and joint venture interests (the Consolidated Group).

(a) Basis of preparation

Reporting entity

Auckland University of Technology is a University under the Auckland University of Technology (Establishment) Order 1999 and is domiciled in New Zealand. The primary objective of the University is to provide tertiary education and research services for the benefit of the community rather than making a financial return. For the purposes of financial reporting, the University and the Consolidated Group are considered to be public benefit entities.

The Financial Statements of the University and the Consolidated Group are for the year ended 31 December 2013. The Financial Statements are authorised for issue by the Council of Auckland University of Technology on 31 March 2014.

Statement of compliance

The Financial Statements of the University and the Consolidated Group have been prepared in accordance with the requirements of the Crown Entities Act 2004, as referred to in section 203 of the Education Act 1989.

The Financial Statements have been prepared in accordance with generally accepted accounting practice in New Zealand. They comply with *New Zealand Equivalents to International Financial Reporting Standards* (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Measurement base

The Financial Statements have been prepared on an accruals basis and are based on the historical cost convention as modified by the revaluation of certain assets and liabilities as identified in the summary of significant accounting policies. These include the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit and loss and certain classes of property, plant and equipment.

Functional and presentation currency

The Financial Statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars, unless otherwise stated. The functional currency of the University and its subsidiaries is New Zealand dollars.

Changes in accounting policies

There have been no changes in accounting policies during the financial year.

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted

Standards, amendments and interpretations issued but not yet effective and which have not been early adopted, and are relevant to the University and the Consolidated Group, are:

- NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following three main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus or deficit. The new standard is required to be adopted for the year ended 31 December 2015, however, as the University will apply a new Accounting Standards Framework for public benefit entities on this date, there is no certainty as to when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the University is classified as a Tier 1 reporting entity and it will be required to apply full public sector Public Benefit Entity Accounting Standards (PAS). These standards are being developed by the XRB and are mainly based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the University expects to transition to the new standards in preparing its 31 December 2015 financial statements. As the PAS are still under development, the University is unable to assess the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that no new NZ IFRS and amendments to existing NZ IFRS will be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities until the new Accounting Standards Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

(b) Basis of consolidation

The consolidated Financial Statements comprise the Financial Statements of the University, its subsidiaries, interest in an associate and joint venture interests.

Subsidiaries

Subsidiaries are all those entities over which the University has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the University. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between consolidated entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Investments in subsidiaries are carried at cost in the parent entity financial statements.

Associates

Associates are entities over which the University has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the voting rights. Investments in material associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

Joint Ventures

A joint venture is a contractual arrangement whereby the University and other parties undertake economic activities that are subject to joint control. The University has interests in joint ventures which comprise a jointly-controlled entity and jointly-controlled assets.

Jointly-controlled entity

Interest in a jointly-controlled entity, whereby the venturers have a contractual arrangement that establishes joint control over the economic activities of the entity. The University recognises its interest in the jointly-controlled entity using the equity method of consolidation.

Under the equity method, the investment in the jointly-controlled entity is carried at cost in the parent entity financial statements. In the consolidated financial statements, the investment is initially recognised at cost and subsequently adjusted for changes in the University's share of net assets of the joint venture, less any impairment in the value of investment. The University's share of the results of the joint venture is recognised in the Income Statement.

The financial statements of the joint venture are prepared for the same reporting period as the University. Adjustments are made where necessary to bring the accounting policies in line with those of the University.

Jointly-controlled assets

Interest in jointly-controlled assets, whereby the venturers have a contractual arrangement that involves joint control and ownership of assets dedicated to the purposes of the joint venture. The University recognises its share of the jointly-controlled assets in the financial statements, classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly-controlled assets are accounted for on an accruals basis. Income from the sale or use of the University's share of jointly-controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the University and the amount can be measured reliably.

(c) Revenue recognition

Revenue comprises the fair value of the sale of goods and services, net of Goods and Services Tax, rebates and discounts and after eliminating sales within the Consolidated Group. Revenue is recognised as follows:

- Government grants – on entitlement.
- Student tuition fees – on a course percentage of completion basis. The percentage of completion is measured by reference to the days of the course completed as a proportion of the total course days.
- Research grants which will provide reciprocal benefits to the research funding provider – on the percentage of completion method. The stage of completion is measured by reference to total expenditure incurred to date compared with the funding provided. Liabilities are recognised in the Balance Sheet as a future obligation to complete the research in respect of the grants which are unearned at the balance date. Research grants which provide no reciprocal benefits to the research funding provider are recognised as income when the grants are received.
- Subsidies, donations and bequests – when the right to receive the fund or asset has been established.
- Revenue from the sale of goods – when the goods have been delivered and the significant risks and rewards of ownership have been transferred to the customer and can be measured reliably.
- Revenue from rendering a service – upon the delivery of the service.
- Interest income – on a time-proportion basis using the effective interest method.
- Dividend income – when the right to receive payment has been established.

(d) Property, plant and equipment

Each class of property, plant and equipment is valued at historical cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Land and buildings

Crown-owned land and buildings that are used by the University are included as part of the University's property, plant and equipment. The University has sole and unrestricted use of this land and these buildings and has assumed ownership of these assets by means of a lease from the Ministry of Education for a period of thirty-three years from 1 November 1994, with rights of renewal for two further periods of thirty-three years each.

Following initial recognition at cost, all land and buildings, whether owned by the Crown or purchased and built out of the University's reserves, are shown at fair value. Revaluation of land and buildings is carried out at least every three years by independent valuers to ensure that the carrying amounts of these assets do not differ materially from their fair values at the balance date.

Any revaluation surplus arising on revaluation is credited to the asset revaluation reserve included in the equity section of the Balance Sheet. Decreases that offset previous increases of the same asset class are charged against the asset revaluation reserve directly in equity; all other decreases are charged to the Income Statement.

The carrying values of revalued land and buildings are assessed annually to ensure that they do not differ materially from fair value. If there is evidence supporting a material difference, then the off-cycle asset classes are revalued.

Library collection

The Library collection is valued at historical cost less accumulated depreciation and, where applicable, any impairment losses.

Work in progress

Work in progress is valued on the basis of expenditure incurred up to balance date and is not depreciated. Financing costs have not been capitalised during the construction of assets. The total cost of a project is transferred to the relevant asset class on completion and is then depreciated.

Depreciation

Property, plant and equipment are depreciated using the straight-line method (except for motor vehicles, which uses the diminishing value method) to allocate cost or revalued amount to residual value over their estimated useful lives, as follows:

Buildings	20 - 50 years straight-line
Library collection	5 - 10 years straight-line
Plant and equipment	5 - 20 years straight-line
Specialty electronics	6 years straight-line
Furniture and fittings	5 years straight-line
Leasehold improvements	5 years straight-line
Office equipment	5 years straight-line
Computers and electronic equipment	3 years straight-line
Motor vehicles	20% diminishing value

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date. Any changes are accounted for prospectively as a change in accounting estimate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note (f)). Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the Income Statement.

Land, works of art and work in progress are not depreciated.

(e) Intangible assets

Computer software

Computer software licences are capitalised on the basis of the costs incurred to acquire and to bring the software to use. These costs are amortised on a straight-line basis over their estimated useful lives, being three years.

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of identifiable and unique software controlled by the University, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include software development, employee costs and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised on a straight-line basis over their estimated useful lives, being three years.

Programme development

Costs incurred on development of new academic programmes are capitalised to the extent that such costs are expected to be recovered. Capital costs are amortised from the commencement of a particular programme on a straight-line basis over the period of their expected benefits, being three years.

Intellectual property

Intellectual property is valued at cost of acquisition and is amortised on a straight line basis over the period of its expected benefits, being five years.

(f) Impairment

Financial assets

At each balance date the University assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Impairment losses are recognised in the Income Statement.

Non-financial assets

Non-financial assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment. Non-financial assets that have a finite useful life are subject to amortisation or depreciation and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised as the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impairment losses are recognised in the Income Statement.

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in values, and bank overdrafts. Bank overdrafts are shown within borrowings as current liabilities in the Balance Sheet.

(h) Short-term investments

Short-term deposits with financial institutions that have maturities of greater than three months, but less than one year, are classified as short-term investments and are included within investing activities in the Statement of Cash Flows. Interest on short-term investments is recognised on an accruals basis over the life of the investment.

(i) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less any provision for impairment.

Collectability of receivables is reviewed on an on-going basis. Receivables which are known to be uncollectable are written off. A provision for impairment of receivables is established when there is objective evidence that the University will not be able to collect all amounts due according to the original terms of payment.

(j) Inventories

Inventories available for resale are valued at the lower of cost and net realisable value, with adjustment for slow moving and obsolete inventories. Cost is determined on a first-in first-out basis. All consumables are charged directly to expenditure. No inventories are pledged as security for liabilities at the balance date.

(k) Investments and other financial assets

The University classifies its investments into the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. The University determines the classification of its investments at initial recognition and re-evaluates this designation at each balance date.

Financial assets at fair value through profit or loss

This category has two subcategories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by the University.

The policy of the University is to designate a financial asset at fair value through profit and loss if there exists the possibility it will be sold in the short-term and the asset is subject to frequent changes in fair value. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance date. Derivatives that are not designated as hedges are categorised as financial assets held for trading.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the University provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance date which are classified as non-current assets. Loans and receivables are included in receivables in the Balance Sheet.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the University has the positive intention and ability to hold to maturity.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the University intends to dispose of the investment within 12 months of the balance date.

Purchases and sales of investments are recognised on trade-date, the date on which the University commits to purchase or sell the asset. All investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the Income Statement. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the University has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value or at cost in cases where the fair value cannot be reliably measured. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are included in the Income Statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity in the available-for-sale revaluation reserve.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments are included in the Income Statement as gains and losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the University establishes fair value by using appropriate valuation techniques. These include reference to the fair value of recent arm's length transactions involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstance. Where the fair value cannot be reliably determined the investments are measured at cost.

The University assesses at each balance date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity and recognised in the Income Statement. Impairment losses recognised in the Income Statement on equity instruments are not reversed through the Income Statement.

(l) Leases

Finance leases

Leases where the University assumes substantially all the risks and rewards of ownership are classified as finance leases, whether or not title is eventually transferred.

Finance leases are capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. The corresponding liability to the lessor, net of finance charges, is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the finance lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are included in the Income Statement as finance costs.

Capitalised leased assets are depreciated over the estimated useful life of the asset or the lease term, whichever is shorter.

For a lease of land and buildings in which the minimum lease payments cannot be allocated reliably between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and buildings element of the lease at the inception of the lease, the entire lease is classified as a finance lease, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease.

Operating leases

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Income Statement on a straight-line basis over the period of the lease.

(m) Foreign currency translation

Transactions in foreign currencies are translated to New Zealand dollars at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance date are translated to New Zealand dollars at the foreign exchange rate ruling at that date. All foreign exchange differences arising on translation are recognised in the Income Statement.

(n) Derivative financial instruments and hedge accounting

The University uses derivative financial instruments, such as interest rate swaps and forward foreign exchange contracts to hedge its interest rate risks and foreign currency risks respectively. In accordance with its treasury policy, the University does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The fair value of interest rate swaps and forward foreign exchange contracts are determined by reference to market values for similar instruments.

For the purposes of hedge accounting, all the University's hedging instruments are designated as cash flow hedges. A cash flow hedge is defined as that which mitigates the exposure to variability in cash flows attributable to a particular risk associated with a recognised asset or liability, firm commitment, or highly probable forecast transaction, which could affect profit or loss. A cash flow hedge protects against the risk caused by variable prices, costs, rates or terms which cause uncertainty in the future.

The University documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The University also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair value or cash flows of hedged items.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in Other Comprehensive Income within the Statement of Comprehensive Income and the ineffective portion is recognised immediately in the Income Statement.

The gain or loss accumulated in equity is recognised in the Income Statement when the hedged cash flows are settled.

Changes in the fair value of any derivative instrument that do not qualify for hedge accounting are recognised immediately in the Income Statement.

(o) Goods and Services Tax (GST)

Auckland University of Technology is a registered 'person' as defined by the Goods and Services Act 1985. The Financial Statements have been prepared on a GST exclusive basis with the exception of trade debtors and trade creditors, which are stated GST inclusive. When GST is not recoverable on input tax then it is recognised as part of the related asset or expense.

