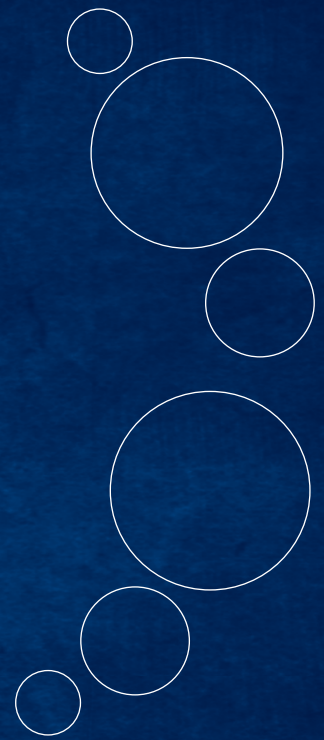


THE ENGINE OF THE NEW NEW ZEALAND



ANNUAL REPORT 2011



MASSEY
UNIVERSITY
TE KUNENGA KI PŪREHUOA

UNIVERSITY OF NEW ZEALAND

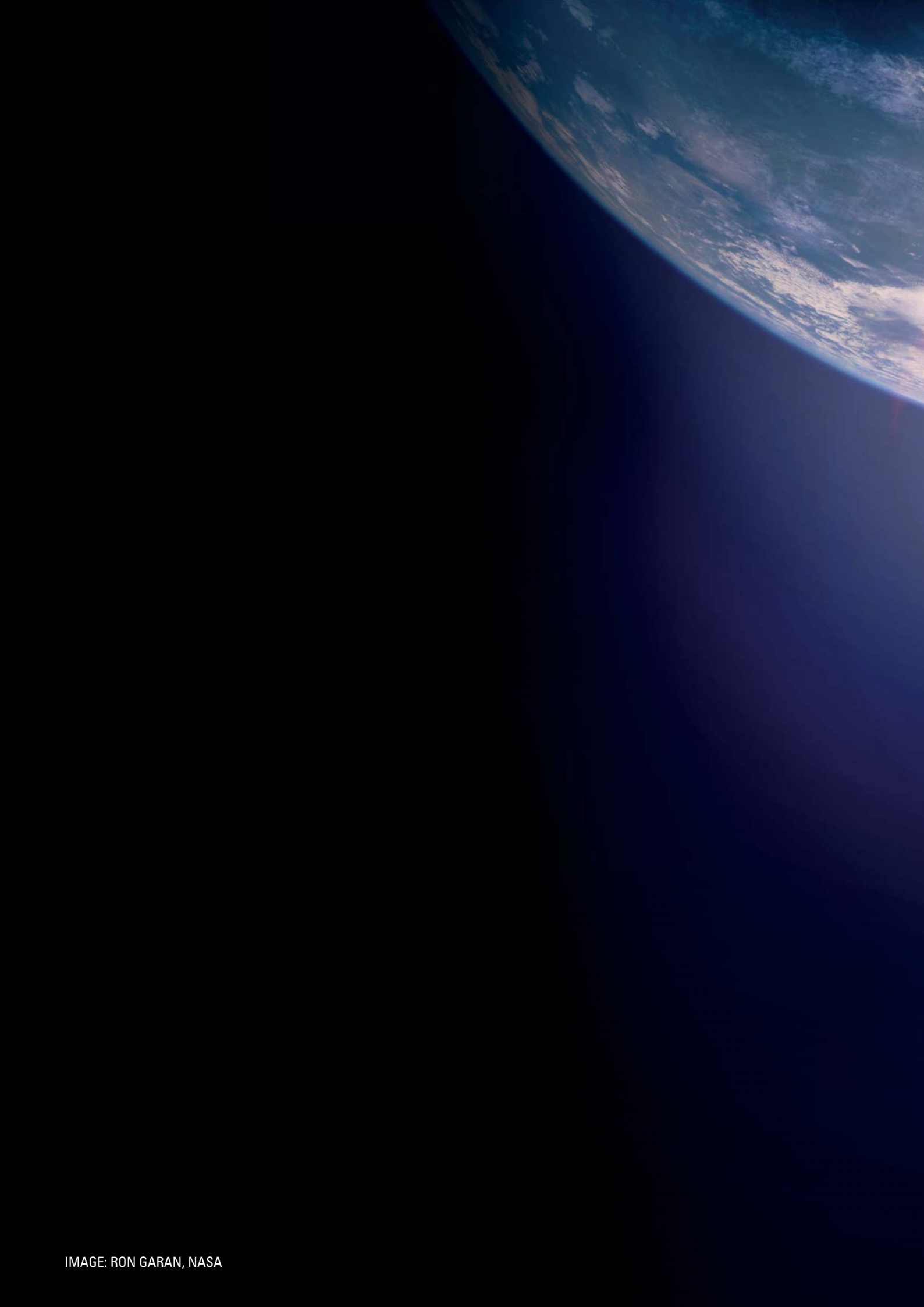


IMAGE: RON GARAN, NASA



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RESEARCH AND SCHOLARSHIP

TE RANGAHAU ME TE HAEPAPA
MATATAUTANGA

We will promote the highest standards of research and scholarship and be a world leader in our areas of specialisation.

Kia eke rawa te kounga o ngā āhuetanga rangahau ki te kōmata taketake. Kia pūrangiaho te māramatanga.

TEACHING AND LEARNING

TE WHAKAAKO TE WHAKANGUNGU

We will ensure an exceptional and distinctive learning experience at Massey for all students.

Ka kounga rawatia kia hira ngā mahi akoranga. Mā te ako ka punenga, ka hihiri, ngā ākongā katoa.

MISSION STATEMENT

TO BE NEW ZEALAND'S
DEFINING UNIVERSITY
AND A WORLD LEADER IN
HIGHER EDUCATION AND
SCHOLARSHIP.

THE SIX BIG GOALS FOR MASSEY UNIVERSITY

NGĀ TINO WHĀINGA O TE KUNENGA
KI PŪREHUROA

CONNECTIONS

NGĀ TŪHONOTANGA

We will strengthen our connections with local, national and international partners and stakeholders to gain mutually beneficial outcomes.

Ka whakamarohi, ka whakapakaritia ngā tūhonotanga ki ngā rōpū, ki ngā tāngata, o konei, o te ao whānui, kia kōkiri ngātahi ai. Mā tēnei e tipu tahi ai ngā painga huhua.

RESPONSIBILITY

TE ARONGA MANAAKITANGA

We will enhance our reputation as New Zealand's defining university by contributing to understanding of, and innovative responses to, social, economic, cultural and environmental issues.

Kia kaha ake te manaaki i te tāngata, i te ao turoa. Ka hāpaitia ngā kaupapa, ngā āhuetanga pāpori, ohaoha, tikanga a-tāngata me te ao turoa e tipu kaha ai ki konei ki Te Kunenga ki Pūrehuroa.

GENERATING INCOME

TE WHAKATIPU I NGĀ RAWA

We will significantly increase our income and improve our financial position to allow for more investment to enable the University to achieve its goals.

Ka āta poipoi, ka āta whakatipuhia ngā rawa e matomato ai, e tutuki ai ngā whāinga o Te Kunenga ki Pūrehuroa.

ENABLING EXCELLENCE

TE WHAKAHIRANGA I NGĀ TĀNGATA

We will provide the best working and learning environment for our staff and students.

Ka noho a Te Kunenga ki Pūrehuroa hei whare whakahiranga i te tangata me āna mahi hāngai ki ngā kaupapa whakaāko.

FROM THE CHANCELLOR

For those of us whose heady student days go back to another generation, it is useful to imagine ourselves into the lives of the year's new arrivals, the first-years, the classes of 2011 and 2012. What is campus life like for them here in the 21st century?

Today's student will enjoy many of the rich experiences we did: all of those confusions, intensities and excitements of new encounters and new friends, of finding one's way to lectures, tutorials and labs in the University labyrinth and, not least, of grappling with the complexities of adult life.

In other ways, today's cohort hails from another planet. My student days were analogue, theirs are digital and constantly, almost surgically, connected. I was snail mail; they are e-mail; I was all textbook; they are textbook and Facebook.

Children born in the first half of the 1990s have never known a world in which the internet and mobile phones were not a beeping constant. Hence some of the various tags the marketers have tried to attach to them: 'M' (for multitasking), 'C' (for connected) or, more straightforwardly, the Net or Internet Generation.

They stand on the threshold of a world offering enormous promise – and great peril. Today the global population stands at around seven billion. In 2050 as the class of 2011 enter their mid 50s – more than likely with children of their own at university – that number will have reached nine billion.

So what sort of world will they inherit? As I write, former Cabinet Minister Simon Upton, now based at the OECD in Paris as Director of the Environment Directorate, has just released the *OECD Environmental Outlook to 2050: The Consequences of Inaction*. It makes sobering reading.

The document predicts that if humanity carries on with business as usual, the consequences will be grim. It tells of diminishing biodiversity, climate change in the order of 3 to 6 degrees Celsius above pre-industrial levels by the end of the century, greater competition for the agricultural land needed to feed so many more people, and the prospect of air pollution overtaking dirty water and lack of sanitation as the world's leading cause of premature mortality.

New Zealand is not shielded from these challenges. It, too, faces an uncertain future. Will we continue as we are, a modestly prosperous country with an unspectacular growth in GDP and some disquieting social statistics? Where will that have taken us by 2050? I, for one, hope for something more.

What sort of country do we want to live in? What kind of world? And once we have answered these questions, how do we set about achieving the future we want for ourselves, our children and our mokopuna? These questions, these challenges, at local and global levels, have never seemed more pressing.

The role of a university is to contribute to the economic, social and cultural development of its community. It is an enricher and a problem solver, providing both the means and the solutions to the major issues we face. Massey University with its rural roots and widely distributed student population and campus infrastructure is by nature intimately connected to the

wider New Zealand community and well positioned to help address the major challenges of the future. We do see ourselves as the 'engine of the new New Zealand'. Fulfilling our responsibilities is not without challenge. We face the challenges of new and potentially disruptive technologies and having to operate in a constrained economic environment. The Massey University Council and the University's executive relish these challenges and spend considerable time scanning the current and future environments and repositioning our programmes and capabilities so that we continue to deliver for our students and the country. The outcome of this deliberation is reflected in our strategic document, *The Road to 2020*, which enters its second iteration in 2012.

We have been busy. During 2011 we launched new courses, cut back on others, struck up significant new national and international alliances, and launched fresh initiatives. All of these have been driven by the need to maintain the relevance of our programmes and, wherever possible, leverage the capability of others to build critical mass that better serves our rather small country. Quality is maintained during these changing times by constant



Dr Russell Ballard, University Chancellor

benchmarking against the best and building on our traditional areas of strength. We are moving forward with confidence.

One of the other ways in which we are changing, perhaps learning from our American counterparts, is in reaching out to harness the power of our extended alumni communities.

And no, this is not some simple euphemism for raising money – though there is no doubt that donations and bequests from alumni can help transform the work of a university like Massey, ensuring it truly does become “the engine of the new New Zealand”.

Many of us consider our campus years formative. It is only natural, therefore, that former graduates should want to stay in touch with their classmates, tutors and lecturers, in both their professional and personal lives. The University is actively playing its part.

In 2011 we ran international alumni functions in Beijing, Shanghai, Jakarta, Kuala Lumpur, Singapore, San Francisco, New York and London. Here in New Zealand, a highlight of the year was the annual awards function, recognising excellence within the University community, with alumni, teaching and research awards.

We are also committed to recognising excellence. Among the alumni awards, I was particularly pleased to see former Vice-Chancellor Sir Neil Waters recognised with the Sir Geoffrey Peren Distinguished Alumni Award. During his tenure, Sir Neil transformed Massey into a research university to be reckoned with, oversaw a massive growth in student numbers and, in 1993, established the Albany campus.

Other distinguished alumni award winners included Professor Gregor Reid, who completed his PhD at Massey nearly 30 years ago and is an internationally recognised authority in the field of probiotics, and Carl Sanders-Edwards, who owns JumpShift, a company that provides leadership training using cutting-edge technology. Then we have Peter MacGillivray, who received an award for service to the University, and Sharron Cole who received an award for service, to both the community and the nation.

Honorary doctorates were conferred on Kate Sylvester, the leading fashion designer; on Richard Taylor, Oscar-winning creative director and founder of Weta Workshop and Weta Digital; on Lieutenant-General Sir Jeremiah ‘Jerry’ Mateparae, New Zealand’s current Governor-General; and on Ian Templeton, the distinguished political journalist.

Congratulations are also due to the Massey staff, present and former, recognised in the 2011 New Year's Honours list and Queen's Birthday Honours. Among them was Professor Ian Warrington, a former Deputy Vice-Chancellor who was made a Companion of the New Zealand Order of Merit. Three other former staff members – Professor Martin Devlin, Associate Professor Al Rowland and Robert Neale – were made Officers of the Order of New Zealand.

My thanks to all members of Council for their support and teamwork this year. It has been a pleasure working with such a cohesive Council that constantly focuses on the interests of Massey. A particular thanks to my deputy for a number of years, Pro Chancellor Stephen Kos QC, who left during the year following his appointment as a High Court judge.

During my time at Massey, it has been my privilege to meet any number of smart, educated, idealistic people – students, staff and alumni – who are toiling away for the betterment of our nation, humanity and the environment.

For as long as our world has people like these, I will remain an optimist.



Dr Russell Ballard
Chancellor

Peter MacGillivray – award for service to Massey



Sharron Cole – award for community and national service



FROM THE VICE-CHANCELLOR

2011 was a reminder that, however much we plan, life is contingent. It was a year bookended by two catastrophes, one in February, the other in October. The first was an epochal natural event, the Christchurch earthquake, the consequences of which will be decades long; the second, a man-made folly, the grounding of the container ship *Rena* on Astrolabe Reef.

Although Massey's three physical campuses are all in the North Island, its constituency of students who study by distance learning knows no geographical boundary. More than 900 Massey distance learning students were based in Christchurch at the time of the quake, along with many thousands of the University's alumni and other members of its extended community: family, friends and professional and academic colleagues.

In the aftermath, Massey fielded emergency management specialists and a veterinary search and rescue team, attended to the learning support and counselling needs of its Christchurch students, and began working closely with New Zealand's other universities to help Lincoln and Canterbury Universities return to full function.

Even now, the staff of Massey's and GNS Science's Joint Centre for Disaster Research are at work in Christchurch, gathering evidence and analysing how communities can be made more resilient. There will be other civil emergencies; it is important that the right lessons are taken and applied and that appropriately qualified emergency management staff are to hand.

Similarly, the *Rena* disaster, although it took place off the coast near Tauranga, swiftly developed a Massey connection. Within hours of the news of the *Rena* striking Astrolabe Reef, the National Oiled Wildlife Response Team, headed by Massey's Dr Brett Gartrell and largely comprising staff from Massey's Institute of Veterinary, Animal and Biomedical Sciences, was being readied, and within 48 hours the equivalent of a wildlife MASH unit was materialising on Tauranga's foreshore – where it would continue working well into 2012.

I cannot say enough in praise of the staff and volunteers who put in long hours with great professionalism, performing work that, in large part, was a smelly and unglamorous round of feeding and cleaning up after birds that would rather not have been there.

These two events, calamitous though they were, show something of how profoundly Massey and its community are embedded in the life of New Zealand. We are an extraordinarily connected university, a topic I will return to later in this report.

RESEARCH AND SCHOLARSHIP

One of the defining elements of Massey University is the research and scholarship that underpins our contribution to the knowledge base of the disciplines that we support across a wide range, from engineering to English, social work to natural sciences and from music, design and fine arts to food technology, theoretical physics and defence studies under the umbrella of our five colleges. It is also key to our mission that the research we undertake and support is applied

and outward facing in its purpose and practice. Here again both the breadth and connectivity of our research with a fascinating, and sometimes unexpected, range of problems and issues are often surprising.

For example, the recent discovery of a number of Jupiter-sized free floating planets, which was reported in the prestigious science journal *Nature*, was the result in no small part of innovative research in the realm of software development by the Massey University astrophysicist Ian Bond. Dr Bond is the principal investigator of a recent Royal Society Marsden funded \$715,000 project, *Isolated planetary mass objects in the Galaxy – alien worlds between stars*, which will see this exciting study of planets go forward. Indeed the range of Marsden funded projects – from work on the practicality of algae for bioremediation of phosphorus from waste water, to mathematical modelling of epidemics to a study of the literary form in the colonial period – also provides a window through which to view the diversity of our research activities.



Hon Steve Maharey, Vice-Chancellor

The importance of “application” is one of the traits that was woven into the warp and weft of research at Massey University from our foundation as a tertiary education institute serving the needs of New Zealand. The health and well-being of our communities is one major challenge to which we are making a signature contribution through a new initiative funded by the Health Research Council. It has provided Professor Jeroen Douwes and the Centre for Public Health with \$2.8 million to investigate the potential links between motor neurone disease and occupational exposure to a range of industrial environmental conditions that may aggravate the onset of this condition. Health and safety issues also feature in the work of the Sleep/Wake Research Centre led by Professor Phillippa Gander and her team of chronobiologists, who were recipients of the 2011 Massey Research Team Medal, as well as a number of other international awards in recognition of their contribution through sleep/wake science to fatigue risk management and wider health issues linked to sleep disorder including maternal and foetal health.

This focus on bringing Massey University expertise and know-how to the problems of the age is further exemplified by the growing authority of this University as a leading player in the global network that is forming around the issue of food security. Large parts of the current global food system are inequitable, unhealthy and unsustainable. We are also faced with the growing challenge of diet-related diseases such as obesity, Type II diabetes and cardiovascular diseases. Massey University was founded as an agricultural college and through innovative research and teaching helped make New Zealand’s agricultural practices some of the most productive in the world. That is no less true today, with research supporting the development of world-leading capabilities in precision agriculture, and fundamental research in genetics, evolutionary biology and bioinformatics all underpinning a new dynamic in disease and infection control, sheep and cattle breeding, natural resource management and the fostering of biodiversity.

A key new development of note in 2011 is the steps we have taken to be part of a cross-continent alliance as one of the six world-leading food research institutes that have formally agreed to work together on a common agenda to achieve reliable methods of food production, cleaner, more sustainable land management and healthy diets.

Massey University has joined with Embrapa (the Brazilian Agricultural Research Corporation), The University of California (Davis), the Chinese Academy of Agricultural Sciences, INRA from France and Wageningen UR (University and Research Centre) in the Netherlands.

We are no less active in those research domains fostered by research in the creative arts, humanities and social sciences and indeed the academy contributes in equally significant ways to the well-being and culture of New Zealand and beyond, highlighted again by the diversity of research we support. For example, in 2011 Laureate Professor Anne Nobel completed her major work on Antarctica with the publication of *Ice Blink* which is an eloquent photographic documentary of this fascinating barometer of human engagement with the planet. And we are delighted that Professor Paul Spoonley was honoured for his unique research contributions to social policy when elected as a Fellow of the Royal Society of New Zealand and awarded the 2011 SAANZ Scholarship Award for exceptional services to New Zealand sociology.

TEACHING AND LEARNING

I was pleased to recognise six of Massey’s staff in the 2011 round of the Vice-Chancellor’s Awards for Teaching Excellence. Dr Mark Henrickson, Dr Nigel Parsons and Dr Gina Salapata won sustained commitment to teaching excellence awards. Professor Tony Signal was recognised for excellence in teaching first-year students; Neil Ward, for excellence in teaching support; and Dr Brennon Wood received the Darrylin O’Dea Award in the field of e-learning.

Massey’s National Centre for Teaching and Learning was launched in May. The new centre provides support for students and teaching staff by bringing together the expertise of learning and teaching consultants. The University’s Innovation Strategy was launched at Albany, the launch coinciding with the announcement that the first Innovator-in-Residence, Colin Gilchrist, had been appointed and would be based at the Albany campus.

Another significant teaching and learning initiative from 2011 is Te Rau Whakaara, a new student-centred approach to Māori achievement at Massey. Also known as the Accelerated Academic Advancement (Triple A) programme, Te Rau Whakaara is intended to increase the

number of Māori students enrolling with Massey and going on to complete their degrees.

The launch of the University's Internationalisation Strategy in November was another watershed event. Massey has always been an international university, drawing significant numbers of staff and students from a variety of other countries and maintaining strong international links.

However, Massey is now engaging with international students in new ways. This includes via distance education and through initiatives under which Massey staff temporarily relocate to deliver courses.

Increasingly the University is working in concert with overseas tertiary education providers to provide blended qualifications that allow students who have studied for one or two years in their own countries to complete their qualifications with a further one or two years at Massey.

A Massey team captained by Bachelor of Engineering student Maurice Tipene won the university section of the Vex Robotics World Championships in Orlando, Florida. The competition involves teams designing, building and maintaining robots that compete in a game called Round Up. The event drew more than 10,000 intermediate school, high school and university participants representing 16 countries.

Massey's teaching offerings were extended under the terms of a heads of agreement signed by Massey University and the Waitemata District Health Board. From 2012, the Bachelor of Nursing degree already offered on the Wellington and Manawatū campuses will also be offered on the Albany campus, as will a master's in dietetics.

CONNECTIONS

The degree to which Massey is connected to New Zealand's communities was impressed upon me by the many meetings I had during the course of the year.

Massey's senior staff and I met with local and regional authorities in Hawke's Bay, Auckland City, North Shore and Taranaki, as well as with government agencies, chambers of commerce, district health boards, crown research institutes and commercial enterprises.

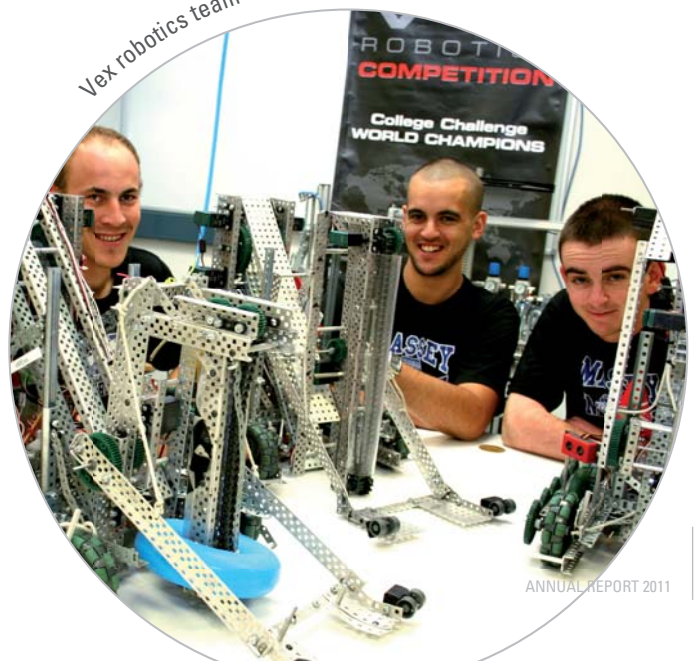
There were meetings associated with Agri-One – a collaboration between Massey University, Lincoln University and DairyNZ in pursuit of precision agriculture research and education – and with the centenary history of New Zealand and the First World War.

The latter is a joint project between the New Zealand Defence Force, the Royal New Zealand Returned and Services' Association and the Ministry for Culture and Heritage. Launched in December 2011, the project, led by Massey's Professor Glyn Harper, is to publish nine volumes of New Zealand war history, with the first expected to be complete in time for Anzac Day 2015.

Signing a memorandum of understanding in Hawke's Bay



Vex robotics team



In June, at a gathering on the Wellington campus, Finance Minister Bill English launched the New Zealand Centre for Personal Financial Education, a joint venture between Westpac New Zealand and Massey University, together with the Centre's first initiatives: a certificate programme for Personal Financial Educators and the commencement of a 20-year study to identify why so many Kiwis struggle with their finances.

Massey also engaged with the community by means of events.

The launch of the Massey-Westpac joint venture was not the first time in 2011 that Finance Minister Bill English spoke at a Massey event. The year began with Finance 2011, a Massey-organised event at which the Minister laid out his views before an audience of national business leaders.

Later in the year, Massey organised speaking events, including a professorial lecture series held in Hawke's Bay and another at Te Manawa museum in Palmerston North.

In Wellington, the School of Design marked its 125th anniversary. Birthday celebrations included the presentation of the John Drawbridge Scholarship, named in honour of the former design tutor and respected visual artist, who died in 2005. The Scholarship, for excellence in life drawing, was presented to illustrations major Emma Williams. A number of public lectures took place alongside the exhibition Oldschool Newschool, which was curated by Luit Beiringa and mounted in the Great Hall of the Museum Building on the Wellington campus.

Theatrical events also connected Massey to the community. In Palmerston North, the year began in March with the annual Summer Shakespeare, an open air production of *A Midsummer Night's Dream*, and closed in October with *The River*, written and directed by Massey University senior lecturer and respected playwright Angie Farrow, who made the Manawatū River a central character.

It was a milestone year for Ngā Kupu Ora, the University's third Māori Book Awards. For the first time the Awards celebrated a winner for fiction, and a book written completely in te reo took out the Te Reo Māori category. This year's ceremony also included a special award for *Mana Magazine*, which published its 100th issue in May.

A new partnership with Te Rūnanga Nui o Ngā Kura Kaupapa Māori, the national association of Māori immersion school was developed to enable a new four-year Māori

immersion teaching degree to be offered in 2012 to fill a critical shortage of expert te reo Māori teachers and help halt the decline of the language.

Strategic iwi partnerships with Ngāti and Ngāti Tūwharetoa were strengthened during the year with meetings to discuss collaborative research projects, internships and scholarships. Internships were also negotiated with Tūhourangi-Ngāti Wāhiao and Te Arawa Lakes Trust.

The University won another Māori Language Award for its initiatives to celebrate Māori Language Week. The annual awards are organised by the Māori Language Commission with the support of Te Puni Kōkiri and the Human Rights Commission. In 2010 Massey won the Māori Language Week award and shared the supreme award. In 2011 it won the tertiary education sector category.

The Pasifika directorate hosted the Talanoa Oceania 2011 conference in the Sir Neil Waters Lecture Theatres Building in November. Around 30 academics from New Zealand, Australian, Hawaiian and Pacific Island universities – including several from Massey – presented on topics including psychology from a Pasifika perspective, health, sexuality and HIV stigma, parenting, trade, economics and industrial relations, language teaching, education of gifted



Pasifika children, and contemporary, traditional, visual and performance arts and crafts.

When I look back through my own calendar, there are visits to China, Vietnam and Singapore, where I talked to my university counterparts. The visit to China was particularly productive, with memoranda of understanding being signed between Massey and Shanghai Jiao Tong and Ningxia Universities; between Massey and the Nanjing University of Finance and Economics; between Massey and the Communication University of China; and between Massey and the Inner Mongolian Agricultural University.

A number of these agreements will result in students coming to New Zealand to study at Massey.

RESPONSIBILITY

At their heart universities are communities of scholars and students brought together by a common cause – research and scholarship. They are also increasingly vibrant, dynamic businesses with a keen sense of their place in the communities that support them and that they seek to serve. Massey University is very conscious of its connections to the communities in which our campuses are located and the benefits to be gained by responsible and effective models of engagement.

In addition to ensuring and enabling our staff and students to be active in the community in ways that best serve their own interests through volunteering and service, we have taken the view that we will focus our institutional efforts more sharply on a common cause. Given the expertise across our colleges and the unique identities of our campuses and their locales, alongside our connectivity to the land-based foundations of this country, it seemed appropriate to focus on sustainability issues and seek to develop a framework by which we could contribute and engage in meaningful ways to address this big problem. This platform is being brought to life and reality through diverse and creative links across and within the University and beyond – from science to fine arts, from Hawke's Bay to Wellington, from Kiribati to Melbourne and to the United Nations.

In addition to practical projects addressing urban garden design in Wellington and climate change in the Pacific islands, we are involved in mapping water catchment issues in the North Island as well as supporting community engagement with these issues through a growing outreach programme led by Dr Allanah Ryan. One novel contribution

here was the commissioning of a play, *The River* by Angie Farrow, which captured the challenges of our relationships with the landscapes that define New Zealand.

Massey University is ever conscious of the heritage that defines its own genesis and indeed the contribution of the New Zealanders from our alumni to the history of this nation. With planned major developments reshaping the physical character of the campuses as new buildings appear alongside the old, and the passage of time limiting access to institutional memory, it seemed timely to record the history of the University. A major project was launched to create an archive for that purpose. We also made real our commitment to support the upcoming World War One anniversary and have partnered with the New Zealand Defence Force and The Royal New Zealand Returned and Services Association to produce a series of historical monographs to document the major role of this nation in that conflict. Professor Glyn Harper is leading this endeavour through the Centennial History Project with support from the Massey Foundation.

GENERATING INCOME

During 2011 Massey University took up \$5 million in funding from the World Bank to extend its education programme strengthening Asian public health and veterinary capacity to combat zoonotic diseases. In the first phase of the programme, 67 health professionals from India, Pakistan, Sri Lanka, Bangladesh, Afghanistan and Nepal were trained in One Health epidemiology concepts as part of two Massey qualifications specifically developed for the programme – a Master of Veterinary Medicine (Biosecurity) and a Master of Public Health (Biosecurity). During 2011 Massey staff working with colleagues from other leading international universities began the process of enabling what had been learned to be put into practice, through the development of One Health Hubs and collaborative disease investigation projects.

In Brunei a ceremony was mounted to launch Massey's undertaking to deliver a Postgraduate Diploma in Arts (Defence and Strategic Studies) to the Royal Brunei Armed Force residential staff college based at the Royal Brunei Armed Forces Defence Academy. Under the terms of the three-year contract, 20 students will undertake a 39-week programme combining academic and practical military studies.

