

20 Unitec Annual Report 03

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Highlights 2003

- Surplus of \$4.6 million resulting in a 4.17 percent return on assets.
- Sustained EFTS (Equivalent Full-time Student) growth of nine percent, up 872 EFTS to a total of 10,437.
- Growth in International EFTS to 2,729 EFTS despite a downturn in the export education market nationally and internationally due to the SARS virus.
- Development of the 'University Plan' which paths the way for the creation of an enduring dual-sector institution.
- Review of the academic and administrative structures to align our operations with the strategic direction and key challenges identified in the charter, profile and strategic plan.
- Major joint venture development with Waitakere City Council in Henderson. The Civic Futures project offers a partnership approach to integrated tertiary education and civic functions, making education more accessible to the people of Waitakere.
- Investment of \$34.8 million over the last four years on campus development to provide world-class facilities for our students.
- Programmes of study remain strongly linked to labour market needs. Almost 90 percent of graduates responding to our annual graduate survey were working in an area that was moderately or highly related to their qualification.
- Academic development supporting our dual-sector portfolio of qualifications and meeting emerging market needs including a Bachelor of Applied Technology, the first degree programme in New Zealand targeted at tradespeople, and the Master of Professional Accountancy the only professional masters degree in accountancy in New Zealand.
- Building research capacity continues to be a key strategic priority with an emphasis on applied research linked to teaching and industry. This has resulted in a focus on solving real and practical problems and provides a valuable and distinct contribution to New Zealand's innovation strategy.

Statement of Purpose

Unitec inspires people to discover and apply their intellectual and creative potential and contribute responsibly to their societies and cultures.

Mission

To be New Zealand's leading provider of applied higher and further education.

For our students, we will:

- Provide relevant and durable qualifications
- Foster intellectual and learning independence
- Commit to quality in all our activities
- Encourage and support their success.

For our owners, we will:

- Be accountable for our actions
- Provide sound stewardship of resources
- Enhance their investment.

For our staff, we will:

- Be a good and fair employer
- Provide support for both teaching and research
- Recognise and celebrate their contributions.

For the wider community, we will:

- Honour the Treaty of Waitangi
- Advance, disseminate and preserve knowledge
- Act as a critic and conscience of society.

Vision

Unitec will be the most innovative and exciting university in Auckland.



Year in Review

For the Year ended 31 December 2003



Chairman's Report

As a Council, we have relied heavily on our strong commitment to dual-sector education when setting strategic directions for the mid to long-term future and steering Unitec over the past year. It is with some satisfaction that we have reached a milestone in Unitec's history, with growth exceeding 10,000 Equivalent Full-time Students (EFTS). We have continued to experience sustained growth and maintained a strong international focus despite the adversities experienced elsewhere in the market. Such results offer sound testament to the success of our direction. Our work-ready graduates have clear vocational and professional focus in areas much in demand by industry and the community alike.

The continued cost pressures associated with running a tertiary institution that provides niche market professional qualifications strongly related to industry have required careful management as we move to the new funding regime. Our commitment to maintaining a strongly student-focused learning environment with small class sizes in many highly specialised technical and professional disciplines means that system-wide changes are often not easily adapted without incurring additional costs.

At a strategic level, Council has been faced with some particularly significant decisions over the year. We entered the year in discussion with Auckland University of Technology (AUT) over the potential for a merger, but after much deliberation it was decided not to proceed from detailed business case analysis to full due diligence. Although on the surface, both institutions have very similar academic profiles, the long-term strategic goals are markedly different. Our commitment to dual-sector education and our desire to maintain and develop trade-level education were reinforced during this process. Our decision to concentrate on developing an independent future has strengthened our resolve to be an enduring dual-sector university.

One of the major functions Council has addressed this year is the review of our charter, which sets out our fundamental purpose as a tertiary institution. It defines our mission and values as well as documenting our distinctive character, or points of difference. Our charter outlines the contribution that Unitec makes to New Zealand's identity and economic, social and cultural development. The charter, approved by the Tertiary Education Commission (TEC) in December, includes our profile, which sets our strategic direction and key challenges for the next three to five years and our new strategic plan, incorporating strategic outcomes and performance measures.

A central focus of the strategic plan is to ensure the sound financial and organisational management of the institute to safeguard the public investment in Unitec. A major review of the academic and administrative structures has been undertaken to align the organisation with the strategic direction set out in the plan. This new structure will not only create an institution that clearly demonstrates a dual-sector commitment but will also position us to best fulfil our mission and maximise our contribution to the sector.

The strategic considerations that have gone into our charter, profile and strategic plan have formed the basis for our development

planning and investment decisions. The most significant of these is planning for the development of the Waitakere campus, which has been undertaken with the tertiary education needs of future generations of west Aucklanders in mind. Our partnership with the Waitakere City Council has created opportunities to develop some very innovative facilities that will serve the community well.

I would like to thank retiring fellow councillor Hank Lieshout for 13 years of service to Unitec Council and keen dedication to Unitec. Hank has been an extremely valuable member of the Development Committee, making a significant contribution to Unitec's growth. He has been an enthusiastic supporter of education for young people, particularly in the trades area, and served on our Carpentry Advisory Committee (1994-98), with three years as chair. Hank was awarded an honorary fellowship for his vast contribution to the institute.

An honorary fellowship was also awarded to Murray Hutchison, head of acting at the School of Performing and Screen Arts since the School became part of Unitec in 1994. Murray has actively built the School into what is clearly the leading performing and screen arts school in the country. He has been instrumental in developing an integrated suite of programmes spanning acting, dance, directing, writing and screen arts and their supporting technologies. As well, Murray has directed and designed many plays and developed many fine NZ actors.

On behalf of Council, I would like to thank our president and chief executive, Dr John Webster, for his dedication and leadership. This astute management, combined with the support of a capable and committed management team, has assisted Council in navigating the tertiary landscape that has evolved under the TEC.

During the year, we were pleased to welcome Garry Shuttleworth to Council. Garry is the Chief Executive Officer of the New Zealand Certified Builders Association Inc and will serve on Council for a four-year term.

I would like to thank all of my Council colleagues for their contribution over the last year. Each member brings to the table an extensive range of capabilities and specialist knowledge that enhances Unitec's governance. This positions us well to ensure we continue to realise our vision for tertiary education that delivers postgraduate and undergraduate university education while maintaining a strong commitment to vocational education and training.