The net GST recoverable from, or payable to, the Inland Revenue Department at balance date is included as part of the trade and other receivables or trade and other payables in the Balance Sheet.

The net GST paid to, or received from, the Inland Revenue Department, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

(p) Taxation

The University and its subsidiaries are exempt from the payment of income tax as they are treated by the Inland Revenue Department as charitable organisations for the purposes of the Income Tax Act. Accordingly, no provision for income tax has been made.

(q) Budget figures

The budget figures are those approved by the Council of the Auckland University of Technology before the beginning of each financial year. They have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Council of the University for the preparation of the Financial Statements.

(r) Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

(s) Employee Entitlements

Employee entitlements to salaries and wages, annual leave, sick leave, long service leave, retirement leave and other similar benefits are recognised in the Income Statement when they accrue to employees. Employee entitlements to be settled within twelve months are reported at the amount expected to be paid. The liability for long-term employee entitlements is reported as the present value of the estimated future cash outflows.

Annual leave

Liability for annual leave is measured as the amount of unused entitlement accumulated at balance date at relevant current rates of pay.

Sick leave

Liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date to the extent it will be used by employees to cover those future absences.

Long service leave and retirement leave

Liability for long service leave and retirement leave is calculated on an actuarial basis and is based on: likely future entitlements accruing to staff based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information, and the present value of the estimated future cash flows. Expected future payments are discounted using market yields on New Zealand government bonds at balance date with terms to maturity that match, as closely as possible, the estimated future cash outflows for entitlements. The inflation factor is based on the expected long-term increase in remuneration for employees.

Research and study leave

Liability for research and study leave is measured as the value of unused guaranteed entitlements accumulated at balance date that the University anticipates employees will use in future periods.

Superannuation Schemes

Defined contribution schemes

Obligations for contributions to KiwiSaver and two of the National Provident Fund (NPF) Superannuation schemes, namely the Lump Sum National Scheme and the Pension National Scheme, are accounted for as defined contribution schemes and are recognised as an expense in the Income Statement as incurred.

Defined benefit schemes

The University belongs to the Government Superannuation Fund (GSF) scheme, which is a defined benefit scheme managed by the Government Superannuation Fund Authority. The University has no underwriting responsibilities as any shortfall is met by the Government. As such, the GSF scheme is accounted for as a defined contribution scheme.

(t) Interest-bearing borrowings

Interest-bearing borrowings are initially recognised at cost, being the fair value of the consideration received net of transaction costs associated with the borrowings.

Subsequent to initial recognition, interest-bearing borrowings are measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any transaction costs, and any discount or premium on settlement.

Gains or losses are recognised in the Income Statement when the liabilities are derecognised and through the amortisation process.

(u) Borrowing costs

The University and the Consolidated Group have elected to defer the adoption of the revised NZ IAS 23 Borrowing Costs (Revised 2007) in accordance with the transitional provisions of NZ IAS 23 that are applicable to public benefit entities.

Consequently, all borrowing costs are recognised as an expense in the period in which they are incurred.

(v) Provisions

Provisions are recognised when the University has a present legal or constructive obligation as a result of past events, when it is more likely than not that an outflow of resources will be required to settle the obligation, and when the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised in the Income Statement.

(w) Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of components. The components of equity are:

General funds

General funds comprise General Equity and Suspensory Loans from the Crown with equity conversion features.

Revaluation reserves

Revaluation reserves comprise the asset revaluation reserve which relates to the revaluation of land and buildings to fair value; the available-for-sale financial assets revaluation reserve which relates to the revaluation of marketable equity securities to fair value; and the cash flow hedge reserve which relates to the gain or loss on the hedging instrument that is determined to be an effective cash flow hedge and the change in the fair value of the hedging instrument through Other Comprehensive Income.

(x) Critical accounting estimates and assumptions

In preparing these Financial Statements, the University and the Consolidated Group have made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Revaluation of land and buildings

Note 16 provides information about the estimates and assumptions exercised in the measurement of revalued land and buildings. The University relies on the services of independent valuers to assess the carrying values of land and buildings.

Long service leave and retirement leave

Note 20 provides an analysis of the exposure in relation to estimates and uncertainties surrounding long service leave and retirement leave liabilities. Assumptions made include discount rates, salary inflation and the number of staff who will reach the point of entitlement.

Reinstatement provision

Note 21 represents the University's estimated liability to reinstate leased buildings to their original state at the expiry of the lease terms.

Depreciation and amortisation

At each balance date, the University reviews the useful lives and residual values of its property, plant and equipment, and intangible assets. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment and intangible assets requires the University to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by the University, and expected disposal proceeds from the future sale of the asset. An incorrect estimate of the useful life or residual value will impact on the depreciable or amortisable amount of an asset, therefore impacting on the depreciation or amortisation expense recognised in the Income Statement, and on the carrying amount of the asset in the Balance Sheet. The carrying amounts of property, plant and equipment are disclosed in Note 16 and intangible assets in Note 17.

(y) Critical judgements in applying accounting policies

The University has made the following critical judgements in applying accounting policies for the year ended 31 December 2013:

Crown-owned land and buildings

Property in the legal name of the Crown that is occupied by the University is recognised as an asset in the Balance Sheet. The University considers that it has assumed all the normal risks and rewards of ownership of this property despite legal ownership not being transferred. Accordingly it would be misleading to exclude these assets from the Financial Statements.

The University has secured the use of the property by means of a lease from the Ministry of Education for a period of thirty three years from 1 November 1994, with rights of renewal for two further periods of thirty three years each.

Research and study leave

Some academic staff are entitled to guaranteed research and study leave in certain circumstances. The substance of this leave is to enable staff to take leave from teaching duties in order to undertake research activity, whilst continuing to earn their salary and other employee entitlements. The University is of the view that guaranteed research and study leave is the value of the future benefit that academic staff have earned in return for their service in the current and prior periods. Accordingly, a liability has been recognised for such leave.

NOTE 2: GOVERNMENT OPERATIONAL FUNDING

	University		Consolidated	
	2013 Actual \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
Student Achievement Component (SAC)	132,641	128,136	132,641	128,136
Performance Based Research Funding (PBRF) – Note (A)	12,355	8,410	12,355	8,410
Encouraging and Supporting Innovation (ESI)	–	151	–	151
Mangere Refugee Centre	1,554	1,530	1,554	1,530
Tertiary students with disabilities	447	436	447	436
Māori and Pacific Peoples	921	840	921	840
Early childhood education – Note (B)	440	412	440	412
Other Government funding (excl. research contracts)	1,695	2,087	1,695	2,087
TOTAL GOVERNMENT OPERATIONAL FUNDING	150,053	142,002	150,053	142,002

There are no unfulfilled conditions or other contingencies attached to government grants recognised as income.

	University		Consolidated	
	2013 Actual \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
Note (A): PBRF				
Provisional PBRF received	11,925	7,479	11,925	7,479
Prior year PBRF final wash-up	430	931	430	931
Total PBRF	12,355	8,410	12,355	8,410
Note (B): Early childhood education Income				
Early childhood education bulk funding	440	412	440	412
Other income *	281	269	281	269
Total income	721	681	721	681
Expenditure				
Operating expenses	715	660	715	660
Total expenditure	715	660	715	660
NET SURPLUS	6	21	6	21

*Other income represents early childhood education fees received from parents and reflected as part of the trading income in Note 5.

NOTE 3: STUDENT TUITION FEES

	University		Consolidated	
	2013 Actual \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
Domestic fees	79,927	78,217	79,927	78,217
International fees	58,492	53,600	58,492	53,600
TOTAL STUDENT TUITION FEES	138,419	131,817	138,419	131,817

NOTE 4: RESEARCH GRANTS

	University		Consolidated	
	2013 Actual \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
Research grants received	9,702	8,626	9,883	8,689
Movement in research grants carried forward	(121)	1,684	(121)	1,684
TOTAL RESEARCH GRANTS	9,581	10,310	9,762	10,373

NOTE 5: OTHER INCOME

	University		Consolidated	
	2013 Actual \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
Trading income	13,434	13,540	13,434	13,540
Accommodation income	5,859	5,089	5,859	5,089
Interest income	33	167	61	199
Income from investment in associate	21	21	-	-
Donation received	15	15	15	15
Gain on disposal of property, plant & equipment	-	27	-	27
Gain on foreign currency translation	175	-	175	-
Other operating income	9,486	9,776	10,231	10,564
TOTAL OTHER INCOME	29,023	28,635	29,775	29,434

NOTE 6: PERSONNEL COSTS

	University		Consolidated	
	2013 Actual \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
Academic:				
Salaries and wages	102,951	102,185	102,951	102,185
Defined contribution plan employer contributions	2,331	1,771	2,331	1,771
Movement in employee entitlements	337	2,378	337	2,378
Other staff related costs	5,648	6,897	5,648	6,897
	111,267	113,231	111,267	113,231
Administration:				
Salaries and wages	77,415	73,339	77,415	73,339
Defined contribution plan employer contributions	1,753	1,271	1,753	1,271
Movement in employee entitlements	175	673	175	673
Other staff related costs	3,589	3,545	3,589	3,545
	82,932	78,828	82,932	78,828
TOTAL PERSONNEL COSTS	194,199	192,059	194,199	192,059

Employer contributions to defined contribution plans include contributions to KiwiSaver, the National Provident Fund Superannuation Schemes and the Government Superannuation Fund scheme.

NOTE 7: SUPPLIES AND OTHER COSTS

	University		Consolidated	
	2013 Actual \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
Consumables / faculty costs	26,787	25,570	26,787	25,570
Occupancy / property costs	13,666	13,635	13,666	13,635
Operating lease costs - buildings	11,004	10,445	11,004	10,445
Operating lease costs - equipment	1,307	1,595	1,307	1,595
Administration expenses	19,756	17,598	19,756	17,598
Fees to principal auditor:				
Financial Statements audit*	172	153	182	173
Performance Based Research Fund audit	16	-	16	-
Provision for bad debts:				
Change in provision for doubtful debts	240	144	240	144
Bad debts written off	206	380	206	380
Councillors' fees (Note 28)	99	101	99	101
Loss on disposal of property plant and equipment	45	-	45	-
Loss on foreign currency translation	-	99	-	99
Other operating costs	6,136	5,340	7,275	6,113
TOTAL SUPPLIES AND OTHER COSTS	79,434	75,060	80,583	75,853

* Includes audit fees of \$9,938 (2012: \$9,750) for Auckland University of Technology Foundation paid on its behalf by Auckland University of Technology.

NOTE 8: DEPRECIATION, AMORTISATION AND IMPAIRMENT

	University		Consolidated	
	2013 Actual \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
Depreciation (Note 16)	32,920	26,887	32,920	26,887
Amortisation (Note 17)	1,465	1,239	1,465	1,239
Impairment (Note 16 & 17)	2,126	477	2,126	477
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT	36,511	28,603	36,511	28,603

NOTE 9: FINANCE COSTS

	University		Consolidated	
	2013 Actual \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
Interest on borrowings	1,040	1,024	1,040	1,024
Finance charges on finance leases	1,951	2,059	1,951	2,059
TOTAL FINANCE COSTS	2,991	3,083	2,991	3,083

NOTE 10: CASH AND CASH EQUIVALENTS

	University		Consolidated	
	2013 Actual \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
Cash at bank and in hand	3,108	5,973	3,306	6,310
Short-term bank deposits	3,786	2,731	4,742	3,118
TOTAL CASH AND CASH EQUIVALENTS AS PER THE STATEMENT OF CASH FLOWS	6,894	8,704	8,048	9,428

Short-term bank deposits are made for varying periods of time, from one day to three months, depending on immediate cash requirements, and earn interest at the respective short-term deposit rates. The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value.

The total value of cash and cash equivalents that can only be used for specified purposes as outlined by donors to the Auckland University of Technology Foundation is \$1,035,736 (2012: \$721,723).

The weighted average effective interest rate for cash and cash equivalents was 3.05% (2012: 3.00%).