The School of Linguistics and International Languages signed a memorandum of understanding with the University of New England in New South Wales to provide a Spanish major to students from 2012.

The Massey Foundation, re-launched in 2010, has made good progress, among other initiatives starting a payroll-giving programme for staff. The Foundation intends eventually to provide Massey with endowments/funding in the region of \$100 million.

These income-generating initiatives are being complemented by the University's commitment to financial discipline. A significant appointment was that of Rose Anne MacLeod as the new Assistant Vice-Chancellor Finance, Strategy and Information Technology. I am confident that under her leadership the University will be able to extract greater value from its expenditure. Like any other major institution, Massey must prudently invest in infrastructure, upgrading old buildings and, where there is a demonstrable need, constructing new ones.

ENABLING EXCELLENCE

During the past decade Massey's College of Creative Arts has gone from strength to strength, winning a swag of awards and attracting the best students from around the country and increasingly from abroad.

In March, the start of construction of a new \$20 million creative arts building was an occasion for celebration. The building will provide flexible gallery and studio space for teaching and learning on the Wellington campus. The new building will play an important role in the college's plans to recruit international postgraduate students.

On the Manawatū campus, work began on the Riddet Complex expansion. This will open the existing atrium on to a new courtyard and create new linking corridors across the Complex. A new entrance and covered walkway to the Complex will also be built to provide a new 'front door' to the Institute of Food, Nutrition and Human Health.

On the Albany campus, work proceeded during the year on the new student amenities building scheduled to be open in 2012.

A case was also put forward for the construction of an emergency management hub on the Wellington campus.

When and where will we next have an earthquake? Before the Canterbury earthquakes, Wellington was the leading contender. When you fly into Wellington airport, you can see the line of the Wellington fault incised in the landscape, extending along the Hutt motorway and into the central city. Embedded in the sidewalks of Lambton Quay, in the heart of commerce's Golden Mile, you will find plaques showing the shoreline pre-1855, the year when a major earthquake uplifted the land.

Yet the Wellington region's Emergency Operations Centre's (EOC's) existing building is classified as earthquake prone and elsewhere the National Crisis Management Centre and the Wellington City Emergency Management Office feature as at risk on the latest tsunami inundation hazard maps.

So Massey has put a proposal to the Greater Wellington Regional Council for the development of a \$15 million EOC and Training and Research Centre, which would be sited alongside Massey's Wellington campus, at some distance from the Wellington fault on solid rock above the tsunami zone.

This emergency management hub will be home to a world-class teaching and research facility that, in times of crisis, can be something much more.

2011 was also a year of changes for Massey's senior academic management, with the appointment of two new Pro Vice-Chancellors.

Associate Professor Claire Robinson became the Pro Vice-Chancellor of the College of Creative Arts, taking the place of Professor Sally Morgan, who has chosen to become Professor of Fine Arts. The University owes a debt of gratitude to Professor Morgan, who during her tenure took the college from strength to strength.

Professor Ted Zorn was appointed Pro Vice-Chancellor of the College of Business. Both Professor Zorn and Associate Professor Robinson are strong appointments.

Finally, I cannot finish without mentioning one bright spot in 2011: the successful hosting of the Rugby World Cup in New Zealand, and the All Blacks taking out the title.

As befits a highly connected university, Massey's involvements were many. The All Blacks were coached by Massey alumnus Sir Graham Henry and the Rugby World Cup Tournament Director was Massey alumnus Kit McConnell.

On the Wellington campus, fashion designers Deb Cumming and Robertina Downes were commissioned by the New Zealand Rugby Museum to create meticulously accurate replicas of the 1905 and 1924 All Blacks jerseys.

In Auckland, two teams of Massey robotics experts – one from the Albany campus, the other from Manawātū – put custom-developed rugby-ball-kicking robots up against the expert boot of All Blacks legend and representative of all humankind Andrew Mehrtens in a goal-kicking contest.

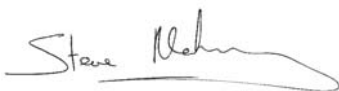
The Cup was a reminder that Massey's commitment to excellence encompasses sport. The University teaches sport and exercise science and offers a range of sports facilities, and its flexible multi-modal learning environment allows sports people to travel and compete while working towards university-level qualifications.

Massey University student athletes were responsible for half of all medals won by the New Zealand team at the 2011 World University Games in China.

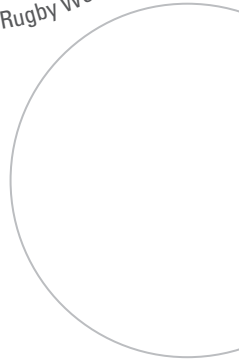
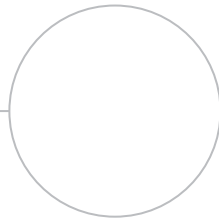
It is no wonder then that in 2011 Massey University became the first New Zealand university to sign up to the 'Athlete Friendly Tertiary Network' set up by the New Zealand Academy of Sport.

In 2012 a number of Massey students will compete in the London Olympics, and the New Zealand Olympics team will be supported by the likes of Massey sports psychologist Professor Gary Hermansson.

I look forward to cheering them on.



Steve Maharey
Vice-Chancellor



CAMPUSES AND COLLEGES

ALBANY HIGHLIGHTS

The University's new Innovation Strategy (with brochure, webpage and video) was launched at Albany, with Vice-Chancellor Steve Maharey saying "Now more than ever, innovation has to be the single most important driving force in education as universities embrace change and engage with the formidable challenges of the 21st century". The launch also included the announcement that the first Innovator-in-Residence, Colin Gilchrist, had been appointed and based at the Albany campus.

Joint research on solutions to urgent health issues, such as diabetes, is one of the main aims of a Heads of Agreement signed by Massey University and the Waitemata District Health Board. New collaborative initiatives include a Bachelor of Nursing degree and a Masters in Dietetics to be offered at the campus from 2012.

Three international jazz stars, visiting United States musicians Alex Sipiagin (trumpet), Bob Sheppard (saxophone) and Steve Houghton (drums), joined Massey musicians from the New Zealand School of Music in Wellington and Albany in September for two concerts as well as workshops for jazz students.

Scientist, social entrepreneur and inventor, and 2010 New Zealander of the Year, Sir Ray Avery gave a public lecture at the campus, examining New Zealand's education, governmental and private research and innovation landscapes and discussed 'the root causes of New Zealand's poor Global Innovation Index'. His lecture, entitled *Unlocking New Zealand's Knowledge Bank* doubled as the opening address of Massey's Social Innovation and Entrepreneurship Conference on 1 December.

The chaplaincy launched a campus community garden project behind the library, with working bees supported by staff and students, to provide students with an opportunity to learn how to grow vegetables.

MANAWATŪ HIGHLIGHTS

Buses replaced cars this year for the first time as the most popular form of transport to and from campus. A campus transportation survey conducted during the year indicated that 31 per cent of trips were being made by car, compared with 76 per cent eight years earlier. Thirty-eight per cent

of journeys are now being made by bus, demonstrating the success of the Unlimited Access Bus Service available free to staff and students, which has now provided more than three million trips.

The man who brought rugby to New Zealand – Charles John Monro – has been honoured with a revamped memorial at the Manawatū campus. A lookout complete with steel sculpture and storyboards was unveiled on Monro Hill by his grandson, John in October. The area (on Bourke Road opposite the School of Māori Studies) is part of a local heritage trail for public use and was first designated as a memorial in 1975. The University has made it a more functional area for staff and public to enjoy views out over the Hopkirk Institute and across Manawatū.

Work began on the Riddet Complex expansion at the Turitea site. The project known as Riddet will expand the existing atrium to open into a new courtyard and create new linking corridors across the Complex. A new entrance and covered walkway to the complex will also be built to provide a new 'front door' to the Institute of Food, Nutrition and Human Health.

The campus is now host to Southern Lights Biomaterials' pilot plant at the Institute of Food, Nutrition and Human Health. The Hawke's Bay company uses by-products of agricultural production to make animal tissue products for medical uses, such as replacement heart valves. The company now has a number of international contracts for its products and is beginning production.

The 51st annual Australasian Veterinary Students Conference was held at the campus. The week included a series of lectures and workshops, including sessions on small animal orthopaedics, bovine surgical skills and equine neurology. Institute of Veterinary, Animal and Biomedical Sciences head Professor Frazer Allan said the conference was an opportunity for Massey to showcase its expertise and facilities in the lead-up to the celebration in 2013 of 50 years of veterinary education at Massey.

More than 70 students, staff and entrepreneurs – all women – listened to a rare presentation by businesswoman Wendy Pye on the Manawatū campus in August 2011 as part of the new Achieving Career Excellence programme for talented final-year female business students, led by Professor Sarah Leberman. Ms Pye was one of only four women listed in the 2011 National

Business Review Rich List and the only living woman to be inducted into the Business Hall of Fame in New Zealand.

A collection of authentic ancient Greek vase reproductions, the Tanya Jermaine collection, was purchased by the School of History, Philosophy and Classics through a donation from alumni Alan and Ann Jermaine, and named in honour of their daughter. It offers hands-on learning experiences in person and on screen.

WELLINGTON HIGHLIGHTS

The School of English and Media Studies celebrated the opening of new facilities on the campus that have expanded its ability to offer extra papers in its expressive arts programmes. The opening of the new theatre laboratory and green room will allow the School to offer a full major in expressive arts, without students having to go off campus for the theatre performance component of their studies.

A master plan for the future development of the campus has been completed. A highlight of this was an official ceremony in March to mark the start of construction of a new \$20 million Creative Arts building on the campus. The development brings together parts of the college not already based in the historic Museum building and allows plans to proceed to recruit international postgraduate students and provide flexible gallery and studio space for teaching and learning.

As part of the College of Creative Arts Pasifika Achievement Plan, a Pasifika committee was established. Chaired by Associate Professor Tony Whincup, head of the School of Visual and Material Culture, the scope of the group increased to facilitate the wider campus community and associated strategies of the University in the areas of Pasifika support and engagement.

To increase emergency preparedness on campus, three light rescue teams were trained. Staff also had the opportunity to attend earthquake preparedness training. Civil defence cabinets were installed and staff were issued with personal emergency backpacks to keep at work. There is also a collaboration with Wellington regional and city councils and Victoria University to enhance capacity within the Wellington region.

As part of the campus wellness initiative more than 120 people, including about 50 staff, registered under the Team Massey banner to run or walk from Frank Kitts Park in the annual end-of-February Round the Bays 7km run and half marathon in Wellington. Massey was among several organisations to celebrate the event with separate marquees at the park and a welcome barbecue to enjoy after the morning's exertions.

A number of prominent events were held during the year, including a celebration of the French National Day hosted by French Ambassador to New Zealand, Francis Étienne, and a conference on the New Zealand Wars. Speakers included former staff member and PhD graduate Dr Monty Soutar. The year saw an increase in external hires of the Museum Building for a range of corporate and private functions, including award ceremonies, cocktail parties, fashion shows, formal dinners, product launches and weddings.

Ties between the Wellington Employers' Chamber of Commerce and the Association of Tertiary Education Management were celebrated at a networking function hosted at the campus.



COLLEGE OF BUSINESS

2011 BUSINESS HIGHLIGHTS

The New Zealand Centre for Personal Financial Education was founded by Westpac New Zealand and Massey University to improve New Zealanders' knowledge attitudes and behaviour towards money matters. The Centre designed a certificate programme for Personal Financial Educators and began a 20-year study to identify why so many Kivis struggle with their finances.

The Asia-Pacific Economic Cooperation organisation selected the University's Centre for Small and Medium Enterprise Research to complete an independent assessment of its small business working group. The SME research centre also held a seminar to discuss ways to help earthquake-hit small businesses get back on their feet.

The ANZ-Massey Economics Challenge, a competition that challenges secondary school students to tackle the savings crisis, was hosted in three locations for the first time – Albany, Manawatū and Whangarei.

The School of Aviation signed a partnership with the Air New Zealand Aviation Institute, meaning students are among the first in line for commercial airline pilot jobs.

Accountancy graduate Sarah Gibbs, who is co-founder of skincare company Trilogy, became one of the faces of the University's Engine of the new New Zealand campaign.

A study by an international group of researchers ranked Massey's finance and accounting disciplines first in New Zealand and eighth in Australasia based on publications in top-tier journals.

The School of Communication, Journalism and Marketing furthered its international engagement by signing articulation agreements into the Master of Management (Communication Management) with Hubei University of Technology in Wuhan, China, the Communication University of China (Beijing campus) and the Communication University of China (Nanjing campus). The College of Business also established international bilateral programmes in China, Vietnam and Sri Lanka.

Professor Malcolm Wright joined the University as Head of the School of Communication, Journalism and Marketing. Professor Wright also chairs the Australian Advisory Board of the Ehrenberg-Bass Institute for Marketing Science, is an associate editor of the *European Journal of Marketing*, and, during the year, was made an Adjunct Professor of the University of South Australia.

New College of Business Pro Vice-Chancellor Professor Theodore (Ted) Zorn



School of Aviation diamond trainer



COLLEGE OF CREATIVE ARTS

2011 CREATIVE ARTS HIGHLIGHTS

The School of Design marked its 125th anniversary in 2011. The School traces its history back to the original School of Design set up by Arthur Riley in 1886. Birthday celebrations included the anniversary exhibition *Oldschool Newschool* at the Museum Building, which marked Mr Riley's legacy. It featured designs by Collette Dinnigan, Mark Elmore and Joseph Churchward and was one of the most high-profile and successful events of the year for the college.

Typographic designer Joseph Churchward, fashion designer Collette Dinnigan, industrial designer Mark Elmore and Wellington School of Design founder Arthur Riley were inducted to the college's Hall of Fame. The Hall of Fame honours alumni who have made an outstanding contribution to New Zealand's economy, reputation and national identity through art and design.

Creative arts graduates topped three of the four categories at the 2011 Designers Institute Best Design Awards. Winning entries included a modified firefighter's nozzle, an investigation of kiwiana through graphic design and a digital animation short film. In total, 37 of the 67 gold, silver and bronze awards presented in the student category were won by entries from Massey.

Students and graduates shone in international competitions, including third place in the finals of the Electrolux Design Lab competition in London, ahead of more than 1300 other industrial design entries from more than 50 countries; Best Costume Design Award at the Prague Quadrennial on Performance Design and Space, ahead of established professional designers; winner of the theatre architecture competition at the same show, beating more than 180 other entries from 44 countries; top prize (worth more than US\$1200) in the Panorama Asia-Pacific Design Challenge; and the Mittelmoda Fashion Prize at the iD International Emerging Designer Awards.

Industrial design student Roseanne de Bruin's quirky Smoobo blender design was placed third in the International Electrolux Design Lab competition.

At the end of the year, Pro Vice-Chancellor Sally Morgan stepped down after almost eight years in the role. She was replaced by Associate Professor Claire Robinson, who was previously the Associate Pro Vice-Chancellor (Business and Operations).

Photographic design staff and students invited the public to help document New Zealand's experience of hosting the Rugby World Cup with photos of how individuals and communities celebrated the event. The result was the *Off The Pitch* documentary photography project. <http://offthepitch.co.nz/blog/>

Fashion design tutor Tina Downes created replicas of All Blacks rugby jerseys worn by three of the earliest teams, including the 1884 blue jersey of the first New Zealand rugby team, of which no originals remain. The jerseys were knitted using authentic techniques and materials and presented to the New Zealand Rugby Museum in Palmerston North.

A group of third-year communication design students helped young people get off the fence with an online voter decision-making tool to assist young voters in the General Election. *On the Fence* asked users to feed a sheep with hay from various policy platforms, and calculated a best match between their policy preferences and political parties. Associate Professor Claire Robinson was in high demand as a political commentator on visual communication during the election campaign.



COLLEGE OF EDUCATION

2011 EDUCATION HIGHLIGHTS

The College of Education signed a memorandum of understanding with the Singapore Principals' Academy Incorporated to formalise plans for the delivery of the Massey University Bachelor of Education (Early Childhood) programme in Singapore. The programme will assist with the development of degree-qualified early childhood teachers in Singapore. The understanding symbolises the ongoing relationship with the Academy and recognises the expertise of the college in early childhood education.

The college also signed a memorandum of understanding with the Sampoerna School of Education at the New Zealand Ambassador's residence in Jakarta, Indonesia. The memorandum formalises the relationship between the two institutions to prepare and run collaborative programmes involving research, teaching, conferences, exchanges of publications and professional development.

Associate Professor Tracy Riley was appointed as a trustee to the board of the Gifted Children's Advancement Charitable Trust. The Trust, known as the Gifted Kids Programme, works with 450 pupils from more than 130 mostly low-decile schools, giving them access to one day a week of excellence in gifted education. Dr Riley teaches undergraduate and postgraduate papers in gifted and talented education and supervises postgraduate research.

A new Postgraduate Diploma in Specialist Teaching was launched at Albany in February, with the first intake of 180. The two-year Diploma aims to boost dramatically the delivery of special education.

Distinguished Professor Bill Tunmer's world-leading literacy research was recognised by the Harvard Graduate School of Education, where he is serving as scientific adviser to two literacy research projects.

Professor Glenda Anthony was awarded the prestigious Fulbright-Harkness New Zealand Fellowship. Professor Anthony teaches in the School of Curriculum and Pedagogy at the Manawatū campus and is a specialist in mathematics education. She will use the Fellowship to develop research in this field.

Associate Professor Tracy Riley



Sampoerna School of Education memorandum of understanding signing in Jakarta



COLLEGE OF HUMANITIES AND SOCIAL SCIENCES

2011 HUMANITIES AND SOCIAL SCIENCES HIGHLIGHTS

The World Bank granted the University \$5 million in funding to extend its education programme strengthening Asian public health and veterinary capacity to combat zoonotic diseases. In the first phase of the programme, 67 health professionals from India, Pakistan, Sri Lanka, Bangladesh, Afghanistan and Nepal were trained in One Health epidemiology concepts as part of two Massey qualifications specifically developed for the programme – a Master of Veterinary Medicine (Biosecurity) and a Master of Public Health (Biosecurity). Now, Massey staff working with colleagues from other leading international universities will enable learning to be put into practice through the development of One Health Hubs and collaborative disease investigation projects.

The Massey University/GNS Science Joint Centre for Disaster Research worked intensively in Canterbury, providing evidence-based advice to key agencies from school trauma teams to the Canterbury Earthquake Recovery Authority, including through the expert Psychosocial Recovery Advisory Panel that it set up after the February earthquake.

A ceremony was held in Brunei to commemorate the launch of an historic collaborative agreement with the Royal Brunei Armed Forces, offering a Postgraduate Diploma in Arts (Defence and Strategic Studies) to its residential staff college based at the Royal Brunei Armed Forces Defence Academy. The agreement – a three-year contract – will see 20 students undertake a 39-week programme combining academic and practical military studies.

The School of Linguistics and International Languages signed a memorandum of understanding with the University of New England in New South Wales to provide a Spanish major to students from 2012.

School of Linguistics and International Languages lecturers Dr Leonel Alvarado and Dr Celina Bortolotto created a three-week Lunchbox Spanish programme for Palmerston North retailers to give them the chance to learn or brush up on their Spanish to greet the Argentine rugby team and their fans when they arrived for the Rugby World Cup.

A collection of authentic ancient Greek vase reproductions was unveiled at the University's Manawatū campus. The Tanya Jermaine collection was purchased by the School of History, Philosophy and Classics through a donation from alumni Alan and Ann Jermaine, and is named in memory of their daughter. Senior lecturer in the School of History, Philosophy and Classics Dr Gina Salapata selected a range of antiquities that showcases a variety of shapes, periods and geographic locations that offer a unique view of ancient Greek values and beliefs.

The Centre of Public Health Research will undertake New Zealand's first comprehensive survey into links between motor neurone disease and the workplace with new Health Research Council funding of \$2.8 million. Researchers led by Professor Jeroen Douwes will investigate whether occupational exposures such as agricultural chemicals, electromagnetic fields and solvents may increase the risk of someone developing the disease. The study has the support of the Motor Neuron Disease Association of New Zealand.

New research findings published by the United Kingdom-based *Occupational and Environmental Medicine* journal into farmers' health and cancer risks shows that growing up on a livestock farm seems to be linked to an increased risk of developing blood cancers as an adult. Centre for Public Health researcher Dr Andrea't Mannelje and her team found that the risk of developing a blood cancer was three times as high for those who had grown up on poultry farms.

Plans to introduce an international alcohol control study to parts of Asia were discussed at a two-day workshop with visiting researchers from Korea, Mongolia and Thailand, led by Massey University's School of Public Health alcohol researcher Professor Sally Casswell. The study, which is modelled on the International Tobacco Control study, was designed and implemented in New Zealand by researchers at the SHORE and Whariki Research Centre, including Professor Casswell, and funded by the Alcohol Advisory Council.

People with dementia and their caregivers look set to benefit from a pilot study aimed at improving their sleep that coincided with National Alzheimer's Awareness Month in September conducted by Sleep/Wake Research Centre PhD candidate Rosie Gibson.

COLLEGE OF SCIENCES

2011 SCIENCES HIGHLIGHTS

The Massey University-led National Oiled Wildlife Response Team was deployed in the Bay of Plenty following the grounding of the cargo ship Rena. There it cared for large numbers of oiled wildlife, including almost 500 little blue penguins, shags, dotterels and other wildlife.

Professor Paul Rainey was appointed a Member of Germany's most prestigious academic institution, the Max Planck Society. A professor of evolutionary genetics at the New Zealand Institute for Advanced Study and at the Institute of Natural Sciences at the University's Albany campus, Professor Rainey has a distinguished research background. Since it started in 1948, the Society has produced 17 Nobel laureates. It is made up of 80 institutes that conduct research into natural sciences, life sciences, social sciences and humanities.

Professor Peter Schwerdtfeger has won this year's Fukui Medal for outstanding theoretical/computational chemists in the Asia-Pacific region. The Asia-Pacific Association of Theoretical and Computational Chemists awarded the Medal to the Albany-based scientist for his achievement in quantum chemistry, in particular for his deeper understanding of quantum relativistic effects. The Medal is named after Japanese chemist Kenichi Fukui (1918-98) who was co-recipient of the Nobel Prize for Chemistry in 1981. Candidates for the Medal must be nominated by three eminent scientists.

School of Engineering and Advanced Technology head Professor Don Cleland was awarded the J and E Hall gold medal by the British Institute of Refrigeration. The Institute awards the gold medal annually to an individual who has made the most noteworthy practical contribution to advance refrigeration and air conditioning technology. J and E Hall International has been sponsor of the international award for 32 years.

Riddet Institute co-director Professor Harjinder Singh was presented with the JC Andrews Award, the New Zealand Institute of Food, Science and Technology's most prestigious award. It recognises Institute members who make a substantial contribution to science and technology and leadership in the food industry.

Massey University researcher Associate Professor Shaun Cooper was awarded the New Zealand Mathematical Society Research Award in the Royal Society Research Honours. The Award is given to recognise excellence in mathematical research. Dr Cooper, of the Institute of Information and Mathematical Sciences at the Albany campus, has established himself as a world-class expert in number theory.

Massey University professors won two of the four medals presented at the New Zealand Association of Scientists Awards in Wellington. Professor Harjinder Singh, co-director of the Riddet Institute, was awarded the New Zealand Association of Scientists Shorland Medal, while Professor Geoff Jameson won the Marsden Medal.



Dr Brett Garrrell, National Oiled Wildlife Response Team

PASIFIKA

2011 PASIFIKA HIGHLIGHTS

Albany staff were treated to a welcome-back lunch cooked in a Samoan umu or traditional earth oven. The event was organised by the Pasifika directorate as a welcome-back gesture to mark the start of the year.

A new Certificate in Pacific Development that aims to help students and workers from a range of professions to better understand Pacific cultures saw enrolments soar from 12 in 2010 when it was launched, to more than 40 in 2011.

A special Pasifika edition of the *DefiningNZ* magazine was produced to affirm the University's commitment to furthering the tertiary education of Pasifika peoples, in New Zealand and in the wider Pacific.

The results of a two-year research project by College of Education researchers Dr Bobbie Hunter and Associate Professor Glenda Anthony, working with years 3-5 and years 7-8 Pasifika and Māori pupils at two Auckland schools, found that maths performance and attitude improve when pupils work cooperatively. The results of the project are unprecedented, with vastly improved grades and levels of understanding.

Master in Education graduate Talei Smith of Fijian, Chinese, Kiribati, Australian and Scottish descent, became the Pasifika face of the University's Engine of the new New Zealand campaign.

The Pasifika directorate hosted the Talanoa Oceania 2011 Conference in the Sir Neil Waters Lecture Theatres Building in November. Around 30 academics from New Zealand, Australian, Hawaiian and Pacific Island universities – including several from Massey – presented on topics including psychology from a Pasifika perspective, health, sexuality and HIV stigma, parenting, trade, economics and industrial relations, language teaching, education of gifted Pasifika children, and contemporary, traditional, visual and performance arts and crafts.

Albany welcome back umu



Talanoa Oceania 2011 Conference



MĀORI

2011 MĀORI HIGHLIGHTS

Te Rau Whakaara – creating multiple pathways – is a new student-centred approach to accelerate Māori achievement at Massey. Also known as the Accelerated Academic Advancement (Triple A) programme, its main goal is to increase the number of Māori students enrolling with Massey and going on to complete their degrees.

Ngā Pōrerarea me ngā Matemate o ngā Māra Taewa: Pests and Diseases of Taewa (Māori Potato) Crops, written by the University's Institute of Natural Resources staff member Dr Nick Roskrige along with postgraduate students Aleise Puketapu and Turi McFarlane (all of Te Atiawa descent), is the first book to focus solely on taewa. The book was launched in March at Owae Marae in Waitara.

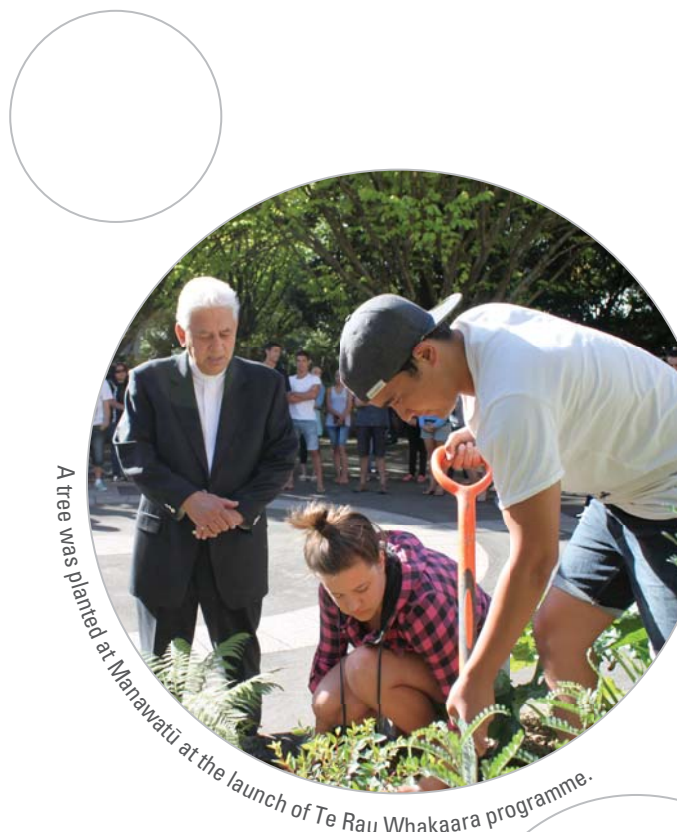
About 500 guests attended a professorial lecture entitled *Aotearoa New Zealand: Recalling the Past, Exploring the Future, Shaping Tomorrow*, presented by the University's Deputy Vice-Chancellor and Assistant Vice-Chancellor (Māori and Pasifika) Professor Sir Mason Durie at the Hawke's Bay Opera House in June.

The University's official waiata was launched to coincide with the beginning of National Māori Language Week, and the University's Māori Language Month. The waiata is one of numerous examples of Massey's commitment to the revitalisation of New Zealand's indigenous language. The waiata, *Te Kunenga ki Pūrehuroa*, is sung to the tune of the *Blue Smoke* written by Ruru Karaitiana, who was a member of the 28th Māori Battalion. He has links to Massey University both through his Rangitane affiliations and through whānau members who have attended the University and who have given their approval for the use of the tune.

Key elements of positive whānau development, converting a crisis to positive planning, and preparing intervention strategies were among topics covered at the Whānau Whanake Development Course delivered under the umbrella of the University's new Centre for Professional and Continuing Education. More than 90 participants from a diverse range of Māori and health-oriented organisations attended the two-day short Course, led by Assistant Vice-

Chancellor (Māori and Pasifika) Professor Sir Mason Durie. The course, designed to benefit practitioners working with whānau, included formal presentations, workshop discussions, task-oriented groups and case study narratives.

For the fifth successive year, a poster exhibition of designs by 16 Māori students from the College of Creative Arts was held on the Wellington campus. *Iwi Creativity* is the annual celebration of Māori students in the fields of design, visual and material culture and fine arts. This year the exhibition opening was complemented by a public lecture by architectural designer and artist Jacob Scott of Ngāti Kahungunu, Te Arawa and Te Atiawa descent.



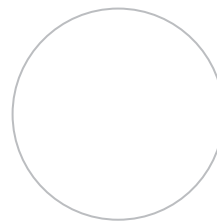
A tree was planted at Manawatu at the launch of Te Rau Whakaara programme.