I am confident that as we embark upon our new strategic plan, we are well placed to deliver comprehensive university-level education that remains closely aligned to industry and the professions. Our dual-sector approach will ensure that the needs of a wide range of learners are met as they seek to further their education and advance in their chosen careers.



Alan Dickinson
Chairman of Council

Chief Executive's Report

Year in Review 2003

Growth and sustainability have been key themes in 2003. Unitec experienced strong growth in domestic student numbers and moderate growth in international numbers. Our total student load, measured in Equivalent Full-time Students (EFTS), grew by nine percent, and reached 10,437 EFTS, up from 9,565 EFTS in 2002. The actual number of students grew from almost 30,000 in 2002 to over 60,000 in 2003, and they participated in more than 150 programmes of study. In 2003, Unitec was awarded the national contract to supply training for Site Safe, which generated 41,000 additional students and contributed 400 EFTS to our student load.

During 2003, Unitec offered a comprehensive range of programmes, ranging from trade certificates to Doctorates in Computing and Philosophy. We offer innovative programmes designed to meet the specific needs of learners who are beginning their career, planning for a career change or engaging in professional development within their chosen career. Although rapidly expanding postgraduate enrolments, we continue to provide leadership in vocational and professional education, and maintain close links with business and industry. This ensures that our overall suite of qualifications is both current and relevant. Our central commitment to educating people for work, in work and through work, and our capacity to meet their needs at all levels sets us apart from other tertiary education providers. Our work-ready graduates have skills and attributes that are highly sought after, both nationally and internationally.

Our fundamental commitment to dual-sector university education has resulted in a complete reassessment of our strategic direction and a subsequent restructuring to ensure that we can continue to deliver world-class education. We have sought to become even more innovative and entrepreneurial, pursuing strategies that were identified some years ago by Professor Burton Clark from UCLA:

- Strengthening our steering core
- Expanding our developmental periphery
- Diversifying our funding base
- Stimulating our academic heartland
- Integrating an entrepreneurial culture.

The changing tertiary environment resulting from the introduction of the Tertiary Education Commission (TEC) and the Tertiary Education Strategy has created new challenges and opportunities for both Unitec and all other universities and polytechnics. It has, however, also led to a sharp increase in compliance costs.

Strategic Development

Merger Investigation

Through the second semester of 2002 and the first quarter of 2003 we worked with Auckland University of Technology (AUT) to prepare a comprehensive joint academic and business case for a merger of the two organisations. That report was submitted to the Academic Boards and Councils at the end of April. Senior management teams from both institutions and working parties established to oversee the discussions, agreed there was a good case to proceed, provided that

both institutions remained committed to a shared future as a major dual-sector university.

However, after consulting with its Academic Board, the AUT Council advised us that the university was not yet able to make such a commitment. Rather than continuing discussions and creating uncertainty, Unitec Council decided to focus on strategic planning for 2004 and to negotiate a new Charter and Profile for Unitec as an institution committed to a future as an independent dual-sector university.

Overall, however, the merger discussions were positive. Best practice was shared and extensive staff communication took place, leading to improvements in both institutions and promoting closer working relationships for the future. Both institutions are committed to improving the provision of tertiary education in the Auckland region, but may adopt different philosophical and practical strategies to achieve that goal. We are well aware that the government wants to see more cooperation, and we will continue to investigate opportunities to work together in the future.

University Plan, Academic and Administrative Restructuring

One of the outcomes of the merger discussions with AUT was the reinforcement of our strategic direction. We had expressed our strong commitment to developing as an institution that operates at university level but which still maintains a firm commitment to vocational education and training in New Zealand. When compared with more traditional university or polytechnic models, this dual-sector model has many advantages for people engaged in career development, including seamless pathways between higher education and vocational education and training.

For more than a decade, Unitec has experienced rapid and sustained growth. That expansion has been maintained by a strong faculty structure, an approach that served us well through a period characterised by a highly competitive and largely unregulated external environment. However, we recognised the need to adapt to survive and prosper despite the increased levels of government intervention and strategic direction that will be an inevitable outcome of recent tertiary education reforms. In this new environment, our success as an organisation will depend on our adopting structures and mechanisms that can maximise our capacity to deliver the services needed by our students and comply with the demands of a large and diverse community of stakeholders.

We therefore embarked on a major restructuring of the organisation to address what we had identified as our key business imperatives, namely the need to:

- Develop as a dual-sector university
- Build on our strengths and develop best practice
- Increase the level of choice and flexibility available to students
- Reduce our administrative and academic overhead costs
- Become more strategic in our key academic investments
- Address equality of esteem for our graduates vis-à-vis universities.

The process began in May with a workshop attended by more than 50 senior staff members drawn from academic and service units across Unitec. There was a very strong consensus amongst this group that the focus of the University Plan must be placed firmly on continuing our development as a dual-sector university. The key issues were seen as:

- Enhancing our capacity to educate people for work, in work and through work
- Focusing on research that informs teaching and learning
- Improving communication with industry and the professions
- Becoming more strategic in our academic investments
- Gaining efficiencies
- Adopting best practice models, and
- Refocusing our branding to better reflect our central directions and capabilities.

A new strategic plan was subsequently developed for the period from 2004 to 2008, with a central aim of Unitec becoming an enduring dual-sector university. The plan, which formed a basis for the educational profile we then went on to negotiate with TEC, identified three key strategies:

- Strengthening our points of difference
- Capitalising on growth opportunities, and
- Focusing our resources and processes.

The new plan introduces the Unitec Scorecard, which is based on the principles of the Balanced Scorecard and Triple Bottom Line management tools. The plan sets out strategic outcome statements and outcome-based performance measures linked to performance drivers. As the planning process cascades to business units throughout the organisation, a much more robust system of planning and reporting should result. The required strategic outcomes include:

- Overall growth aligned with national and regional priorities
- Recognition by government as a distinctive dual-sector university
- Accepted and well-used pathways between higher and vocational education
- A capacity for undertaking research relevant to our teaching and discipline focus
- A capacity to cope with fluctuations in student demand and government strategies
- Ongoing financial stability
- Improving efficiency, and
- Having satisfied and committed staff and students.

To progress the University Plan, a steering group was appointed and working parties comprising people from across the institute were established to examine in detail the issues and business requirements. The working parties covered areas such as academic organisation, administrative efficiency, brand refocusing, cooperative education, flexible education, internationalisation, Maori dimension, multi-campus and regional development, Pasifika support, and research, teaching and practice.