NOTE 11: TRADE AND OTHER RECEIVABLES

	University		Consolidated	
	2013 Actual \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
Trade debtors	2,083	3,060	2,151	3,161
Less provision for impairment of trade debtors	(769)	(661)	(769)	(661)
	1,314	2,399	1,382	2,500
Student debtors	38,596	2,126	38,596	2,126
Less provision for impairment of student debtors	(718)	(586)	(718)	(586)
	37,878	1,540	37,878	1,540
Related parties (Note 27)	28	50	14	50
Accrued revenue	240	211	244	213
Other debtors	384	54	386	56
TOTAL TRADE AND OTHER RECEIVABLES	39,844	4,254	39,904	4,359

Trade debtors and student debtors are non-interest bearing and settlement is normally on 30-day terms, therefore the carrying value of trade and other receivables approximates their fair value.

Movements in the provision for impairment of trade debtors and student debtors are as follows:

	University		Consolidated	
	2013 Actual \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
Trade debtors:				
Opening provisions	661	491	661	491
Additional provisions made during the year	123	188	123	188
Amount of provisions utilised during the year	(15)	(18)	(15)	(18)
Closing provisions for impairment of trade debtors	769	661	769	661
Student debtors:				
Opening provisions	586	612	586	612
Additional provisions made during the year	323	336	323	336
Amount of provisions utilised during the year	(191)	(362)	(191)	(362)
Closing provisions for impairment of student debtors	718	586	718	586

NOTE 11: TRADE AND OTHER RECEIVABLES (continued)

The ageing profile of trade debtors and student debtors at the balance date is as follows:

	University			Consolidated		
	Gross \$000s	Impairment \$000s	Net \$000s	Gross \$000s	Impairment \$000s	Net \$000s
Trade debtors:						
2013 – Under 30 days	870	-	870	938	-	938
31 – 60 days	262	-	262	262	-	262
61 – 90 days	44	-	44	44	-	44
Over 90 days	907	(769)	138	907	(769)	138
Total trade debtors	2,083	(769)	1,314	2,151	(769)	1,382
2012 – Under 30 days	1,425	-	1,425	1,526	-	1,526
31 – 60 days	458	-	458	458	-	458
61 – 90 days	83	-	83	83	-	83
Over 90 days	1,094	(661)	433	1,094	(661)	433
Total trade debtors	3,060	(661)	2,399	3,161	(661)	2,500
Student debtors:						
2013 – Under 30 days	37,622	-	37,622	37,622	-	37,622
31 – 60 days	232	(34)	198	232	(34)	198
61 – 90 days	51	(8)	43	51	(8)	43
Over 90 days	691	(676)	15	691	(676)	15
Total student debtors	38,596	(718)	37,878	38,596	(718)	37,878
2012 – Under 30 days	987	(15)	972	987	(15)	972
31 – 60 days	314	(24)	290	314	(24)	290
61 – 90 days	71	(13)	58	71	(13)	58
Over 90 days	754	(534)	220	754	(534)	220
Total student debtors	2,126	(586)	1,540	2,126	(586)	1,540

NOTE 12: AVAILABLE-FOR-SALE FINANCIAL ASSETS

	University		Consolidated	
	2013 Actual \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
Listed securities (at fair value):				
Independent News & Media Plc	1	-	1	-
	1	-	1	-
Unlisted securities (at cost, less impairment):				
New Zealand Vice-Chancellors' Committee	100	100	100	100
Polytechnics International New Zealand Limited	33	33	33	33
	133	133	133	133
TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS	134	133	134	133

Listed securities

The fair values of listed securities are determined by reference to published current bid price quotations in an active market.

Unlisted securities

Unlisted securities are carried at cost less any impairment as the fair value of unlisted securities cannot be reliably determined using a standardised valuation technique and there is no active market for such securities.

NOTE 13: INVESTMENT IN SUBSIDIARIES

Name of entity	Country of incorporation	Nature of business	Ownership interest	
			2013	2012
Auckland University of Technology Foundation	New Zealand	To receive donations and endowments that are used to promote and support academic excellence at the University	100%	100%
AUT Enterprises Limited	New Zealand	Commercialisation of research and provision of consulting services.	100%	100%

	University	
	2013 Actual \$000s	2012 Actual \$000s
Investment in subsidiaries:		
Auckland University of Technology Foundation	-	-
AUT Enterprises Limited	100	100
TOTAL INVESTMENT IN SUBSIDIARIES	100	100

NOTE 14: INVESTMENT IN ASSOCIATES

Investments in associates are accounted for in the Financial Statements using the equity method of accounting. Information relating to the associates is set out below:

Name of entity	Country of incorporation	Nature of business	Ownership interest	
			2013	2012
LCo New Zealand Limited	New Zealand	Provides library solutions to members of the Consortium	20%	20%
Waterfront Theatre Limited	New Zealand	Develops, owns and manages Auckland Waterfront Theatre	15%	-

LCo NEW ZEALAND LIMITED

LCo New Zealand Limited is an unlisted company which has the same balance date as Auckland University of Technology. There is no published price quotation to determine the fair value of this investment.

In 2013, the share capital of LCo New Zealand Limited was reduced, driven by an agreed plan to wind up the Company in 2015.

As a result, the shareholders resolved to return \$1.7 million of the share capital to its shareholders. Auckland University of Technology, with a 20% ownership interest, received back \$340,000 of its initial investment as part of this plan.

WATERFRONT THEATRE LIMITED

Waterfront Theatre Limited is an unlisted company established on 13 December 2013 to develop, own and manage the new theatre on Auckland's waterfront and has the same balance date as Auckland University of Technology. There is no published price quotation to determine the fair value of this investment.

As at 31 December 2013, Auckland University of Technology held a 15% interest in Waterfront Theatre Limited which has been reflected in the consolidated financial statements on an equity accounting basis reflecting the significant influence which AUT has a representation on the Board of directors of Waterfront Theatre Limited.

The investments in the associates are carried at cost in the University's Balance Sheet as follows:

	University	
	2013 Actual \$000s	2012 Actual \$000s
Investment in associates:		
LCo New Zealand Limited	417	417
Less: Return of Share Capital	(340)	-
	77	417
Waterfront Theatre Limited	-	-
TOTAL INVESTMENT IN ASSOCIATES	77	417

NOTE 14: INVESTMENT IN ASSOCIATES (continued)

The investments in associates in the Consolidated financial statements represents the University's share of the net assets of the associates.

The University's share of the result of LCo New Zealand Limited is as follows:

	Consolidated	
	2013 Actual \$000s	2012 Actual \$000s
Share of associate's balance sheet:		
Assets	242	751
Liabilities	(100)	(238)
Net assets	142	513
Share of associate's revenue and surplus:		
Revenue	243	284
Net surplus	(10)	8
Movement in carrying amount of investment in associate:		
Balance at the beginning of the year	513	526
Share of associate's net (deficit)/ surplus	(10)	8
Return of share capital	(340)	-
Dividend received	(21)	(21)
Carrying amount at the end of the year	142	513

At 31 December 2013, Waterfront Theatre Limited is deemed to be a dormant company with no significant operation during the year and therefore there is no financial impact on the consolidated results.

NOTE 15: INVESTMENT IN JOINTLY-CONTROLLED ENTITY

Auckland University of Technology has a 50% interest in AUT Millennium Ownership Trust, a jointly-controlled entity established by the University and the North Shore Bays Community Fitness Centre Trust to promote community fitness and well-being and to support elite sport.

AUT Millennium Ownership Trust has the same balance date as the University. The investment in the jointly-controlled entity is carried at cost in the University's Balance Sheet.

	University	
	2013 Actual \$000s	2012 Actual \$000s
Investment in jointly-controlled entity:		
AUT Millennium Ownership Trust	18,300	18,300
Capital contribution to AUT Millennium Ownership Trust	228	-
TOTAL INVESTMENT IN JOINTLY-CONTROLLED ENTITY	18,528	18,300

Auckland University of Technology's share of the result of AUT Millennium Ownership Trust is as follows:

	Consolidated	
	2013 Actual \$000s	2012 Actual \$000s
Share of jointly-controlled entity's balance sheet:		
Assets	32,949	32,487
Liabilities	(2,833)	(3,569)
Net assets	30,116	28,918
Share of jointly-controlled entity's revenue and surplus:		
Revenue	3,582	9,989
Net surplus	1,084	8,114
Movement in carrying amount of investment in associate:		
Balance at the beginning of the year	29,261	21,147
Capital contribution	228	-
Share of jointly-controlled entity's net surplus	1,084	8,114
Carrying amount at the end of the year	30,573	29,261

NOTE 16: PROPERTY, PLANT AND EQUIPMENT

Revaluation of land and buildings

In 2013, a full revaluation of land and buildings was completed as required every three years by AUT Accounting Policy (Note 1(d)). The revaluation of land and buildings was performed by Seagar & Partners (Auckland) Limited, Registered Valuers, at 31 December 2013, to a fair value of \$491,650,000.

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the "unencumbered" land value for campus land where there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensively.

All buildings, whether Crown-owned or AUT-owned, are valued at fair value using depreciated replacement cost because no reliable market data is available for buildings designed for education delivery purposes.

Details of the land and buildings revaluation movements are as follows:

	Net book value (before revaluation) \$000s	Revaluation increment/ (decrement) \$000s	Accumulated depreciation eliminated \$000s	Net revaluation movements \$000s	Net book value (after revaluation) \$000s
University/Consolidated					
AUT-owned land	50,247	-	-	-	50,247
AUT-owned buildings	318,339	(8,715)	(25,557)	16,842	335,181
Crown-owned land	47,979	14,039	-	14,039	62,018
Crown-owned buildings	44,465	(4,234)	(3,972)	(262)	44,203
TOTAL	461,030	1,090	(29,529)	30,619	491,649

Non-cash transactions

During the year the University acquired \$3.4 million of computers and electronic equipment under finance leases (2012: \$3.7 million).

Disposals

Included in the current financial year's disposals are \$0.59 million of property, plant and equipment and \$1.09 million of intangible assets that had been retired from active use and fully depreciated. Accordingly, their cost and related accumulated depreciation or amortisation was completely removed from the Balance Sheet during the financial year.

NOTE 16: PROPERTY, PLANT AND EQUIPMENT (continued)

2013 – University / Consolidated	Cost / Revaluation				Accumulated Depreciation and Impairment Losses				Net Book Value	
	Balance at 1 Jan 2013 \$000s	Additions/ reclassifications \$000s	Revaluation increment/ (decrement) \$000s	Disposals \$000s	Balance at 31 Dec 2013 \$000s	Balance at 1 Jan 2013 \$000s	Depreciation \$000s	Disposals/ eliminated on revaluation \$000s	Impairment losses \$000s	Balance at 31 Dec 2013 \$000s
AUT-owned assets:										
Land	50,247	-	-	-	50,247	-	-	-	-	50,247
Buildings	250,232	95,012	(8,715)	-	336,529	16,651	10,254	(25,557)	-	233,581
Library collection	36,697	5,024	-	-	41,721	20,122	5,191	-	1,114	16,575
Computers and electronic equipment	15,177	6,519	-	(150)	21,546	12,550	3,512	(150)	2	2,627
Furniture and fittings	13,825	3,954	-	(188)	17,591	11,810	1,482	(187)	8	2,015
Leasehold improvements	14,637	3,466	-	(5)	18,098	12,659	1,384	(5)	-	1,978
Motor vehicles	713	269	-	(112)	870	342	109	(96)	-	371
Office equipment	4,866	44	-	(55)	4,855	4,128	247	(55)	-	738
Plant and equipment	26,873	8,619	-	(267)	35,225	13,659	2,863	(205)	26	13,214
Specialty electronics	1,819	-	-	-	1,819	1,666	71	-	-	153
Works of art	309	-	-	-	309	-	-	-	-	309
WIP – buildings	103,404	(97,387)	-	-	6,017	-	-	-	-	103,404
WIP – others	2,007	481	-	-	2,488	-	-	-	-	2,007
TOTAL AUT-OWNED ASSETS	520,806	26,001	(8,715)	(777)	537,315	93,587	25,113	(26,255)	1,150	443,720
Crown-owned land and buildings:										
Land	47,979	-	14,039	-	62,018	-	-	-	-	47,979
Buildings	48,960	-	(4,234)	-	44,726	2,745	1,750	(3,972)	-	46,215
TOTAL CROWN-OWNED LAND & BUILDINGS	96,939	-	9,805	-	106,744	2,745	1,750	(3,972)	-	94,194
Assets under finance leases:										
Computers and electronic equipment	16,477	3,439	-	(3,252)	16,664	10,375	4,053	(3,253)	-	6,102
Buildings	43,242	-	-	-	43,242	17,793	2,004	-	-	25,449
TOTAL ASSETS UNDER FINANCE LEASES	59,719	3,439	-	(3,252)	59,906	28,168	6,057	(3,253)	-	31,551
TOTAL PROPERTY, PLANT AND EQUIPMENT	677,464	29,440	1,090	(4,029)	703,965	124,500	32,920	(33,480)	1,150	552,964
										578,875