A new partnership with Te Rūnanga Nui o Ngā Kura Kaupapa Māori, the national association of Māori immersion schools, was developed to enable a new four-year Māori immersion teaching degree to be offered in 2012 to fill a critical shortage of expert te reo Māori teachers and help halt the decline of the language.

Strategic iwi partnerships with Ngāti Porou and Ngāti Tūwharetoa were strengthened during the year with meetings to discuss collaborative research projects, internships and scholarships. Internships were also negotiated with Tūhourangi-Ngāti Wāhiao and Te Arawa Lakes Trust.

It was milestone year for Ngā Kupu Ora, the University's third Māori Book Awards. For the first time the Awards celebrated a winner for fiction, and a book written completely in te reo took out the Te Reo Māori category. This year's ceremony also included a special award for *Mana* magazine, which published its 100th issue in May. The award was to acknowledge the important role *Mana* has, as a positive Māori voice, and to celebrate a milestone in Māori publishing.

The University won another Māori Language Award for its initiatives to celebrate Māori Language Week. The annual Awards are organised by the Māori Language Commission with the support of Te Puni Kōkiri and the Human Rights Commission. In 2010 Massey won the Māori Language Week award and shared the supreme award. In 2011 it won the tertiary education sector category.



2011 Māori Language Award – tertiary education sector category



THE UNIVERSITY COUNCIL



From left: Associate Professor Grant Duncan, Fiona Coote, Bruce Ullrich, Tiri Porter, Professor Tony Signal, Lesley Whyte, Dr Alison Paterson, Chris Kelly, Ralph Springett, Alastair Scott, Dr Russell Ballard, Hon Steve Maharey, Professor Cynthia White, Ben Vanderkolk



Chancellor

Dr Russell Ballard, CNZM, MAgrSc, PhD Florida, FNZIM

Pro Chancellor

Dr Alison Paterson, CNZM, QSO, HonDCom, FAC, FloD ADistFloD

Vice-Chancellor

Hon Steve Maharey, CNZM, BA, MA (Hons)

Members appointed by the Minister of Education

Dr Russell Ballard, CNZM, MAgrSc, PhD Florida, FNZIM

Professor Sir Ngatata Love, GNZM, JP, BCom, BCA (Hons), PhD Wellington, ACIS, ANZIM

Alastair Scott, BBS

Ben Vanderkolk, LLB Canterbury

Elected permanent member of academic staff

Associate Professor Grant Duncan, MA, PhD, Auckland

Elected academic staff of the Academic Board

Professor Tony Signal, BSc, PhD Adelaide

Professor Cynthia White, BA (Hons), PhD, DipTESL, Wellington

Permanent member of general staff

Fiona Coote, GradDipBusStuds

Massey University Extramural Students' Society (EXMSS) and Massey University Student Association appointee

Tiri Porter, BBS

Massey University Student Association representative

Kent Geary

President Extramural Students' Society

Ralph Springett, BA

Elected members from the Court of Convocation

Lesley Whyte, JP, MBA, MInstD

Bruce Ullrich, OBE, MBA, BCom Canterbury, ACA FInstD

Council appointees on the nomination of the Vice-Chancellor

Kura Denness, MBA, CA

Chris Kelly, MVSc, MACVSc

Dr Alison Paterson, CNZM, HonDCom, FAC, FloD, ADistFloD

OFFICERS AND SENIOR LEADERSHIP TEAM



Members of the University's Senior Leadership Team, from left: Professor Robert Anderson, Professor Ingrid Day, Professor Brigid Heywood, Rose Anne MacLeod, Alan Davis, Associate Professor Claire Robinson, Professor James Chapman, Professor Barrie Macdonald, Hon Steve Maharey, Professor Sir Mason Durie, Cas Carter, Professor Susan Mumm, Stuart Morriss

OFFICERS OF THE UNIVERSITY

Chancellor	Dr Russell Ballard, CNZM, MAgrSc, PhD Florida, FNZIM
Pro-Chancellor	Dr Alison Paterson, CNZM, QSO, HonDCom, FAC, FloD ADistFloD
Vice-Chancellor	Hon Steve Maharey, CNZM, BA, MA (Hons)
University Registrar	Stuart Morriss, MPP Wellington, BAgSc, DipBusStuds

SENIOR LEADERSHIP TEAM

Vice-Chancellor	Hon Steve Maharey, CNZM, BA, MA (Hons)
Deputy Vice-Chancellor	Professor Sir Mason Durie, KNZM, CNZM, MB, ChB Otago, DLitt, HonLLD Otago, FNZAH, FRANZCPFRSNZ

Pro Vice-Chancellors:

College of Business

Professor Lawrence Rose, BA Bradley, MA Northern Illinois, PhD Texas A&M, FFin (To July 2011)

Professor Barrie Macdonald, BA (Hons), Wellington, PhD, ANU (Acting August 2011 to February 2012)

College of Creative Arts

Professor Sally Morgan, BA (Hons), Sheff Hallam, MA Warw., KASKA Antwerp

College of Education

Professor James Chapman, MA Wellington, PhD Alberta, DipTchg, FIARLD

College of Humanities and Social Sciences

Professor Susan Mumm, MA Sask, DPhil Sus., FRHS

College of Sciences

Professor Robert Anderson, ONZM, MAgrSc, PhD C'neil, DDA, FNZIAS

Assistant Vice-Chancellors:

Academic and International

Professor Ingrid Day, BA (Hons), PhD South Australia

External Relations

Cas Carter, BSocSc Waikato

Finance, Strategy and IT

Rose Anne MacLeod, BCom, MBA, CA, FCPA

Māori and Pasifika

Professor Sir Mason Durie, KNZM, CNZM, MB, ChB Otago, DLitt, HonLLD Otago, FNZAH, FRANZCPFRSNZ

People and Organisational Development

Alan Davis, LLB Canterbury, MBA Wellington

Research and Enterprise

Professor Brigid Heywood, BSc (Hons) Man, PhD Liv

University Registrar

Stuart Morriss, MPP Wellington, BAgSc, DipBusStuds

DIRECTORY

BANKER

Bank of New Zealand

AUDITOR

Audit New Zealand
on behalf of the Auditor-General

VALUER

Quotable Value New Zealand

LEGAL ADVISERS

Buddle Findlay, Wellington
Cooper Rapley, Palmerston North
Russell McVeagh, Wellington
Andrea Craven, Palmerston North
Kensington Swan, Wellington
Davenport Harbour Lawyers, Auckland
AJ Park, Wellington

INSURERS

Vero Insurance New Zealand Limited
Axiom Risk Insurance Management Limited
QBE Insurance (International) Limited

INTERNAL AUDITOR

PricewaterhouseCoopers

Introduction

In 2011, Massey University produced a surplus of \$7.68 million, an increase of \$1.08 million over the budgeted surplus of \$6.6 million. This is an excellent result in a year when the University was required to reduce its student numbers to meet the Tertiary Education Commission's (TEC) requirements and also meet some significant additional costs. The consolidated surplus which includes Massey University's subsidiaries was \$7.59 million.

Highlights

Massey University received a small increase of \$1.1 million from Government grants over 2010, but reductions in student numbers to bring Massey University inside the Government cap directly reduced student fee revenue. Lower international numbers against budget targets also constrained revenue growth in the 2011 year. These reductions were offset by revenue increases over budget for research and other services. This was a good outcome given that a significant revenue stream was lost when the Ministry of Education made changes to the delivery of professional development to school and early childhood education.

Overall costs were close to budget, mainly as a result of staffing costs being well managed during the year which offset a range of other cost increases. These included significant increases in retirement allowances arising from changes in interest rates (a key factor in the valuation of the liability), and in insurance costs, a consequence of the two major earthquakes in Christchurch.

Massey University continues to invest in its capital base and has a strong Balance Sheet with \$1.09 billion of assets. Overall, fixed assets increased by 1.3% during the year after taking into account a write-down in the valuation of the Hokowhitu campus of \$14.3 million. This adjustment was required to reflect the impairment resulting from a change to the campus's intended future use.

The University spent \$55.5 million on asset additions in 2011. Over this time some significant building projects neared completion, in particular the Student Amenities Building in Albany, Riddet 10 in Manawatu and the College of Creative Arts Building in Wellington. These buildings are due to be completed in early 2012. Significant investment has also been made in both the IT network infrastructure and a number of strategic projects including video linked teaching to enable simultaneous teaching across multiple locations and on-line self service for student programme enrolment.

Key Measures of Financial Health

Massey University is in a sound financial position and continues to maintain excellent levels of working capital. In 2011, the University had \$1.27 cents of current assets for every \$1 of current liabilities.

The table below sets a few key TEC measures that are used to monitor the financial health of tertiary institutions. With the exception of the surplus measure, Massey University meets or exceeds the measures required by the TEC. It continues to target the achievement of a 3% surplus as part of its strategy as detailed in The Road to 2020.

Measure	TEC Targets (%)	2011	
		University (%)	Group (%)
Surplus ¹	3 – 5	1.79	1.75
Core Earnings ²	9 – 11	10.7	10.5
Net cash flow from operations ³	111- 113	117.4	117.1
Liquid funds ratio ⁴	8 – 12	22.48	23.14
Ability to Service Debt ⁵	3 - 6:1 times	6.12:1	5.96:1

- ¹ Surplus as a percentage of total revenue
- ² EBITDA to total income
- ³ Cash inflow from operations to cash outflows from operations
- ⁴ Liquid resources to cash outflow from operations
- ⁵ Earnings before interest to interest paid

Massey University continues to deliver a sound performance through pursuing its strategy to diversify revenue growth, control cost and strategically manage its balance sheet. These elements are part of a long term financial strategy that will ensure not only its financial sustainability, but enable investment to further establish Massey University's distinctive place as the engine of the new New Zealand.



Rose Anne MacLeod
Assistant Vice-Chancellor (Finance, Strategy and Information Technology)

STATEMENT OF RESPONSIBILITY

In the financial year ended 31 December 2011, the Council and management of Massey University were responsible for:

- the preparation of the financial statement, statement of service performance, and the judgements used therein
- establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management of Massey University the financial statements and statement of service performance for the financial year fairly reflect the financial position and operations of Massey University.



Dr Russell Ballard
Chancellor



Hon Steve Maharey
Vice-Chancellor



Rose Anne MacLeod
Assistant Vice-Chancellor (Finance, Strategy and Information Technology)

16 April 2012

Independent Auditor's Report

TO THE READERS OF
MASSEY UNIVERSITY AND GROUP'S
FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2011

The Auditor General is the auditor of Massey University (the University) and group. The Auditor General has appointed me, Mark Maloney, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the University and group on her behalf.

We have audited:

- the financial statements of the University and group on pages 35 to 77, that comprise of the Balance Sheet as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the University and group on pages 78 to 111.

Opinion

In our opinion:

- the financial statements of the University and group on pages 35 to 77:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the University and group's:
- financial position as at 31 December 2011; and
- financial performance and cash flows for the year ended on that date;
- the statement of service performance of the University and group on pages 78 to 111 fairly reflects the University and group's service performance achievements measured against the performance targets adopted for the year ended 31 December 2011.

Our audit was completed on 16 April 2012. 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 statement of service performance are free from material misstatement.

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

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance, 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 statement of service performance 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 statement of service performance; and
- the overall presentation of the financial statements and statement of service performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. 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 a statement of service performance that fairly reflects the University and group's service performance achievements.

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

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

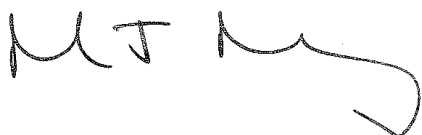
Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and statement of service performance 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 New Zealand Institute of Chartered Accountants.

In addition to the audit we have carried out an assurance engagement with respect to Performance Based Research Funding, which is compatible with those independence requirements. Other than the audit and this assignment, we have no relationship with or interests in the University or any of its subsidiaries.



Mark Maloney

Audit New Zealand

On behalf of the Auditor-General

Palmerston North, New Zealand

Matters relating to the electronic presentation of the audited financial statements and statement of service performance

This audit report relates to the financial statements and statement of service performance of Massey University (the University) and group for the year ended 31 December 2011 included on the University and group's website. The University and group's Council is responsible for the maintenance and integrity of the University and group's website. We have not been engaged to report on the integrity of the University and group's website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the web site.

The audit report refers only to the financial statements and statement of service performance named above. It does not provide an opinion on any other information which may have been hyperlinked to/ from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 16 April 2012 to confirm the information included in the audited financial statements and statement of service performance presented on this web site.

Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	University			Consolidated		
		Actual	Budget	Actual	Actual	Actual	
		2011	2011	2010	2011	2010	
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Operating Revenue							
Government Grants	2, 3	179,226	179,498	178,070	182,089	180,827	
Student Fees	3	128,062	134,945	120,630	129,297	121,789	
Interest	3	4,404	4,000	3,634	4,498	3,730	
Charges for Services	3	113,332	106,236	114,676	114,719	115,448	
Trust Funds	3, 29	2,943	1,854	3,448	2,943	3,448	
Other Gains/(Losses)	3, 4	546	-	(618)	1,203	177	
Total Operating Revenue		428,513	426,533	419,840	434,749	425,419	
Operating Expenses							
Staff Related Costs	2, 5	245,350	251,521	240,387	249,612	244,086	
Depreciation and Amortisation	2, 6	42,592	41,698	41,115	42,723	41,196	
Other Direct Costs	2, 8	129,601	123,243	125,721	131,504	126,150	
Finance Costs	7	1,500	1,642	1,545	1,530	1,558	
Trust Funds	29	1,792	1,825	2,265	1,792	2,265	
Total Cost of Operations		420,835	419,929	411,033	427,161	415,255	
Surplus for the year		7,678	6,604	8,807	7,588	10,164	
Other Comprehensive Income							
Increases in Property Revaluation	27	16,809	-	-	16,890	-	
Other movements in Revaluation Reserves	27	(14,267)	-	(1,594)	(14,267)	(1,594)	
Net gain on available for sale assets	4	31	-	14	31	14	
Total Other Comprehensive Income for the year		2,573	-	(1,580)	2,654	(1,580)	
Total Comprehensive Income for the year		10,251	6,604	7,227	10,242	8,584	

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	University			Consolidated		
		Actual	Budget	Actual	Actual	Actual	
		2011	2011	2010	2011	2010	
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Public Equity as at 1 January	28	930,783	932,165	923,556	933,165	924,943	
Comprehensive Income							
Surplus		7,678	6,604	8,807	7,588	10,164	
Other Comprehensive Income		2,573	-	(1,580)	2,654	(1,580)	
Total Comprehensive Income for the year		10,251	6,604	7,227	10,242	8,584	
Non-comprehensive Income for the year							
Capital Funding		-	-	-	-	(362)	
Total Non-comprehensive Income for the year		-	-	-	-	(362)	
Public Equity as at 31 December	28	941,034	938,769	930,783	943,407	933,165	

The accompanying notes form part of these financial statements.

BALANCE SHEET

AS AT 31 DECEMBER 2011

	Notes	University			Consolidated	
		Actual	Budget	Actual	Actual	Actual
		2011	2011	2010	2011	2010
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
ASSETS						
Current Assets						
Cash and Cash Equivalents	13	40,105	49,691	49,419	43,432	52,493
Trade and Other Receivables	14	32,089	27,500	32,846	32,888	33,702
Inventories	15	1,505	1,400	1,323	1,505	1,323
Biological Assets - Livestock	16	3,544	3,400	3,372	3,544	3,372
Other Financial Assets	18	43,178	-	31,702	43,543	31,702
Non-Current Assets Held for Sale	19	2,372	-	2,199	2,372	2,199
Total Current Assets		122,793	81,991	120,861	127,284	124,791
Non-Current Assets						
Investment Property	20	-	-	-	-	-
Trade and Other Receivables	14	125	125	125	125	125
Other Assets	17	15,460	13,520	13,520	-	-
Other Financial Assets	18	7,697	2,500	2,220	22,192	16,005
Biological Assets - Forestry	16	668	661	598	668	598
Property Plant and Equipment	21	942,225	966,089	929,930	943,582	931,212
Intangible Assets	22	4,307	1,000	2,725	4,307	2,725
Total Non-Current Assets		970,482	983,895	949,118	970,874	950,665
Total Assets		1,093,275	1,065,886	1,069,979	1,098,158	1,075,456
LIABILITIES AND EQUITY						
Current Liabilities						
Trade and Other Payables	23	29,358	22,437	24,865	30,303	25,925
Borrowings	24	895	1,100	985	895	985
Employee Entitlements	25	15,987	12,800	13,935	16,122	14,038
Receipts in Advance	26	50,533	41,000	45,757	51,378	47,174
Total Current Liabilities		96,773	77,337	85,542	98,698	88,122
Non-Current Liabilities						
Borrowings	24	21,581	20,962	22,415	22,081	22,915
Employee Entitlements	25	32,302	27,200	29,579	32,387	29,594
Receipts in Advance	26	1,585	1,618	1,660	1,585	1,660
Total Non-Current Liabilities		55,468	49,780	53,654	56,053	54,169
Total Liabilities		152,241	127,117	139,196	154,751	142,291
Public Equity	28	941,034	938,769	930,783	943,407	933,165
Total Liabilities and Public Equity		1,093,275	1,065,886	1,069,979	1,098,158	1,075,456

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	University			Consolidated		
		Actual	Budget	Actual	Actual	Actual	
		2011	2011	2010	2011	2010	
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
CASH FLOWS FROM OPERATING ACTIVITIES							
<i>Cash was provided from:</i>							
Government Grants		180,063	178,110	175,741	182,966	178,498	
Student Income		124,706	134,807	124,500	126,167	125,735	
Other Income		125,349	105,958	119,314	125,822	120,068	
Interest on Operating Income		2,933	4,525	3,463	3,032	3,548	
Trust Funds		1,952	1,427	2,567	1,952	2,567	
		435,003	424,827	425,585	439,939	430,416	
<i>Cash was applied to:</i>							
Payments to Employees and Suppliers		368,915	377,564	374,668	374,260	378,094	
Net GST Movement		(19)	-	85	31	54	
Interest Paid		1,498	1,471	1,630	1,528	1,642	
		370,394	379,035	376,383	375,819	379,790	
Net Cash Flow from Operating Activities	9	64,609	45,792	49,202	64,120	50,626	
CASH FLOWS FROM INVESTING ACTIVITIES							
<i>Cash was provided from:</i>							
Withdrawal of Investments		33,413	-	14,583	34,086	15,432	
Sale of Fixed Assets		170	8,700	5,976	170	5,293	
		33,583	8,700	20,559	34,256	20,725	
<i>Cash was applied to:</i>							
Purchase of Investments		51,479	-	31,592	51,147	31,903	
Purchase of Fixed Assets		55,486	67,253	35,456	55,744	35,598	
		106,965	67,253	67,048	106,891	67,501	
Net Cash Flow from Investing Activities		(73,382)	(58,553)	(46,489)	(72,635)	(46,776)	

The accompanying notes form part of these financial statements.

	University			Consolidated	
	Actual	Budget	Actual	Actual	Actual
	2011	2011	2010	2011	2010
Notes	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
CASH FLOWS FROM FINANCING ACTIVITIES					
<i>Cash was provided from:</i>					
Loans Raised	-	-	-	-	779
	-	-	-	-	779
<i>Cash was applied to:</i>					
Loan Repaid	924	1,023	881	929	882
	924	1,023	881	929	882
Net Cash Flow from Financing Activities	(924)	(1,023)	(881)	(929)	(103)
Net Increase/(Decrease) in Cash Held	(9,697)	(13,784)	1,832	(9,444)	3,747
Net Foreign Exchange Gains/(Losses)	383	-	(380)	383	(380)
Cash Brought Forward	49,419	63,475	47,967	52,493	49,126
Ending Cash Carried Forward	13	40,105	49,691	43,432	52,493

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes and to be consistent with the presentation basis of the other primary financial statements.

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Note 1. Statement of Accounting Policies

THE REPORTING ENTITY

Massey University was established as a university under the Massey University Act 1963 (founding legislation).

These financial statements have been prepared in accordance with the Crown Entities Act 2004 and Section 220 of the Education Act 1989. The financial statements have been prepared in accordance with NZ GAAP. They comply with New Zealand equivalents to IFRS, and other applicable financial reporting standards, as appropriate for public benefit entities.

Massey University comprises the following areas of significant activity for teaching, research and community service. The Colleges of:

- Business;
- Creative Arts;
- Education;
- Humanities & Social Sciences;
- Sciences.

The group consists of Massey University and its subsidiaries, Massey University Foundation (100% owned), Massey Ventures Limited (100% owned), and Estendart Limited and E Centre Limited (all 100% owned by Massey Ventures Limited). Massey Ventures Ltd also owns 53% of Synthodics Limited. The reporting entity includes the afore mentioned group, New Zealand School of Music (a joint venture 50% owned by Massey University), Agri One Limited (a joint venture 50% owned by Massey University) and associates owned by Massey Ventures Limited - Magritek Holdings Limited (23.62%), Polybatics Limited (25.5%) and New Zealand Vet Pathology (25.26%).

Massey University (and its subsidiaries) were established as a tertiary education provider and researcher. Accordingly, Massey University (and its subsidiaries) have designated themselves as public benefit entities. All applicable public benefit entity exemptions have been adopted.

The financial statements of Massey University and group are for the year ended 31 December 2011. The financial statements were authorised for issue by Council on 16th April 2012.

MEASUREMENT BASE

The financial statements have been prepared on a historical cost basis except the following assets carried at fair value: financial instruments designated at fair value through profit and loss, financial assets available for sale, biological assets, investment property and the revaluation of certain property, plant and equipment.

ACCOUNTING POLICIES

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

A) Basis of Consolidation

The Consolidated Financial Statements comprise the financial statements of the University and all subsidiaries as of and for the period ended 31 December 2011.

Massey University consolidates as subsidiaries in the consolidated financial statements, using the purchase method, all entities where Massey University has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends have been eliminated in full. Corresponding assets, liabilities, revenues, expenses and cash flows are added together on a line-by-line basis.

Any joint venture the University has an interest in is accounted for using the proportionate method of consolidation.

Massey University accounts for an investment in an associate in the group financial statement using the equity method.

B) Budget Figures

The budget figures are those approved by the Council at the beginning of the financial year.

The budget figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by the Council for the preparation of the financial statements. The budget figures have not been audited.

C) Allocation of Overheads

Administrative and indirect teaching and research costs are allocated to significant activities on the basis of total equivalent full-time students (EFTS) in each college. Exceptions to this rule are allocated on the following basis:

- Facilities Management – by floor space;
- Recreation Centre – by internal full-time students;
- Student Services – by internal equivalent full-time students;
- Annual leave – by general staff numbers for general staff and from academic department leave records for academic staff.

D) Revenues

Government grants are recognised as income upon completion of services for which the grant was made. Where obligations are attached to a Government grant, a liability is recognised. Once the obligation is discharged, the Government grant is recognised as revenue.

Student fees are recognised as revenue throughout the period of course completion.

Trust funds include interest and donations of a capital nature, are recognised as income when money is received, or entitlement to receive money is established.

Income for research that is externally funded is recognised in the Revenue Disclosure (see Note 3) as "Charges for Services" on a percentage of completion basis. Research funds relating to incomplete portions of externally funded research activities at year end are included in the balance sheet as "Receipts in Advance".

E) **Foreign Currencies**

Both the functional and presentation currency of Massey University and its subsidiaries is New Zealand dollars, rounded to the nearest thousand dollars. Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

F) **Cash and Cash Equivalents**

Cash and cash equivalents represent funds held to meet short-term commitments and include cash in hand, deposits held at call with the bank, other short-term highly liquid investments and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

G) **Trade and Other Receivables**

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that the University will not be able to collect all amounts according to the original term of the receivables.

H) **Inventories**

Inventories are valued at the lower of cost (using the first-in first-out basis) or net realisable value. All consumables are charged direct to expenditure.

I) **Biological Assets**

Biological assets are valued at fair value less estimated costs to sell, and agricultural produce is valued at fair value less estimated costs to sell at point of harvest. All consumables are charged direct to expenditure. Fair value is the market value at balance date.

J) **Property Plant and Equipment**

(i) Valuation

Asset Category	Valuation By	Last Valuation
Land and buildings	Quotable Value New Zealand	31 December 2011
Leasehold improvements	Valued at historical cost	
Equipment and furniture	Valued at historical cost	
Computers and research equipment	Valued at historical cost	
Motor vehicles	Valued at historical cost	
Aircraft	Valued at historical cost	
Library collection	Valued at historical cost	

Land is valued at fair market value on the basis of highest and best use.

Buildings (which include land improvements and reticulated services) are valued at fair market value or depreciated replacement cost.

Where the fair value of an asset can be determined by reference to the price in an active market for the same asset or a similar asset, the fair value of the asset is determined using this information. Where

fair value of the asset is not able to be reliably determined using market-based evidence, depreciated replacement cost is considered to be the most appropriate basis for determination of the fair value.

The Optimised Depreciated Replacement Cost (ODRC) begins with assessing the replacement cost of the assets at the date of valuation less an allowance for any physical and economic obsolescence to date and for any over-design. The balance of the RC less all forms of obsolescence and over-design represents the fair value of the asset.

Highest and Best Use is defined as the most probable use of the asset that is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value.

Additions between valuations are recorded at cost.

Capital work in progress is valued on the basis of expenditure incurred and certified gross progress claim certificates up to balance date. The level at which individual assets are capitalised as property plant and equipment is \$2,000.

(ii) Depreciation

The depreciation rates used in the preparation of these statements are as follows:

Asset Class	Depreciation Rate	Method
Buildings	1% - 7%	Straight line
Leasehold improvements	Lesser of 10% or life of lease	Straight line
Equipment and furniture	5% - 33%	Straight line
Computers and research equipment	25%	Straight line
Motor vehicles	20%–25%	Straight line
Aircraft	6%	Straight line
Library collection (current use)	10%	Straight line

Land, permanently retained library collections, art collections and archives are not depreciated.

Leasehold improvements are depreciated based upon their estimated useful life and the term of lease.

Work in progress is not depreciated. The total cost of a project is transferred to the relevant asset class upon completion and then depreciated.

(iii) Crown-Owned Assets

Crown owned land and buildings used by Massey University are included as part of Massey University's fixed assets. These were first recognised on 31 December 1989. Although legal title has not been transferred, Massey University has assumed all the normal risks and rewards of ownership, but may have to negotiate with the Crown for any sale.

In order to fairly and accurately record the value of all Land and Buildings occupied by Massey University, it is necessary to incorporate the Crown owned land and buildings on the Massey University Asset Register.

(iv) Impairment

The carrying values of property plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Massey University has three cash-generating units, being the three main campuses. Impairment of property plant and equipment is recognised when:

- replacement cost is identified as less than net book value
 - the carrying amount exceeds its recoverable amount
 - items of property plant and equipment become obsolete
 - damage occurs to property plant and equipment.
 - an asset becomes surplus to requirements and is no longer used.
- (v) Disposal/Derecognition of Assets
- An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.
- Any gain or loss arising on derecognition on the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Statement of Comprehensive Income in the year the item is derecognised.

K) Intangible Assets

An intangible asset is recognised when it is probable that it will generate future economic benefit to Massey University and the costs of the intangible asset can be measured reliably.

Internally generated software is classified into a research phase and a development phase.

An intangible asset arising from development (or the development phase of an internal project) is recognised only when the University can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale:
- the availability of resources to complete the development:
- the ability to measure reliably the expenditure attributable to the intangible asset during its development:
- how the asset will generate future economic benefits:

Costs that can be included in the capitalisation of internally developed software include:

- Costs of staff seconded to such projects:
- Costs to design, build, configure, test and document such systems:
- Support fees payable before such systems are ready for use:
- Software that is acquired separately or in a business combination are recorded at costs determined at the date of acquisition.

Amortisation of software is calculated using a straight line basis over four years and is reviewed annually for any impairment.

L) Employee Entitlements

Annual leave for academic and general staff has been accrued. In addition, an accrual has been made for retirement gratuities and long service leave for both academic and general staff. Both retirement gratuities and long-service leave have been accrued on the following basis.

- Leave and gratuities that have vested in the employee (an entitlement has been established) have been measured at nominal value using remuneration rates current at reporting date. This is included as a current liability.
- Leave and gratuities that have not yet vested in the employee (no entitlement has been established) have been measured using the present value measurement basis, which discounts expected future cash outflows. This is treated as a non-current liability.

Duty leave overseas for academic staff has not been accrued as this leave is a commitment subject to eligibility and is not an entitlement.

Sick leave has not been accrued as the University has a "Wellness Policy", hence no sick leave is available to carry forward.

Obligations for contributions to superannuation schemes are accounted for as defined contribution schemes and are recognised as an expense in the Statement of Comprehensive Income.

M) Goods and Services Tax (GST)

The financial statements are prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable.

N) Taxation

Tertiary education institutions are exempt from the payment of income tax as they are treated by the Inland Revenue Department as charitable organisations. Accordingly, no charge for income tax has been provided for. Massey University's subsidiaries are also exempt from paying income tax.

O) Leases

Finance leases transfer to Massey University substantially all the risks and benefits incidental to ownership of the leased item. These are capitalised at the lower of fair value of the asset or the present value of the minimum lease payments. The leased assets and corresponding lease liabilities are disclosed and the leased assets are depreciated over the period Massey University is expected to benefit from their use.

Operating lease payments, where the lessor retains substantially all the risks and benefits of ownership of the leased items, are included in the determination of the operating surplus in equal instalments over the lease term.

P) Financial Instruments

Massey University classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables, and available for sale. Management determines the classification of its investments at initial recognition. Financial assets are initially measured at fair value.