The major strategies that emerged were to establish a strong divisional structure to secure our dual-sector profile, to consolidate discipline expertise in larger academic Schools and to deliver administrative support on a shared services model. Primary goals included removing existing constraints on cross-disciplinary teaching and research, strengthening our capacity to meet changing stakeholder needs and becoming more effective and efficient.

By the end of 2003, we had completed the development of a new academic structure to take effect from the beginning of the 2004 academic year. This structure reflects our dual-sector commitment and focuses on programmes of study rather than disciplines. A Division of Postgraduate Studies is responsible for postgraduate programmes and research, a Division of Undergraduate Studies deals with bachelors degrees and higher-level diplomas, and a Division of Vocational Education and Training manages our certificates and diplomas. This divisional structure is underpinned by a matrix of discipline-based Schools responsible for the delivery of teaching and research services.

The senior management structure has been strengthened by the addition of three academic positions at Vice-President level, each being primarily responsible for a particular area of institutional significance – such as Community, International and Development, for example – while offering mentoring and coordination assistance to Heads of School.

Our discipline-based Schools have been extensively reviewed and their role as the core units responsible for teaching and research strengthened. Some smaller Schools have merged, and departments have transferred between Schools, in order to provide a more effective pool of academic and professional expertise. While further adjustments may take place over time, the Schools will, in 2004, cover:

- Accounting, Law and Finance
- Applied Technology
- Architecture and Landscape Architecture
- Built Environment
- Communication
- Computing and Information Technology
- Design
- Education
- English and Applied Linguistics
- Foundation Studies
- Health and Community Studies
- Languages
- Management and Entrepreneurship
- Natural Sciences
- Performing and Screen Arts
- Sport

In addition, a new entity, Te Mea Maori will be responsible for delivering academic programmes in the field of Maori Studies, supporting Maori staff and students, and introducing a Maori dimension in all our academic programmes.

The new academic structure is backed by a support services structure headed by a Deputy President, Corporate Services. Another position, Director, Student Affairs, has been established and will be responsible for providing all necessary administrative and non-academic support services to students.

Charter and Profile

A new Charter and Profile have been developed to meet the TEC's requirements. The Charter, setting out Unitec's particular role in the tertiary education system, and defining our distinctive character and strategic roles, evolved through extensive consultation with key stakeholders in industry and the community, and was accepted by the Minister in late 2003.

Partnerships – National and Regional

Collaborative working arrangements with business, industry and community organisations, and other educational providers have always provided us with the means to ensure that our portfolio of qualifications continues to be industry-relevant and community-focused.

Many of our senior academic and support staff carry major external responsibilities through such arrangements, including serving on advisory groups within and beyond the tertiary sector. For example, Te Kawehau Hoskins from Puukenga (our School of Maori Education) was appointed as a member of the TEC Adult and Community Education (ACE) reference group, which aims to raise awareness of the importance of adult and community education and lifelong learning. Richard Elliott of Learning Technologies helped found the E-Learnz Consortium to foster collaboration in e-learning within New Zealand. The consortium comprises other universities and polytechnics as well as private industry.

The School of Management and Entrepreneurship has collaborated closely with Onehunga High School in the establishment of the Onehunga High Business School, a venture that has been described by Steven Tindall of The Warehouse as the biggest innovation in secondary education in the last century. Students complete their regular schoolwork alongside a business-based curriculum that includes Unitec Certificate in Management courses. They can experiment with business ideas using a variety of learning approaches, including simulated games and business plan competitions. Students enrol at Year 11 and can enter an internship in Year 13.

Our Applied Technology Institute formed a partnership in Northland with Te Runanga O Te Rarawa to provide training and jobs in that region. The students, many of whom come from remote areas and have been unemployed for extended periods, get Unitec scholarships to study the Certificate in Applied Technology. Unitec staff members spend time in the region, teaching students and mentoring local tutors. The training scheme provides a holistic approach to the housing issues in Northland. Houses are built and repaired where there is a serious need, access to formal training is provided and the building industry is strengthened.

Partnerships – International

We have continued to foster international partnerships within the tertiary education sector, which has benefited both staff and students. In 2002, we signed an enabling Agreement of Cooperation with the Instituto Tecnológico y de Estudios Superiores de Monterrey, Mexico. In 2003, operating within the agreement's framework, the Schools of Communication and Architecture each reached more specific agreements with equivalent schools in ITESM, enabling students to study for a year in Mexico as part of their programme and subsequently to graduate with degrees from both Unitec and ITESM. Students from ITESM can, of course, do the same after spending a year at Unitec.

An accord was signed with the National University of Samoa in November 2003, setting out guidelines for future collaboration. A delegation of senior officials from the National University of Samoa, including the Pro-Chancellor (who is also Samoa's Minister of Education), Vice-Chancellor, Registrar and Heads of School visited Unitec. The accord lays foundations for many exciting initiatives, including staff and student exchanges, research and conference opportunities, capacity building and academic collaboration. The visit also provided an opportunity to recognise and thank Marty Perkinson, Adjunct Professor in the School of Accountancy, Law and Finance, who has been an active member of their council for 16 years.

Academic Development

Many programme developments have taken place during the year as we refine our dual-sector portfolio of qualifications. We continue to push boundaries of innovation, meeting emerging needs within the market for technologically up-to-date education that can be immediately applied in a broad range of industry and community-based settings. The success in ensuring that our qualifications are extremely relevant in the work place enables us to survive in a climate where our students are unfairly and unnecessarily disadvantaged by not having university status for their degrees.

Our professional postgraduate programmes provide a particularly good example of these strategies in action, with a significant number of graduates being employed in highly related areas during their study. In 2003, we added several postgraduate business qualifications, to meet specific professional development needs not catered for elsewhere in the sector. For example, the Master of Professional Accountancy, approved by NZQA for delivery in 2004, is the only professional masters degree in accountancy offered in New Zealand, and is firmly targeted at graduates and accountancy professionals. Traditional, research-based learning and current internationally relevant case studies are integrated to create an applied degree that is underpinned by appropriate theory. A Postgraduate Diploma in Professional Accountancy will also be available. The Master of Business also received NZQA approval and will commence delivery in 2004. Students will also be able to undertake the Postgraduate Diploma in Business Innovation and Entrepreneurship – specialising in technology management, business transformation or international business – as well as a Postgraduate Diploma in Professional Accountancy.