NOTE 16: PROPERTY, PLANT AND EQUIPMENT (continued)

2012 – University / Consolidated	Cost / Revaluation				Accumulated Depreciation and Impairment Losses				Net Book Value	
	Balance at 1 Jan 2012 \$000s	Additions/ reclassifications \$000s	Revaluation increment/ (decrement) \$000s	Disposals \$000s	Balance at 31 Dec 2012 \$000s	Balance at 1 Jan 2012 \$000s	Depreciation \$000s	Disposals/ eliminated on revaluation \$000s	Impairment losses \$000s	Balance at 31 Dec 2012 \$000s
AUT-owned assets:										
Land	51,872	-	2,928	(4,553)	50,247	-	-	-	-	51,872
Buildings	246,672	3,578	-	(18)	250,232	7,938	8,398	(18)	333	238,734
Library collection	54,110	4,373	-	(21,786)	36,697	37,373	4,509	(21,786)	26	16,737
Computers and electronic equipment	18,987	1,525	-	(5,335)	15,177	15,744	2,138	(5,335)	3	3,243
Furniture and fittings	14,454	746	-	(1,375)	13,825	12,261	912	(1,374)	11	2,193
Leasehold improvements	13,423	1,316	-	(102)	14,637	11,973	787	(102)	1	1,450
Motor vehicles	602	225	-	(114)	713	384	53	(95)	-	218
Office equipment	5,792	35	-	(961)	4,866	4,813	275	(961)	1	979
Plant and equipment	24,710	4,290	-	(2,127)	26,873	13,567	2,121	(2,127)	98	11,143
Specialty electronics	1,819	-	-	-	1,819	1,577	85	-	4	242
Works of art	309	-	-	-	309	-	-	-	-	309
WIP – buildings	46,476	56,928	-	-	103,404	-	-	-	-	46,476
WIP – others	733	1,274	-	-	2,007	-	-	-	-	733
TOTAL AUT-OWNED ASSETS	479,959	74,290	2,928	(36,371)	520,806	105,630	19,278	(31,798)	477	374,329
Crown-owned land and buildings:										
Land	39,202	-	8,777	-	47,979	-	-	-	-	39,202
Buildings	48,960	-	-	-	48,960	1,382	1,363	-	-	47,578
TOTAL CROWN-OWNED LAND & BUILDINGS	88,162	-	8,777	-	96,939	1,382	1,363	-	-	86,780
Assets under finance leases:										
Computers and electronic equipment	18,954	3,708	-	(6,185)	16,477	12,318	4,242	(6,185)	-	6,636
Buildings	43,242	-	-	-	43,242	15,789	2,004	-	-	27,453
TOTAL ASSETS UNDER FINANCE LEASES	62,196	3,708	-	(6,185)	59,719	28,107	6,246	(6,185)	-	34,089
TOTAL PROPERTY, PLANT AND EQUIPMENT	630,317	77,998	11,705	(42,556)	677,464	135,119	26,887	(37,983)	477	495,198

NOTE 17: INTANGIBLE ASSETS

2013 – University / Consolidated

Intangible assets:

	Cost / Revaluation				Accumulated Amortisation and Impairment Losses				Net Book Value	
	Balance at 1 Jan 2013 \$000s	Additions / reclassifications \$000s	Revaluation increment/ (decrement) \$000s	Disposals \$000s	Balance at 31 Dec 2013 \$000s	Balance at 1 Jan 2013 \$000s	Amortisation \$000s	Disposals/ eliminated on revaluation \$000s	Impairment losses \$000s	Balance at 31 Dec 2013 \$000s
Intellectual property	50	-	-	-	50	50	-	-	-	-
Software	13,438	1,901	-	(1,092)	14,247	11,598	1,465	(1,092)	976	1,840
Programme development	354	-	-	-	354	354	-	-	-	-
WIP – software	3,499	929	-	-	4,428	-	-	-	-	3,499
TOTAL INTANGIBLE ASSETS	17,341	2,830	-	(1,092)	19,079	12,002	1,465	(1,092)	976	5,339
										5,728

2012 – University / Consolidated

Intangible assets:

	Cost / Revaluation				Accumulated Amortisation and Impairment Losses				Net Book Value	
	Balance at 1 Jan 2012 \$000s	Additions / reclassifications \$000s	Revaluation increment/ (decrement) \$000s	Disposals \$000s	Balance at 31 Dec 2012 \$000s	Balance at 1 Jan 2012 \$000s	Amortisation \$000s	Disposals/ eliminated on revaluation \$000s	Impairment losses \$000s	Balance at 31 Dec 2012 \$000s
Intellectual property	50	-	-	-	50	50	-	-	-	-
Software	14,495	1,161	-	(2,218)	13,438	12,577	1,239	(2,218)	-	1,918
Programme development	3,039	-	-	(2,685)	354	3,039	-	(2,685)	-	-
WIP – software	1,302	2,197	-	-	3,499	-	-	-	-	1,302
TOTAL INTANGIBLE ASSETS	18,886	3,358	-	(4,903)	17,341	15,666	1,239	(4,903)	-	3,220
										5,339

NOTE 18: TRADE AND OTHER PAYABLES

	University		Consolidated	
	2013 Actual \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
Trade creditors	1,517	3,840	1,517	3,840
Creditors accruals	23,453	32,347	23,497	32,436
Sundry creditors	2,076	2,599	2,076	2,599
GST payable	8,105	1,031	8,105	1,081
Withholding tax payable	2,246	2,116	2,246	2,116
Related party (Note 27)	-	68	15	-
TOTAL TRADE AND OTHER PAYABLES	37,397	42,001	37,456	42,072

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates their fair value.

NOTE 19: INCOME IN ADVANCE

	University		Consolidated	
	2013 Actual \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
Students fees in advance	57,595	21,234	57,595	21,234
Trust funds	-	2	-	2
Research funding received in advance	9,213	8,405	9,213	8,405
Other income in advance	6,243	4,773	6,293	4,773
TOTAL INCOME IN ADVANCE	73,051	34,414	73,101	34,414

NOTE 20: EMPLOYEE ENTITLEMENTS

	University		Consolidated	
	2013 Actual \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
Annual leave	12,499	11,929	12,499	11,929
Accrued salary payments	3,846	2,899	3,846	2,899
Sick leave	474	460	474	460
Other employee entitlements	1,587	1,629	1,587	1,629
Total employee entitlements – current	18,406	16,917	18,406	16,917
Long service leave	925	924	925	924
Retirement leave	1,668	1,823	1,668	1,823
Research and study leave	3,191	3,139	3,191	3,139
Total employee entitlements – non-current	5,784	5,886	5,784	5,886
TOTAL EMPLOYEE ENTITLEMENTS	24,190	22,803	24,190	22,803

The present values of the long service leave and retirement leave obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability include the discount rate of 4.71% and the salary inflation factor of 3.0%. Any changes in these assumptions will impact on the carrying amount of the liability.

In determining the appropriate discount rate, the University considered the interest rates on New Zealand government bonds with terms to maturity similar to those of the estimated future cash outflows. The inflation factor has been based on the expected long-term increase in remuneration for employees.

Since 2000 when Auckland University of Technology obtained university status, certain lecturers have been granted positions with enhanced research conditions. Upon their agreement to carry forward and accumulate two weeks annual professional development time and the annual individual entitlement for the financial support of professional development activities, staff members are guaranteed research and study leave of not less than the accumulated professional development time and the accumulated annual individual entitlements for the financial support of professional development activities.

NOTE 21: PROVISIONS

	University		Consolidated	
	2013 Actual \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
Reinstatement provision for leased buildings:				
Opening balance	2,934	1,296	2,934	1,296
Provision made during the year	228	1,638	228	1,638
CLOSING BALANCE	3,162	2,934	3,162	2,934
Comprising:				
Current	1,506	1,525	1,506	1,525
Non-current	1,656	1,409	1,656	1,409
TOTAL PROVISIONS	3,162	2,934	3,162	2,934

The reinstatement provision represents the University's estimated liability to reinstate leased buildings to their original state at the expiry of the lease terms. The provision is calculated on the net present value of the estimated liability at lease expiry.

NOTE 22: FINANCE LEASE BORROWINGS

	University		Consolidated	
	2013 Actual \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
Not later than one year	6,759	7,060	6,759	7,060
Later than one year and not later than five years	17,341	17,677	17,341	17,677
Later than five years	25,402	29,148	25,402	29,148
Total minimum finance leases:	49,502	53,885	49,502	53,885
Future finance charges	(13,481)	(15,570)	(13,481)	(15,570)
Total present value of minimum finance lease payments	36,021	38,315	36,021	38,315
Present value of minimum finance leases:				
Not later than one year	4,868	5,044	4,868	5,044
Later than one year and not later than five years	10,853	10,641	10,853	10,641
Later than five years	20,300	22,630	20,300	22,630
Total minimum finance lease borrowings	36,021	38,315	36,021	38,315
Comprising:				
Current	4,868	5,044	4,868	5,044
Non-current	31,153	33,271	31,153	33,271
TOTAL PRESENT VALUE OF MINIMUM FINANCE LEASE BORROWINGS	36,021	38,315	36,021	38,315

Auckland University of Technology has entered into finance leases for various properties, computers and electronic equipment. The net carrying amount of the leased items within each class of property, plant and equipment is shown in Note 16.

The finance leases can be renewed at the University's option, with rents set by reference to current market rates for items of equivalent age and condition. The University has the option to purchase assets at the end of the lease terms. There are no restrictions placed on the University by any of the finance leasing arrangements.

The University leases approximately 18,332 square metres (2012: 18,332 square metres) of accommodation space in Auckland to provide residential accommodation for students.

The University leases 6,711 computers and items of electronic equipment for teaching, research and administrative purposes (2012: 6,933).

NOTE 23: DERIVATIVE FINANCIAL INSTRUMENTS

	University		Consolidated	
	2013 Actual \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
Current liability portion				
Interest rate swap – cash flow hedges	42	–	42	–
Non-current liability portion				
Interest rate swap – cash flow hedges	–	227	–	227
TOTAL DERIVATIVE FINANCIAL INSTRUMENT LIABILITIES	42	227	42	227

Fair value

Interest rate swaps

The fair values of interest rate swaps have been determined by calculating the expected cash flows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are from independently sourced market parameters such as interest rate yield curves. Most market parameters are implied from instrument prices.

Forward foreign exchange contracts

The fair values of forward foreign exchange contracts have been determined using a discounted cash flows valuation technique based on quoted market prices. The inputs into the valuation model are from independently sourced market parameters such as currency rates. Most market parameters are implied from instrument prices.

The fair values of interest rate swaps have been determined using a discounted cash flows valuation technique based on quoted market prices.

Notional Principal Amount

Interest rate swaps

The notional principal amount of the interest rate swap contracts as at 31 December 2013 totalled \$10 million (2012: \$10 million). At 31 December 2013, the fixed interest rate of the interest rate swap was 4.49% (2012: 4.49%).

Forward foreign exchange contracts

There are no forward foreign exchange contracts as at 31 December 2013 (2012: Nil).

NOTE 24: BORROWINGS

On the 10 October 2011, Auckland University of Technology renewed the multi-facility agreement (and the accompanying negative pledge deed) with the ANZ Bank New Zealand Limited. The renewed facility extends a maximum amount of \$70 million as follows:

- (a) from (and including) 1 March each year to (and including) 31 July each year, \$40 million;
- (b) subject to (c) below from (and including) 1 August each year to (and including) the last day of February each year, \$70 million; and
- (c) from (and including) 1 August 2014 to (and including) 31 December 2014, \$60 million.