The fair value of financial instruments traded in an active market is based on quoted market prices as at balance date. The quoted market price used is the current bid price.

Financial Assets designated at fair value through profit and loss

Financial assets designated at fair value through profit and loss are classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if they are expected to be realised within 12 months of balance date.

Financial assets in this category include Massey University Foundation's managed fund.

Loan and Receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition they are measured at amortised cost using the effective interest method. Loans to third parties and receivables are classified as trade and other receivables in the balance sheet. Bank deposits with a maturity of more than 3 months are classified as loans and receivables.

Fair Value through Other Comprehensive Income

Financial assets available for sale are those financial assets that are not classified in either of the above categories. This category encompasses shares held for strategic purposes. After initial recognition these investments are measured at their fair value.

Massey University's investment in its subsidiary and associate companies is held at cost.

At the end of each financial year Massey University assesses whether there is any impairment of its financial assets; any impairment is written off to expenses in the Statement of Comprehensive Income.

Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Impairment of Financial Assets

Financial assets other than those at fair value through profit and loss are assessed for indicators of impairment at each balance date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that have occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been adversely impacted.

Objective evidence of impairment could include:

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

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account.

Changes in the carrying amount of the allowance account are recognised in the income statement.

Q) Trade and Other Payables

Trade and other payables are carried at amortised cost. Due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to Massey University prior to the end of the financial year that are unpaid, and arise when Massey University becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

R) Borrowing Costs

Massey University and group has 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.

S) Investment Property

Any property held that is not held to meet service delivery objectives is classified as investment property. Investment property is measured initially at its cost, including transaction costs.

After recognition, Massey University measures all investment property at fair value as determined annually. Gains or losses arising from a change in fair value of an investment property are recognised in the Statement of Comprehensive Income.

T) Joint Ventures

A joint venture is a contractual arrangement whereby two parties undertake an economic activity that is subject to joint control. For a jointly controlled entity Massey University recognises in its financial statements assets it controls, the liabilities and expenses it incurs, and the share of income that it earns from the joint venture using the proportionate consolidation method.

U) Summary of Significant Accounting Policies

There have been no changes in accounting policies, and the policies have been applied on a basis consistent with prior years except for adopting new and amended New Zealand Equivalents to International Financial Reporting Standards that came into effect from 1 January 2011 as detailed below:

New accounting standards and interpretations

The Group has adopted the following new and amended New Zealand Equivalents to International Financial Reporting Standards and interpretations as of 1 January 2011:

- Improvements to NZ Equivalents to IFRS (2010)
- Amendments to NZ IAS 24, Related Parties

The Group has not elected to early adopt any new standards or interpretations that are issued but not yet effective.

Improvements to NZ Equivalents to IFRS - Amendments to New Zealand Accounting Standards arising from the Annual Improvements Project (2010) (NZ IFRS 7, NZ IAS 1)

The amendments to NZ IFRS 7 emphasise the interaction between quantitative and qualitative disclosures and the nature and extent of risks associated with financial instruments. The amendments to NZ IAS 1 clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. The amendments above did not have an impact on the financial position and performance of the Group and only impact disclosures.

Amendments to NZ IAS 24, Related Parties

The revised NZ IAS 24 simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition, including:

- The definition now identifies a subsidiary and an associate with the same investor as related parties of each other;
- Entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other;

- The definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other;
- A partial exemption is also provided from the disclosure requirements for government-related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures;
- A partial exemption is also provided for public benefit entities in respect of certain transactions with Ministers of the Crown.

The amendments to NZ IAS 24 did not have an impact on the financial position and performance of the Group and only impact disclosures.

[Accounting Standards and interpretations issued but not yet effective](#)

NZ IFRS Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ended 31 December 2011, are outlined in the following table:

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for group
NZ IFRS 7	Amendments to NZ IFRS 7 Financial Instruments: Disclosures	The amendments to NZ IFRS 7 enhance the transparency of disclosure requirements for the transfer of financial assets.	1 July 2011	The amendments are not expected to have a material impact on the Group's financial statements in the period of initial application and would only impact disclosures.	1 January 2012
NZ IFRS 9 (2009)	Financial Instruments	<p>NZ IFRS 9 (2009) includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace NZ IAS 39 Financial Instruments: Recognition and Measurement.</p> <p>These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of NZ IAS 39. The revised Standard introduces a number of changes to the accounting for financial assets, the most significant of which includes:</p> <ul style="list-style-type: none"> • Two categories for financial assets being amortised cost or fair value • Removal of the requirement to separate embedded derivatives in financial assets • Strict requirements to determine which financial assets can be classified as amortised cost or fair value. Financial assets can only be classified as amortised cost if (a) the contractual cash flows from the instrument represent principal and interest and (b) the entity's purpose for holding the instrument is to collect the contractual cash flows • An option for investments in equity instruments which are not held for trading to recognise fair value changes through other comprehensive income with no impairment testing and no recycling through profit or loss on derecognition • Reclassifications between amortised cost and fair value no longer permitted unless the entity's business model for holding the asset changes • Changes to the accounting and additional disclosures for equity instruments classified as fair value through other comprehensive income 	1 January 2013	The amendments are not expected to have a material impact on the Group's financial statements in the period of initial application.	1 January 2013

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for group
NZ IFRS 9 (2010)	Financial Instruments	<p>NZ IFRS 9 (2010) supersedes NZ IFRS 9 (2009). The requirements for classifying and measuring financial liabilities were added to NZ IFRS 9 as issued in 2009.</p> <p>The existing NZ IAS 39 requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities, the change in fair value is accounted for as follows:</p> <ul style="list-style-type: none"> The change attributable to changes in credit risk are presented in other comprehensive income (OCI) The remaining change is presented in profit or loss <p>If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.</p>	1 January 2013	The amendments are not expected to have a material impact on the Group's financial statements in the period of initial application.	1 January 2013
FRS 44	New Zealand Additional Disclosures	<p>FRS 44 is a consequence of the joint Trans-Tasman Convergence project of the Australian Accounting Standards Board (AASB) and Financial Reporting Standards Board (FRSB).</p> <p>This standard relocates New Zealand specific disclosures from other standards to one place and revises disclosures in the following areas:</p> <ul style="list-style-type: none"> Compliance with NZ IFRS The statutory basis or reporting framework for financial statements Audit fees Reconciliation of net operating cash flow to profit (loss) Prospective financial statements 	1 July 2011	The amendments are not expected to have a material impact on the Group's financial statements in the period of initial application and would only impact disclosures.	1 January 2012
Harmonisation Amendments	Amendments to NZ IFRS to Harmonise with IFRS and Australian Accounting Standards [NZ IAS 1, 7, 8, 16, 20, 28, 31, and 40]	<p>These amendments</p> <ul style="list-style-type: none"> Remove the disclosures which have been relocated to FRS 44 Harmonise audit fee disclosure requirements in NZ IFRS 1 with AASB 101 Introduce the option to use the indirect method of reporting cash flows in NZ IAS 7 Introduce an accounting policy choice to use the cost model for investment property under NZ IAS 40 Remove the requirement to use an independent valuer and the related disclosure requirements currently in NZ IAS 16 and NZ IAS 40 Remove some NZ-specific disclosures 	1 July 2011	The amendments are not expected to have a material impact on the Group's financial statements in the period of initial application and would only impact disclosures.	1 January 2012

Note 2

(i) Government Grants

The Crown through the Tertiary Education Commission provides income to the University by way of a grant, which is recognised as income upon entitlement.

(ii) Cost of Operations

- Staff related costs: includes direct staff related costs allocated to colleges, support services and regions.
- Employee entitlements relating to actuarial calculation are shown separately.
- Depreciation: includes all depreciation on all assets held by the University.
- Other direct costs: includes all direct costs of operating and maintaining the University. It also includes the cost of research, including salaries and wages.

Note 3. Revenue Disclosure

	Notes	University		Consolidated	
		2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)
Government Grants					
Students		143,093	124,571	145,220	126,435
Other		36,133	53,499	36,869	54,392
		179,226	178,070	182,089	180,827
Student Fees					
Domestic Students		90,842	87,306	91,878	88,349
International Students		37,220	33,324	37,419	33,440
		128,062	120,630	129,297	121,789
Charges for Services					
Research		72,368	72,408	72,391	72,410
Other		40,964	42,268	42,328	43,038
		113,332	114,676	114,719	115,448
Interest		4,404	3,634	4,498	3,730
Trust funds	29	2,943	3,448	2,943	3,448
Other Gains/(Losses)	4	546	(618)	1,203	177
Total Revenue		428,513	419,840	434,749	425,419

Note 4. Other Gains and (Losses)

	Notes	University		Consolidated	
		2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)
Comprehensive Income					
Livestock Fair Value Gains/(Losses)	16	(49)	(96)	(49)	(96)
Forestry Fair Value Gains/(Losses)	16	70	(63)	70	(63)
Disposal of PP&E Gains/(Losses)		(31)	255	(31)	255
Changes in Fair Value of Assets Held for Sale Gains/(Losses)	19	173	(461)	173	(461)
Changes in Fair Value of Investment Property Gains/(Losses)	20	-	127	-	127
Fair Value Managed Funds through Profit and Loss Gains/(Losses)		-	-	657	795
Foreign Exchange Gains/(Losses)		383	(380)	383	(380)
Comprehensive Income Total Gains/(Losses)		546	(618)	1,203	177
Other Comprehensive Income					
Net gain on Available For Sale Assets		31	14	31	14
Other Comprehensive Income Total Gains/(Losses)		31	14	31	14
Total Other Gains/(Losses)		577	(604)	1,234	191

Note 5. Staff-Related Costs

	University		Consolidated	
	2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)
Salaries and Wages	229,140	224,768	233,331	228,362
Superannuation	8,984	8,421	9,039	8,471
Long Service Leave and Retirement Allowance	3,100	2,370	3,100	2,376
Other	4,126	4,828	4,142	4,877
Total Staff-Related Costs	245,350	240,387	249,612	244,086

Note 6. Depreciation and Amortisation Costs

	Notes	University		Consolidated	
		2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)
Depreciation	21	42,162	41,032	42,293	41,113
Amortisation	22	430	83	430	83
Total Depreciation and Amortisation Costs		42,592	41,115	42,723	41,196

Note 7. Finance Costs

	University		Consolidated	
	2011	2010	2011	2010
	(\$000)	(\$000)	(\$000)	(\$000)
Interest Expenses	1,500	1,545	1,530	1,558
Total Finance Costs	1,500	1,545	1,530	1,558

Note 8. Other Direct Costs

	University		Consolidated	
	2011	2010	2011	2010
	(\$000)	(\$000)	(\$000)	(\$000)
The Surplus is after charging:				
Audit fees for annual report	175	175	251	274
Other services provided by principal auditor: PBRF Audit	12	12	12	12
Internal audit fees	233	180	233	180
Bad debts written off	694	266	722	306
Increase/(reduction) in provision for bad debts	(375)	193	(394)	213
Rental expense on operating leases	4,610	5,570	5,258	6,194
Scholarships	14,264	13,191	14,434	13,213
Energy	6,121	5,940	6,121	5,954
Repairs and maintenance	11,696	12,171	11,730	12,181
Travel and accommodation	11,144	11,631	11,191	11,659
Computing & telecommunications	7,399	10,572	7,470	10,692
Contracted services	24,792	23,907	24,882	23,907
Other operating expenses	48,836	41,913	49,594	41,365
Total Other Direct Costs	129,601	125,721	131,504	126,150

Note 9. Reconciliation of the Net Surplus on Operations with the Net Cash Flows from Operating Activities

	Notes	University		Consolidated	
		2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)
Surplus /(Deficit) on Operations		7,678	8,807	7,588	10,164
Add Non-Cash Items:					
Depreciation and amortisation	6	42,592	41,115	42,723	41,196
Other (gains)/losses - forestry fair value	4	(70)	63	(71)	63
Other (gains)/losses - livestock fair value	4	49	96	49	96
Impairment on investments - other		(173)	461	(207)	(310)
Impairment on investment property	20	-	(127)	-	(127)
Impairment on Property, Plant & Equipment (to Profit & Loss)	21	2,853	-	2,853	-
Bad debts	8	694	266	694	266
Provision for doubtful debts	14	(375)	193	(347)	213
Foreign exchange (gains)/losses	4	(383)	380	(383)	380
(Decrease)/increase in non-current employee entitlements	25	2,723	2,370	2,723	2,370
		47,910	44,817	48,034	44,147
Items Classified as investing or financing activities:					
(Gains)/losses on disposal of property plant and equipment	4	31	(255)	31	(200)
		31	(255)	31	(200)
Movements In Working Capital:					
Decrease/(increase) in prepayments	14	(2,080)	769	(2,080)	769
Decrease/(increase) in trade and other receivables		1,722	(2,506)	968	(2,949)
Decrease/(increase) in stocks and biological assets	15,16	(403)	69	(403)	69
Increase/(decrease) in accounts payable		5,050	(9,717)	4,847	(9,089)
Increase/(decrease) in receipts in advance		4,701	7,218	5,135	7,715
Total Movement in Working Capital		8,990	(4,167)	8,467	(3,485)
Net Cash Flow from Operating Activities		64,609	49,202	64,120	50,626

Note 10. Summary of Financial Assets & Liabilities

UNIVERSITY 2011					
Classification of Financial Assets & Liabilities	Loans and Receivables	Assets at fair value through surplus or deficit	Fair value through other comprehensive income	Other Liabilities at Amortised Cost	Total
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
FINANCIAL ASSETS					
Cash and Cash Equivalents	40,105	-	-	-	40,105
Trade and Other Receivables	22,707	-	-	-	22,707
Prepayments	9,382	-	-	-	9,382
Loans and Loans to Related Parties	125	-	-	-	125
Short-Term Deposits with Maturities of 4-12 Months	43,178	-	-	-	43,178
Term Deposits Maturing Between 1 and 5 Years	5,450	-	-	-	5,450
Unlisted Shares	-	-	607	-	607
Shares	-	-	1,640	-	1,640
Total Financial Assets	120,947	-	2,247	-	123,194
FINANCIAL LIABILITIES					
Trade and Other Payables	-	-	-	10,218	10,218
Borrowings: Term Loans	-	-	-	22,476	22,476
Total Financial Liabilities	-	-	-	32,694	32,694
UNIVERSITY 2010					
Classification of Financial Assets & Liabilities	Loans and Receivables	Assets at fair value through surplus or deficit	Fair value through other comprehensive income	Other Liabilities at Amortised Cost	Total
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
FINANCIAL ASSETS					
Cash and Cash Equivalents	49,419	-	-	-	49,419
Trade and Other Receivables	25,544	-	-	-	25,544
Prepayments	7,302	-	-	-	7,302
Loans and Loans to Related Parties	125	-	-	-	125
Short-Term Deposits with Maturities of 4-12 Months	31,702	-	-	-	31,702
Unlisted Shares	-	-	607	-	607
Shares	-	-	1,613	-	1,613
Total Financial Assets	114,092	-	2,220	-	116,312
FINANCIAL LIABILITIES					
Trade and Other Payables	-	-	-	13,456	13,456
Borrowings: Term Loans	-	-	-	23,400	23,400
Total Financial Liabilities	-	-	-	36,856	36,856

CONSOLIDATED 2011 Classification of Financial Assets & Liabilities	Loans and Receivables (\$000)	Assets at fair value through surplus or deficit (\$000)	Fair value through other comprehensive income (\$000)	Other Liabilities at Amortised Cost (\$000)	Total (\$000)
FINANCIAL ASSETS					
Cash and Cash Equivalents	43,432	-	-	-	43,432
Trade and Other Receivables	23,388	-	-	-	23,388
Prepayments	9,500	-	-	-	9,500
Loans	125	-	-	-	125
Short-Term Deposits with Maturities of 4-12 Months	43,543	-	-	-	43,543
Term Deposits Maturing Between 1 and 5 Years	5,450	-	-	-	5,450
Unlisted Shares	-	-	1,100	-	1,100
Shares	-	-	1,640	-	1,640
Managed Funds	-	13,862	-	-	13,862
Total Financial Assets	125,438	13,862	2,740	-	142,040
FINANCIAL LIABILITIES					
Trade and Other Payables	-	-	-	11,045	11,045
Borrowings: Term Loans	-	-	-	22,976	22,976
Total Financial Liabilities	-	-	-	34,021	34,021

CONSOLIDATED 2010 Classification of Financial Assets & Liabilities	Loans and Receivables (\$000)	Assets at fair value through surplus or deficit (\$000)	Fair value through other comprehensive income (\$000)	Other Liabilities at Amortised Cost (\$000)	Total (\$000)
FINANCIAL ASSETS					
Cash and Cash Equivalents	52,493	-	-	-	52,493
Trade and Other Receivables	26,391	-	-	-	26,391
Prepayments	7,311	-	-	-	7,311
Loans	125	-	-	-	125
Short-Term Deposits with Maturities of 4-12 Months	31,702	-	-	-	31,702
Unlisted Shares	-	-	1,226	-	1,226
Shares	-	-	1,613	-	1,613
Managed Funds	-	13,026	-	-	13,026
Total Financial Assets	118,022	13,026	2,839	-	133,887
FINANCIAL LIABILITIES					
Trade and Other Payables	-	-	-	13,970	13,970
Borrowings: Term Loans	-	-	-	23,900	23,900
Total Financial Liabilities	-	-	-	37,870	37,870

Note 11. Fair Value Hierarchy Disclosures

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

- Quoted Market Price - Financial Instruments with quoted prices for identical instruments in active markets
- 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 an inactive market and financial instruments valued using models where significant inputs are observable
- 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 classes of financial instruments measured at fair value on the balance sheet

UNIVERSITY 2011 Classification of Financial Assets & Liabilities	Quoted market price (\$000)	Observable inputs (\$000)	Significant non- observable inputs (\$000)	Total (\$000)
FINANCIAL ASSETS				
Shares	-	1,640	-	1,640
UNIVERSITY 2010 Classification of Financial Assets & Liabilities	Quoted market price (\$000)	Observable inputs (\$000)	Significant non- observable inputs (\$000)	Total (\$000)
FINANCIAL ASSETS				
Shares	-	1,613	-	1,613
CONSOLIDATED 2011 Classification of Financial Assets & Liabilities	Quoted market price (\$000)	Observable inputs (\$000)	Significant non- observable inputs (\$000)	Total (\$000)
FINANCIAL ASSETS				
Shares	-	1,640	-	1,640
Managed Funds	-	13,862	-	13,862
CONSOLIDATED 2010 Classification of Financial Assets & Liabilities	Quoted market price (\$000)	Observable inputs (\$000)	Significant non- observable inputs (\$000)	Total (\$000)
FINANCIAL ASSETS				
Shares	-	1,613	-	1,613
Managed Funds	-	13,026	-	13,026

Note 12. Significant Budget Variances

	Variance to Budget		
	(\$000)		
Other Comprehensive Income			
Increases in Property Valuations	16,809	Favourable	Land and Buildings were valued as at 31 December, with the majority of the increased value coming from Albany
Other movements in Revaluation Reserves	(14,267)	Adverse	With the intended disposal of the Hokowhitu campus within the next five years, the valuation method used was a market value as opposed to depreciated replacement cost, that was used previously.
Cash Flow			
Net Cash Flow from Operating Activities	18,817	Favourable	The favourable variance results from a higher level of research grants received than budgeted and a University wide focus on reducing operational expenditure.
Net Cash flow from Investing Activities			
Withdrawal and Purchase of Investments	(18,066)	Adverse	This is net balance of cash transferred to term deposits greater than three months, which was driven by higher interest rates on offer.

Note 13. Cash and Cash Equivalents

	University		Consolidated	
	2011	2010	2011	2010
	(\$000)	(\$000)	(\$000)	(\$000)
Cash at bank and in hand	4,105	7,419	5,431	8,767
Short-term deposits with maturities of 3 months or less	36,000	42,000	38,001	43,726
Total Cash and Cash Equivalents	40,105	49,419	43,432	52,493

The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value.

Refer to Note 18 for weighted average effective rates for cash and cash equivalents.

Included in Cash at Bank and In Hand were the Following Currencies:

	2011	2010
	(\$000)	(\$000)
United States of America	1,339	4,832
Australia	2	2
Great Britain	-	8
Euro's	-	30
Yen	-	98

All currencies shown as valued in NZD as at 31 December.

Note 14. Trade and Other Receivables

	University		Consolidated	
	2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)
Trade Debtors	16,940	16,433	17,759	18,101
Other Amounts Receivable	5,937	9,267	6,307	9,362
Related Parties Receivables	487	876	-	-
Prepayments	9,382	7,302	9,500	7,311
Loans	125	125	125	125
	32,871	34,003	33,691	34,899
Less Provision for Doubtful Debts	(657)	(1,032)	(678)	(1,072)
Total Trade and Other Receivables	32,214	32,971	33,013	33,827
Less Non-Current Portion:				
Loans	125	125	125	125
Total Non-Current Portion	125	125	125	125
Current Portion	32,089	32,846	32,888	33,702

The carrying value of trade and other trade receivables (excluding loans to related parties) approximates their fair value and is the same as contractual value and are generally receivable within 30 days. There are no external or internal ratings used to identify the credit quality of financial assets not past due or impaired.

Trade debtors overdue (excluding students), whose payment has not been negotiated and not impaired are as follows:

	University		Consolidated	
	2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)
Current	6,445	7,484	7,421	7,528
One Month	2,849	2,403	2,849	2,403
Two Months	1,248	396	1,252	400
> Three Months	1,049	1,929	1,063	1,943
Carrying Amount	11,591	12,212	12,585	12,274

As at 31 December 2011 and 2010, all overdue receivables have been assessed for impairment and appropriate provisions applied. Massey University does not hold any collateral as security or other credit enhancements over receivables that are past due or impaired.

Movements in the provision for impairment of receivables are as follows:

	University		Consolidated	
	2011	2010	2011	2010
	(\$000)	(\$000)	(\$000)	(\$000)
At 1 January	1,032	839	1,072	891
Additions Made During the Year	-	193	-	193
Receivables Written Off During the Year	(375)	-	(394)	(12)
At 31 December	657	1,032	678	1,072

Note 15. Inventories

	University		Consolidated	
	2011	2010	2011	2010
	(\$000)	(\$000)	(\$000)	(\$000)
Material and stores	1,505	1,323	1,505	1,323
Total	1,505	1,323	1,505	1,323

The carrying amount of inventories identified as held for distribution as at 31 December 2011 amounted to \$1,053,505 (2010: \$1,034,261). The carrying amount of inventories pledged as securities for liabilities is nil (2010: nil).

Note 16. Biological Assets

	University		Consolidated	
	2011	2010	2011	2010
	(\$000)	(\$000)	(\$000)	(\$000)
Livestock				
Opening balance	3,372	3,425	3,372	3,425
Increase due to purchases	571	217	571	217
Gains/(losses) arising from changes in fair value	(49)	(96)	(49)	(96)
Decreases due to sales	(350)	(174)	(350)	(174)
Closing Balance	3,544	3,372	3,544	3,372
Forestry				
Opening balance	598	661	598	661
Gains/(losses) arising from changes in fair value	70	(63)	70	(63)
Closing Balance	668	598	668	598
Current	3,544	3,372	3,544	3,372
Non-Current	668	598	668	598
Total	4,212	3,970	4,212	3,970

Massey University owns 106 hectares of pinus radiata forest which are at varying stages of maturity. No forests have been harvested in this period (2010: nil).

Forestry is valued as at 31 December at fair value, using a model supplied by an independent valuer.

Fair Value is the market value less estimated point of sale costs based on log prices free on board (FOB) as at 31 December, current harvesting and transport costs.

Massey University is not materially exposed to financial risks from changing timber prices.

Livestock has been valued at market value.

Note 17. Other Assets

	University		Consolidated	
	2011	2010	2011	2010
	(\$000)	(\$000)	(\$000)	(\$000)
Non-Current Portion				
Funds invested in Massey University Foundation	13,548	11,608	-	-
Shares in subsidiaries	1,912	1,912	-	-
Total Non-Current Portion	15,460	13,520	-	-

Note 18. Other Financial Assets

	University		Consolidated	
	2011	2010	2011	2010
	(\$000)	(\$000)	(\$000)	(\$000)
Current Portion				
Other Financial Assets				
Loans and receivables:				
Short-term deposits with maturities of 4-12 months	43,178	31,702	43,543	31,702
Total Current Portion	43,178	31,702	43,543	31,702
Non-Current Portion				
Other Financial Assets				
Loans and receivables	5,450	-	5,590	140
Fair value through other comprehensive income - shares	1,640	1,613	1,640	1,613
Fair value through income statement - managed fund	-	-	13,862	13,026
Unlisted shares	607	607	1,100	1,226
Total Non-Current Portion	7,697	2,220	22,192	16,005

There were no impairment provisions for other financial assets.

Unlisted shares: No market exists for the unlisted shares and these are shown at cost because either the fair value of the investment cannot be determined using a standardised valuation technique or due to cost not being materially different to fair value.

Fair value through other comprehensive income - shares: market values as at 31 December are used to ascertain the fair value this category of investment.

Fair value through comprehensive income - managed fund: after initial recognition financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit.

	University		Consolidated	
	2011	2010	2011	2010
	(\$000)	(\$000)	(\$000)	(\$000)
Maturity analysis and effective interest rate:				
Short-term deposits with maturities of 3 months or less	36,000	42,000	38,001	43,726
Weighted average interest rate	3.65%	4.51%	3.62%	4.45%
Short-term deposits with maturities of 4-12 months	43,178	31,702	43,543	31,702
Weighted average interest rate	4.17%	5.13%	4.16%	5.13%
Term deposits maturing between 1 and 2 Years	5,450	-	5,450	-
Weighted average interest rate	5.36%	0.00%	5.36%	0.00%
	84,628	73,702	86,994	75,428

The fair values of Term Deposits are as follows:

	University		Consolidated	
	2011	2010	2011	2010
	(\$000)	(\$000)	(\$000)	(\$000)
Fair value on Term Deposits (>3 Months):				
Fair value as at 31 December	49,498	32,041	49,499	32,041

The fair value of Term Deposits is determined by applying the actual rates that existed as at 31 December to the investments held by Massey University, with the gain or loss being added to the fair value of the investment.

Note 19. Non-Current Assets Held for Sale

	University		Consolidated	
	2011	2010	2011	2010
	(\$000)	(\$000)	(\$000)	(\$000)
Non-Current Assets Held for Sale are:				
Aircraft	540	638	540	638
Land	927	812	927	812
Buildings	905	749	905	749
Total Non-Current Assets Held for Sale	2,372	2,199	2,372	2,199

The Council approved the sale of Ruawhoro Campus on 7th July 2006, the site was still used as a campus until early 2007.

On 5th September 2008 the Council approved the replacement of the University's fleet of aircraft. At balance date six aircrafts have been sold, with the balance of the fleet being actively marketed.

Note 20. Investment Property

	University		Consolidated	
	2011	2010	2011	2010
	(\$000)	(\$000)	(\$000)	(\$000)
Balance at 1 January	-	2,365	-	2,365
Additions/(Disposals)	-	(2,492)	-	(2,492)
Fair Value Gains/(Losses) on Valuation	-	127	-	127
Total Investment Property	-	-	-	-

Massey University investment properties are valued annually at fair value effective 31 December. In 2010 Massey University sold all the investment properties that it owned.

Note 21. Property Plant and Equipment

University	Cost/ Valuation 01 Jan 2011 (\$000)	Accumulated Depreciation & Impairment 01 Jan 2011 (\$000)	Carrying Amount 01 Jan 2011 (\$000)	Additions (\$000)	Disposals at Cost (\$000)	Depreciation on Disposals (\$000)	Impairments (\$000)	Revaluations (\$000)	Depreciation Recovered on Revaluation (\$000)	Depreciation (\$000)	Cost/ Valuation 31 Dec 2011 (\$000)	Accumulated Depreciation & Impairment 31 Dec 2011 (\$000)	Carrying Amount 31 Dec 2011 (\$000)
Land	175,572	-	175,572	69	-	-	(224)	(10,337)	-	-	165,080	-	165,080
Buildings	694,388	43,743	650,645	10,597	-	-	(17,556)	(36,578)	66,602	23,477	650,851	618	650,233
Leasehold Improvement	4,758	2,517	2,241	30	-	-	-	(1,781)	2,417	464	3,007	564	2,443
Aircraft	8,186	462	7,724	-	-	-	(3,866)	-	1,013	551	4,320	-	4,320
Furniture	2,248	1,893	355	67	6	6	-	-	-	68	2,309	1,955	354
Equipment	154,065	111,859	42,206	10,667	35,972	35,802	-	-	-	11,174	128,760	87,231	41,529
Implements	220	181	39	-	-	-	-	-	-	6	220	187	33
Vehicles	3,525	2,613	912	174	233	202	-	-	-	173	3,466	2,584	882
Art	1,713	-	1,713	8	-	-	-	-	-	-	1,721	-	1,721
Library	85,383	54,333	31,050	6,466	-	-	-	-	-	6,249	91,849	60,582	31,267
Work in Progress	17,473	-	17,473	26,890	-	-	-	-	-	-	44,363	-	44,363
	1,147,531	217,601	929,930	54,968	36,211	36,010	(21,646)	(48,696)	70,032	42,162	1,095,946	153,721	942,225

University	Cost/ Valuation 01 Jan 2010 (\$000)	Accumulated Depreciation & Impairment 01 Jan 2010 (\$000)	Carrying Amount 01 Jan 2010 (\$000)	Additions (\$000)	Disposals at Cost (\$000)	Depreciation on Disposals (\$000)	Impairments (\$000)	Revaluations (\$000)	Depreciation Recovered on Revaluation (\$000)	Depreciation (\$000)	Cost/ Valuation 31 Dec 2010 (\$000)	Accumulated Depreciation & Impairment 31 Dec 2010 (\$000)	Carrying Amount 31 Dec 2010 (\$000)
Land	180,242	-	180,242	87	4,757	-	-	-	-	-	175,572	-	175,572
Buildings	649,616	21,353	628,263	47,211	2,439	162	-	-	-	22,552	694,388	43,743	650,645
Leasehold Improvement	4,588	2,081	2,507	178	8	8	-	-	-	444	4,758	2,517	2,241
Aircraft	-	-	-	8,186	-	-	-	-	-	462	8,186	462	7,724
Furniture	2,196	1,828	368	59	7	7	-	-	-	72	2,248	1,893	355
Equipment	140,964	106,601	34,363	17,290	4,189	3,948	-	-	-	9,206	154,065	111,859	42,206
Implements	212	175	37	8	-	-	-	-	-	6	220	181	39
Vehicles	3,150	2,621	529	527	152	146	-	-	-	138	3,525	2,613	912
Art	1,558	-	1,558	155	-	-	-	-	-	-	1,713	-	1,713
Library	78,168	46,181	31,987	7,215	-	-	-	-	-	8,152	85,383	54,333	31,050
Work in Progress	61,751	-	61,751	(44,278)	-	-	-	-	-	-	17,473	-	17,473
	1,122,445	180,840	941,605	36,638	11,552	4,271	-	-	-	41,032	1,147,531	217,601	929,930

Transfers from Work in Progress to the Asset Register were \$28,080 (2010: \$81,836).