The Bachelor of Applied Technology, for which the entry qualification is possession of an appropriate trades certificate and relevant practical experience, will also be offered in 2004. This is the first degree programme in New Zealand to be targeted at tradespeople who want to advance their thinking skills and take the next step in their careers. The programme is applied and hands-on in style, and was described by the NZQA panel as being particularly innovative and responsive to industry. Students will develop generic skills such as project management, innovation and entrepreneurship as well as pursuing special studies reflecting the more specific developmental needs of trades such as automotive engineering, building, electrotechnology, furniture making, joinery, marine, and plumbing and gasfitting.

Our second doctoral programme, the Doctor of Computing began operation in 2003. Unlike wholly research-based PhD programmes, this professional doctorate is a career-oriented qualification that enables practitioners to explore issues relevant to their practical work in the industry. It is the first professional doctorate in computing available from a New Zealand institution.

Several major professional bodies accredited relevant degree programmes during 2003, a process that benchmarks our qualifications internationally. For example, the Royal Institute of Chartered Surveyors accredited the Bachelor of Construction majors in quantity surveying and construction management for the next five years. The visiting panel expressed particular satisfaction at the very strong links that the School maintains with industry. In a similar vein, the Institute of Chartered Accountants New Zealand accredited the accountancy major of the Bachelor of Business, while the Institution of Professional Engineers New Zealand accredited the Bachelor of Engineering and the Bachelor of Engineering Technology programmes.

Campus Development

Campus development has continued to be a priority as enrolment growth continues. Over the past four years we have invested \$34.8 million in world-class facilities for our students.

In May, the Minister of Health, the Hon Annette King, opened our new Osteopathy Clinic, which is the largest osteopathy clinic in the country, with 11 treatment rooms. The clinic also serves as a teaching facility where students from the Master of Osteopathy programme get hands-on experience under the supervision of their tutors. Osteopathy is an increasingly popular alternative holistic approach to health care, and the Unitec programme is the only New Zealand-based qualification for those wishing to enter the profession.

The Unitec marae continues to progress under the direction of Tangata Whakairo, Lyonel Grant. Several hui took place during the year, with staff, students and iwi whaanui discussing a range of important issues related to the marae, including the kawa and tikanga that will apply. Construction of the first stage of the complex, comprising a Whare Nui, Marae-a-Tea and Whare Paku, is expected to commence in 2004. Once completed, the marae will mark the heart of the campus and offer a spiritual centre to staff and students.

Other developments at the Mt Albert campus included the completion of the Air Training Corps (ATC) Ventura Complex, a joint venture between the Unitec School of Sport, the ATC and College Sport Auckland.

Unitec New Zealand, Waitakere Campus

Our presence in Waitakere continues to grow as we offer additional programmes of study to West Auckland people in their local community. In 2003, the campus had more than 200 EFTS studying certificate and diploma programmes in computing, English language, electrotechnology and health science.

Throughout 2003, we have been working with the Waitakere City Council towards a major joint venture development in Henderson. The Civic Futures Project involves the construction of teaching facilities, purpose-built to meet the learning needs of students enrolled at the Waitakere campus, a jointly managed library for the City and Unitec, and supporting facilities. The partnership approach to the provision of library facilities, combining tertiary study with public library provision, is an exciting outcome of our relationship with the City Council. The integration of tertiary and civic functions should help to make education more accessible to the people of Waitakere, a part of the Auckland region that has traditionally been distinguished by a lower-than-average uptake of post school education and training.

Environmental Management

Our commitment to the sustainable and responsible environmental management of the campus continues to underpin all new developments and works on campus. In 2003, an environmental management policy was approved, giving formal effect to our adoption of the eco-campus principles, now also firmly embedded in the new strategic plan. Furthermore, a new recycling project was commenced – thanks to a joint initiative between Jeff Seadon from the School of Engineering and the Unitec Registry of Works – and has proved very popular among staff and students.

With Unitec support, Auckland City Council has developed a pedestrian and cycleway at the north end of our Mt Albert campus. Using land owned by Unitec and Transit NZ, the cycleway now extends from Te Atatu to Grey Lynn, offering cyclists from those areas a route to the edge of the Auckland CBD that avoids busy thoroughfares such as Great North Road and New North Road.

Export Education

Unitec continues to be a significant player in the New Zealand export education market. In 2003, international EFTS reached 2,729 EFTS, an increase of six percent over 2002. Students from over 70 countries have participated in a wide range of programmes from short courses through to certificates, diplomas, and bachelor and postgraduate programmes.

The outbreak of SARS (Severe Acute Respiratory Syndrome) posed a significant threat to the industry, particularly the English language market, with the number of English language students studying at

Unitec falling considerably compared to the previous year. During the height of the epidemic, the Fanzhidu School in Beijing, along with all other Beijing educational institutions, had to close down for a period, and New Zealand-based staff members returned home. Despite the setback, the school continues to operate successfully in preparing students for study in New Zealand.

Although the drop in English language students during the year was substantial, we continued to experience a growth in IELTS, the International English Language Testing System, which is used to assess the ability of candidates to study or work in an environment where English is the language of communication. Unitec is the largest IELTS centre in New Zealand, with more than 9,600 people sitting the test at the Mt Albert campus during 2003.

Unitec has continued to expand the range of the export education market, offering new products targeted to meet the needs of particular customer groups. In 2003, for example, we targeted professional development in the education sector, and a large group of Chinese secondary teachers studied New Zealand teaching philosophies and methods at our School of Languages. Student exchange programmes and study abroad are becoming more and more popular, with many students opting to experience such study as part of a bachelor level degree. In 2003, as a result of cooperative exchange agreements reached between Unitec and a number of overseas universities, some of our students took part in exchanges that enabled them to study business and languages in Europe and South America.

Graduates 2003

Three graduation ceremonies for those completing degrees and postgraduate qualifications took place in April, with 575 students graduating in person and a further 164 in absentia. Certificate and diploma graduation ceremonies also took place during graduation week for those completing vocational education and training qualifications. Faculties and Schools each held ceremonies that captured the special character of their discipline and culture. A kahurangi (celebration of excellence) was held for Maori graduands on the evening before the degree graduations, with almost 30 graduands taking part.