The University is in the process of finalising a new borrowing consent with the Tertiary Education Commission. Due to the consent and subsequent new facility not in place at year end, the existing facility that expires on 31 December 2014 is disclosed as a current liability. The University does not perceive any risk in arranging finance once the consent is agreed.

At 31 December 2013, \$43.3 million (2012: \$61.25 million) had been drawn down on this facility. The University uses the facility as a flexible finance facility, seeking to minimise debt as cash flows permit. The weighted average interest rate on the outstanding loan for the year was 3.99% (2012: 3.95%). No changes to the borrowing arrangements enter into in 2011 have occurred during the current financial year.

	University		Consolidated	
	2013 Actual \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
Opening balance	61,250	40,594	61,250	40,594
Net borrowings / (repayments)	(17,930)	20,656	(17,930)	20,656
CLOSING BALANCE	43,320	61,250	43,320	61,250
Comprising:				
Current	43,320	21,250	43,320	21,250
Non-current	-	40,000	-	40,000
TOTAL BORROWINGS	43,320	61,250	43,320	61,250

Fair value

The carrying amounts of borrowings approximate their fair value as the interest rates reset to market rates on a daily basis and the impact of discounting is not significant.

NOTE 25: GENERAL FUNDS

	University		Consolidated	
	2013 Actual \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
General equity:				
Balance at the beginning of the year	261,021	247,062	273,278	251,128
Net surplus for the year	13,941	13,959	14,799	22,150
TOTAL GENERAL EQUITY	274,962	261,021	288,077	273,278

Consolidated net surplus for the year 2012 included \$7.5m of income from a jointly-controlled entity related to a derecognised loan.

NOTE 26: REVALUATION RESERVES

	University		Consolidated	
	2013 Actual \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
Asset revaluation reserve:				
Balance at the beginning of the year	129,129	117,424	129,129	117,424
Changes due to revaluation of:				
Crown-owned Land	14,039	8,777	14,039	8,777
Crown-owned Buildings	(262)	-	(262)	-
AUT-owned Land	-	2,928	-	2,928
AUT-owned Buildings	16,842	-	16,842	-
	30,619	11,705	30,619	11,705
Balance at the end of the year	159,748	129,129	159,748	129,129
Available-for-sale financial assets revaluation reserve:				
Balance at the beginning of the year	(40)	(39)	(40)	(39)
Net fair value gains/(losses) in the year	1	(1)	1	(1)
Balance at the end of the year	(39)	(40)	(39)	(40)
Cash flow hedge reserve:				
Balance at the beginning of the year	(227)	(369)	(227)	(369)
Net fair value gains/(losses) in the year	185	142	185	142
Balance at the end of the year	(42)	(227)	(42)	(227)
TOTAL REVALUATION RESERVES	159,667	128,862	159,667	128,862

Land and Buildings were revalued as at 31 December 2013 following the independent full revaluation completed by Seagar & Partners (Auckland) Limited, Registered Valuers.

Land at the AUT North Shore Campus appreciated in value by 80.7% from 2012 to 2013 driven by increases in value of comparable sites recently sold in the area and the valuer's professional assessment on the impact which the Proposed Auckland Unitary Plan has on the value of the land at this campus. Land at the AUT City Campus appreciated in value by 8.0% over the same period recognising the increase in market value driven primarily by sales of comparable sites in the area. Land at the AUT South Campus retained its carrying value.

Buildings appreciated in value by 4.6% from 2012 to 2013 driven by an increase in value of comparable buildings recently sold reflecting an improved market, especially in the central Auckland area.

NOTE 27: RELATED PARTY TRANSACTIONS

Significant transactions with government-related entities

The government influences the roles of the University as well as being a major source of revenue.

The University has received funding and grants from the Tertiary Education Commission totalling \$152.0 million (2012: \$142.0 million) to provide education and research services for the year ended 31 December 2013.

The University also leases, at an annual rental amount of \$100 plus GST if demanded, land and buildings legally owned by the Crown. Further information on the accounting for Crown-owned land and buildings is disclosed in Note 1(y).

Collectively, but not individually, significant transactions with government-related entities

In conducting its activities, the University is required to pay various taxes and levies (such as GST, PAYE, and ACC levies) to the Crown and entities related to the Crown. The payment of these taxes and levies, other than income tax, is based on the standard terms and conditions that apply to all tax and levy payers. The University is exempt from paying income tax.

The University purchases goods and services from entities related to the Crown and it also provides services to entities related to the Crown. The purchase and the provision of goods and services to government-related entities for the year ended 31 December 2013 are insignificant when compared to the University's total expenditure and revenue and have all been conducted on an arms' length basis. The purchase of goods and services included the purchase of electricity from Meridian Energy, air travel from Air New Zealand, postal services from New Zealand Post, and student placement services from various District Health Boards, Schools and Polytechnics. The provision of services to government-related entities mainly related to the provision of educational courses.

Related party transactions with subsidiaries, interest in an associate, and jointly-controlled entity

Auckland University of Technology is the ultimate parent of the group. The group comprises the University, its subsidiaries, interest in an associate and joint ventures interests as disclosed in the Financial Statements.

NOTE 27: RELATED PARTY TRANSACTIONS (continued)

During the year, the following transactions were carried out with related parties:

	2013 Actual \$000s	2012 Actual \$000s
SUBSIDIARY COMPANIES		
Auckland University of Technology Foundation		
Operating revenue received by subsidiary	5	10
Grants and scholarships paid to subsidiary	29	-
Operating expenses paid on behalf	52	-
AUT Enterprises Limited		
Operating revenue received on behalf	58	65
Development fund paid to subsidiary	-	230
External project funding received from subsidiary	296	-
Operating expenses paid on behalf	45	370
Accounts payable	-	68
Accounts receivable	14	-
ASSOCIATE COMPANY		
LCo New Zealand Limited		
Purchase of services	289	333
JOINTLY-CONTROLLED ENTITY		
AUT Millennium Ownership Trust		
Sale of land	-	4,553
Capital contribution	228	-
Rents and opex recoveries paid to jointly-controlled entity	471	403
Reimbursement of capital expenditure	-	513
Management services provided to jointly-controlled entity	176	172
Salary recoveries paid to jointly-controlled entity	102	124
Operating expenses paid on behalf	660	424
Accounts receivable	14	-
Accounts payable	-	10

All related party transactions were on market terms and conditions.

Key management personnel

	University		Consolidated	
	2013 Actual \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
Salaries and other short-term employee entitlements	4,477	4,639	4,477	4,639
Post-employment entitlements	90	82	90	82
Other long-term benefits	-	-	-	-
Termination benefits	-	-	-	-
TOTAL KEY MANAGEMENT PERSONNEL COMPENSATION	4,567	4,721	4,567	4,721

NOTE 27: RELATED PARTY TRANSACTIONS (continued)**Key management personnel (continued)**

Key management personnel include the Chancellor, Vice-Chancellor, Members of Council, and other senior management personnel reporting directly to the Vice-Chancellor.

There are close family members of key management personnel employed by the University. The terms and conditions of those arrangements are no more favourable than the University would have adopted if there were no such relationship.

The Vice-Chancellor and Pro Vice-Chancellor (North Shore) are Trustees of AUT Millennium Ownership Trust (a jointly-controlled entity of the University). Their fees in relation to those positions are paid directly to the University.

Councillors

During the year, the following Councillors and key management personnel were members of organisations that have entered into transactions with Auckland University of Technology as part of its normal operations.

	Purchases Actual \$000s	Sales Actual \$000s	Accounts payable Actual \$000s	Accounts receivable Actual \$000s
2013				
G Campbell				
Vodafone NZ Limited (Director)	1,146	-	8	-
H Duncan				
Millennium Institute of Sports & Health (Board Member)	160	530	17	36
K Essuman				
AuSM (President)	1,227	53	-	15
L Henry				
Auckland University of Technology Foundation (Trustee)	29	-	-	-
AUT / Millennium Ownership Trust (Trustee)	644	1,063	-	14
J Kingi				
AuSM (Vice-President)	1,227	53	-	15
J Maasland				
ACG Limited (Chairman)	10	76	-	62
Auckland University of Technology Foundation (Trustee)	29	-	-	-
K McPherson				
Work & Income NZ (Board Member)	6,160	-	6	-
J Raine				
AUT Enterprises Limited (Director)	3	353	-	14
Committee for Auckland Ltd (Board Member)	-	2	-	-
Research and Education Advanced Network NZ Ltd (Chair)	822	-	151	-
V Bridgwater				
Auckland Tourism Events and Economic Development Ltd (Director)	50	37	-	21
D McCormack				
Auckland University of Technology Foundation (Trustee)	29	-	-	-
AUT Enterprises Limited (Director)	3	353	-	14
AUT/Millennium Ownership Trust (Trustee)	644	1,063	-	14
NZ Stroke Foundation (Vice President)	4	-	-	-
M Abbott				
AUT/Millennium Ownership Trust (Trustee)	644	1,063	-	14
Waitemata District Health Board	492	63	1	52

NOTE 27: RELATED PARTY TRANSACTIONS (continued)

2012	Purchases Actual \$000s	Sales Actual \$000s	Accounts payable Actual \$000s	Accounts receivable Actual \$000s
G Campbell				
Vodafone NZ Limited (Director)	869	-	90	-
L Henry				
Trans Tasman Business Circle (Co-chair)	55	45	8	-
Auckland University of Technology Foundation (Trustee)	26	-	-	-
AUT / Millennium Ownership Trust (Trustee)	728	713	10	-
J Maasland				
APN News & Media (Director)	6	-	-	-
Auckland University of Technology Foundation (Trustee)	26	-	-	-
J Thompson				
NZ Trade & Enterprise (Director)	3	-	-	-
K Essuman				
AuSM (Student Executive)	1,205	275	-	-
D McCormack				
Auckland University of Technology Foundation (Trustee)	26	-	-	-
AUT Enterprises Limited (Director)	1	438	68	-
AUT/Millennium Ownership Trust (Trustee)	728	713	10	-
NZ Stroke Foundation (Vice President)	-	5	-	-
N Bromberg				
AuSM (Vice President)	1,205	275	-	-
P Winter				
Committee for Auckland Ltd (Board Member)	34	-	-	-
J McKay				
University Sport NZ (Board Member)	16	1	-	-
V Bridgwater				
Auckland Tourism Events and Economic Development Ltd (Director)	32	-	-	-
Save the Children (Chair)	-	9	-	-
M Abbott				
AUT/Millennium Ownership Trust (Trustee)	728	713	10	-
Waitemata District Health Board	738	80	-	-
The Rotary National Science & Technology Trust (Board Member)	-	2	-	-
J Raine				
AUT Enterprises Limited (Director)	1	438	68	-
Committee for Auckland Ltd (Board Member)	34	-	-	-
Research and Education Advanced Network NZ Ltd (Chair)	524	-	-	-

All transactions were made on normal commercial terms and conditions. Outstanding balances at balance date are unsecured and interest free. No provision has been required or any expense recognised for impairment of accounts receivable from related parties (2012: \$nil).

NOTE 28: COUNCILLORS' FEES

The following fees were earned by members of the Council of Auckland University of Technology.

Council Member	2013 Actual \$000s	2012 Actual \$000s
P Alley	4	3
N Bromberg	–	5
G Campbell	4	3
A Cocker	2	4
F Davies	3	5
H Duncan	5	5
K Essuman	6	6
S Hayman	2	–
L Henry*	7	7
J Kingi	6	–
P Kingi	–	3
L Lim	5	5
J Maasland	25	25
J Martin	4	6
K McPherson	1	–
P Phillips	8	9
J Schofield	7	7
S Stehlin	5	4
J Thompson	5	4
TOTAL COUNCILLORS' FEES	99	101

*L Henry is a Trustee of AUT Millennium Ownership Trust (a jointly-controlled entity of the University) and received fees of \$10,000 (2012: \$10,000) in relation to that position.