**Consolidated
2011**

	Cost/ Valuation 01 Jan 2011 (\$000)	Accumulated Depreciation & Impairment 01 Jan 2011 (\$000)	Carrying Amount 01 Jan 2011 (\$000)	Additions (\$000)	Disposals at Cost (\$000)	Depreciation on Disposals (\$000)	Impairments (\$000)	Revaluations (\$000)	Depreciation Recovered on Revaluation (\$000)	Depreciation (\$000)	Cost/ Valuation 31 Dec 2011 (\$000)	Accumulated Depreciation & Impairment 31 Dec 2011 (\$000)	Carrying Amount 31 Dec 2011 (\$000)
Land	176,054	-	176,054	69	-	-	(224)	(10,290)	-	-	165,609	-	165,609
Buildings	694,638	43,745	650,893	10,597	-	-	(17,556)	(36,551)	66,609	23,482	651,128	618	650,510
Leasehold Improvement	4,823	2,530	2,293	30	-	-	-	(1,781)	2,417	467	3,072	580	2,492
Aircraft	8,186	462	7,724	-	-	-	(3,866)	-	1,013	551	4,320	-	4,320
Furniture	2,297	1,921	376	70	6	6	-	-	-	73	2,361	1,988	373
Equipment	154,792	112,166	42,627	10,789	35,972	35,802	-	-	-	11,278	129,609	87,641	41,968
Implements	220	181	39	-	-	-	-	-	-	6	220	187	33
Vehicles	3,614	2,644	970	174	233	202	-	-	-	187	3,555	2,629	926
Art	1,713	-	1,713	8	-	-	-	-	-	-	1,721	-	1,721
Library	85,383	54,333	31,050	6,466	-	-	-	-	-	6,249	91,849	60,582	31,267
Work in Progress	17,473	-	17,473	26,890	-	-	-	-	-	-	44,363	-	44,363
	1,149,193	217,982	931,212	55,093	36,211	36,010	(21,646)	(48,622)	70,039	42,293	1,097,807	154,225	943,582

**Consolidated
2010**

	Cost/ Valuation 01 Jan 2010 (\$000)	Accumulated Depreciation & Impairment 01 Jan 2010 (\$000)	Carrying Amount 01 Jan 2010 (\$000)	Additions (\$000)	Disposals at Cost (\$000)	Depreciation on Disposals (\$000)	Impairments (\$000)	Revaluations (\$000)	Depreciation Recovered on Revaluation (\$000)	Depreciation (\$000)	Cost/ Valuation 31 Dec 2010 (\$000)	Accumulated Depreciation & Impairment 31 Dec 2010 (\$000)	Carrying Amount 31 Dec 2010 (\$000)
Land	180,242	-	180,242	569	4,757	-	-	-	-	-	176,054	-	176,054
Buildings	649,616	21,353	628,263	47,461	2,439	162	-	-	-	22,554	694,638	43,745	650,893
Leasehold Improvement	4,645	2,091	2,554	186	8	8	-	-	-	447	4,823	2,530	2,293
Aircraft	-	-	-	8,186	-	-	-	-	-	462	8,186	462	7,724
Furniture	2,240	1,851	389	64	7	7	-	-	-	77	2,297	1,921	376
Equipment	141,671	106,876	34,796	17,393	4,272	3,976	-	-	-	9,266	154,792	112,166	42,627
Implements	212	175	37	8	-	-	-	-	-	6	220	181	39
Vehicles	3,249	2,665	584	541	176	170	-	-	-	149	3,614	2,644	970
Art	1,558	-	1,558	155	-	-	-	-	-	-	1,713	-	1,713
Library	78,168	46,181	31,987	7,215	-	-	-	-	-	8,152	85,383	54,333	31,050
Work in Progress	61,751	-	61,751	(44,278)	-	-	-	-	-	-	17,473	-	17,473
	1,123,352	181,192	942,161	37,500	11,659	4,323	-	-	-	41,113	1,149,193	217,982	931,212

Impairment losses of \$14,267,000 (2010: Nil) have been recognised for impairment of operational land and buildings that reflect the intended future of Hokowhitu Campus.

Impairment losses of \$2,853,000 (2010: Nil) have been recognised for impairment of aircraft. Massey University does not have any financing leases.

Asset values included in the balance sheet as at 31 December 2011 include all land and buildings as occupied and utilised by Massey University. The exception to this is the land on Riverside Farm (leased from Sydney Campbell Foundation).

Legal ownership of land and buildings is detailed as follows (at balance sheet values):

	Land		Buildings	
	2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)
i) Massey University Owned	83,268	84,671	394,228	400,438
ii) Crown Owned (includes buildings on Crown owned land)	81,812	90,901	256,005	250,207
	165,080	175,572	650,233	650,645

Land and Buildings were valued by Kerry Stewart FPINZ, FPINZ of Quotable Value New Zealand Limited.

Aircraft were valued by Harry Maidment MIPMV (Registered Valuer) of Premi-Air Aviation Ltd.

The BNZ holds a registered mortgage over the Albany Campus, please refer to Note 24.

Note 22. Intangible Assets

University 2011	Cost/ Valuation 01 Jan 2011 (\$000)	Accumulated Amortisation & Impairment 01 Jan 2011 (\$000)	Carrying Amount 01 Jan 2011 (\$000)	Additions (\$000)	Disposals at Cost (\$000)	Amortisation on Disposals (\$000)	Impairments (\$000)	Revaluations (\$000)	Amortisation Recovered on Revaluation (\$000)	Amortisation (\$000)	Cost/ Valuation 31 Dec 2011 (\$000)	Accumulated Amortisation & Impairment 31 Dec 2011 (\$000)	Carrying Amount 31 Dec 2011 (\$000)
Software	920	83	837	1,422	-	-	-	-	-	430	2,342	513	1,829
Work in Progress	1,888	-	1,888	590	-	-	-	-	-	-	2,478	-	2,478
	2,808	83	2,725	2,012	-	-	-	-	-	430	4,820	513	4,307

University 2010	Cost/ Valuation 01 Jan 2010 (\$000)	Accumulated Amortisation & Impairment 01 Jan 2010 (\$000)	Carrying Amount 01 Jan 2010 (\$000)	Additions (\$000)	Disposals at Cost (\$000)	Amortisation on Disposals (\$000)	Impairments (\$000)	Revaluations (\$000)	Amortisation Recovered on Revaluation (\$000)	Amortisation (\$000)	Cost/ Valuation 31 Dec 2010 (\$000)	Accumulated Amortisation & Impairment 31 Dec 2010 (\$000)	Carrying Amount 31 Dec 2010 (\$000)
Software	-	-	-	920	-	-	-	-	-	-	920	83	837
Work in Progress	1,020	-	1,020	868	-	-	-	-	-	-	1,888	-	1,888
	1,020	-	1,020	1,788	-	-	-	-	-	83	2,808	83	2,725

Transfers from Work in Progress to the Asset Register were \$1,422 (2010: \$920).

Consolidated 2011	Cost/ Valuation 01 Jan 2011 (\$000)	Accumulated Amortisation & Impairment 01 Jan 2011 (\$000)	Carrying Amount 01 Jan 2011 (\$000)	Additions (\$000)	Disposals at Cost (\$000)	Amortisation on Disposals (\$000)	Impairments (\$000)	Revaluations (\$000)	Amortisation Recovered on Revaluation (\$000)	Amortisation (\$000)	Cost/ Valuation 31 Dec 2011 (\$000)	Accumulated Amortisation & Impairment 31 Dec 2011 (\$000)	Carrying Amount 31 Dec 2011 (\$000)
Software	920	83	837	1,422	-	-	-	-	-	430	2,342	513	1,829
Work in Progress	1,888	-	1,888	590	-	-	-	-	-	-	2,478	-	2,478
	2,808	83	2,725	2,012	-	-	-	-	-	430	4,820	513	4,307

Consolidated 2010	Cost/ Valuation 01 Jan 2010 (\$000)	Accumulated Amortisation & Impairment 01 Jan 2010 (\$000)	Carrying Amount 01 Jan 2010 (\$000)	Additions (\$000)	Disposals at Cost (\$000)	Amortisation on Disposals (\$000)	Impairments (\$000)	Revaluations (\$000)	Amortisation Recovered on Revaluation (\$000)	Amortisation (\$000)	Cost/ Valuation 31 Dec 2010 (\$000)	Accumulated Amortisation & Impairment 31 Dec 2010 (\$000)	Carrying Amount 31 Dec 2010 (\$000)
Software	-	-	-	920	-	-	-	-	-	-	920	83	837
Work in Progress	1,020	-	1,020	868	-	-	-	-	-	-	1,888	-	1,888
	1,020	-	1,020	1,788	-	-	-	-	-	83	2,808	83	2,725

Note 23. Trade and Other Payables

	University		Consolidated	
	2011	2010	2011	2010
	(\$000)	(\$000)	(\$000)	(\$000)
Trade Payables	145	1,864	649	2,480
Other Payables	9,877	11,408	9,888	11,490
Accrued Expenses	18,393	11,367	18,511	11,913
Amounts Due to Related Parties	196	184	508	-
Building Retentions	747	42	747	42
Total Trade payables	29,358	24,865	30,303	25,925

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 and is the same as the contractual values.

Note 24. Borrowings

	University		Consolidated	
	2011	2010	2011	2010
	(\$000)	(\$000)	(\$000)	(\$000)
Current				
Term Loans	895	985	895	985
Total Current Borrowings	895	985	895	985
Non-Current				
Term Loans	21,581	22,415	22,081	22,915
Total Non-Current Borrowings	21,581	22,415	22,081	22,915

Massey University has a fixed interest loan of \$22,476,215 (2010: \$23,399,641) with the BNZ. As security for the loan, the BNZ holds a registered mortgage over the Albany Campus, which is included in Note 21.

Maturity analysis and effective interest rate:	University		Consolidated	
	2011	2010	2011	2010
	(\$000)	(\$000)	(\$000)	(\$000)
Less than One Year	895	985	895	985
Weighted Average Interest Rate	6.84%	6.20%	6.84%	6.20%
Later than One Year but Less than 20 Years	21,581	22,415	22,081	22,915
Weighted Average Interest Rate	6.84%	6.20%	6.81%	6.19%
Total Borrowings	22,476	23,400	22,976	23,900

Fair value on borrowings:

The fair values of non-current borrowings are as follows:

	University		Consolidated	
	2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)
Fair value as at 31 December	24,049	22,603	24,582	23,103

Contractual Maturity Analysis:

	University		Consolidated	
	2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)
Less than One Year	2,421	2,423	2,421	2,539
Between One and Two Years	2,421	2,423	2,466	2,539
Between Two and Three Years	2,421	2,423	2,466	2,539
After Three Years	25,880	28,302	26,290	28,533
Total contractual cash flows	33,143	35,571	33,643	36,150

The contractual maturity analysis is based on the fixed term mortgages that existed as at 31 December.

Note 25. Employee Entitlements

	University		Consolidated	
	2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)
Current Portion:				
Accrued Pay	5,010	4,851	5,012	4,853
Annual Leave	9,508	8,474	9,641	8,575
Long Service Leave	377	-	377	-
Retirement Gratuities	1,092	610	1,092	610
Total Current Portion	15,987	13,935	16,122	14,038
Non-Current Portion:				
Long Service Leave	322	1,031	407	1,046
Retirement Gratuities	31,980	28,548	31,980	28,548
Total Non-Current Portion	32,302	29,579	32,387	29,594
Total Employees Entitlements	48,289	43,514	48,509	43,632

The long service leave and retirement gratuities were independently assessed as at 31 December 2011 by Mr J Eriksen FIA, a Fellow of the New Zealand Society of Actuaries with Eriksen & Associates.

An actuarial valuation involves the projection, on a year by year basis of the long service and retirement gratuities liabilities, based on accrued services, in respect of current employees.

These liabilities are estimated in respect of their incidents according to assumed rates of death, disablement, resignation and retirement allowing for assumed rates of salary progression. Of these assumptions, the discount, salary progression and resignation rates are most important. The projected cash flow is then discounted back to the valuation date at the valuation discounted rates.

Discount rates range from 2.76% to 6.00% for 16 years and beyond (2010: 3.59% to 6.00%).

Salary progression allows for a 3.00% increase per year (2010: 2.75%).

The demographic assumptions were based on the experience of the Government Superannuation Fund.

Note 26. Receipts in Advance

	University		Consolidated	
	2011	2010	2011	2010
	(\$000)	(\$000)	(\$000)	(\$000)
Current Portion				
Student Fees	17,024	14,547	17,047	15,562
Receipts Other	33,509	31,210	34,331	31,612
Total Current Portion	50,533	45,757	51,378	47,174
Non-Current Portion				
Receipts Other	1,585	1,660	1,585	1,660
Total Non-Current Portion	1,585	1,660	1,585	1,660
Total Receipts in Advance	52,118	47,417	52,963	48,834

The current portion of receipts in advance is expected to be recognised as income during 2012.

The carrying value of current receipts in advance approximates their fair value.

The non-current portion of receipts in advance was discounted to net present value and approximates their fair value.

Note 27. Asset Revaluation Reserves

	University		Consolidated	
	2011	2010	2011	2010
	(\$000)	(\$000)	(\$000)	(\$000)
Land & Buildings				
Balance 1 January	387,751	389,345	387,751	389,345
Revaluation	16,809	-	16,890	-
Disposals	-	(1,594)	-	(1,594)
Impairment	(14,267)	-	(14,267)	-
Balance 31 December	390,293	387,751	390,374	387,751

Note 28. Public Equity

	Notes	University 2011				University 2010			
		Opening Balance 01.01.11	Other Comprehensive Income	Operating Surplus/ (Deficit)	Closing Balance 31.12.11	Opening Balance 01.01.10	Other Comprehensive Income	Operating Surplus/ (Deficit)	Closing Balance 31.12.10
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Trust Funds	29	19,636	-	1,151	20,787	18,453	-	1,183	19,636
Asset Revaluation Reserves	27	387,751	2,542	-	390,293	389,345	(1,594)	-	387,751
Special Reserves		26,964	-	-	26,964	26,964	-	-	26,964
General Reserves		496,432	31	6,527	502,990	488,794	14	7,624	496,432
Total		930,783	2,573	7,678	941,034	923,556	(1,580)	8,807	930,783

	Notes	Consolidated 2011				Consolidated 2010			
		Opening Balance 01.01.11 (\$000)	Other Comprehensive Income (\$000)	Operating Surplus/ (Deficit) (\$000)	Closing Balance 31.12.11 (\$000)	Opening Balance 01.01.10 (\$000)	Other Comprehensive Income (\$000)	Operating Surplus/ (Deficit) (\$000)	Closing Balance 31.12.10 (\$000)
Trust Funds	29	19,636	-	1,151	20,787	18,453	-	1,183	19,636
Asset Revaluation Reserves	27	387,751	2,623	-	390,374	389,345	(1,594)	-	387,751
Special Reserves		27,054	-	-	27,054	27,054	-	-	27,054
General Reserves		498,724	31	6,437	505,192	490,091	(348)	8,981	498,724
Total		933,165	2,654	7,588	943,407	924,943	(1,942)	10,164	933,165

Note 29. Trust Funds (University and Consolidated)

	University 2011				University 2010			
	Opening Balance 01.01.11 (\$000)	Income (\$000)	Expenses (\$000)	Closing Balance 31.12.11 (\$000)	Opening Balance 01.01.10 (\$000)	Income (\$000)	Expenses (\$000)	Closing Balance 31.12.10 (\$000)
Helen Akers Bequest	834	36	43	827	818	142	126	834
MU Common Fund	12,423	2,586	1,378	13,631	11,110	2,919	1,606	12,423
Sasakawa Foundation	5,585	282	361	5,506	5,743	353	511	5,585
Delahunty Trust	607	23	4	626	589	24	6	607
Norwood Trust	82	4	-	86	79	4	1	82
A G East Memorial Trust	29	9	6	32	42	2	15	29
Tony Drakeford Memorial Trust	76	3	-	79	72	4	-	76
Total Trust Funds	19,636	2,943	1,792	20,787	18,453	3,448	2,265	19,636

Although these items are trusts, Massey University has control over them and obtains benefits associated with ownership of them. They have therefore been treated as equity in the Parent and Consolidated Balance Sheet. Details of trust funds are as follows:

- Helen Akers Bequest - funds bequeathed from the Estate of Helen Akers to provide scholarships for students;
- Massey University Common Fund - pool of funds used for holding and paying out scholarships and prize monies to students;
- Sasakawa Foundation - scholarships provided from the Sasakawa Foundation, Japan, for students;
- Delahunty Trust - trust fund established to provide research grants to foster primary industry accounting research to students living in New Zealand;
- Norwood Trust - prizes for students for achievement in trade courses;
- A G East Memorial Trust - educational scholarships for technical and trade courses;
- Tony Drakeford Memorial Trust - educational scholarships for commerce courses.

Note 30. Joint Venture

Massey University's interest in the New Zealand School of Music (NZSM) joint venture is accounted for as a jointly controlled entity. Massey University owns 50% of NZSM.

Massey University's interest in Agri One Limited, a joint venture, is accounted for as a jointly controlled entity. Massey University owns 50% of Agri One Limited.

Summary of Massey University's interest in joint ventures is as follows:

	2011	2010
	(\$000)	(\$000)
Current Assets	2,482	3,511
Non-Current Assets	301	297
Current Liabilities	727	2,016
Non-Current Liabilities	85	15
Income	4,355	4,181
Expense	4,161	3,604

Joint Venture Commitment and Contingencies: There were no commitments or contingent liabilities arising from Massey University's involvement in the joint venture.

Note 31. Council Members' Fees Paid During 2011 Year

	2011	2010
R Ballard	25,350	25,350
S Kos	3,283	11,200
S Baragwanath	-	2,400
K Denness	5,920	1,120
R Karetai	-	4,160
C Kelly	8,960	8,960
N Love	2,080	960
A Paterson	10,387	8,960
K Pearce	-	1,440
T Porter	6,560	4,480
A Scott	2,240	2,720
R Springett	6,560	6,080
B Ullrich	5,760	5,920
K Geary	3,200	-
L Whyte	7,040	-
Total	87,340	83,750

Note 32. Related Party Information

The following tables provide the total amount of transactions that have been entered into with related parties for the relevant financial year (information regarding outstanding balances is as at 31 December 2011 and 2010):

Material Related Party Transactions

Key Management Personnel:

		Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Professor J Chapman, a Pro Vice-Chancellor of Massey University has an interest in Sterling Human Resources Ltd	2011	Nil	\$182,598	Nil	\$3,440
	2010	Nil	\$96,200	Nil	\$20,240

The above transactions include GST

Organisations Massey University is related to:

		Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Massey University owns 50% of the New Zealand School of Music Limited - Joint Venture	2011	\$2,325,454	\$12,000	\$562,240	\$12,000
	2010	\$2,224,691	Nil	\$265,188	Nil
Massey University Foundation - Subsidiary	2011	Nil	Nil	Nil	Nil
	2010	Nil	Nil	\$388,537	\$127,545
Massey Ventures Limited - Subsidiary	2011	Nil	Nil	Nil	\$162,084
	2010	Nil	Nil	Nil	\$4,161
Estendart Limited - Subsidiary	2011	\$340,610	\$113,494	\$118,328	\$985
	2010	\$1,071,368	\$604,505	\$65,170	\$52,780
E-Centre Limited - Subsidiary	2011	\$258,006	Nil	\$4,335	Nil
	2010	\$254,216	Nil	\$1,576	Nil
Bio Caveo - Associate	2011	Nil	Nil	Nil	Nil
	2010	Nil	Nil	Nil	Nil
Polybatics Limited - Associate	2011	\$752,989	Nil	\$405,836	Nil
	2010	\$474,008	Nil	\$139,114	Nil
Bio Commerce Limited - Associate	2011	Nil	Nil	Nil	Nil
	2010	\$30,506	Nil	\$1,105	Nil
Magritek Holdings Limited - Associate	2011	Nil	Nil	Nil	Nil
	2010	Nil	Nil	Nil	Nil
New Zealand Vet Pathology Limited - Associate	2011	\$220,847	\$353,812	\$19,588	\$124,893
	2010	\$260,173	\$360,772	\$15,010	\$32,520
Agri One Limited	2011	Nil	Nil	\$176,388	\$54,020
	2010	Nil	Nil	Nil	Nil
Synthodics Limited	2011	Nil	Nil	Nil	Nil
	2010	Nil	Nil	Nil	Nil

The above transactions include GST

The Crown

All related party transactions have been entered into on an arms' length basis.

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

Significant transactions with government-related entities

Operating Revenue	University		Consolidated	
	2011	2010	2011	2010
	(\$000)	(\$000)	(\$000)	(\$000)
TEC Grants	179,226	178,070	179,226	178,070
Research Grants funded by the Crown	52,115	53,269	52,115	53,269
Total Grants funded by the Crown	231,341	231,339	231,341	231,339

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

In conducting its activities, the University is required to pay various taxes and levies (such as GST, FBT 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 also purchased goods and services from entities controlled, significantly influenced, or jointly controlled by the Crown. Purchases from these government-related parties is as per the following table:

Operating Expenses	University		Consolidated	
	2011	2010	2011	2010
	(\$000)	(\$000)	(\$000)	(\$000)
Operating Expenses paid to the Crown	17,467	19,125	17,524	19,182
Operating Expenses paid to the Crown	17,467	19,125	17,524	19,182

These expenses include the purchase of electricity from Meridian, air travel from Air New Zealand and postal services from New Zealand Post.

All goods were supplied under normal commercial terms.

There were no other transactions between Massey University and related parties.

Key Management Personnel	University		Consolidated	
	2011	2010	2011	2010
	Remuneration			
Short-Term Employment Benefits	3,023,603	3,943,451	3,067,603	4,202,451
Post-Employment Benefits	191,125	205,352	191,125	205,352
Council Fees	87,340	83,750	151,640	148,050
	3,302,068	4,232,553	3,410,368	4,555,853

Key Management Personnel includes Council, the Vice-Chancellor, the Deputy Vice-Chancellor, five Pro Vice-Chancellors and six Assistant Vice-Chancellors.

Note 33. Statement of Commitments

Detailed below are those capital projects for which commitments have been made.

	Projected Total Cost of Project (\$000)	Expenditure to 31.12.11 (\$000)	Unspent Commitment (\$000)
Total Project Commitments 2011	48,728	33,470	15,258
Total Project Commitments 2010	32,714	18,632	14,082

In addition, the University had operating commitments in respect of service contracts, leases of land, buildings and equipment, and photocopier rental as follows:

Operating Leases	University		Consolidated	
	2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)
Due Not Later than One Year	3,325	3,486	3,589	3,720
Due Later than One Year and Not Later than Five Years	5,808	5,175	6,738	6,112
Due Later than Five Years	1,701	2,199	1,701	2,199
Total	10,834	10,860	12,028	12,031

Other Commitments	University		Consolidated	
	2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)
Due Not Later than One Year	2,977	2,738	2,977	2,738
Due Later than One Year and Not Later than Five Years	1,236	3,266	1,236	3,266
Due Later than Five Years	-	-	-	-
Total	4,213	6,004	4,213	6,004

Note 34. Statement of Contingent Assets and Liabilities

As at 31 December 2011, Massey University had the following contingent liabilities (University and Consolidated):

There were three employee personal grievances against the University as at 31 December 2011.

The Contingent Liability was assessed at \$100,000 (2010: \$120,000).

Eight students have lodged separate claims against the University. The University is defending its position.

Contingent liability is assessed at \$195,000 (2010: \$307,000).

As at 31 December 2011, Massey University was not aware of any contingent assets (University and Consolidated).

Note 35. Post Balance Date Events

In early January 2012, Massey Ventures Limited sold all of its shares in Estendart Limited. There were no other significant post balance date events (2010: nil).

Note 36. Financial Instruments Risk

Massey University has a series of policies to manage risks associated with financial instruments. Massey University is risk adverse and seeks to minimise exposure from treasury activities. Massey University has established Council approved liability management and investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

MARKET RISK

Credit Risk

Credit Risk is the risk that a third party will default on its obligations to Massey University, causing it to incur a loss. Massey University has no significant concentrations of credit risk as it has a large number of credit customers, mainly students.

Massey University invests funds only in deposits with registered banks, and its investment policy limits the amount of credit exposure to any one bank. Investment funds are spread over a number of banks and vary between short and long term. Investments with each bank is in line with the University's Treasury Framework.

Maximum exposure to credit risk at balance date are:

	University		Consolidated	
	2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)
Bank Deposits	88,733	81,121	92,425	84,195
Receivables and Prepayments	32,214	32,971	33,013	33,827
Managed Funds	-	-	13,862	13,026
Guarantee Bond	30	30	30	30
Credit Facility on Credit Card	4,000	4,000	4,000	4,000

The above maximum exposures are net of any recognised provision for losses on these financial instruments. No collateral is held on the above amounts.

Bank Deposits are represented by the following:

	Credit Rating	University		Consolidated	
		2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)
ASB Bank Limited	AA- (Very Strong)	20,000	15,000	20,000	15,000
Bank of New Zealand	AA- (Very Strong)	4,105	7,519	7,797	10,593
Kiwibank Limited	AA- (Very Strong)	20,230	20,000	20,230	20,000
ANZ National Bank Limited	AA- (Very Strong)	6,250	5,380	6,250	5,380
Westpac New Zealand Limited	AA- (Very Strong)	38,148	33,222	38,148	33,222
		88,733	81,121	92,425	84,195

Standard and Poor's Credit Ratings sourced from the Reserve Bank of New Zealand: <http://www.rbnz.govt.nz/nzbanks>

Liquidity Risk

Liquidity Risk is the risk that Massey University will encounter difficulty raising funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and ensuring the availability of funding through an adequate amount of committed credit facilities. Massey University aims to maintain flexibility in funding by keeping committed credit lines available.

Massey University aims at having minimum cash holding of \$20 million.

Massey University manages its borrowings in accordance with its Treasury Policy.

The maturity profiles of Massey University's interest-bearing investments are disclosed in Note 18.

Currency Risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

Massey University minimises the risk over expenditure by holding funds in the major foreign currencies that it does business in. The amount on deposit is determined by the amount that is expected to be incurred against that currency over the next 12 months. Holdings of foreign currencies are disclosed in Note 13.

Where one-off major capital expenses involving foreign currency is identified, then a review of current trends and amount held in that currency is undertaken. If appropriate, then forward cover may be undertaken.

The only significant exposure to currency risk is funds held in our USD bank account as disclosed in Note 13. If the USD moved up or down by 1% the effect on surplus and equity is \$13,385, based on a closing balance of USD 1,036,031. All other variables are held constant.

Interest Rate Risk

The interest rates on Massey University's investments are disclosed in Note 18, and borrowings in Note 24.

Fair Value Interest Rate Risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market rates. Massey University is limited by statute in its ability to manage this risk. If interest rates on investments had fluctuated by plus or minus 0.5%, the effect would have been to increase/decrease the surplus by \$595,783. Interest rates on borrowings are fixed and not subject to fluctuation for the duration of the fixed maturity chosen. Borrowings are carried at amortised cost and therefore are not impacted by fair value interest rate risk. All other variables are held constant.

Cash Flow Interest Rate Risk

Cash flow interest rate risk is the risk that cash flows from financial instruments will fluctuate because of changes in market rates. Borrowings and investments made at variable interest rates expose Massey University to cash flow interest rate risk. Apart from some deposits at call for liquidity purposes, Massey University does not have any variable interest rates.

Other Price Risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of market changes in market price. Massey University does not hold any other financial instruments of significance subject to this risk.

Note 37. Critical Accounting Estimates and Assumptions

In preparing the financial statements Massey University has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates are judgements that are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. With the exception of those items listed below, there were no estimates of assumptions that will have significant impact on the carrying amounts of assets and liabilities within the next financial year.