Graduate survey results in 2003 continued to show that our programmes of study are strongly linked to labour market needs. Almost 90% of those who responded to our annual survey were working in an area that was moderately or highly related to their qualification. Of graduates who had worked while studying, over 60% had been employed in an area related to their studies, confirming that our programmes are developing the professional and technical capabilities of the existing workforce as well as producing work-ready graduates.

Research

Research remained a major strategic priority in 2003 as we prepared for the introduction of the Performance Based Research Fund (PBRF) in 2004. The Research Fellowship scheme introduced last year provides a key mechanism for academic staff to build applied research capacity. The applied nature of our research, linked to teaching and industry, focuses on solving real and practical problems of relevance to society and the knowledge economy. While this may not provide a perfect fit with the application of the new funding regime, we are confident that our approach offers a valuable and distinctive contribution to the government's innovation strategy.

The most recent research and development centre to be established is the Centre for Information Technology Research (CITRUS), which opened in May and has already embarked on a major project in Peru. During 2003, Logan Muller, a School of Computing and Information Technology staff member, spent time living in a village high in the Andes in order to scope a project that will see remote subsistence farming communities being able to communicate and access important information via satellite technology.

The three communities of Antabamba, Pampas and Colcabamba, located 4,000 metres up in the Andes, have a combined population of 50,000 and are among the poorest in Peru. The project will enable them to access education, business and agriculture information online. New Zealand aid agency NZAID has allocated a grant of \$500,000 to support the initiative. Around two thirds of the aid money will be spent on equipment, with training and community capacity building being the key objectives.

Conclusion

On behalf of Unitec, I would like to thank the Unitec Council, under the leadership of our chairman, Alan Dickinson, for superb governance throughout the year. In 2003, the Council made some momentous decisions that will impact upon our strategic direction for years to come. The expertise, skill and dedication of Council members provide a substantial advantage as we navigate our way through the uncertainty associated with the new tertiary landscape and set the course for our future. Together with a very capable and committed team of staff and senior managers, we will continue to realise our vision to be an enduring dual-sector university, meeting the demand for postgraduate, undergraduate and vocational education, and professional development.



Dr. J.A. Webster

President Chief Executive

Faculty Reports

Faculty of Architecture and Design

The Faculty of Architecture and Design comprises the Schools of Architecture, Construction, Design, Engineering, and Performing and Screen Arts.

The Faculty experienced a further year of relatively stable EFTS, with an overall growth rate of four percent. The Schools of Architecture, Construction and Engineering all showed moderate growth, providing further evidence of the growing need for qualified professionals within the construction and building services industries.

The range of programmes available to students wishing to further their qualifications within the Faculty was extended with the introduction of the Postgraduate Diploma in Design Enterprise, which helps students prepare and establish a business in a design-related area. This will assist many of our creative and entrepreneurial graduates to launch their own business enterprises.

Dr Christina (Tina) Hong was appointed to the role of Executive Head of the School of Performing and Screen Arts. Tina has previously worked at the Auckland College of Education and more recently was seconded to the Ministry of Education to work on the development of the Arts curriculum within schools.

Studio 12 screened on Auckland's Triangle Television throughout their regional network. The show, using the panel discussion forum, gathers together a group of experts for informed intelligent debate on serious issues. This year's six part series included episodes discussing bullying in the workplace and New Zealand music exposure on television. Screen arts students get first hand experience of researching, filming and editing the show.

Many of the Faculty's students received recognition for their outstanding achievements. School of Design student, Ilhaan Patel gained top honours in the 2003 New Zealand Best Design Award in the student product design category with his entry, X-Climber, a plastic moulded structure for rock climbing. Damian Bell, a fifth year Bachelor of Architecture student, took part of an exchange programme for study at Westminster University in London. Photography students from the Bachelor of Design scooped a number of awards at the inaugural Metro/Canon Young Photographers Awards, with Amanda Dorcil winning the Portraiture/Documentary category and Ross McGuire winning the Concept category.

Faculty of Arts and Social Sciences

The Faculty of Arts and Social Sciences provides multi-level programmes in the arts, languages and social sciences.

The Faculty experienced a small decline in EFTS growth in 2003, primarily as a result of the downturn in the international languages market. The School of Languages experienced a drop of 28 percent, taking the EFTS total to 872, down from the 1,213 the previous year.

Relatively strong growth occurred in the Faculty's other Schools – Community Studies, Education, English and Applied Linguistics, Foundation Studies and Puukenga, our School of Maori Development.

This year the Faculty introduced a new degree, the BA in English as an Additional Language. The programme is aimed primarily at international students or New Zealand residents wanting to improve their English language skills. It provides English language students the same recognition as other BA subjects. The degree has compulsory English courses and electives from disciplines such as language tutoring, an additional language and business studies.

Increasing Maori participation and success in our programmes is a key Unitec goal. This year, we offered free Te Reo short courses to enable members of the public to learn Maori for free. Students studying the Diploma in Te Reo me nga Tikanga also had their fees removed, which proved very popular. Puukenga also completed a successful three-year contract, He Ara Tika, a nationwide programme focusing on mentoring Maori youth.

Faculty academics have had a number of research successes this year. Dr Carol Cardno, Head of School, School of Education, was appointed to the Performance Based Research Fund panel for Education. Carol also published the book *Action Research: A Developmental Approach*. The School hosted a very successful Teacher Practitioner research seminar with Adjunct Professor Dr Marianne Coleman from London University. The seminar was attended by some 200 participants, many of whom joined via a video link to Christchurch College of Education. Pip Neville-Barton was awarded a Teaching and Learning Research Initiative grant by the New Zealand Council for Educational Research (NZCER) for work on the relationship between English language and mathematics learning for non-native speakers.

The Faculty hosted a number of other events throughout the year. Dr Lester Salmon, Professor at the John Hopkins University in Baltimore and Director of the John Hopkins Centre for Civil Society Studies, gave a public lecture comparing charities and not-for-profit organisations from 42 countries and looked at their impact on the modern world. Immigration Minister Hon Lianne Dalziel visited the Faculty for the Auckland launch of the government's English for Speakers of Other Languages (ESOL) strategy. The strategy sets out the government's vision and direction for settling new New Zealanders, a key initiative for Auckland's large immigrant population.