NOTE 29: RECONCILIATION OF NET SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	University		Consolidated	
	2013 Actual \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
Net surplus from operations	13,941	13,959	14,799	22,150
Adjustments for items not involving cash				
Depreciation, amortisation and impairment	36,511	28,603	36,511	28,603
Increase/(decrease) in employee entitlements – term portion	(102)	1,357	(102)	1,357
Increase/(decrease) in reinstatement provision	228	1,638	228	1,638
(Gain)/loss on foreign currency translation	(175)	99	(175)	99
Share of associate's net deficit/(surplus)	–	–	10	(8)
Share of jointly-controlled entity's net surplus	–	–	(1,084)	(8,114)
Total items not involving cash	36,462	31,697	35,388	23,575
Movements in working capital				
(Increase)/decrease in trade and other receivables	(35,590)	104	(35,489)	238
(Increase)/decrease in prepayments	(99)	530	(99)	530
(Increase)/decrease in inventories	83	6	83	6
Increase/(decrease) in trade and other payables	(4,603)	13,371	(4,621)	13,343
Increase/(decrease) in income in advance	38,637	2,213	38,637	2,213
Increase/(decrease) in current employee entitlements	1,489	2,296	1,489	2,296
Total movements in working capital	(83)	18,520	–	18,626
Add/(less) items classified as investing activities				
Movement in capital creditors	12,938	(8,605)	12,959	(8,584)
Loss/(gain) on disposal of property, plant and equipment	45	(27)	45	(27)
Total items classified as investing activities	12,983	(8,632)	13,004	(8,611)
NET CASH FLOWS FROM OPERATING ACTIVITIES	63,303	55,544	63,191	55,740

NOTE 30: CAPITAL COMMITMENTS

	University		Consolidated	
	2013 Actual \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
Capital expenditure contracted for at balance date but not yet incurred for property, plant and equipment	3,881	2,538	3,881	3,082
Balance of payment for the settlement on the property at 41 Centorian Drive, Auckland*	5,850	–	5,850	–
Capital contribution to the Waterfront Theatre Limited	5,000	–	5,000	–
TOTAL CAPITAL COMMITMENTS	14,731	2,538	14,731	3,082

*A non-refundable deposit of \$650,000 in relation to the purchase of property at 41 Centorian Drive was recognised as "Work in progress - Others" in the Property, Plant and Equipment (Note 16).

NOTE 31: OPERATING LEASE COMMITMENTS – AS LESSEE

Commitments for future aggregate minimum lease payments in relation to non-cancellable operating leases contracted at the balance date but not recognised as liabilities are as follows:

	University		Consolidated	
	2013 Actual \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
Not later than one year	6,947	7,352	6,947	7,352
Later than one year and not later than five years	9,581	14,392	9,581	14,392
Later than five years	1,945	2,690	1,945	2,690
TOTAL NON-CANCELLABLE OPERATING LEASES	18,473	24,434	18,473	24,434

Auckland University of Technology leases property, plant and equipment in the normal course of its business. Most of these leases have a non-cancellable term of 36 months. The University has the option to purchase the asset at the end of the lease term.

The University leases 29,845 square metres (2012: 32,250 square metres) of office space in Auckland for teaching, research, and administrative purposes. Most of these leases can be renewed at the University's option, with rents set by reference to current market rates for items of equivalent age and condition.

NOTE 32: FINANCIAL INSTRUMENT

Financial instrument categories

The accounting policies for financial instruments have been applied to the line items below:

	University		Consolidated	
	2013 Actual \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
FINANCIAL ASSETS:				
Loans and receivables				
Cash and cash equivalents	6,894	8,704	8,048	9,428
Trade and other receivables	39,844	4,254	39,904	4,359
Investments carried at cost	133	133	133	133
TOTAL LOANS AND RECEIVABLES	46,871	13,091	48,085	13,920
Fair value through other comprehensive income				
Listed securities	1	-	1	-
FINANCIAL LIABILITIES:				
Derivatives designated as cash flow hedges				
Interest rate swap	42	227	42	227
Financial liabilities measured at amortised costs				
Trade and other payables	37,397	42,001	37,456	42,072
Borrowings	43,320	61,250	43,320	61,250
TOTAL FINANCIAL LIABILITIES MEASURED AT AMORTISED COST	80,717	103,251	80,776	103,322

NOTE 32: FINANCIAL INSTRUMENT (continued)**Fair value hierarchy disclosures**

For those instruments recognised at fair value on the Balance Sheet, fair values are determined according to the following hierarchy:

1. Quoted market price – financial instruments with quoted prices for identical instruments in active markets.
2. Valuation technique using observable inputs – financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
3. Valuation techniques with significant non-observable inputs – financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value on the Balance Sheet:

		Valuation Technique		
	Total \$000s	Quoted market price \$000s	Observable inputs \$000s	Significant non-observable input \$000s
University 2013				
Financial assets				
Listed securities	1	1	-	-
Financial liabilities				
Interest rate swap – cash flow hedges	42	-	42	-
Consolidated 2013				
Financial assets				
Listed securities	1	1	-	-
Financial liabilities				
Interest rate swap – cash flow hedges	42	-	42	-
University 2012				
Financial assets				
Listed securities	-	-	-	-
Financial liabilities				
Interest rate swap – cash flow hedges	227	-	227	-
Consolidated 2012				
Financial assets				
Listed securities	-	-	-	-
Financial liabilities				
Interest rate swap – cash flow hedges	227	-	227	-

NOTE 33: FINANCIAL INSTRUMENT RISKS

Auckland University of Technology's activities expose it to a variety of financial risks including market risk (interest rate risk, currency risk and price risk), credit risk and liquidity risk. The University's Treasury Management Policy and overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the University. The University uses derivative financial instruments such as interest rate swaps and forward foreign exchange contracts to hedge certain risk exposures.

Financial risk management is carried out under the Treasury Management Policy approved by the Council of the University. The Council provides written principles for overall risk management, as well as policies covering specific areas such as interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Treasury Management Policy does not allow any transactions that are speculative in nature to be entered into.

Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the University's financial instruments will fluctuate due to changes in market interest rates. Auckland University of Technology is exposed to interest rate risk from its interest-earning financial assets and interest-bearing liabilities.

The University is risk averse and seeks to minimise exposure arising from its treasury activities. It does not undertake unnecessary investment or borrowing activity, nor is it speculative in the activity it undertakes.

The University manages its interest rate risk on borrowings by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings at floating rates and swapping them into fixed rates that are generally lower than those available if the University borrowed at fixed rates directly. Under the interest rate swaps, the University agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Auckland University of Technology has transactional currency exposure. Such exposure arises from the purchase of goods and services in currencies other than the local currency.

It is the University's Treasury Management Policy to manage foreign currency risks arising from contractual commitments and liabilities that are above specified amounts by entering into forward foreign exchange contracts or supplier guaranteed New Zealand Dollar purchase price contracts to hedge the foreign currency risk exposure.

Price risk

Auckland University of Technology is exposed to equity securities price risk. This arises from investments held by the University and classified in the Balance Sheet either as available-for-sale financial assets or at fair value through profit or loss.

The University does not manage the price risk arising from investments in equity securities. The price risk for the equity securities is immaterial in terms of the possible impact on profit or loss or total equity. It has therefore not been included in the sensitivity analysis.

NOTE 33: FINANCIAL INSTRUMENT RISKS (continued)

Credit risk

Credit risk is the risk that a third party will default on its obligations to the University, thereby causing the University to incur a loss. The University's Treasury Management Policy limits the amount of credit exposure to any one financial institution or organisation. The University only invests funds with entities that have a Standard and Poor's credit rating of at least 'A-2' for short-term and 'A' for long-term investments.

The University has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

The maximum credit exposure for each class of financial instrument is as follows:

	University		Consolidated	
	2013 Actual \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
Cash and cash equivalents	6,894	8,704	8,048	9,428
Trade and other receivables	39,844	4,254	39,904	4,359
TOTAL CREDIT RISK	46,738	12,958	47,952	13,787

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates:

	University		Consolidated	
	2013 Actual \$000s	2012 Actual \$000s	2013 Actual \$000s	2012 Actual \$000s
COUNTERPARTIES WITH CREDIT RATINGS				
Cash and cash equivalents:				
AA-	6,894	8,704	8,048	9,428
Total cash and cash equivalents	6,894	8,704	8,048	9,428

Trade and other receivables arise mainly from the University's operating activities, therefore there are no procedures in place to monitor or report the credit quality of trade and other receivables with reference to internal or external credit ratings. The University is not exposed to any material concentrations of credit risk. Trade and other receivable balances are monitored on an on-going basis to ensure that the exposure to bad debts is not significant.

NOTE 33: FINANCIAL INSTRUMENT RISKS (continued)

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that the University will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of unutilised committed credit facilities.

The University manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. To provide flexibility in the management of the University's liquidity, the University has established a multi-facility agreement (and the accompanying negative pledge deed) with the ANZ Bank New Zealand Limited (for details refer to Note 24).

Contractual maturity analysis of financial liabilities

The table below analyses the University's financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying Amount \$000s	Contractual Cash flows \$000s	Less than 1 year \$000s	1-5 years \$000s	More than 5 years \$000s
UNIVERSITY 2013					
Trade and other payables	37,397	37,397	37,397	-	-
Net settled derivative liabilities	42	42	42	-	-
Finance leases	36,021	49,502	6,759	17,341	25,402
Borrowings	43,320	44,700	44,700	-	-
TOTAL	116,780	131,641	88,898	17,341	25,402

CONSOLIDATED 2013

Trade and other payables	37,456	37,456	37,456	-	-
Net settled derivative liabilities	42	42	42	-	-
Finance leases	36,021	49,502	6,759	17,341	25,402
Borrowings	43,320	44,700	44,700	-	-
TOTAL	116,839	131,700	88,957	17,341	25,402

UNIVERSITY 2012

Trade and other payables	42,001	42,001	42,001	-	-
Net settled derivative liabilities	227	227	-	227	-
Finance leases	38,315	53,885	7,060	17,677	29,148
Borrowings	61,250	65,228	23,672	41,556	-
TOTAL	141,793	161,341	72,733	59,460	29,148

CONSOLIDATED 2012

Trade and other payables	42,072	42,072	42,072	-	-
Net settled derivative liabilities	227	227	-	227	-
Finance leases	38,315	53,885	7,060	17,677	29,148
Borrowings	61,250	65,228	23,672	41,556	-
TOTAL	141,864	161,412	72,804	59,460	29,148

NOTE 33: FINANCIAL INSTRUMENT RISKS (continued)*Contractual maturity analysis of financial assets*

The table below analyses the University's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

	Carrying Amount \$000s	Contractual Cash flows \$000s	Less than 1 year \$000s	1-5 years \$000s	More than 5 years \$000s
UNIVERSITY 2013					
Cash and cash equivalents	6,894	6,894	6,894	-	-
Trade and other receivables	39,844	39,844	39,844	-	-
TOTAL	46,738	46,738	46,738	-	-
CONSOLIDATED 2013					
Cash and cash equivalents	8,048	8,048	8,048	-	-
Trade and other receivables	39,904	39,904	39,904	-	-
TOTAL	47,952	47,952	47,952	-	-
UNIVERSITY 2012					
Cash and cash equivalents	8,704	8,704	8,704	-	-
Trade and other receivables	4,254	4,254	4,254	-	-
TOTAL	12,958	12,958	12,958	-	-
CONSOLIDATED 2012					
Cash and cash equivalents	9,428	9,428	9,428	-	-
Trade and other receivables	4,359	4,359	4,359	-	-
TOTAL	13,787	13,787	13,787	-	-

NOTE 33: FINANCIAL INSTRUMENT RISKS (continued)

Sensitivity analysis

The tables below illustrate the potential profit and loss and equity (excluding retained surplus) impact for reasonably possible market movements in interest rates, with all other variables held constant, based on the University's financial instrument exposures at balance date.