Long-Service Leave and Retirement Gratuities

In order to assess Massey University's liability in respect of long-service leave and retirement gratuities, an actuarial report was prepared by Eriksen Actuarial in accordance with NZ IAS 19. (Refer Note 25 for assumptions.)

Note 38. Critical Judgements in Applying Massey University Accounting Policies

Management has exercised the following critical judgements in applying Massey University policies for the year ended 31 December 2011.

Impairment of Trade Receivables

Trade Debtors have been reviewed fully and impairments provided as necessary.

Impairment of Property Plant and Equipment

When considering whether any impairment of property plant and equipment existed, the cash generating unit for Massey University is taken to be at campus level. During the year a review was undertaken that resulted in the impairment of the Hokowhitu campus by \$14,266,779, and aircraft by \$2,853,808 (2010, Nil).

Carrying Value of Land and Buildings

To ensure that the carrying value of the University's land and building are correctly recorded it has been determined that such assets are valued by an independent registered valuer on a regular basis or as deemed necessary.

Crown Owned Land

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 and the group consider it has assumed all of the risks and rewards of ownership of this property despite legal ownership not being transferred and accordingly it would be misleading to exclude these assets from the financial statements.

Distinction between Revenue and Capital Contributions

Most Crown funding received is operational in nature and is provided by the Crown under the authority of expense appropriation and is recognised as revenue. Where funding is received from the Crown under the authority of a capital appropriation, the University and the group, accounts for the funding as a capital contribution directly in to equity.

STATEMENT OF SERVICE PERFORMANCE

In its strategic plan, Massey University has identified six Big Goals on The Road to 2020 and achieving our vision that:

“By 2020 Massey will be acknowledged as New Zealand’s defining university and as a world leader in higher education and scholarship.”

The Big Goals, and the strategy associated with them, guide the University’s strategic priorities in the immediate future. These priorities reflect the positioning, distinctive character and operating environment of the University, and will best enable Massey to achieve the outcomes sought by the priorities and key shifts for the Universities sub-sector as outlined in the Tertiary Education Strategy 2007-2012. The University’s strategy and priorities are reviewed annually.

The Massey University Investment Plan 2011-2013 included specific performance indicators and measures under each of the University’s six Big Goals. The performance indicators are intended to cover all the activities of the University. Performance against these indicators is reported in this Statement of Service Performance. The Appendices provide additional information and detail on the University’s profile.

Research and Scholarship Big Goal

“We will promote the highest standards of research and scholarship and be a world leader in our areas of specialisation.”

Associated Goals

- Secure institutional approval for a Massey University Research Strategy which focuses upon excellence, academic leadership and engagement
- Optimally position the Massey University 2012 Performance Based Research Fund (PBRF) Portfolio
- Lead the adoption of creative partnerships with other universities and research institutions globally
- Nurture and build Centres of Excellence in our defining areas of research specialisation
- Grow research postgraduate numbers and secure completions to align with international standards for excellence by 2020
- Increase commercial opportunities and secure benefit from targeted business development activity as part of promoting enterprise at Massey
- Enhance research capacity and capability through an improved application of the staff work load model, the appointment of experts in priority areas of specialisation and increased scholarship provision

Outcomes¹

Massey University is committed to providing an environment where excellent research is the norm. Massey is a research-led university. We intend to excel in all areas of research undertaken by the University, and lead the world in our areas of specialisation. Our teaching programme will be informed by research. We will seek to transfer and apply our knowledge in a variety of ways. We will focus on making contributions in areas of our major strengths to the social, economic, and cultural development of the country.

To meet our goals we will need to produce an environment where research and scholarship can thrive, standards are constantly enhanced, there is support for cross-disciplinary work, and the very best researchers

¹ The Outcomes and Key Initiatives for each Big Goal were specified in the University’s Investment Plan 2011-2013.

are encouraged to reach their potential. Every researcher needs to feel they are part of a community dedicated to producing work that makes a difference to New Zealand and the world.

Such an environment will be built on three pillars: a research strategy aimed at ensuring support for outstanding research and leadership in the University's areas of specialisation; the generation of income that will pay for this; and the capability to transfer knowledge.

Aimed at strengthening research outcomes, implementation of Massey University's strategic priorities under this Big Goal will:

- Produce high quality research and drive innovation that builds on New Zealand's knowledge base and contributes to the nation's economic, social and cultural development and environmental management
- Enhance educational outcomes for the University's learners and enable the development of New Zealand's human, social and cultural capital through learner-focused, research-informed teaching, the quality of academic programme delivery and research training

Key Initiatives²

Massey University advanced its Research and Scholarship goals by targeting implementation of the following key initiatives during 2011:

- Implementation of the PBRF Research Strategy and Associated College Research Plans
- Update and implementation of the University's Research Strategy progressed
- Implementation of the University's Commercialisation Model

Performance 2011

Significant progress has been made on the implementation of the University's strategy for the next PBRF round in 2012. The University's PBRF Governance Group continued to monitor progress with institutional preparations and developed submission plans for 2011. To support staff in preparing Research Portfolios (RPs) for the 2011 Institutional Review of Research, presentations and drop-in clinics were held on all campuses to provide guidance and to outline a framework for the preparation of the Massey submission to the 2012 Tertiary Education Commission (TEC) PBRF audit. More than 1400 draft RPs were submitted by October 2011 for review and were audited by a selected Massey panel that provided feedback.

Other PBRF-related achievements included: appointment of mentors in the College of Sciences to assist with RPs and Evidence Portfolios preparation, and applications for Marsden Grants and Rutherford Discovery Fellowships; 26 Massey staff were appointed as 2012 TEC PBRF Subject Panel members and/or Chairs compared to 17 in 2006; an initial audit was completed identifying all research eligible staff and a database of PBRF-eligible staff was created and verified; development of the Symplectic software for collating research outputs into a research repository for use at Massey was advanced with projects underway to improve the processing of academic outputs, improve the reporting of research degree completions and to interface publications to the Library repository; and a new online submission process was developed for the internal Massey University Research Fund annual funding round to encourage more strategic support for research at College-level. The latter initiative has special focus on cross disciplinary work, research that expressed Massey key narrative strengths, and support for early career researchers.

A revised draft Research Strategy was presented to a wide range of stakeholders including University Council and interested staff. Following a period of consultation, the strategy will be reported back for final approval. The implementation of this strategy is designed to increase the University's research capability, improve research revenue, enhance the University's reputation as a world-class university and will include linkages to the internationalisation agenda at Massey as part of developing and promoting research excellence.

² The Outcomes and Key Initiatives for each Big Goal were specified in the University's Investment Plan 2011-2013.

Implementation of key elements of the University's draft research strategy has already been progressed. The development and establishment of research centres of excellence in identified areas of academic strength continued during 2011. The Centre for Infectious Disease Research was approved as a new University Research Centre towards the end of the year. The Centre for Public Health Research, within the School of Public Health, was awarded \$2.8 million of new funding from the Health Research Council (HRC) for New Zealand's first ever comprehensive survey into links between motor-neurone disease and the workplace. 'Food Research' at Massey University has been mapped out, as part of an on-going strategic engagement with the Riddet Institute and the implementation of the post 2014 Centres of Research Excellence (CoRE) strategy. The University continues to host two of the eight national CoREs which are supported by government (the Riddet Centre and the Alan Wilson Centre) and is also a partner in three others. Discussions are on-going with the Ministry of Pacific Island Affairs, Ministry of Health, and HRC regarding the draft proposal for a Pasifika Centre of Research and Research Translation.

Research collaborations with national and international partners are important to the achievement of Massey University's research aims in collaborating with international parties in line with the University's Internationalisation Strategy. Significant progress has been made in building the collaborative relationship with Lincoln University in the Agri-food sector with the launch of the joint Centre of Excellence in Farm Business Management in 2011. A joint venture company owned by Massey University and Lincoln University has now been registered as Agri One Ltd, with formal launch planned for early 2012. Massey and Lincoln University have also signed a memorandum of understanding that will see them collaborate in precision agriculture research and education. In addition, as part of the University's Agri-food strategy, the formal collaboration established with the University of Wageningen in the Netherlands, was advanced in July 2011 with the first meeting at Wageningen with the Heads of six leading universities and research organisations in food and agriculture drawn from the USA, France, Holland, China, Brazil, and with Massey representing New Zealand. Massey's engagement with NZFood Innovation as a 'hub' was confirmed and actioned with preparations now underway for submissions to the Ministry of Science and Innovation (MSI) 2012 funding call.

Massey@Albany was profiled as the innovation campus in 2011, which included a substantial number of academic activities throughout the year focused on building a Massey framework for innovations which support our engagement with the community.

Massey University has implemented a number of staff-related initiatives to enhance research capacity and capability throughout 2011. Three Fulbright campus advisors were appointed to provide assistance to staff and students applying for scholarships from that organisation. A Strategic Innovations Fund was developed in recognition of the need to enable staff who wished to advance initiatives in a strategic goal area of Responsibility and Enabling Excellence – in 2011 23 proposals were funded. The 2011 Te Mata o Te Tau lecture series was held with Professor Tairahia Black speaking on all campuses about the future developments of Te Reo Māori. Other staff-related achievements included: preparation of material for the implementation of an "Introduction to Research at Massey" programme, which will be available at the beginning of 2012; upgrading of the IMPEL recruitment tool and the completion of the roll out of external and internal vacancies; a presentation on recruitment skills was developed and will be available upon request in 2012; and the content on the current induction survey has been reviewed and new survey content and rating scales have been developed which is now ready for consultation.

In addition to the specific initiatives designed to build research capability already alluded to, the University implemented a number of projects designed to expand postgraduate education and further develop support for all postgraduate students. A new information management module for monitoring research postgraduate completions has been developed so that appropriate quality assurance data (i.e. progression and completion) can be extracted to inform future planning. A project has been started to extend the Research Information Management System (RIMS) to masters students and the PORTIA module of RIMS, designed to give Colleges

access to information on doctoral students, has been progressed. Massey has participated in various international benchmarking exercises (i.e. Quacquarelli Symonds [QS], igraduate, Association of Commonwealth Universities) which have provided valuable information to inform future planning around postgraduate (research and taught) student recruitment.

Postgraduate programmes are now promoted in the United Kingdom and Food Science postgraduate programmes are being promoted in selected markets. A new cohort of postgraduate (taught) students is expected for the Master of Veterinary Medicine and Master of Public Health World Bank programme in 2012. Agreements were also signed with Jao Tong and Nanyang Universities in China to recruit postgraduate students on a cohort basis. Several memorandums of understandings were signed in 2011 which included Nanjing University, Singapore Workforce Development Agency, Singapore Manufacturers' Federation (which will assist with the development of further programmes in Singapore), and more in China, United States and Sri Lanka are currently under negotiation. As the international market may not recognise postgraduate diplomas as a stepping stone to masters, the International Office met with all Colleges and direct entry into masters is now available for nine masterate programmes at Massey. As part of postgraduate month, 50 workshops/events were provided across all three campuses, and a doctoral examiners workshop was trialled on the Manawatu campus. The Māori doctoral orientation has now been incorporated with the postgraduate research community and also two Pasifika postgraduate publications were produced.

The University's commercialisation models, which were established through partnerships with the Bio Commerce Centre in Palmerston North and the ecentre in Albany, are operating effectively and have already led to a higher throughput of new ideas, licensing of intellectual property and development of key spin outs. There was a 75 per cent increase in contracts for research services approved in 2011 when compared to 2010 activity, two new commercialisation agreements were approved (with three more in final stages of discussions), and a total of 30 new disclosures were logged for 2011. The University's ecentre marked a decade of supporting business innovation by showcasing some of its success stories at a tenth anniversary celebration. The business incubator has helped more than 200 companies since it was founded in 2001. Plans to develop a relationship with Auckland Node, a national network of commercialisation centres, were advanced in 2011. A model is also being developed for 'innovation and enterprise' hubs at Albany and Wellington to link from, to, and with Manawatu-based provision for enterprise. The University's commercialisation processes were audited by the MSI and approved as an exemplar of 'good practice'.

In terms of the performance indicators for the Research and Scholarship Big Goal, the following are highlighted:

- Total external research income exceeded target for the year and was well above the five-year rolling average, a positive result
- PBRF income exceeded the stated five-year rolling average, however the decrease in total PBRF income compared to 2010 reflects with the decrease in overall external research income received
- Research degree completions overall were below target, but refer to note 4 below as targets were originally set based on a different methodology. Research degree completion rates significantly increased for Māori and International students when compared to 2010 and were ahead of the five-year rolling average, while completions for Pasifika students remained in line with the five-year rolling average. Research degree completions are expected to increase from 2011 onwards given the increased numbers of research students enrolling at Massey
- Total number of new disclosures were under target in 2011 but increased compared to 2010, a continuing trend
- Agreed Licenses/Commercialisation contracts concluded in 2011 exceeded the four-year rolling average
- Licensing Revenue exceeded target for the year and increased on 2010-levels and the five-year rolling average, a pleasing outcome

Key Performance Indicators	Notes	5-year rolling average (2006-2010)	2011 Target	2011 Actual	2010 Actual
EXTERNAL RESEARCH INCOME (\$M)					
Total		66	72	73	79
Vote RS & T	1	22	20	21	23
Other Government	1	34	33	29	35
Non – Government		16	19	23	21
PBRF EXTERNAL RESEARCH INCOME (\$M)	2	47	61	54	56
RESEARCH DEGREE COMPLETIONS (NUMBER OF)					
All students	3,4	383	430	334	354
International students		37	61	44	36
Māori students		33	36	40	32
Pasifika students		2	8	2	3
COMMERCIALISATION					
New Disclosures (number of)	1	23	40	30	26
Licences / Commercialisation Deals Executed (number of)	5	2	3	3	3
Licensing Revenue (\$000's)		394	400	415	369

Notes:

1. This is a two-year rolling average only for these categories
2. This is an interim figure only, pending confirmation of final data from TEC
3. 2011 Actual relates to 2010 completions. 2010 Actual relates to 2009 completions. Five-year rolling average relates to 2005-2009
4. Targets were based on old methodology for calculating PBRF completions. For example, previously a master's thesis divided in to a Part 1 and Part 2 paper counted as two completions, from 2010 only the Part 2 counts as a completion under new TEC rules. The five-year rolling averages have been recalculated using the new methodology
5. This is a four-year rolling average only for this category

Teaching and Learning Big Goal

“We will ensure an exceptional and distinctive learning experience at Massey for all students.”

Associated goals

- Build on our reputation for providing applied, real-world, problem-solving learning opportunities and fully exploit opportunities provided by new digital media
- Build on our consolidated qualification portfolio by expanding and investing in Massey’s areas of strength, and identifying new disciplines and qualifications that connect with our research profile and that meet the needs of the 21st century society
- Provide enhanced professional development and lifelong learning opportunities for staff through the National Centre for Teaching and Learning, the Centre for Professional and Continuing Education and the People and Organisational Development portfolio
- Extend our capability and expertise in blended and distance education
- Continue to be innovative in our approach to curriculum content, teaching and assessment and our constructive engagement with all students
- Build high levels of student success, retention and progression to postgraduate study
- Offer mentoring, career development opportunities and professional development in academic leadership for our staff, and maintain and enhance positive relationships with the Massey University Students’ Association Federations
- Strengthen our high quality learning support and pastoral care services to students and co-locate the provision of learning and teaching support at teaching and learning centres on each campus
- Grow the institution to ensure that we are well positioned to meet the educational needs of the domestic population and to build our international student community

Outcomes³

Massey University’s academic portfolio is strategically positioned to deliver nationally relevant and internationally regarded academic programmes that can be accessed from three physical campuses (located in Albany, Manawatū and Wellington) or through distance education.

Massey has developed a distinctive model of teaching and learning which, through a strong commitment to skills, lifelong learning and access, has served many generations of learners from all backgrounds in New Zealand and overseas. This commitment to provision will continue, while including a focus on the Government’s priorities in the Tertiary Education Strategy for improving educational outcomes for targeted groups of learners in the shorter term.

Already a leader in tertiary teaching, as demonstrated by the number of awards won by staff and the hosting of the National Centre for Tertiary Teaching Excellence (Ako Aotearoa), Massey wants its teaching to be defined by learner-focused research-informed learning; ongoing innovation in curriculum content, teaching, assessment and modes of delivery; constructive engagement with students; high levels of retention, academic achievement and progression to postgraduate study; mentoring and career development opportunities; excellent campuses and relationships with Massey University Students’ Association Federation; and high quality learning support and pastoral care to students.

Massey intends to transform the learning experience of students and has embarked on a project (the Academic Reform project) that will further strengthen the University’s positioning with sustainable and defining programmes of study that are delivered in distinctive, innovative and accessible ways and ensure that graduates of Massey University are more creative and connected with professional practice, their disciplines and research. Through this project we intend to meet the challenge in our strategic plan which is to examine the Massey model to ensure it meets the needs of our different learning communities that make up the University in the 21st century.

3 The Outcomes and Key Initiatives for each Big Goal were specified in the University’s Investment Plan 2011-2013.

Aimed at achieving the Government's short-term priorities and long-term direction, implementation of Massey University's strategic priorities under this Big Goal will:

- Contribute to the nation's economic, social and cultural development and environmental management through a strategically positioned academic portfolio and delivered via a distinctive learning model (Massey defining)
- Enhance educational outcomes for the University's learners and enable the development of New Zealand's human, social and cultural capital through learner-focused, research informed teaching, the quality of academic programme delivery and research training

Key Initiatives⁴

To progress the strategic priorities under this Big Goal, the University targeted the following key initiatives in 2011:

- Implementation of the University's Teaching and Learning Framework (via the Academic Reform Project) progressed
- Investment in new technology made, as planned (including implementation of new Learning Management System)
- Implementation of the University's International Plan progressed
- Implementation of the University's Enrolment Management Plan progressed
- Māori@Massey strategy implemented
- Pasifika@Massey strategy implemented
- Student Retention and Success strategy developed and implemented

Performance 2011

The final report of the Academic Reform Project was presented to Council in 2011 which also included an update on the implementation of the University's Teaching and Learning Framework. The Framework comprises of the University's Signature Academic Platforms and Defining Specialisations and the Massey Model of Teaching and Learning, teaching and learning quality assurance and policies, and professional development. Implementation of the College's Academic Reform proposals are now underway through the academic approval pathways of the University. An outcome of the Academic Reform project is the establishment of a new College of Health, to combine all current health related programmes into the one College. A proposal is currently under consideration which, once implemented will see Massey make a distinctive contribution to New Zealand's health and wellness.

Other achievements in 2011 as a result of academic reforms and planning included: the establishment of the School of Sport and Exercise; amalgamation of the Auckland School of Design with the School of Design in Wellington; consolidation of the engineering programme at the Auckland and Manawatu campuses; completion of the Ako Aotearoa research project on the Secondary/Tertiary Learning Interface; approval of the Academic Integrity policy and related procedures; completion of major curriculum redesign in a number of undergraduate programmes; approval of a new Qualification Policy and Framework with consequential revisions to the related programme and paper templates for qualification approval and review (to be implemented in 2012); ten new qualifications gained Committee on University Academic Programmes approval for 2012 teaching; renewed research and development of existing programmes to improve their viability and attractiveness to students; approval of the establishment of a Distance Education and Learning Futures Alliance; and additional accreditations were sought for Accountancy and through the National Association of Schools of Art and Design for programmes in the College of Creative Arts.

Throughout 2011, Massey also built on its reputation for providing applied, real-world, problem-solving learning opportunities for our students as shown by the doubling of College of Business intern placements in 2011

⁴ The Outcomes and Key Initiatives for each Big Goal were specified in the University's Investment Plan 2011-2013.

(compared to 2010) and the launch of Step Up, a pilot student leadership programme which provides formal recognition of extra-curricular activities, volunteer work, attendance at workshops and seminars aimed to enhance career and life skills. An Applied Learning@Massey strategy is currently under development which will include a range of experiential learning opportunities for students to apply theory to practice. A report titled "Student Engagement in New Zealand's Universities" was launched at the Tertiary Education Research in New Zealand conference, which highlights student engagement by a number of different themes.

Professional development opportunities for staff also remained a key focus of the University's strategy. Initiatives implemented during 2011 included: the National Centre for Teaching and Learning established a framework for teaching and learning development and support which is aligned with The Road to 2020; Teaching and Learning Centres on each campus are now operationalised and a new approach to the delivery of professional development has been implemented which moves from a generic workshop to a tailored workshop model; teaching and learning grants were awarded to support innovative development in teaching and learning and to enable an individual or teams to explore and develop activities and projects that enhance the learning experiences of Massey students, and innovative, research-led, and engaging teaching; teaching excellence awards have been established in Colleges; an audit of student assessment activities was undertaken in the College of Education and changes were made to reduce the length of the teaching year to increase opportunities for academic research; and academic staff professional development days were held in most Colleges.

Massey's expertise in blended and distance education was further illustrated by an honourable mention from the United States based National University Technology Network during the 2011 Distance Education Innovation Awards for the Bridging the Distance project. This project provides a series of online resources for distance students aimed to better inform prospective students and provide new and existing students with better support. The Export Education Innovation Programme (EdNZ) funded project for "Blended delivery of the undergraduate Direct Entry English Pathway", was also successfully completed with the partner in Hanoi, Vietnam, and delivery was extended with existing and new partners. Further funding from EdNZ has been obtained for the development of short courses in Veterinary Sciences.

Investment in new technology is central to Massey's development of, and investment in, infrastructure for distance education and blended learning. Significant progress was made in 2011 and included: a 400 per cent increase in electronic assignment submissions by students and 64 per cent of all assignments are now submitted through Stream, the University's new Learning Management System; a formal report was completed on the requirements of a digital repository for learning objects and resources at Massey and an updated e-portfolio was implemented in 2011; and the Massey Online Survey Tool was fully implemented in 2011 with overall satisfaction ratings averaging 90 per cent from those that responded.

New digital media related initiatives implemented by the University included the expanded provision of electronic (digital) information resources and greater accessibility to e-journals which provide superior search-ability and greater efficiencies for Massey's multi-campus and distance learning environment. Additional electronic tools are now freely available to staff and are supported by professional development opportunities. A handbook has been produced for staff that are new to "Work Integrated Learning" via a grant from Ako Aotearoa.

Internationalisation gained significant momentum in 2011 with the update of the Massey University Internationalisation Strategy. The purpose of this strategy is to position Massey internationally as New Zealand's defining university, using its areas of discipline strength and its ability to provide a unique education with a distinctive New Zealand flavour to international students wherever they study and by whatever mode of learning. Strategy strand leaders are currently drafting operational plans to be implemented in 2012. An International Student Distance Learning Prospectus was also completed and during 2011 showcased Massey's capability and capacity for international distance delivery and identified a range of programmes available for delivery offshore by distance learning. This was launched at the same time as the Internationalisation Strategy to staff. The quality of the prospectus was also recognised with a prestigious Quacquarelli Symonds (QS) Bronze Award for best international student recruitment brochure.

Other international initiatives that were completed in 2011 included: implementation of a new suite of student recruitment scholarships and incentive programmes; “Internationalising the Curriculum” was the theme of the 2011 Vice-Chancellor’s Symposium; revised “Guidelines for International Distance Delivery” were produced; a new International Distance Education website is under development and the revised International Office website was launched in 2011; and a celebration of graduation for Master of Veterinary Medicine and Master of Public Health (Biosecurity) is planned for early 2012. The University achieved substantial growth in new international student admissions in 2011 and a 49 per cent increase in international EFTS (Equivalent Full-Time Student) in Bridging and English Language programmes (from July 2010 to July 2011).

During 2011, Massey engaged in a benchmarking project with QS Stars, an innovative new ratings system for academic institutions from QS which uses a more comprehensive set of indicators in addition to those used in the QS University rankings. Massey received an initial rating of four stars out of five, and also five stars for Research, Teaching, Innovation, and Infrastructure sub-measures. This is an excellent initial result.

The University’s Enrolment Management Plan was updated in 2011 to ensure the University remained within the Tertiary Education Commission’s (TEC) current funding cap. Discussions are on-going with the TEC regarding enrolment levels.

The University continues to advance the implementation of its strategies for Māori and Pasifika to improve educational outcomes for these important groups of learners. A future focussed planning meeting with Māori staff was held to align Massey Māori curriculum with Māori development priorities. At a follow up meeting discussions were advanced regarding a revised Māori@Massey strategy for 2020 (Kia Marama). This is now under preparation with a draft currently released for consultation. This will replace the 2002 strategy, and will align with The Road to 2020, the Research Strategy, and the Academic Reforms. The Pasifika@Massey strategy is also being revised for similar alignment. Within the College of Creative Arts, a Pasifika Strategy was completed, and alongside the development of the College Academic Development 2011-2013, Māori Achievement Plan objectives were considered. In March 2011, an important Māori-related milestone was achieved with the implementation of Te Rau Whakaara. Te Rau Whakaara is a new student-centred approach to accelerate Māori achievement at Massey and develop Māori leaders for the future. Other achievements in this area included: successful establishment of Māori student academic communities on each campus as part of the work of Te Rau Whakaara; establishment of a Māori postgraduate research community at the Albany campus; and establishment of the College of Creative Arts strategic Pasifika plan and committee.

With the focus on the tertiary sector now prioritising educational achievement, the University implemented a number of initiatives to improve educational outcomes through learning opportunities and support for students. The University’s Student Success Strategy was implemented in 2011 and had its targets and activities reviewed quarterly to monitor the effectiveness of the strategy. Massey ran a successful student engagement pilot which was based upon proactive communication with students and applied early interventions which resulted in improved engagement with assessment and few non-completions. The Staying on Track programme for distance students was expanded and additional visits were offered in other areas, and also in areas of special needs (e.g. Christchurch). Pre-reading services for internal first year students were also enhanced. Other achievements implemented in this area included: an alignment of orientation activities across all campuses ensuring a consistent experience for students; launch of the Graduate Longitudinal Study New Zealand, a survey designed to determine the on-going impact of a university education on the lives of New Zealand graduates; and Massey became the first New Zealand university to sign up to a new Athlete Friendly Tertiary Network and have aligned services and support across Colleges and Campuses.

In terms of the performance indicators for the Teaching and Learning Big Goal, the following is highlighted:

- Overall, student retention rates did not vary significantly on 2010 levels (or the two-year rolling average), and were under target with the exception of Pasifika retention rates which met target in 2011

- Successful course (paper) completion rates either remained the same or improved on 2010 levels for all dimensions which is pleasing. While only Pasifika, postgraduate, and international students met or exceeded target in 2011, almost all categories of students met or exceeded the two-year rolling average
- The qualification completion indicator has trended downwards for 2011 across all dimensions. Year-on-year comparisons for this indicator are problematic because of the nature of this measure as it does not provide a 'true picture' of completion, but rather a 'stock-take' approach for the EFTS consumed and the number of qualifications achieved in a certain year. Qualifications rates may increase or decrease not as a result of the actual number of qualifications being completed, but rather as the number of EFTS enrolled in a certain year
- Student progression rates for 2011 remain at similar levels to that of 2010 and the two-year rolling average, but are well below target which was based on incorrect historical data. It is important to note that this measure only reflects Student Achievement Component (SAC) funded students and those enrolled in levels 1-4 (sub-degree programmes which are not offered widely at Massey anymore)
- The Australasian Survey of Student Engagement (AUSSE) survey measuring student satisfaction with the entire education experience was first initiated in 2010. Results show that distance students appear to be marginally less satisfied with the entire educational experience compared to internal students, and both dimensions were under target for 2011. However, it should be recognised that satisfaction levels are still high at more than 80 per cent

Performance Indicators	Notes	2-year rolling average (2009-2010)	2011 Target	2011 Actual	2010 Actual
STUDENT RETENTION (%)	1, 2, 3				
All Students		69	n/a	68	70
Domestic students		68	72	67	69
Domestic students under 25 years		77	80	76	78
Domestic students 25 years and over		63	65	62	64
Māori students		60	63	61	62
Pasifika students		56	56	56	55
SUCCESSFUL COURSE COMPLETION (%)	1, 2, 4, 5				
All students		78	80	79	78
Domestic students		78	80	78	78
Domestic students under 25 years		81	83	80	80
Domestic students 25 years and over		76	77	76	76
Māori students		67	68	67	67
Pasifika students		52	54	54	52
Distance students		69	71	70	69
Internal students		83	84	83	83
Postgraduate students		85	85	86	86
International students		79	79	81	79
QUALIFICATION COMPLETION (%)	1, 2, 4, 5, 6				
All students		62	n/a	49	60
Domestic students		58	57	48	57
Domestic students under 25 years		54	57	47	54
Domestic students 25 years and over		63	56	50	61
Māori students		44	45	38	43
Pasifika students		31	30	24	28
STUDENT PROGRESSION (%)	7, 8	12	53	12	13
OVERALL STUDENT SATISFACTION - EDUCATIONAL EXPERIENCE (%)	9				
Distance students		n/a	85	81	n/a
Internal students		n/a	85	84	n/a

Notes:

1. Includes all students reported to the TEC via the University's Single Data Return (SDR) i.e. domestic and international. Domestic students are those eligible for SAC funding and include Foreign Wholly Research students. This definition is also applied to Māori and Pasifika i.e. they include domestic SAC funded students. International students are those who pay full international fee and exclude Foreign Wholly Research students. Postgraduate students include only SAC funded students
2. 2010 Actual comparative figures have been updated to incorporate data received subsequent to that received for the Annual Report 2010 i.e. data supplied in later SDR returns
3. 2011 Actual relates to student retention rate from 2009 to 2010. 2010 Actual relates to student retention rate from 2008 to 2009
4. 2011 Actual relates to 2010 completions. 2010 Actual relates to 2009 completions
5. All the University's courses or qualifications are at Level 4 and above
6. Qualification Completion Indicators: Completion records are only generated if and when a student applies to graduate. Consequently, where a student has completed but not yet applied to graduate, the completion is not included in the performance data
7. Student progression to higher levels of study in the tertiary sector (for students at levels 1-4)
8. 2011 Target for this measure was based on incorrect historical data
9. 2011 Actual relates to the 2010 AUSSE survey

Connections Big Goal

"We will strengthen our connections with local, national and international partners and stakeholders to gain mutually beneficial outcomes."