Unitec in Schools, a School of Education initiative, developed the Hillary Challenge to commemorate the 50th Anniversary of Sir Edmund Hillary's ascent of Mt Everest. The project, a partnership with the Sir Edmund Hillary Trust, Ministry of Education and Microsoft New Zealand includes an online adventure where year five to 10 school pupils can follow Sir Edmund's footsteps. It is supported by an interactive CD-ROM, *Hillary – Nothing Venture, Nothing Win*, which contains a wealth of resources about Sir Edmund's life and humanitarian works.

Faculty of Business

The Faculty of Business offers programmes in accounting and finance, business administration, communication, computing and information technology, general business, human resource management, management and entrepreneurship, marketing management, operations management, real estate, sales, small business management, and travel and tourism.

The Faculty has continued to experience strong growth in EFTS, with over 13 percent more EFTS than the previous year, primarily as a result of strong international growth across all disciplines. Growth was particularly strong in the Schools of Management and Entrepreneurship, and Accountancy, Law and Finance. The Faculty taught some 3,247 EFTS, nearly one third of Unitec's total EFTS.

A number of new programmes were developed, including the Master of Professional Accountancy and the Master of Business, both of which will be offered in 2004. Teaching commenced in the Doctor of Computing, New Zealand's first professional doctorate in computing. These programmes all fill gaps within specific industry niches for high-level professional development that will contribute to the capacity building required for New Zealand to maintain an internationally competitive and skilled labour market.

The Faculty's research centre, the Centre for Innovation & Entrepreneurship, again produced the New Zealand Global Entrepreneurship Monitor (GEM). This research, supported by the London Business School and 160 international researchers, is the most comprehensive country-by-country comparison of entrepreneurship in the world. The GEM Report compares New Zealand with 36 other countries and the research findings are directly applicable to the current policy environment and within New Zealand industry and its economy.

The Faculty's second research centre, the Centre for Information Technology Research (CITRUS), was launched in May. The research and development centre creates a single point of contact for researchers, partners and funding agencies involved in applied information technology research. It draws together staff and students from a range of disciplines, as well as other tertiary institutes and industry partners both in New Zealand and offshore. All research is expected to have a practical outcome. The centre has already been successful in securing external funding of \$500,000 for an aid project focusing on alleviating poverty in Peru.

Students achieved a number of successes during the year both nationally and internationally. Bachelor of International Communication industry intern students secured international internships with prestigious organisations, including one at NASA's Langley Research Center in Virginia and another at Roche International in Switzerland. The concept of internship or industry placement forms an important part of many bachelor degrees within the Faculty. Students from the Bachelor of Computing Systems

took part in many unique projects such as the development of an interactive CD-ROM for Netsafe, an internet safety group. The CD, including games and activities for children aged eight to 10 years, has been designed to make learning about internet safety fun.

Ngaa Kaawai Oranga, Faculty of Health and Environmental Sciences

Ngaa Kaawai Oranga, Faculty of Health and Environmental Sciences provides a variety of programmes for students with interests in animal health, health science, landscape design, plant science and sport.

The Faculty of Health and Environmental Sciences experienced relative stability in EFTS during 2003, with moderate growth experienced in the Schools of Animal Health, Health Science and Sport.

There was considerable innovation in teaching and learning with several new programmes being introduced, including the Bachelor of Applied Animal Technology, the Certificate in Animal Management (Canine Behaviour and Training) and the Certificate in Advanced Commercial Floristry. The Master of Health Science (Nursing) and the Diploma in Athlete Development were accredited in 2003 and will be offered from 2004.

The Faculty continued to increase its research outputs and held a number of workshops that have direct benefit scientifically and within the wider community. The School of Sport jointly hosted the Human Performance in Sailing Conference with Massey University and Yachting New Zealand, held at Unitec in January 2003. The School of Animal Health and Welfare hosted a seminar with international speakers on canine behaviour as well as facilitating the First Strike Working Group, which links agencies working in animal and human welfare to combat physical abuse in both humans and animals. Dr Lorne Roberts presented a paper at the Australasian Regional Association of Zoological Parks and Aquariums, which has been adopted as the basis for a framework for zoo accreditation across Australasia.

There has been an increase in international collaboration in international projects for research and teaching purposes. The School of Health Science has maintained relationships with universities in Norway and has established memoranda of understanding with the Institute Superior d'Osteopathie in Lyons, France. The School of Animal Health and Welfare has developed a memorandum of understanding with the University of Queensland for the development and delivery of animal technology and equine programmes. The School of Sport has signed agreements with Halmstad and Worcester Universities to support staff and student exchanges. The School is also working closely with the National University of Samoa to deliver the Diploma of Sport and Fitness Education in 2004 and will assist the development of Samoan sport administration in preparation for Samoa's hosting of the 2007 Pacific Games.

The School of Sport has been particularly successful in building mutually beneficial relationships within the industry and the community. Many of these involve sharing of campus facilities, including the partnership with Squash New Zealand, Football Kingz, College Sport, Auckland Air Cadet Trust and Adventure Works Limited. These provide excellent opportunities for student work placements in addition to the potential for providing research and consultancy opportunities.

The School of Landscape and Plant Science played a significant part in the development of two new national organisations during the year. The Environment Institute of Australia and New Zealand was launched in May with Unitec hosting the first meeting, at which Ljubica Stojnic was elected president and David Clendon part of the steering committee. The New Zealand Garden Design Society was also founded, with Jacqueline Margetts, Penny Cliffin and Ian Henderson involved in its operation. Katrina Simon from the School won a major design competition for her redesign of Auckland's Tamaki Drive. Landscape design students were awarded gold at the Ellerslie Flower Show for their kiwiana-inspired garden display. Graduates from this programme also won gold and silver awards for their displays and the combined Unitec, Manukau Institute of Technology and Horticulture Industry Training Organisation stand won a silver medal.

Unitec Applied Technology Institute

The Unitec Applied Technology Institute (UATI) provides a wide range of vocational trade and technical education and training programmes in automotive engineering, electrical engineering, electrotechnology, carpentry, plumbing, gasfitting, drainlaying, welding, marine technology, joinery, furniture making, painting, decorating, drywall systems and composite engineering.

The Applied Technology Institute experienced strong growth over the year with EFTS numbers increasing by 36 percent to a total of 1,649. Growth was particularly strong in Building Technology, primarily because of the Faculty's agreement with Site Safe New Zealand to administer all site safe courses throughout New Zealand.

Programme innovation continues within the Faculty as applied technology training and education is transformed to meet changing

industry needs. The Bachelor of Applied Technology, the country's first trades degree, is a major development in trade education in New Zealand. The programme extends the capability of contemporary tradespeople to keep pace with advances in technology and business management practices. The first students will begin the degree in 2004.