	University				Consolidated			
	+100 bps		-100 bps		+100 bps		-100 bps	
	Profit \$000s	Other equity \$000s	Profit \$000s	Other equity \$000s	Profit \$000s	Other equity \$000s	Profit \$000s	Other equity \$000s
2013								
INTEREST RATE RISK								
Financial assets								
Cash and cash equivalents	51	-	(51)	-	63	-	(63)	-
Financial liabilities								
Interest rate swaps	-	25	-	(25)	-	25	-	(25)
Borrowings	(333)	-	333	-	(333)	-	333	-
Total sensitivity to interest rate risk	(282)	25	282	(25)	(270)	25	270	(25)

	University				Consolidated			
	+10%		-10%		+10%		-10%	
	Profit \$000s	Other equity \$000s	Profit \$000s	Other equity \$000s	Profit \$000s	Other equity \$000s	Profit \$000s	Other equity \$000s
2013								
CURRENCY RISK								
Financial assets								
Cash and cash equivalents	(161)	-	488	-	(161)	-	488	-
Total sensitivity to currency risk	(161)	-	488	-	(161)	-	488	-
EQUITY PRICE RISK								
Other financial assets								
Listed securities	-	1	-	(1)	-	1	-	(1)
Total sensitivity to equity price risk	-	1	-	(1)	-	1	-	(1)

NOTE 33: FINANCIAL INSTRUMENT RISKS (continued)

2012

INTEREST RATE RISK

Financial assets

Cash and cash equivalents

Financial liabilities

Interest rate swaps

Borrowings

Total sensitivity to interest rate risk

	University				Consolidated			
	+100 bps		-100 bps		+100 bps		-100 bps	
	Profit \$000s	Other equity \$000s	Profit \$000s	Other equity \$000s	Profit \$000s	Other equity \$000s	Profit \$000s	Other equity \$000s
Cash and cash equivalents	43	-	(43)	-	56	-	(56)	-
Interest rate swaps	-	25	-	(25)	-	25	-	(25)
Borrowings	(513)	-	513	-	(513)	-	513	-
Total sensitivity to interest rate risk	(470)	25	470	(25)	(457)	25	457	(25)

2012

CURRENCY RISK

Financial assets

Cash and cash equivalents

Total sensitivity to currency risk

	University				Consolidated			
	+10%		-10%		+10%		-10%	
	Profit \$000s	Other equity \$000s	Profit \$000s	Other equity \$000s	Profit \$000s	Other equity \$000s	Profit \$000s	Other equity \$000s
Cash and cash equivalents	(400)	-	1,223	-	-	(400)	-	1,223
Total sensitivity to currency risk	(400)	-	1,223	-	-	(400)	-	1,223

EQUITY PRICE RISK

Other financial assets

Listed securities

Total sensitivity to equity price risk

	University				Consolidated			
	+10%		-10%		+10%		-10%	
	Profit \$000s	Other equity \$000s	Profit \$000s	Other equity \$000s	Profit \$000s	Other equity \$000s	Profit \$000s	Other equity \$000s
Listed securities	-	1	-	(1)	-	1	-	(1)
Total sensitivity to equity price risk	-	1	-	(1)	-	1	-	(1)

NOTE 34: CAPITAL MANAGEMENT

The University's capital is its equity, which comprises retained surpluses and reserves. Equity is represented by net assets. The University manages its revenue, expenses, assets, liabilities, and general financial dealings prudently. The University's equity is largely managed as a result of managing income, expenses, assets and liabilities.

The objective of managing the University's equity is to ensure the University effectively achieves the goals and objectives for which it has been established, whilst remaining a going concern.

NOTE 35: SEGMENTAL INFORMATION

Auckland University of Technology operates predominantly in one industry, tertiary education, and in one geographical area, Auckland, New Zealand.

NOTE 36: EXCEPTIONAL RISKS OF OPERATING

There are a number of factors that could adversely affect Auckland University of Technology's operating surplus. Most notably, international student revenue could be affected by a significant change to New Zealand's, or foreign governments', immigration or visitors' permits policies. 18% (2012: 17%) of total revenue is derived from International student fees.

NOTE 37: CONTINGENCIES

Contingent assets

There are no contingent assets as at 31 December 2013 (2012:\$1,500,000).

Contingent liabilities

There are no contingent liabilities as at 31 December 2013 (2012: Nil).

NOTE 38: EXPLANATION OF VARIANCES AGAINST BUDGET

Explanations for major variances against budget are as follows:

Income Statement

Government operational funding

Government operational funding was \$6.2 million ahead of budget due to the receipt of an additional \$3.5 million of PBRF, \$0.4 million of prior year PBRF wash up and \$2.3 million of other Government grants not budgeted in 2013.

Student tuition fees

Student tuition fees were \$1.1 million ahead of budget driven by a 1.6% increase in international enrolments.

Research grants

Research grants recognised in 2013 of \$9.6 million were \$2.5 million below budget primarily due to lower than expected external research income generated during the year.

Other income

Other income was \$1.7 million below budget as a result of lower 3rd stream revenue generated across hospitality and other external income.

Personnel costs

Total personnel costs were \$1.2 million higher than budget driven by staffing to support the additional PBRF funded research projects and some unplanned restructuring costs.

Supplies and other costs

Supplies and other costs were \$2.6 million above budget mainly due to additional costs incurred to support additional funded research projects from the additional PBRF income, increased marketing expenses to drive the improved 2nd semester enrolments, higher facility costs incurred in operationalising the Sir Paul Reeves Building and some additional costs of leasing of space.

Balance Sheet

Cash and cash equivalents

Cash and cash equivalents were \$3.0 million above budget mainly due to the higher USD bank account balance of NZD equivalent funds which reflects the funds available for future foreign currency payments.

Trade and other receivables

Trade and other receivables were \$33.8 million above budget mainly due to \$36.3 million increase in student debtors, with students being invoiced earlier than in previous years for the ensuing enrolment year.

Property, plant and equipment

Property, plant and equipment was \$35.0 million above budget due to the revaluation of land and buildings as at 31 December 2013, as assessed by Seagar & Partners (Auckland) Limited, Registered Valuers.

Trade and other payables

Trade and other payables were \$8.6 million above budget. This mainly comprised an increase in GST payable of \$6.5 million due to early invoicing of student fees for 2014.

Income in advance

Income in advance was \$38.0 million above budget mainly due to the early invoicing of student fees.

Employee entitlements

Employee entitlements were \$2.2 million above budget mainly due to higher provision for research & study leave and annual leave accrual compared to budget.

Bank borrowings

Total bank borrowings of \$43.3 million were \$19.8 million below the budget of \$63.1 million at year end. This was mainly due to higher than budget receipts from government grants, delayed capital projects and student fees received in advance.

Reserves

Reserves were \$42.5 million above budget due to the revaluation of land and buildings as at 31 December 2013.

Statement of Cash Flows

The explanation for 'Bank borrowings' above explains the Cash Flow variances.

NOTE 39: INTEREST IN JOINTLY-CONTROLLED ASSETS

The University has a joint venture interest in Ko Awatea Education Centre, situated at Middlemore Hospital. The joint venture is between Counties Manukau District Health Board (39.4%), Manukau Institute of Technology (31%), University of Auckland (16.4%) and Auckland University of Technology (13.2%), with Counties Manukau District Health Board as manager and operator of the joint venture.

Jointly controlled assets	Nature of joint venture	Ownership interest	
		2013	2012
Ko Awatea Education Centre	Partnership with healthcare professionals and educational institutes to improve efficiency and achieve effective application of healthcare.	13.2%	13.2%

The University's share of the jointly-controlled assets which are included in the Financial Statements is as follows:

	University	
	2013 Actual \$000s	2012 Actual \$000s
Property, plant and equipment	69	287
TOTAL JOINTLY CONTROLLED ASSETS	69	287

There were no material capital expenditure commitments or contingent liabilities in relation to the jointly-controlled assets.

NOTE 40: EVENTS AFTER THE REPORTING PERIOD

On 6 March 2014, the University made a capital contribution payment of \$1.66 million to the Waterfront Theatre Limited, in accordance with the Shareholders' Agreement dated 13 December 2013, as part of the capital contribution balance of \$5 million (see note 30) committed at the end of the reporting period.

NOTE 41: COMPARATIVE FIGURES

Certain comparative figures in the prior year have been reclassified to conform with this year's presentation.

STATEMENT OF RESOURCES

LIBRARY

LEARNING AND TEACHING/RESEARCH AND SCHOLARSHIP

e-resources

e-journal titles	84,069	127,818
e-book titles	91,547	85,745
e-Reserve items (AUTonline)	3,968	4,057
Research repository items (Scholarly Commons)	2,982	2,408

Print resources (titles)

Books	222,264	220,937
Journals (serials)	2,088	2,141
Multimedia (AV items)	16,876	16,888

ENGAGEMENT

Online access – full-text downloads

e-journal full-text downloads	2,065,852	2,073,243
e-book full-text downloads	143,670	108,254
e-Reserve full-text downloads	83,692	42,581
Research repository full-text downloads	653,300	522,415

Online access – page views

Research repository page views	200,775	296,974
Library guides page views	750,582	664,943
Library website page views	1,631,611	1,791,960

Physical access

Turnstile counts (visits to Library)	1,371,070	1,467,204
Opening hours (per week) ¹³	86	86

Loans

Print and multimedia (includes renewals)	231,588	258,960
Course reserve (high demand) (includes renewals)	47,612	47,963
Interloan items supplied and received (includes Borrow Direct)	6,186	7,596

Information services

Information literacy workshops (participants)	13,712	14,792
Information literacy workshops (groups)	566	601
Research consultations ¹⁴	3,463	3,706
Library Help Desk enquiries ¹⁵	9,624	10,477
Online tutorial views ¹⁶	3,889	-

¹³ Weekly opening hours increase to 98 hours for the last four weeks of each semester

¹⁴ Reduction in direct enquiries is in line with international trends for increasing use of online services and information on the Library website

¹⁵ Refer to footnote 14

¹⁶ This is a new measure introduced in 2013; 2012 results are not available

STAFF

Total Library staff (FTE)

2013 2012

69.6 65.0

CONTINUOUS DEVELOPMENT AND CAPACITY BUILDING

Expenditure — \$000s

Operating expenditure – excluding depreciation

5,769 5,813

Depreciation and asset impairment¹⁷

6,317 4,562

Total operating expenditure

12,086 10,375

Capital expenditure — information resources

5,024 4,373

Total Library expenditure

17,110 14,748

Total Library expenditure (\$) per EFTS (MoE and International) and FTE

840 728

17 2013 figures include a \$1.1 million impairment adjustment on e-journals assets due to a reclassification of their useful life

INFORMATION AND COMMUNICATIONS TECHNOLOGY SERVICES

LEARNING AND TEACHING

Total number of computers (including laptops)	7,230	6,651
Available open-access laboratory hours	2,960,271	2,951,826
Total number of open-access hours used	675,366	661,257
Percentage open-access usage	22.8%	23.0%
Average number of daily student log-ons to the wireless network during the busiest month ¹⁸	4,759	3,529
Total number of student log-ons to the wireless network on the busiest day ¹⁹	7,037	5,276
Total service desk enquiries ²⁰	78,283	79,542
Percentage incident resolution within four hours – students	100%	90.4%

RESEARCH AND SCHOLARSHIP

KAREN network (average traffic) – Mbps ²¹	78.5	21.7
KAREN network (maximum traffic) – Mbps ²²	1,140.7	340.1
Total AUT traffic to Google Scholar – Mb	61,261	48,953
URL hits to Google Scholar	3,021,230	3,104,461

ENGAGEMENT WITH COMMUNITIES

Number of page views on AUT website from external users ²³	5,655,281	6,188,777
Number of distinct users for AUTonline	29,814	28,640
Number of page views (events/activities) for AUTonline	10,467,604	10,832,403

STAFF

Percentage incident resolution within four hours – staff	72.7%	62.8%
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CONTINUOUS DEVELOPMENT AND CAPACITY BUILDING

Expenditure – \$000s

Operating expenditure for ICTS – excluding depreciation	13,157	11,827
Depreciation	1,890	1,526
Operating expenditure for computer leases in other divisions	2,928	3,156
Total operating ICTS expenditure for University	17,975	16,509
Capital expenditure	2,898	3,079
Total ICTS expenditure	20,873	19,588
Percentage increase/(decrease) total ICTS expenditure	6.6%	4.8%
ICTS operating expenditure as a percentage of total University expenditure	5.3%	6.6%
ICTS salaries / total ICTS operating expenditure	42%	43%
Total ICTS staff (FTE)	96	88
Total ICTS expenditure per EFTS (MoE and International) and FTE (\$)	1,024	966