Associated goals

- Establish Massey as the university of first choice for all potential students, especially school leavers in each locality
- Continue to develop the one university brand that positions Massey as the defining university of New Zealand, while demonstrating the unique characteristics and defining qualities of each part of the University
- Demonstrate the value of our connections to show potential students how integrated they will become by studying at Massey
- Continually adapt to the changing methods of communicating with our key stakeholders including effectively using social media and online developments to engage
- Develop and implement a university events and sponsorship strategy to facilitate the development and strengthening of relationships with key stakeholders
- Further promote and expand the range and effectiveness of our links with industry, business, the community and public sectors through a coordinated and proactive approach across all colleges and campuses
- Engage with iwi, Māori professional organisations and Māori educational interests to facilitate Māori access to economic, cultural and social development
- Strengthen connections with Pacific communities in the three campus regions and foster relationships with Pacific professional groups in New Zealand and the wider Pacific, Pacific states and Pacific universities
- Implement a new plan to connect Massey's alumni back to the University by offering opportunities to engage and stay connected with Massey

Outcomes⁵

Massey has a reputation for working closely with its many stakeholders and is determined to further develop these links, through a strategy of active engagement.

Massey University makes a highly significant contribution to New Zealand and internationally through its academic programmes and research. The University will continue to enhance its contribution to the national network of educational and research provision, and international education, through collaborative relationships with industries, communities and other providers within and beyond New Zealand.

Through the Assistant Vice-Chancellor External Relations, the University will build on existing relationships, especially relationships with alumni, business, policy makers, and our local communities.

To manage this vital area of our strategy we will need to review our current engagements carefully and develop new ones to ensure they match our priorities and focus, and introduce mechanisms that ensure focused and consistent engagement with our key stakeholders, thereby enacting the strategy of 'active' engagement.

Massey's importance within New Zealand needs to be matched by its ability to bring together talented staff and students from around the world and, in turn, ensure there are opportunities for staff and students to learn and work in other countries. Access to skilled people in relation to the University's academic and research programmes will also enhance the University's relationships with research and development partners. Massey needs to be a welcoming, diverse, international university that is acknowledged as a world centre of tertiary learning.

Aimed at promoting active engagement that optimises Massey's connections with key stakeholders, implementation of Massey University's strategic priorities under this Big Goal will:

- Contribute to the nation's economic, social and cultural development and environmental management by being responsive to the needs of key stakeholders and building New Zealand's knowledge base through high quality research and innovation underpinned by collaboration and effective on-shore and off-shore partnerships
- Enhance educational outcomes for the University's learners and enable the development of New Zealand's human, social and cultural capital by continuing to build strong institutional linkages to improve the quality of Massey's teaching and research

Key Initiatives⁵

To progress the strategic priorities under this Big Goal, the University targeted the following key initiatives in 2011:

- Implementation of the Relationship Management Framework
- Further development of partnerships and relationships with key external stakeholders
- University's brand image and mechanisms for communicating brand image reviewed
- Implementation of the communication plans for Māori and Pasifika
- Implementation of initiatives to establish Massey as the university of choice for potential students, particularly students in the Government's targeted groups of learners
- Implementation of the University's International Plan relating to international partnerships and collaborative relationships in teaching and research
- Implementation of the University's Alumni Engagement Plan

⁵ The Outcomes and Key Initiatives for each Big Goal were specified in the University's Investment Plan 2011-2013.

Performance 2011

To advance implementation of the University's Relationship Management Framework, an Engagement Strategy that will guide our interaction with external stakeholders was presented to the Senior Leadership Team (SLT) in December 2011, along with a Key Stakeholder Engagement Matrix for SLT members. More work will be completed to refine the Engagement Matrix in 2012 as the University seeks to engage with key stakeholders in a more effective manner. To develop and strengthen relationships with key stakeholders, Massey developed and implemented an Event Strategy in 2011. This strategy will provide a coordinated and consistent approach to events ensuring that events with high potential to enhance the university reputation are elevated. Highlighted activities and events in 2011 included: promotion of Massey's leading role in food at the New Zealand Food Innovation Showcase in conjunction with October's New Zealand Food Awards; the College of Creative Arts marked the School of Designs 125th anniversary with a year of celebrations culminating in Blow 2011; and the College of Creative Arts opened its "Old School New School" collection, with the possibility of the collection being part of the New Zealand government's contribution to the 2012 Frankfurt Book Fair.

The University continued to progress a series of initiatives aimed at further promoting and expanding the range and effectiveness of our links with industry and business, and remaining the predominant institution in the area of Agri-food. The broad range of some of these initiatives is illustrated as follows: hosting the Finance 2011 event with the Auckland Chamber of Commerce in February; the success of the University's School of Aviation which was selected to partner with Air New Zealand's new training institute; a Hawkes Bay company Southern Light Biomaterials based its scientific research at the University's pilot plant in the College of Sciences; Vex Robotics hosted the first ever Robotics World Cup in New Zealand in which a team from Massey University participated; Massey now hosts an Innovator-in-Residence (a research programme to help New Zealand business perform better); Asia-Pacific Economic Cooperation selected Massey's New Zealand Centre for Small and Medium Enterprise Research to complete an independent assessment of its small business working group; Massey University and University of Otago hosted the University Commercialisation Offices of New Zealand event, with a focus on food, nutrition and human performance; international pony club riders toured the vet club to see the size and scope of the equine programme and facilities at the Manawatu campus; a Heads of Agreement was signed between Massey University and Waitemata District Health Board to build on their already well-established links in the areas of psychology, nutrition, nursing and speech language therapy; and the New Zealand Defence Force partnership continued to develop well, along with the partnerships with New Zealand Customs, the Royal Brunei Armed Forces, and potentially a range of additional NZ government agencies involved in the security sector.

Agri-food related initiatives gained momentum throughout 2011. A Partnership for Excellence sponsored workshop for Agri-food human resource managers provided a strong mandate for co-development of an agri-food professional development plan. An engagement strategy is now underway and a regional plan of engagement is being compiled. Stakeholder engagement events and a presence at the National Field Days is building Massey's reputation as thought-leaders across Agri-food. The Farmers Summit at the end of 2011 aimed to consolidate strategy and demand for a new collaboration titled the Primary Industry Capability Alliance which links DairyNZ, Beef+Lamb, Federated Farmers, New Zealand Young Farmers, AgITO, Lincoln and Massey University to promote careers, leadership and professional development.

Regional engagement initiatives were progressed and as part of the Hawkes Bay initiative, workshops were completed with food companies, central and regional government officials to provide a platform for future engagement in the food space, creating the potential for a model of national engagement. Massey is now a strategic partner of Hawkes Bay Regional Council.

The University continued to support the establishment of a clear Massey brand with the development of a brand strategy during 2011, and review of its associated marketing strategy. The Massey brand promoted the concept of "the engine of the new New Zealand" and ran the campaign for the entire year. Advertising was largely done

in digital media to attract the under-25's, a key market for the University. The brand message was also integrated through all external relations activity including public relations, events, online and through the marketing and communication activity managed for the colleges. Massey leveraged off topical issues to illustrate our role as 'the engine', for example the oil spill in Tauranga where members of the University's Oiled Wildlife Response Team assisted with the clean-up, and also ran a large programme of activity for the Rugby World Cup. Massey's corporate video has also been revised to bring in line with the new branding. All issued media releases were aimed to reflect the University's defining qualities, promote one or more of the six Big Goals, and to sit within one or more of the pillars of creativity, innovation, agri-food and connectedness. Campaign brand material for external events was also rolled out. Brand research was undertaken to provide valuable insights into the strengths and weaknesses of how Massey is perceived and additional research is planned for 2012.

Massey University implemented numerous initiatives to adapt to the changing methods of communication with our key stakeholders through mediums such as social media and online developments as a means of engagement. The University's website has been progressively developed and improved during the year, through a variety of means such as: completion of usability enhancements for the Massey web service; implementation of Google Analytics tracking code and completion of an overall website performance report; improvements to the University's content management system; ShadoMX training was provided to train staff how to create and update web content; reviews were completed of predetermined websites, and websites were upgraded as a result; and research was completed into website improvements for future updates under SharePoint, a software tool that allows easier data-sharing and collaboration.

Using social media such as Facebook as a means of communication was advanced in 2011. The major marketing campaign had a strong social media component, by encouraging visitors to the campaign website to also follow Massey University on Facebook. This was a first step with further interactions via social media being investigated. A social media strategy is being developed that will allow Massey to be effective in this space. In the meantime, a social media group has been established as a forum for supporting staff that publish on social media websites on behalf of the University. Facebook integration was improved on the website, with Facebook comments enabled on all external news items. Research has been conducted into future social integration under SharePoint.

Graduation Ceremonies in November 2011 were streamed live via the internet, allowing extended family and friends to view the occasion and providing a permanent record of the event. This is a first for any university in New Zealand.

Implementation of the communication plans for Māori were progressed during the year. Examples of Māori engagement initiatives included: provision of advisory roles to the Health Workforce New Zealand; active participation in national Māori leadership forums and conferences, and of note chairing the governance group of Whānau Ora (an inclusive approach to providing services and opportunities to whānau across New Zealand) and also Te Kahui Amokura (the Committee on Māori who provides advice to Universities New Zealand – Te Pōkai Tara, the universities and government departments on strategies, policies and structures that relate to Māori and universities in areas of priority to Māori and Māori scholarship); strategic partnerships were progressed with two iwi's; Iwi Creativity, a poster exhibition of designs by Māori students showcased Māori achievement in the College of Creative Arts; Professor Sir Mason Durie donated all the royalties from his new book about Māori futures, to Te Aute College; and the Whānau Whanake Development course was held at Albany in June 2011 to develop strategies for practitioners working with whānau. Massey University won another Māori Language award for its initiatives to celebrate Māori Language Week in the Tertiary Education Sector category.

In 2011, the Pasifika Communication Strategy was completed which provides a basis for expanding connections with Pacific communities and fostering relationships with Pacific states. The University has also completed a number of targeted Pasifika initiatives over the course of the year such as increased sponsorship of Pasifika events and active participation in national Pasifika networks. At Massey, the first DefiningNZ Pasifika@Massey

magazine was published, with another being discussed for 2012, and the Pasifika library at Albany is now completed. Of note, initial discussions have been held on the development of a research/leadership centre with the Ministry of Pacific Island Affairs.

As an important part of its strategic direction, the University implemented a significant number of initiatives to establish Massey as the university of choice for all potential students in our areas of specialisation and to demonstrate how integrated they will become by studying at Massey. These included: establishment of regular meetings with school principals; well-developed links with runanganui for collaboration in development with Te Aho Tātaiurangi (a three-year total Māori immersion Bachelor of Education Teaching degree); the Sir Peter Blake Leadership Week interschool debate took place culminating in a final between Manawatu and Hawkes Bay; and a Student Life Community Award was integrated into the Student City Awards programme. Brand and marketing initiatives have been described earlier.

Implementation of the University's International Plan relating to international partnerships and collaborative relationship in teaching and research was advanced in 2011. Agreements and/or memorandums of understanding were signed with international universities which will enable collaborative research, student and staff exchanges, and joint lectures and symposiums. During 2011, Massey also hosted international delegates on their campuses to showcase Massey's capability and capacity. This included a visit from the Gulf University Presidents to discuss agrifood and distance education. The Vice-Chancellor and the International Director visited three Malaysian Universities in 2011 who taught distance education, and in each case, a partnership was sought with Massey University. Other international collaborations were discussed under the Research and Scholarship, and Generating Income Big Goals.

Reconnecting and engaging with Massey alumni, both domestically and internationally, plays an important role in the 2020 vision. This was further progressed in 2011 with the establishment of a comprehensive Alumni Engagement Programme to ensure opportunities for all alumni to engage with the University. This resulted in the increase numbers of past-students being entered into the alumni database. A programme to capture contact details for the College of Education (Teachers College) alumni has begun and regional strategic objectives were scoped which included the development of iwi alumni profiles for iwi engagement. International alumni functions were held in San Francisco, New York, London, Kuala Lumpur, Singapore, Shanghai, and Beijing throughout the year. Planning for the Veterinary Alumnus 50-year celebrations in 2013 is well underway.

In terms of the performance indicators for the Connections Big Goal, the following is highlighted:

- The University's Strategic Enrolment Management plan targeted new-to-Massey student headcount to decrease compared to 2010 levels, in line with Tertiary Education Commission's expectations for domestic students. New-to-Massey (all students) decreased by 118 students (1.2 per cent). One of the highlights for 2011 was the student commencements for international students which surpassed target by 15 per cent and increased by 30 per cent on 2010 levels – an excellent outcome and an endorsement of the University's International plans. Of concern, new Māori students have fallen and were well below target for 2011. While new Pasifika students are well below target, the trend increase for this group of students shows that recruitment strategies for this targeted group of learners have been successful. New student commencements in the distance education area have decreased on 2010 levels, as planned, but remained well above target whereas new internal students did not increase in 2011 as planned with recruitment at Albany campus under that targeted
- The number of formal international partnerships with overseas institutions demonstrates the success of the University's internationalisation strategies, significantly surpassing the five-year rolling average, exceeding target for 2011, and showing an increase of 5 per cent when compared to 2010

Performance Indicators	Notes	5-year rolling average (2006-2010)	2011 Target	2011 Actual	2010 Actual
STUDENT COMMENCEMENTS (HEADCOUNT)	1				
All students		9,910	9,545	9,653	9,771
Domestic students	2	8,411	7,885	7,742	8,304
Domestic students under 25 years	2	4,256	4,100	4,143	4,376
Domestic students 25 years and over	2	4,154	3,785	3,599	3,928
International students		1,499	1,660	1,911	1,467
Māori students		1,001	1,080	887	939
Pasifika students		307	600	372	341
Distance students	3	4,324	3,360	3,979	4,010
Internal students	3	5,586	6,185	5,674	5,761
ACTIVE INTERNATIONAL PARTNERSHIPS (NUMBER OF)	4	137	165	192	182

Notes:

1. Includes students new to study at Massey University
2. Domestic students only include domestic commencements i.e. excludes Foreign Wholly Research Students
3. Mode of delivery (Distance/Internal) defined according to student mode i.e. the primary mode of study for a student
4. Partnerships included here are only those Massey is the first party (the lead-contractor) to the programme/contract

Responsibility Big Goal

"We will enhance our reputation as New Zealand's defining university by contributing to understanding of, and innovative responses to, social, economic, cultural, and environmental issues."

Associated Goals

- Build the entrepreneurial capacity of Massey and promote and make available the expertise of our staff
- Aim to reduce Massey's environmental impact by increasing sustainability practices and behaviour
- Develop sustainability as one of the national and global issues Massey believes it can enhance the understanding of and provide innovative multi-disciplinary responses
- Further integrate sustainability issues into our research and teaching programme
- Promote and value citizenship and leadership across Massey staff and students through the development of our campuses and communities they support, engage with, and benefit from
- Continue establishment of a Massey Heritage Group to promote the University's history

Outcomes⁶

As New Zealand's defining university, Massey has a responsibility to act in ways consistent with building a future for the nation. This responsibility relates to social, economic, cultural, and environmental issues. Staff and students need to see themselves as part of an institution that takes these responsibilities seriously in its

⁶ The Outcomes and Key Initiatives for each Big Goal were specified in the University's Investment Plan 2011-2013.

own activities and provides opportunities to make a positive contribution to issues of concern. Much of this work is undertaken through our research, teaching, and connections with stakeholders, but we can do more. It is important that Massey be seen to lead on issues where it has identified strengths and that its expertise is available to decision makers. For example, by refining our blended learning model for distance education, the University can leverage off the fact that its carbon footprint is lower for extramural delivery.

At this time, Massey has identified one particular area as of over-arching concern – sustainability. The world has identified global warming and climate change arising from human activity as the number one problem in the 21st century. New Zealand is seeking to lead the world toward a carbon neutral future. To achieve this goal changes in business, transport, energy use, agriculture, and recreation – indeed in every aspect of life – will be needed.

As a university with relevant expertise in science, business and social science, Massey is well placed to build on its leadership in developing a sustainable future.

Massey is currently providing leadership by advancing environmental principles and sustainable practices on its campuses. It is our intention to practice the kind of behaviour organisations will need to adopt to thrive in an environmentally conscious age.

Our decision to make a contribution to building a sustainable future will have implications for our research and our teaching programmes as well as our connections with stakeholders.

Implementation of Massey University's strategic priorities under this Big Goal will:

- Strengthen the contribution to the nation's economic, cultural and social development and environmental management through leadership in sustainability
- Enhance educational outcomes for the University's learners and enable the development of New Zealand's human, social and cultural capital through the integration of sustainability in to the University's research and teaching programmes, as appropriate

Key Initiatives⁷

The strategic priorities under this Big Goal were to be advanced by targeting the following key initiatives in 2011:

- Profile of the University's academic contribution and programmes in sustainability, increased
- Update and implementation of the Massey Programme of Sustainability completed annually
- Establishment of an Office of Public Policy and Development completed

Performance 2011

The Sustainability Working Group was established in 2010 to provide recommendations to the Senior Leadership Team on how to best progress Massey's strategy to build a leadership role in sustainability across all the University's activities which included research and teaching. During 2011 the Steering Group on Sustainability drafted a sustainability framework which highlighted the priority actions for embedding sustainability across the University. It is anticipated that this will be available for discussion and approval through appropriate University channels early in 2012. In the College of Sciences, all programme managers and their advisory committees were made aware of the requirements to include stronger awareness of environment and sustainability matters in their academic programmes. The College of Education also showcased to the wider University the innovations they have made in this area regarding teaching and professional development.

Massey implemented numerous initiatives aimed at reducing our environmental impact by increasing sustainability practices and behaviours in 2011. The broad range of the University sustainability initiatives are illustrated as follows: the implementation of a programme of sustainability on the Manawatū campus; a community oriented

7 The Outcomes and Key Initiatives for each Big Goal were specified in the University's Investment Plan 2011-2013.

lecture series ran throughout 2011 which explored a range of issues that fall within environmental sustainability; implementation of an improved recycling system on the Manawatū campus; establishment of a new online carpool scheme for Wellington and Manawatū staff and students; all existing University newsletters are now printed on-line; establishment of a community garden in the Halls; incorporation of sustainability guidelines into the event strategy template, for current and proposed events; funding by the Strategic Innovations Fund 2011 for “The River”, a community play which conveyed current challenges around Manawatū water catchment; and the completion of the University’s new Chemical Hazard Register. For the first time, travelling to campus by bus was more popular than travelling by car, according to the University’s 2011 Manawatū Campus Transport Survey. This survey is run bi-annually to assist in updating the campus transport plan. Massey joined the Australasian Campus towards Sustainability group which allows every staff member and student access to the resources of that organisation.

Throughout 2011 Massey has made available the expertise of their staff in a number of high-profile situations. For example, Massey University made a notable contribution in the deployment of staff and expertise in response to the challenging series of natural and man-made disasters which have befallen New Zealand and sister communities elsewhere. Most significantly, staff from the Massey University Oiled Wildlife Response Team were called to assist the management of soiled wildlife following the grounding of the container ship *Rena* on the Astrolabe Reef off the East Coast of New Zealand. The Massey-led wildlife response was praised as one of the quickest in the world, thanks to our excellent planning systems. Also, Massey’s Emergency Management Team was one of the groups supporting the Christchurch response to the earthquakes in 2010 and 2011, and then Japan. These events have highlighted the uniquely relevant academic and professional expertise which Massey University has established and can deploy at short notice to support community resilience.

Massey has also recently proposed to the Greater Wellington Regional Council the development of an Emergency Operations Centre for Training and Research Centre to be located close to the University’s Wellington campus. This emergency management hub could become home to a world-class teaching and research facility that, in times of crisis, would be so much more. This reflects Massey’s ambitions to make its expertise available wherever and whenever it is needed.

During 2011, Massey has continued to build the entrepreneurial capacity of our staff. A series of events were hosted to better inform and link Massey staff with a range of businesses to ensure that we can support Ministry of Science and Innovation initiatives. Over 40 Master’s research projects were offered in collaboration with New Zealand businesses. A proposal was approved to develop an innovation research ‘hub’ at Albany, and the College of Creative Arts ‘Open Lab’ now services 40 new contracts with Wellington start-up businesses.

The University is assessing the contributions it currently makes to public policy in New Zealand and beyond through research and other strategic activities, to ensure it adds value through informed engagement with communities. Formal research engagements have been developed with major New Zealand agencies, New Zealand Defence Force (NZDF) which have, as part of their core framework, innovative models of community engagement.

The establishment of a Massey Heritage Group to promote the University’s history was progressed in 2011. A major project on the contribution of New Zealand to the first world war was also launched with support from project partners; The Royal New Zealand Returned and Services’ Association, NZDF and Ministry of Culture and Heritage. The proposal of the structure and operation of the Heritage Group is under preparation, and a plan for the management of heritage and artworks is being considered.

Generating Income Big Goal

“We will significantly increase our income and improve our financial position to allow for more investment to enable the University to achieve its goals.”

Associated Goals

- Develop a Financial Strategy and associated long-term financial modelling
- Raise \$100 million of external funding through the Massey University Foundation
- Enhance financial stability by diversifying the funding base
- Adopt a financial model that will provide incentives to reduce costs and raise revenue
- Earn more income from non-state sources through developing business opportunities that build on our core strengths
- Improve the margins that we generate from activities
- Focus business development and capability on growing revenue

Outcomes⁸

We have set out an ambitious strategy for the University that aims to see Massey acknowledged as New Zealand’s defining university and as a world centre of tertiary learning. This strategy is intended to provide more investment on behalf of staff and students while being of benefit to all stakeholders, locally, nationally, and internationally. We are aware that this will require a substantial increase in income. Given our history as a bold, innovative, can-do institution, this is just one more challenge to be taken on.

To implement the developments outlined in the University’s long-term strategy will cost \$400 million over 10 years from a variety of sources including state funding, earned income, and private funding. Effective income generation is needed to provide Massey with the freedom to pursue its goals and chart an independent course for the future.

We will achieve fiscal sustainability by generating ongoing surpluses to meet the minimum Tertiary Education Commission (TEC) return on income. This will allow for re-investment, and support prudent borrowing.

This Big Goal is a strategic priority for the University and its implementation will not only provide the basis for achievement of the University’s long-term strategy and contribution to improved educational outcomes, but will lead to improvements in the performance of the tertiary system and contribute significantly to economic growth in New Zealand.

Key Initiatives⁸

The strategic priorities under this Big Goal are critical to the achievement of the University’s strategy and their implementation was targeted through the following initiatives in 2011:

- Implementation of the University’s Financial Strategy progressed
- Investment in the activities of the Massey University Foundation

A number of other key initiatives which will contribute to the achievement of this Big Goal have been included under other Big Goals.

Performance 2011

The University’s Financial Strategy is under ongoing development and is expected to be finalised in 2012. The recently completed Internationalisation Strategy and the Research Strategy (which is expected to be approved

8 The Outcomes and Key Initiatives for each Big Goal were specified in the University’s Investment Plan 2011-2013.

early in 2012) will both play a fundamental role in informing this strategy. In the meantime a number of initiatives have been progressed which have been designed to diversify our revenue base and grow income through developing business opportunities that are built on our core strengths. Progress has been extensive and includes: two Primary Growth Partnerships bids which were secured in 2011 and 30 new commercialisation disclosures were identified and evaluated, illustrating a high level of innovative culture across the University as researchers begin to see the commercial potential that may be achieved from their discoveries; divestment of surplus property has progressed and will continue in 2012; MUSAC (Massey University School Administration by Computer) has investigated the possibility of closer relationships with another provider for the purpose of securing local market and venturing into offshore markets, coat-tailing the international initiatives within the College of Education; members of the MUSAC Advisory Board have engaged in preliminary discussions for greater offshore opportunities in the medium term; a campus-wide booking system for the Manawatu campus has been developed and will be fully implemented in mid-2012 allowing easier access to booking key venues on campus via computer; investigation into the American market to expand the Bachelor of Veterinary Science was completed; the Sport and Rugby Institute developed three new National Sport Organisation relationships which created forward reservations, and also completed the development of in-house training packages in which marketing and sales of these are underway; Wharerata (the University's historic dining and social function facility on the Manawatu campus) began offering full-package event services to be sold as a single product e.g. wedding planning; and Wharerata also undertook an analysis of financial return from identified external sectors which then allowed product development and marketing strategies to be initiated.

The Professional and Continuing Education (PaCE) unit was externally launched in May 2011 and enquiries, registrations and Request for Proposals have increased. A portfolio of course offerings has been defined for 2012, and a marketing plan has been developed to showcase offerings and university capability. This is now available on the Massey website. Alongside PaCE, Colleges have also been proactive in developing short courses throughout 2011, as part of the comprehensive PaCE strategy that was developed and which incorporated the development and expansion of offerings in all Colleges. Of particular note in this area, Massey was awarded an Export Education Innovation Programme grant of \$91,500 to develop online short courses for veterinarians in Asia and the Gulf States. This funding will help develop a suite of online courses in 2012. A contract was also signed with Fonterra for Governance Development to be delivered in three parts. Professional development workshops held in September around New Zealand with Agri One Ltd have provided strong market leads for short course development which are being followed up for 2012, and a suite of primary sector courses is being developed for promotion through Agri One Ltd. Campus passport offerings are now available and the first group of participants are being tracked for feedback on the Passport experience.

Massey implemented many successful initiatives aimed to increase the number of international students coming to Massey or those studying from abroad. This resulted in a 14 per cent increase when compared to 2010, and an extra 54 students studying in their home country. In 2011, international cohorts of students arrived from Hebei University of Technology and also Wuhan University. The College of Education signed agreements with Khon Kaen University and Yunnan Normal University for undergraduate and postgraduate collaborations, which will result in students coming to Massey in 2012. The College of Business also continued to develop bilateral relationships with quality universities overseas which are expected to grow the number of international students in the College of Business as the programmes become active. This initiative is central to the College of Business's strategic plan for internationalisation, moving to offer transnational programmes overseas. A review of investment in the international marketing operations was also completed with outcomes including a new initiative budget for international student scholarships, an agent bonus programme and a partner cohort discount scheme. International student pathways have been established with selected Auckland secondary schools and Private Training Establishments.

Massey has also invested in initiatives aimed towards supporting and enhancing Māori and Pasifika research funding and capability. Funding for research centres and research projects (benefiting Pasifika research options)

was investigated from a variety of sources such as Health Research Council, Ako Aotearoa, and Creative Arts of New Zealand. Māori and Pasifika capability events were facilitated over 2011 and dedicated funds are now allocated in the 2012 budgets for the first time.

Massey Foundation’s “Advancing New Zealand” fundraising campaign has progressed well in 2011 with a \$1.48 million net gain in the fund for the year. Massey staff members can now make donations directly from their salary to support this charity, and this received strong support from a number of staff who were quick to sign up.

In addition, a number of initiatives were undertaken to further strengthen the University’s financial processes and systems. This included development of a new financial structure to improve transparency of performance information and underpin incentives to reduce costs and raise revenue, improvements in capital asset management and planning, and financial performance monitoring and management. A long term financial model was also completed and future scenarios were discussed with the Senior Leadership Team and the University Council in June 2011. The planning phase of the new Procurement Strategy was also completed and a project launched to reduce procurement costs across the University.

In terms of the performance indicators for the Generating Income Big Goal, the following is highlighted:

- While the University’s return on income remains below the recommended TEC threshold (3%), the University’s financial performance has improved when compared to the five-year rolling average
- The working capital ratio exceeded target in 2011 and was above the five-year rolling average; debt levels were in line with that targeted and remain negligible overall
- The University’s Risk Rating met target in 2011 and remained in line with the previous year

Performance Indicators	Notes	5-year rolling average (2006-2010)	2011 Target	2011 Actual	2010 Actual
FINANCIAL					
Surplus as a percentage of income (%)		1.26	3.00	1.75	2.39
Working capital ratio (%)		123.74	120.00	128.96	140.71
Debt to debt plus equity ratio (%)		2.72	2.30	2.38	2.50
UNIVERSITY RISK RATING	1		M	M	M

Notes:

1. Risk Rating per TEC i.e. High (H), Medium (M), Low (L)

Enabling Excellence Big Goal

“We will provide the very best working and learning environment for our staff and students.”