Professional development within the building industry has been the focus of two courses developed for carpenters who have worked within the industry but have not undertaken formal carpentry education and training. Portfolio Development for Carpenters and Continuous Professional Development for Carpenters provide opportunities for carpenters to extend their skills and capabilities. The School of Electrotechnology has also introduced new programmes, including the National Certificate in Electronics Technology and the National Certificate in Electronic Security. The Diploma in Applied Technology is also now available to those specialising in electrotechnology.

The type of research promoted within the institute is based on strong ties with industry, government and other centres of excellence. The staff collaborate with other researchers to create knowledge and find technical solutions to problems and challenges within the specified disciplines.

The institute continues to play a major role in the development and continuous improvement taking place in the building services sector at a national level. Contributions have been made to the development and introduction of new standards, registration, legislation and training, particularly in the plumbing and gasfitting area. Staff member Gary Cruickshank delivered a nationwide series of full day seminars to launch and explain the new gas installation standard NZS 5261:2003. Research and development efforts of staff played a major part in the introduction of the new standard for the integration of domestic fire sprinklers with the domestic plumbing system. The Plumbing, Gasfitters and Drainlayers Registration Board was assisted with a number of legislative and examination issues as well as gasfitter auditing and the board's new requirements for continued competence and professional development within the industry. These innovations are expected to have a profound effect on the industry and a significant impact on the building services sector as a whole.

Te Noho Kotahitanga The Partnership

Kupu Whakatau

Ko te Tiriti o Waitangi te kawenata mo to tatau motu, Aotearoa.

He kawenata whakahirahira, ko te Whare Wananga o Wairaka e tautoko ana i te noho kotahitanga a te Maori me te Pakeha.

Ko te Whare Wananga o Wairaka ka u tonu ki te whakamana i nga kaupapa me ona puawaitanga.

Rangatiratanga

E whakarite ana te Whare Wananga o Wairaka ki te putake ake o te rangatiratanga o te Maori me nga matauranga Maori.

Wakaritenga

E whakarite ana te Whare Wananga o Wairaka ki te mana o tena, o tena, ki te noho kotahi, ki te puaki i tona ake reo, ki te whakamahi i nga rawa mo nga iwi katoa.

Kaitiakitanga

E whakarite ana te Whare Wananga o Wairaka ki te kaitiakitanga o nga taonga matuaranga.

Mahi Kotahitanga

E whakarite ana te Whare Wananga o Wairaka kia tau he ngakau mahaki i roto i nga mahi katoa.

Ngakau Mahaki

E whakarite ana te Whare Wananga o Wairaka ki te whakanui i nga taonga tuku iho nga ao e rua, a hikoi ki mua.

Ko te Maori me te Pakeha e mahi tahi ana mo te Whare Wananga o Wairaka.

Preamble

The Treaty of Waitangi is the founding document of New Zealand.

Unitec acknowledges the great importance of this living, dynamic document and will continue to respect and promote the equal standing which it confers on Maori and Pakeha.

Unitec will put the following values into practice in pursuing its goals:

Authority and Responsibility

Unitec accepts the principle that Maori have authority over and responsibility for all teaching and learning relating to the Maori dimensions of knowledge.

Legitimacy

Unitec believes that each partner has a legitimate right to be here, to speak freely in either language, and to put its resources to use for the benefit of all.

Guardianship

Unitec accepts responsibility as a critical guardian of knowledge.

Co-operation

Unitec affirms that a spirit of generosity and co-operation will guide all its actions.

Respect

Unitec values each partner's heritage and customs, current needs and future aspirations.

Maori and Pakeha working together within Unitec.

Statement of Responsibility

Statement of Responsibility for the Year Ended 31 December 2003.

In the financial year ended 31 December 2003, the Council and management of Unitec Institute of Technology were responsible for:

- The preparation of the financial statements and the judgements used therein; and
- 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 Unitec Institute of Technology, the Financial Statements for the financial year fairly reflect the financial position and operations of Unitec Institute of Technology.



A Dickinson
Chairman of Council



Dr J A Webster
President and Chief Executive



O T Burnside
Vice-President, Finance

Date: 28 April 2004

Report of the Auditor-General



Audit New Zealand

To the readers of Unitec Institute of Technology and Group Financial Statements for the year ended 31 December 2003

The Auditor-General is the auditor of Unitec Institute of Technology and group. The Auditor-General has appointed me, Mr F Caetano, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Unitec Institute of Technology and group, on his behalf, for the year ended 31 December 2003.

Unqualified opinion

In our opinion:

The financial statements of the Unitec Institute of Technology and group on pages 18 to 58:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
 - the Unitec Institute of Technology and group's financial position as at 31 December 2003;
 - the results of its operations and cash flows for the year ended on that date; and
 - its service performance achievements measured against the performance targets adopted for the year ended on that date.

The audit was completed on 28 April 2004, and is the date at which our opinion is expressed.

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

Basis of opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed our audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements whether caused by fraud or error.

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

Our audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We evaluated the overall adequacy of the presentation of information in the financial statements. We obtained all the information and explanations we required to support the opinion above.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the Unitec Institute of Technology and group as at 31 December 2003. They must also fairly reflect the results of its operations and cash flows and service performance achievements for the year ended on that date. This responsibility is specified in the Public Finance Act 1989.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility is specified in section 15 of the Public Audit Act 2001 and section 43(1) of the Public Finance Act 1989.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

In addition to the audit we have carried out assignments for Unitec Institute of Technology involving a review of tax compliance and provision of assurance on the Performance-Based Research Fund External Research Income, which are compatible with those independence requirements. Other than the audit and these assignments, we have no relationship with or interests in Unitec Institute of Technology and group.