¹⁸ The busiest month of the year was August in 2013 and September in 2012

¹⁹ The busiest day of the year was 20 August in 2013 and 25 September in 2012

²⁰ The reduction in enquiries was due to fewer incidents; requests remained at similar levels

²¹ Average and maximum traffic results measure outbound traffic from AUT and the Warkworth Radio Telescope site

²² Refer to Footnote 21

²³ Although total page visits have decreased, unique visits remain steady (2,288,017 in 2012 and 2,112,056 in 2013)

LAND AND BUILDINGS

LAND BY CAMPUS²⁴

City Campus ²⁵
North Shore Campus
AUT South Campus

Total land

2013		2012	
Gross Area ha	Value \$'000s	Gross Area ha	Value \$'000s
3.5	64,174	3.5	59,448
14.4	20,847	14.4	11,534
7.8	27,244	7.8	27,244
25.7	112,265	25.7	98,226

BUILDINGS BY CAMPUS²⁶

City Campus ²⁷
North Shore Campus
AUT South Campus
Work in progress ²⁸

Total buildings

Total land and buildings

Contractual leases (various)

University total gross area

Less: Non-leasable area²⁹

Usable area

2013		2012	
Gross Area m ²	Net Book Value \$'000s	Gross Area m ²	Net Book Value \$'000s
112,193	293,480	91,380	197,804
35,948	66,856	35,947	64,095
8,185	19,048	8,075	17,897
	6,017	21,124	103,404
156,326	385,401	156,526	383,200
	497,666		481,426
53,441		55,842	
209,767		212,368	
35,194		29,529	
174,573		182,839	

Utilised as follows

Faculty space ³⁰
Administration ^{31,32}
In development/vacant

TOTAL

2013			2012		
Usable Area m ²	Total EFTS	Area m ² per EFTS	Usable Area m ²	Total EFTS	Area m ² per EFTS
110,720			101,667		
63,853			60,048		
-			21,124		
174,573	19,178	9.1	182,839	19,157	9.5

²⁴ Land at all three campuses was revalued as at 31 December 2013 by Seagar & Partners (Auckland) Ltd. The value of the land appreciated by 8.0% at City Campus and by 80.7% at North Shore Campus. Land at AUT South Campus retained its carrying value

²⁵ Total hectares at City Campus were overstated in Annual Report 2012

²⁶ Buildings on all three campuses were revalued as at 31 December 2013 by Seagar & Partners (Auckland) Ltd

²⁷ The increase in the gross floor area and value is due to the inclusion of the Sir Paul Reeves Building, which was previously listed as Work in progress

²⁸ Refer to Footnote 27

²⁹ The increases in non-leasable, faculty and administration areas are due to the inclusion of the Sir Paul Reeves Building; this space was all reported as In development/vacant in 2012

³⁰ Refer to Footnote 29

³¹ This includes space for administration services, student accommodation and car parks

³² Refer to Footnote 29



DIRECTORY

INDUSTRY ADVISORY COMMITTEES

Following is a list of the Industry Advisory Committees and their respective Chairs.

FACULTY OF BUSINESS AND LAW

Dean's Advisory Board

Mark Porath, Porath Executive Search

Business School Industry Advisory Committee

Rory Walker, Silkroad Technology NZ Ltd

FACULTY OF CULTURE AND SOCIETY

Centre for Refugee Education

Abdirizak Abdi, Ministry of Education

Education – Career

Gabrielle Riley, Electricians Industry Training Organisation

Education – Early Childhood

Rosemary Searle, Northern Auckland Kindergarten Association

Education – Pasifika Early Childhood

Dr Mere Kepa, Community

Education – Postgraduate

Mary-Liz Broadley, Open Polytechnic of New Zealand

Education – Primary

Paul Engles, St Mary's School

Education – Secondary

Miranda Makin, Albany Senior High School

Education – Tertiary

Dr Helen Sword, The University of Auckland
Dr Jens Hansen, Independent Education Researcher (co-Chairs)

Hospitality and Tourism

David Comery, Waipuna Hotel and Conference Centre

International Languages

James Penn, Asia New Zealand Foundation

Language Education

Dr Sue Gray, Auckland College of Education

Social Sciences

Professor Charles Crothers, Auckland University of Technology

FACULTY OF DESIGN AND CREATIVE TECHNOLOGIES

Communication Studies	Selwyn Manning , Multimedia Investments Ltd
Computing and Mathematical Science	Rowan Robinson , Telecom New Zealand Jan Hilder , Panacea Healthcare (co-Chairs)
Construction Management	Dan Ashby , Hawkins Construction (NZ) Ltd
Engineering	Dr Richard Templer , Advanced Manufacturing Technologies, Industrial Research Ltd
Graphic Design	Kerenza Smith , Designsmith Ltd
Spatial Design	Mark Gascoigne , Gascoigne Associates
Visual Arts	Ron Brownson , Auckland Art Gallery

FACULTY OF HEALTH AND ENVIRONMENTAL SCIENCES

Applied Mental Health	Tatjana Karaman , Supporting Families in Mental Illness
Medical Laboratory Science	Colleen Behr , New Zealand Blood Service
Midwifery	Helen Ngatai , Waitemata District Health Board
Nursing	Anne Fitisemanu , Auckland District Health Board
Occupational Therapy	Kim Henneker , Hawke's Bay District Health Board
Oral Health	Pip Zammit , Northland District Health Board
Paramedic and Emergency Specialities	Major Brendon Wood , New Zealand Defence Force
Physiotherapy	Darren Knight , Accident Compensation Corporation
Podiatry	Dr Leigh Shaw , Tauranga Hospital

PROFESSORIAL STAFF

PROFESSORS

Faculty of Business and Law	Faculty of Culture and Society	Faculty of Design and Creative Technologies	Faculty of Health and Environmental Sciences	Te Ara Poutama
Dr Tim Bentley	Dr Rob Allen	Dr Adnan Al-Anbuky	Dr Max Abbott	Dr Tania Ka'ai
Dr Julie Cassidy	Dr Richard Bedford	Dr Ahmed Al-Jumaily	Dr Andrea Alfaro*	Dr Pare Keiha*
Dr Trish Corner	Dr Allan Bell	Dr Jiling Cao*	Dr John Brooks	Dr Paul Moon
Dr Bill Doolin	Dr John Bitchener	Dr Zhan Chen	Dr John Cronin	Dr John Moorfield
Dr Ian Eagles	Dr Charles Crothers	Dr Alvis Fong	Dr Valery Feigin	
Dr Peter Enderwick	Dr Peggy Fairbairn-Dunlop	Dr Sergei Gulyaev	Dr Stephen Henry	
Dr Bart Frijns	Dr Jane Gilbert*	Dr Enrico Haemmerle	Dr Clare Hocking	
Dr Keith Hooper	Dr Nigel Hemmington	Dr Jeffrey Hunter	Dr Will Hopkins	
Dr Kate Kearins	Dr Judy McGregor	Dr Welby Ings	Dr Patria Hume	
Louise Longdin	Dr Simon Milne	Desna Jury*	Dr Marion Jones	
Dr Tim Maloney	Dr Mark Orams	Dr Nikola Kasabov	Dr Jane Koziol-McLain	
Dr Roger Marshall	Dr Ian Shirley	Dr Barry King	Dr Michael McGuigan	
Dr Deryl Northcott	Dr Marilyn Waring	Dr Tek-Tjing Lie	Dr Peter McNair	
Dr Chris Ohms		Dr Stephen MacDonell	Dr Kathryn McPherson	
Dr Andrew Parsons		Dr Ajit Narayanan	Dr Anita Nolan	
Dr Geoff Perry*		Dr Thomas Neitzert	Dr Janis Paterson	
Dr Edwina Pio*		Dr Krishnamachar Prasad	Dr Steve Pointing	
Dr Judith Pringle		Dr John Raine	Dr Keith Rome	
Dr Erling Rasmussen		Dr David Robie	Dr Elaine Rush	
Dr Felix Tan		Dr Philip Sallis	Dr Grant Schofield	
Dr Stephen T.T. Teo		Dr John Tookey*	Dr Richard Siegert	
Dr Alireza Tourani-Rad		Dr Leong Yap	Dr Elizabeth Smythe*	
		Dr Albert (Wai) Yeap	Dr Owen Young	

* promoted to Professor during 2013

ASSOCIATE PROFESSORS

Faculty of Business and Law	Faculty of Culture and Society	Faculty of Design and Creative Technologies	Faculty of Health and Environmental Sciences	Te Ara Poutama
Dr Sonjaya Gaur	Dr Andy Begg	Dr Christopher Braddock	Dr Stephen Appel	Dr Hinematau McNeill
Dr Mark Glynn	Dr Love Chile		Dr Mark Boocock	
Dr Candice Harris	Dr Nesta Devine	Dr Tony Clear	Dr Simeon Cairns	
Dr Kenneth Hyde	Dr Andrew Gibbons*	Dr Alan Cocker*	Dr Geoff Dickson	
Dr Coral Ingle	Dr Sharyn Graham Davies	Dr Paul Cowpertwait	Dr Kate Diesfeld	
Dr Felicity Lamm	Dr Sharon Harvey*	Dr Paul Cullen	Dr Lynne Giddings	
Dr Romie Littrell		Nancy de Freitas	Dr Len Gillman	
Dr Keith Macky	Dr Michael Luck	Dr Tina Engels-Schwarzpaul	Dr Nazimah Hamid*	
Dr Gayle Morris*	Dr Pat Strauss	Dr Wayne Hope	Dr Erica Hinckson	
Dr Simon Mowatt		Dr Loulin Huang	Dr Paula Kersten	
Dr Gail Pacheco		Dr Mark Jackson	Dr Andrew Kilding	
Dr Sougata Poddar		Dr Frances Joseph	Dr Judith McAra-Couper*	
Dr Peiming Wang		Dr Sergiy Klymchuk	Dr Antoinette McCallin	
Dr William Wang		Dr Tom Moir		
Dr Nevan Wright		Dr Sigrid Norris	Dr David Nicholls*	
		Dr David Parry*	Dr Duncan Reid	
		Dr Timotius Pasang*	Dr Denise Taylor	
		Dr Russel Pears*	Dr David Towns	
		Dr Verica Rupar*	Dr Keith Tudor	
		Dr Nurul Sarkar	Dr Alain Vandal	
		Andy Thomson	Dr Lindsey White	
		Dr Charles Walker	Dr Denise Wilson	
		Dr David Wilson	Dr Valerie Wright-St Clair	

* promoted to Associate Professor during 2013

RESEARCH INSTITUTES

FACULTY OF BUSINESS AND LAW

New Zealand Work Research Institute

Director: **Professor Tim Bentley**

FACULTY OF CULTURE AND SOCIETY

Institute of Culture, Discourse
and Communication

Director: **Professor Allan Bell**

Institute of Public Policy

Acting Director: **Professor Judy McGregor**

New Zealand Tourism Research Institute

Director: **Professor Simon Milne**

FACULTY OF DESIGN AND CREATIVE TECHNOLOGIES

CoLab

Directors: **Associate Professor Charles Walker**
Associate Professor Frances Joseph

Engineering Research and Innovation Cluster

Director: **Professor Thomas Neitzert**

Institute of Biomedical Technologies

Director: **Professor Ahmed Al-Jumaily**

Institute for Radio Astronomy
and Space Research

Director: **Professor Sergei Gulyaev**

Knowledge Engineering and
Discovery Research Institute

Director: **Professor Nikola Kasabov**

FACULTY OF HEALTH AND ENVIRONMENTAL SCIENCES

Biotechnology Research Institute

Director: **Professor Stephen Henry**

Institute for Applied Ecology New Zealand

Director: **Professor Stephen Pointing**

Health and Rehabilitation Research Institute

Director: **Professor Peter McNair**

Sports Performance Research Institute
New Zealand

Directors: **Professor John Cronin**
Associate Professor Andrew Kilding
Professor Mike McGuigan

National Institute for Public Health
and Mental Health Research

Director: **Professor Max Abbott**

National Institute for Stroke and
Applied Neurosciences

Director: **Professor Valery Feigin**

TE ARA POUTAMA

Te Ipukarea: the National Māori
Language Institute

Director: **Professor Tania Ka'ai**





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