Associated Goals

- Renew investment in developing people capability and capacity
- Engage with our talented workforce
- Focus on the development of a service culture and service capability
- Align and develop student life services across campuses and for distance students within the one-university strategy
- Implement enrolment system improvements as part of the University’s Enrolment Management Plan, including systems for providing better advice for students to support qualification planning

- Further develop systems for engagement with the student associations and the student body
- Further develop service excellence programmes to enhance services for students. Enhance responsiveness to student feedback through surveys and other forms of evaluation
- Purchase a commercial student management system to replace our existing system
- Deliver a seamless campus IT experience, anywhere, anytime on (nearly) anything, access via federated identity credentials
- Develop a unified communication platform
- Develop a robust and reliable IT infrastructure and services, geared for business continuity
- Foster an underpinning IT culture of service delivery, communication, innovation, rapid response, and consistent practice among staff
- Upgrade the existing disaster recovery IT infrastructure
- Align campus services, coordinate campus operations, and prioritise investment in buildings, facilities and infrastructure on all campuses
- Refresh campus development plans for each campus in line with Academic Reform and Enrolment Management plans
- Progress capital development projects in line with strategic investment priorities
- Ensure the campus experience for students provides a model for social cohesion, healthy lifestyles, and environmental sustainability
- Model, to the extent possible, sound, social, cultural and environmental practices

Outcomes⁹

To achieve the ambitious goals in the University's long-term strategy, we need to create an innovative culture that embraces change, delivers tangible results, and brings the University community together in a drive to Massey New Zealand's defining university. The University needs to provide a supportive environment that encourages a can-do and does-do attitude. To reinforce the kind of culture we mean to develop at Massey, it is imperative that we have an atmosphere of trust where staff understand the strategy and are enabled to work out what is needed. Leadership is to be encouraged throughout all units across the institution.

Many of the elements needed are already present – we need simply to enhance them.

By developing an enabling culture, continuing to improve our national and campus infrastructure, and demonstrating a commitment to our social and cultural responsibilities, Massey University will work to optimise its organisational capability and capacity and in so doing, improve the performance of the tertiary system and enhance the international reputation and competitiveness of New Zealand's universities sub-sector.

Key Initiatives⁹

The strategic priorities in this Big Goal were progressed by targeting a number of initiatives in 2011 as follows:

- Recommendations of Shared Services project implemented
- Student Experience Strategy and initiatives to improve student service delivery implemented
- Implementation of the University's Human Resource strategies progressed
- The University's Strategic Asset Management Plan reviewed and implemented
- Information Services Strategic Plan implemented
- Initiatives related to the University's social and cultural responsibilities implemented
- Continuous improvement initiatives associated with the University's administration processes and systems implemented

⁹ The Outcomes and Key Initiatives for each Big Goal were specified in the University's Investment Plan 2011-2013.

Performance 2011

Student services were further enhanced as part of progressing the University's Student Experience Strategy and to improve student service delivery. Achievements included: the adoption of a 'Student Success' framework; completion of the new Student Services website; services for postgraduate students are now posted on the website; further progress made on an online programme for 'Getting Started'; new-to-study postgraduate students can now attend orientation programmes specific to their needs at 16 venues nationally; availability of a mature persons' evening each semester on the Manawatu campus; progression of the Grievance Management Enhancement project with a report on grievance managed and grievance procedures completed; inclusion of a peer review into the paper development process; and offering of a semester seminar series through face-to-face and through Connect (online attendance). Roll out of the new Student Services Levy funded services is now underway and will continue in 2012.

A number of student-related IT initiatives were also completed in 2011. A new Pasifika website was completed and launched. Also launched was Pasifika@Massey Facebook page and Pasifika@Massey Stream page. A new 'Discover' service was implemented at the Library (which searches both books and journals in one search) and the library catalogue is now available on hand-held devices including cell phones and personal digital assistants.

The success of these improvements in the University's services to students, which are being progressively implemented, is well demonstrated by the Student Experience Survey (of more than 7200 students) conducted during 2011. The survey showed that 88 per cent of students rate the University's services and facilities highly – up from 85 per cent the year before. This is the best result since the survey started in 2002. Actionable items resulting from the survey have been included in 2012 operational planning.

Human Resource (HR) strategies form an important part of the University's long term strategic plan. The development of a service culture and service capability initiatives were advanced during the year. Staff engagement initiatives that were implemented during 2011 to provide programmes and tools to support staff included: launch of the Staff Profile and Expertise Directory to provide information and access to University staff and research profiles from all departments and colleges; publishing of development opportunities in a new Massey Development Directory and Calendar; implementation of a College of Creative Arts Teaching and Learning Innovation Initiative Fund; conduct of an internal Massey communication survey with staff; and staff can now join the "Staffroom Community", Massey's new online discussion forum for staff.

Renewing investment in developing people capability and capacity has also been an important strand of the University's HR strategies. A comprehensive suite of training courses on professional and personal effectiveness was promoted in the employee development calendar to Massey staff this year. In addition, other training and development programmes included two manager development programmes (in International and Information Technology Services), a two-day programme was run on leading change for managers and leaders, and five staff members attended the 2011 New Zealand Women in Management Leadership Programmes for General and Academic staff.

Engaging with our staff is an important part of the University's strategy. The University's Shared Services Project was completed in 2011 and put in place an organisational framework to improve services and support for academic endeavours while embodying the principle of Massey as 'One University'. Addressing gender equality issues at Massey was advanced in 2011 and the Pay and Employment Equity (PaEE) implementation team, whose purpose is to ensure the action proposed by the committee in the PaEE review report are progressed, met for the first time. The implementation team now have a documented integrated work programme for progressing the action plan. Also formed in 2011, was the Gender Equity Advisory Group, whose purpose is to advise the Vice-Chancellor and SLT on gender equity issues as Massey seeks to create the very best learning and working environment for our staff and students. Women@Massey initiatives have also progressed with: establishment of a Women's Virtual Resource Centre (WVRC@MU) as part of the University's

website; the inaugural Women@Massey Leadership Seminar was a major milestone in developing an informal network of women in leadership at Massey; and an inaugural Massey Women's Programme was designed and delivered which will become the pathway for nominations to the New Zealand Universities five-day residential programme.

The University continues to look to improve our physical infrastructure for students and staff. The review and implementation of the University's Strategic Asset Management Plan commenced in 2011, with the Capital Asset Management framework currently under consultation. This framework will be forerunner to the establishment of the University's Capital Asset Management Plan during 2012.

At our Wellington campus, a ceremony was held to mark the official start of a project to build a \$20 million arts building. This is expected to be completed in June 2012 and will house the College of Creative Arts when completed. The School of English and Media Studies celebrated the opening of new facilities which will allow expansion of papers in the Expressive Arts programme. The School for Communication, Journalism and Marketing moved to refurbished facilities, and a communication laboratory was opened on the same floor as the theatre laboratory and Green Room.

Planned improvements to the infrastructure at Manawatū Campus included completion of the improvements to the Riddet complex. The initiative to make optimal use of the two sites in Palmerston North and transfer the College of Education and other units from Hokowhitu to Turitea site has been advanced and an exit strategy is being prepared. Once this is completed, a divestment process will be initiated. Options for the leasing or disposal of the Hokowhitu campus are being considered.

Albany campus is preparing for completion of its \$15 million Student Amenities Centre (Stage 1) in February 2012. The two-storey building will provide a much-needed services and social hub for the 7000 students, including food and other retail outlets, space for student clubs and societies, and a centralised student health and counselling service. An important feature of the project is establishment of an outdoor campus heart plaza, encompassing seven contemporary stainless steel pou (sculptured poles) which provide a distinctive Māori presence and send a strong message to the local community regarding Massey's commitment to education of Māori. Planning continued for on-campus student accommodation, and expanded undergraduate sciences teaching laboratories. Consideration of future options for either relinquishing or reallocating the leased space hitherto occupied by the Auckland School of Design is ongoing.

Consistent with the goals in The Road to 2020, and guided by the University's Information Systems Plan, the University continued its strategic investment in information technology (IT) during the year. The reliability of the IT infrastructure and services is of utmost importance to Massey. Increased funding was allocated for routine upgrade and maintenance of IT/audio-visual in teaching spaces which created a more consistent operating practice across campuses and teaching spaces. In January, 1300 computers were replaced across all campuses. The new equipment represents a marked cost reduction through the new "All of Government" process, resolved many security issues and has significantly improved the computing experience for many staff. Later in the year, a major network upgrade on all campuses commenced to replace 'end-of-life' network equipment which is expected to dramatically upgrade the performance of the University network. The University also reached a major milestone in its preparedness for a major disaster with the creation of a disaster 'test' environment at its Albany campus. Other IT-related achievements included: the approval of a business case relating to data storage and the implementation of backup expansion; the development of Massey Open Access Research Repository; the advancement of inventory management for research infrastructure; the completion on each campus of centrally located shared Access Grid rooms, a service for research collaboration and meetings using technology similar to videoconferencing (supported by Information Technology Services [ITS]); the approval of the two-year project to upgrade the University's legacy telephone systems to the 'Lync' Unified Communications platform; the advancement of video-linked teaching between Albany and Palmerston North, with room refurbishments now underway and equipment planned for trial in semester one, 2012; a

virtual student laboratory trial was commenced which allowed students to download laboratory work onto their laptops, instead of having to remain in an University provided computer laboratory (results are expected in 2012); and the installation of a microwave link to provide faster and more reliable network connection for Massey's School of Aviation located at Milson in Palmerston North.

SharePoint software was introduced to Massey in 2011 which will provide a strategic platform for growth in web accessible collaborative workspaces for all staff and a consistent platform for delivery of Document Management, Intranet, Massey Enterprise Reporting, and information management projects on Stream (the University's Learning Management System). The Microsoft SharePoint initial installation review was completed by Microsoft, with recommendations due shortly. Intranet pilot sites for ITS are now in place and additional training for Phase two has been scheduled.

ITS implemented a number of initiatives aimed at fostering an underpinning of culture of service delivery, communication, innovation, rapid response and consistent practice among staff. ITS conducted an IT service level benchmarking survey with staff and students at Massey which showed marked improvement from the previous 2009 survey. The survey also identified areas for future improvement. Other achievements included: an ITS operational Health Check which is currently underway with Davanti Consulting; ITS training was made available on Microsoft 2010 on the Manawatu campus; a 'Getting Started with IT' induction course for new staff was developed and implemented; and Technology One Enterprise Suite was selected to replace Mass-e-Mall and is now fully operational.

Improving the University's campuses at Massey also means a commitment to social and cultural responsibility on our campuses. A number of initiatives were completed to aid in healthy lifestyles (such as workshops and the Wellness month in September) and opportunities for organised social events over the three campuses. Consistent with the University's strategic direction in *The Road to 2020*, a number of cultural initiatives have also been progressed during 2011 which included: the development of the Māori Language Plan; the inclusion of a Māori element in all University Graduation ceremonies in the form of putatara and karanga; a Massey University waiata was composed and launched; and Māori Language Month in July had a large range of activities on each campus as well as University-wide. Audits of Pasifika and Māori facilities were completed, which outlined current facilities and recommended actions to support cultural initiatives and enhance the environment on each campus.

Massey University also undertook a review of the University's Emergency Management Preparedness in April 2011 as the earthquake in Christchurch brought home the reality of one day having to handle such a crisis on any one of our campuses. As part of this review, the University supplied emergency backpacks to all permanent and fixed-term staff to encourage greater disaster preparedness.

The University continues to progress continuous improvement initiatives associated with our administration systems and procedures. In October 2011, Massey's Tender Board authorised work to begin on the new Student Management System (SMS) project. The new SMS system will provide improved capability to generate a significant portion of our revenue, support our teaching, and drive our reputation for service through to 2020. In the meantime, improvements to current student administration systems completed during 2011 included: the delivery of the online Student Programme Maintenance software enabling students to self-manage their progress to completion; and the launch of My Enrolment online student enrolment application in October, prior to the commencement of 2012 enrolments. This includes an online offer of place followed by an emailed confirmation of enrolment. My Enrolment is now the primary method for enrolling at Massey, with paper based application being accepted by exception only.

The University's Records Management project met a number of milestones in its programme which included: completion of a pilot of hard copy records procedures and standardised filing; provision of CodaPrint label printing services to reflect Massey's standard naming conversions as a records service; further refinement of the classification structure through the Record Champions network and the Hard Copy Records programme

of work; development and publication of new guidelines related to document destruction services and management of inactive and legacy records; development of FileCM instructions, a document and records management system which fully integrates with Microsoft Office; completion of General Disposal Authority mapping schedule which represents the legislative, regulatory and business requirements for the retention of records at the University; and upgrade of confidential bin services to a certified operation among Massey campuses. The University-wide Electronic Document and Records Management Solution will progress further in 2012.

Risk management also completed milestones in 2011 with the completion of risk management training, update of user guides to reflect the new International Organization for Standardization standards, and establishment of a process for regular provision of risk registers by key reporting lines for Performance and Risk reporting. The University also completed the development of the Org Publisher desktop resource tool which provides Massey managers with a range of real-time human resource information, and the Massey Enterprise Reporting project progressed with an implementation partner for business intelligence services and expertise appointed.

In terms of the performance indicators for the Enabling Excellence Big Goal, the following is highlighted:

- Student satisfaction with services and facilities exceeded target for 2011 and increased by 3 per cent on 2010. Student satisfaction is now at its highest level and is significantly above the five-year rolling average
- Through the Strategic Enrolment Management plan, the University more than met its planned reduction in the number of Equivalent Full-Time Students (EFTS), in line with the Tertiary Education Commission's (TEC) requirements. International full-fee EFTS and postgraduate research EFTS increased on 2010 levels which is a positive outcome as these are areas that the University targeted growth in. While total Māori student numbers are down slightly compared to earlier years, there has been an increase in the proportion of Māori students who enrolled in postgraduate qualifications
- Student participation by headcount for total University for 2011 was higher than targeted, indicating that more students are studying part-time
- Student participation by proportion of EFTS is under target for the two key market groups of Māori and Pasifika, however there is a growth trend showing for Pasifika which is positive, and participation is in line with five-year rolling averages. Domestic students under 25-years, another of the TEC's targeted groups of learners, have trended positively and were above target for 2011
- The number of academic staff with a doctoral qualification remained similar to last year's levels and has increased by 2.2 per cent when compared to the five-year rolling average

Performance Indicators	Notes	5-year rolling average (2006-2010)	2011 Target	2011 Actual	2010 Actual
OVERALL STUDENT SATISFACTION WITH SERVICES AND FACILITIES (% OF STUDENTS RATING SERVICES GOOD/VERY GOOD)		73	82	88	85
STUDENT PARTICIPATION BY EQUIVALENT FULL-TIME STUDENTS (EFTS)	1				
Total University		19,752	19,925	19,519	20,119
SAC eligible		16,682	17,150	16,784	17,673
Albany		3,234	3,760	3,256	3,632
Manawatu		4,820	4,825	4,911	4,972
Wellington		2,507	2,750	2,465	2,655
Distance		6,121	5,815	6,152	6,414
International full-fee	2	2,414	2,175	2,050	1,886
Other		655	600	686	560
Undergraduate		15,804	15,915	15,448	15,998
Sub-degree level and below		628	530	449	715
Above sub-degree level		15,176	15,385	14,999	15,283
Postgraduate taught		2,453	2,400	2,433	2,574
Postgraduate research		1,495	1,610	1,639	1,547
Internal		13,427	13,910	13,200	13,599
Distance		6,325	6,015	6,319	6,520
Māori		1,796	1,938	1,791	1,909
Pasifika		504	669	574	577
Domestic students under 25	3	8,721	9,090	9,114	9,466
Domestic students 25 and over	3	7,962	8,060	7,670	8,208
STUDENT PARTICIPATION BY NUMBER (HEADCOUNT)	4				
Total University		35,583	33,600	33,904	34,865
International full-fee	2	3,745	3,625	3,360	2,959
Distance		17,002	15,100	15,870	16,299
Māori		3,397	3,700	3,267	3,417
Pasifika		928	1,325	1,039	998
Domestic students under 25	3	11,651	11,770	11,986	12,415
Domestic students 25 and over	3	20,168	18,205	18,565	19,500
STUDENT PARTICIPATION BY PROPORTION OF STUDENTS – EFTS (%)	5				
Māori		10.4	11.3	10.3	10.5
Pasifika		2.7	3.9	3.0	2.9
Domestic students under 25	3	52.3	53.0	54.3	53.6
ACADEMIC STAFF WITH A DOCTORAL QUALIFICATION RATIO (% OF FULL-TIME EQUIVALENT)	6	60.2	72.0	62.4	62.5

Notes:

1. EFTS determined on a paper-offering basis. Distance/Internal defined according to the delivery mode of the paper offering. Campus defined according to the location of the paper-offering
2. International students are those that pay full international fees and exclude Foreign Wholly Research students
3. Domestic students are those eligible for Student Achievement Component (SAC) funding and include Foreign Wholly Research students
4. Includes all students in the University. Headcount for mode of delivery (Distance) defined according to student mode i.e. the primary mode of study for a student
5. Includes SAC eligible EFTS only i.e. eligible for SAC Funding
6. A new reporting methodology has been used by Human Resources to calculate this Key Performance Indicators, resulting in the different figure for 2010 Actual when compared to the 2010 Annual Report

APPENDICES

STUDENT NUMBERS

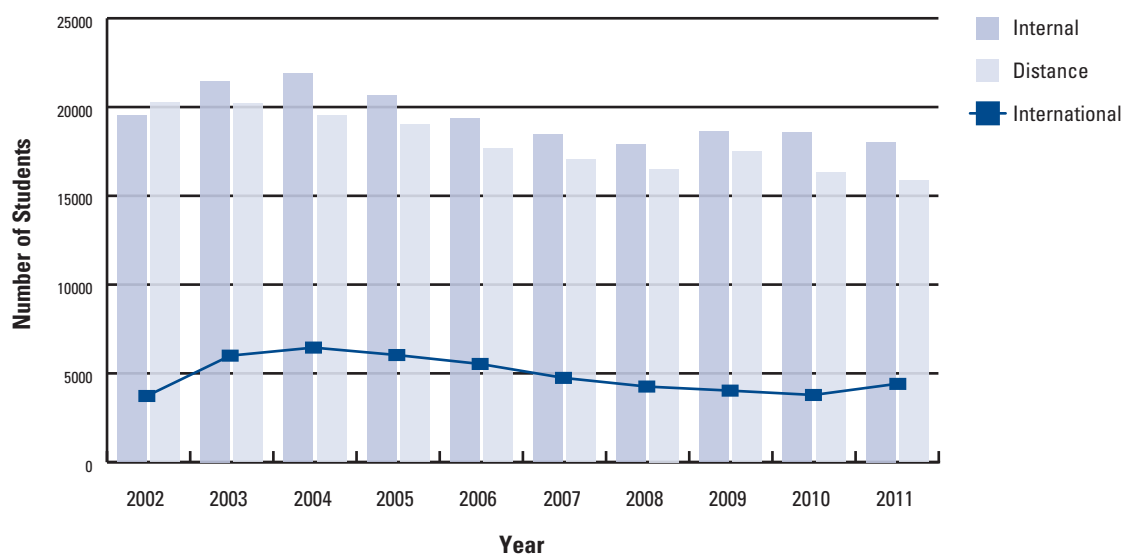
Note: Figures below are student head count and include all students enrolled regardless of funding source

University Totals

	Notes	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Internal	1	19,506	21,461	21,893	20,640	19,366	18,436	17,902	18,637	18,566	18,034
Distance	1	20,239	20,201	19,543	19,017	17,656	17,055	16,511	17,488	16,299	15,870
Total		39,745	41,662	41,436	39,657	37,022	35,491	34,413	36,125	34,865	33,904
% change over previous year		5.65%	4.82%	(0.54%)	(4.49%)	(6.64%)	(4.14%)	(3.03%)	4.97%	(3.49%)	(2.76%)
Number of international students included in totals above	2	3,445	5,754	6,216	5,790	5,279	4,481	3,985	3,752	3,503	3,947

Notes:

1. By student mode
2. Include all international students regardless of New Zealand residency or funding status

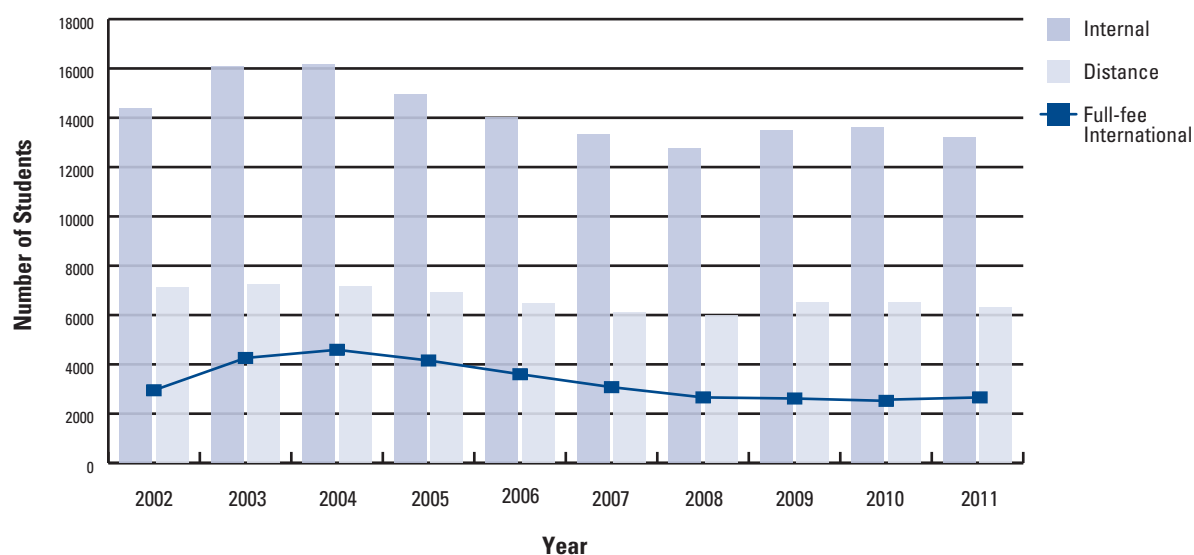


EQUIVALENT FULL-TIME STUDENTS (EFTS)

	Notes	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Internal	1	14,392	16,090	16,159	14,952	14,002	13,315	12,749	13,469	13,599	13,201
Distance	1	7,135	7,253	7,167	6,897	6,473	6,117	5,989	6,525	6,520	6,318
Total all students regardless of funding sources		21,527	23,342	23,326	21,850	20,475	19,432	18,738	19,994	20,119	19,519
% change over previous year		6.56%	8.43%	(0.07%)	(6.33%)	(6.29%)	(5.09%)	(3.57%)	6.70%	0.63%	(2.98%)
Full-fee international students included in totals above	2	2,493	4,341	4,809	4,197	3,412	2,671	2,084	2,021	1,886	2,050
EFTS Funded by Tertiary Education Commission (TEC)	3	18,543	18,349	17,840	16,931	16,297	16,085	15,996	17,360	17,673	16,784
% change over previous year		(0.30%)	(1.05%)	(2.77%)	(5.10%)	(3.07%)	(1.99%)	(0.55%)	8.52%	1.80%	(5.03%)

Notes:

1. By paper mode
2. These are full-fee international students as per TEC funding classification 02, 03 and 20
3. As per TEC Funding Classification 01.



STUDENT AGE DISTRIBUTION (HEAD COUNT)

		2011								
Ethnicity	Gender	<17	17-19	20-24	25-29	30-34	35-39	40+	Total	Total all (%)
New Zealand Māori	Female	0	230	571	328	296	248	574	2,247	7%
	Male	4	115	290	174	123	112	202	1,020	3%
	Total	4	345	861	502	419	360	776	3,267	10%
European	Female	2	1,564	3,653	1,756	1,285	1,155	3,213	12,628	37%
	Male	4	929	2,140	1,072	749	608	1,543	7,045	21%
	Total	6	2,493	5,793	2,828	2,034	1,763	4,756	19,673	58%
Pasifika	Female	0	67	197	117	87	86	103	657	2%
	Male	0	31	109	68	47	42	85	382	1%
	Total	0	98	306	185	134	128	188	1,039	3%
Asian	Female	0	199	1,042	686	302	158	228	2,615	8%
	Male	1	166	909	634	263	123	146	2,242	7%
	Total	1	365	1,951	1,320	565	281	374	4,857	14%
Other	Female	0	114	459	205	173	139	277	1,367	4%
	Male	0	93	395	251	152	148	224	1,263	4%
	Total	0	207	854	456	325	287	501	2,630	8%
Unspecified	Female	0	179	345	181	142	151	377	1,375	4%
	Male	0	140	293	153	108	115	254	1,063	3%
	Total	0	319	638	334	250	266	631	2,438	7%
Total	Female	2	2,353	6,267	3,273	2,285	1,937	4,772	20,889	62%
	Male	9	1,474	4,136	2,352	1,442	1,148	2,454	13,015	38%
	Total	11	3,827	10,403	5,625	3,727	3,085	7,226	33,904	
	Total (%)	0.03%	11%	31%	17%	11%	9%	21%		

Notes:

- Total all (%) column and row is the percent of the total year figure: 2011 = 33,904
- Figures above include all students regardless of funding source
- Student data as at 31st December 2011 (extracted 1 January 2012)

STUDENT ETHNICITY, MODE AND GENDER (HEAD COUNT)

Ethnicity	Mode	2011			
		Female	Male	Total	Total all (%)
New Zealand Māori	Internal	845	483	1,328	4%
	Distance	1,402	537	1,939	6%
	Total	2,247	1,020	3,267	10%
European	Internal	5,718	3,442	9,160	27%
	Distance	6,910	3,603	10,513	31%
	Total	12,628	7,045	19,673	58%
Pasifika	Internal	292	213	505	1%
	Distance	365	169	534	2%
	Total	657	382	1,039	3%
Asian	Internal	1,999	1,850	3,849	11%
	Distance	616	392	1,008	3%
	Total	2,615	2,242	4,857	14%
Other	Internal	863	940	1,803	5%
	Distance	504	323	827	2%
	Total	1,367	1,263	2,630	8%
Unspecified	Internal	735	654	1,389	4%
	Distance	640	409	1,049	3%
	Total	1,375	1,063	2,438	7%
Total	Internal	10,452	7,582	18,034	53%
	Distance	10,437	5,433	15,870	47%
	Total	20,889	13,015	33,904	

Notes:

- Total all (%) column and row is the percent of the total year figure: 2011 = 33,904
- Figures above include all students regardless of funding source
- Student data as at 31st December 2011 (extracted 1 January 2012)

STAFFING LEVELS

FULL-TIME EQUIVALENT (FTE) STAFF

STAFF FTE

	2010	2011
Colleges		
Academic	1,091	1,080
General	481	430
Contract and Trading	405	383
Total Colleges	1,976	1,893
Centres of Research Excellence, Support Services and Administration		
Vice-Chancellor's Office	20	19
Assistant Vice-Chancellor (Academic and International)	327	342
Assistant Vice-Chancellor (External Relations)	38	40
Assistant Vice-Chancellor (Finance, Strategy and Information Technology)	189	192
Assistant Vice-Chancellor (Māori and Pasifika)	19	28
Assistant Vice-Chancellor (People and Organisational Development)	32	30
Assistant Vice-Chancellor (Research and Enterprise)	83	79
Assistant Vice-Chancellor and University Registrar	363	359
Total Centres of Research Excellence, Support Services and Administration	1,071	1,089
Total Staff	3,047	2,982

Note:

2010 figures have been reworked as some reporting lines changed in 2011. A degree of caution needs to be applied when comparing 2010 to 2011 figures

STAFF (FTE), BY COLLEGE

College		2004	2005	2006	2007	2008	2009	2010	2011
College of Business	Academic	326	302	290	282	251	240	221	210
	General	133	123	113	97	97	103	106	89
	Contract and Trading	3	4	17	16	11	9	12	9
College of Creative Arts	Academic	141	146	115	105	101	113	113	107
	General	36	36	34	35	35	37	38	37
	Contract and Trading	0	0	2	2	6	6	3	3
College of Education	Academic	146	125	121	113	104	107	104	102
	General	63	51	62	48	47	47	47	34
	Contract and Trading	104	103	110	111	94	85	73	65
College of Humanities and Social Sciences	Academic	265	259	252	244	226	234	245	258
	General	61	62	55	62	49	55	56	49
	Contract and Trading	72	67	118	115	137	154	147	146
College of Sciences	Academic	429	422	436	445	432	423	408	403
	General	302	298	253	284	242	255	233	221
	Contract and Trading	125	123	206	174	158	156	170	160
Total Colleges	Academic	1,307	1,254	1,214	1,189	1,114	1,117	1,091	1,080
	General	595	570	517	526	470	497	481	430
	Contract and Trading	304	297	453	418	402	410	405	383
Total FTE		2,206	2,121	2,184	2,133	1,987	2,023	1,976	1,893

STAFFING RATIOS

	2004	2005	2006	2007	2008	2009	2010	2011
Funded equivalent full-time students (EFTS) (excluding Professional and Continuing Education)	22,438	20,985	19,490	18,549	17,869	18,889	19,048	18,493
Total academic staff incl casual academic	1,307	1,255	1,214	1,188	1,114	1,117	1,091	1,080
Total general staff incl casual general	1,583	1,574	1,507	1,522	1,456	1,553	1,552	1,519

College	2009		2010		2011	
	Ratio of EFTS to Academic Staff	Ratio of General to Academic Staff	Ratio of EFTS to Academic Staff	Ratio of General to Academic Staff	Ratio of EFTS to Academic Staff	Ratio of General to Academic Staff
College of Business	25.2:1	0.43:1	26.1:1	0.48:1	25.6 : 1	0.43 : 1
College of Creative Arts	16.1:1	0.33:1	16.2:1	0.33:1	15.9 : 1	0.34 : 1
College of Education	17.1:1	0.44:1	19.0:1	0.46:1	17.5 : 1	0.33 : 1
College of Humanities and Social Sciences	19.4:1	0.24:1	19.2:1	0.23:1	17.8 : 1	0.19 : 1
College of Sciences	11.0:1	0.59:1	11.5:1	0.57:1	12.5 : 1	0.55 : 1
University Total	16.9:1	1.39:1	17.5:1	1.42:1	17.1 : 1	1.41 : 1



MASSEY
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