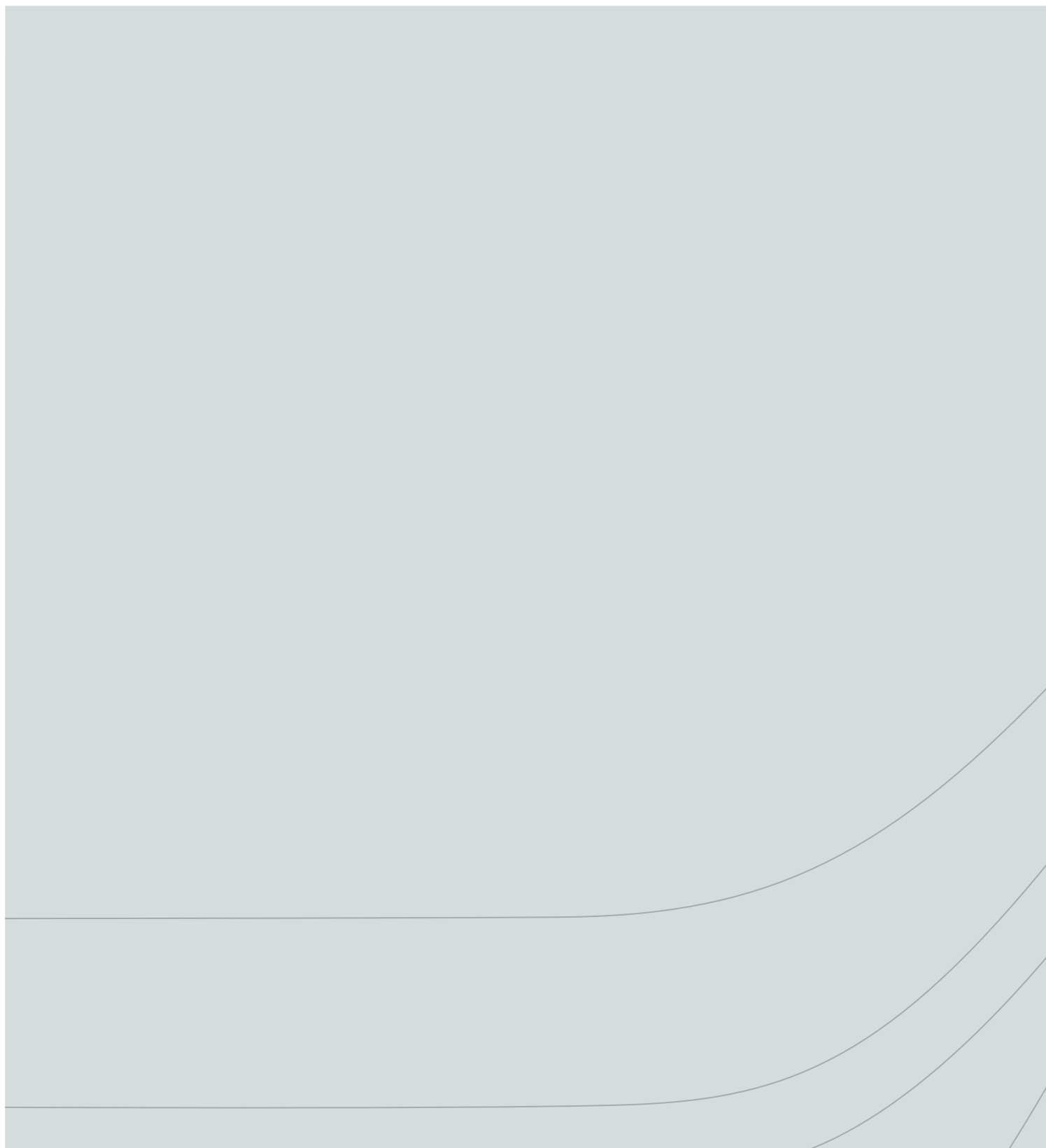
F Caetano

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



Performance Statements

For the Year ended 31 December 2003



Statement of Objectives

2003 Corporate Goals and Objectives

Goal 1. To be recognised as a university of technology.

Unitec plans to become a distinctive university, appropriately named a university of technology, with a focus on applied, vocational and interdisciplinary programmes supported by applied research and strong industry interaction, in a high quality, flexible learning environment. Unitec will continue to offer programmes at all levels from skills-based certificates through to postgraduate degrees in a wide range of disciplines.

1.1 To meet the quantitative NZQA university guidelines by:

- = Increasing the number of programmes offered and EFTS enrolled at postgraduate level
- = Increasing the number of programmes offered and EFTS enrolled at undergraduate level
- = Maintaining level 4 and 5 EFTS.*

1.2 To meet the general NZQA university guidelines by:

- = Increasing research outputs
- = Increasing international associations
- = Improving the academic qualifications of staff
- = Increasing the learning and research resources of the Wagener Library.

Goal 2. To grow by offering a wide range of applied programmes at certificate, diploma, and undergraduate and postgraduate degree levels.

Unitec plans to promote growth and increased participation in tertiary education by offering a wide range of applied programmes at all academic levels. This will take place through extensive industry consultation to ensure relevance and currency. Particular emphasis will be placed on staircasing and articulation between qualifications to ensure that all students have the opportunity to meet their learning goals.

2.1 To meet the total and bulkfunded EFTS enrolment targets by faculty, by:

- = Increasing school leaver enrolments
- = Offering new undergraduate and postgraduate degrees
- = Increasing international EFTS from new markets.

2.2 To achieve balanced growth in sub-degree, undergraduate, and postgraduate degree programmes by:

- = Offering new undergraduate and postgraduate degrees
- = Maintaining level 4 and 5 EFTS.*

* Unitec provides 10 levels of progression. Levels 3 to 5 equate to trade and technician training. Level 6 comprises more advanced technical and business qualifications. Levels 7 to 9 equate to more advanced qualifications of graduate and postgraduate standard, and level 10 equates to doctorate level qualifications.

Goal 3. To undertake applied research which informs teaching and improves practice.

Unitec is committed to the development of a research culture that supports and encourages staff and student research. The institute's research plan emphasises applied research which informs teaching, especially at degree level, and contributes to practice in the wider community. Increasing emphasis will be placed on meeting international standards for research outputs, and generating income from external sources to support ongoing growth in research activity.

3.1 To increase research outputs in all categories by:

- = Increasing research funding
- = Promoting research efficiency.

3.2 To meet international standards of excellence in research by:

- = Increasing research outputs via international media
- = Establishing and seed funding research in key centres
- = Running international conferences at Unitec.

3.3 To promote an industry focus and increase external funding by:

- = Increasing external research funding.

Goal 4. To assure the quality and relevance of our programmes and their delivery.

Unitec has implemented a comprehensive quality management system to assure the quality of all aspects of its activities and satisfy the quality requirements of key stakeholders. Central to the Institute's quality initiatives is the UNI-Q Project and the establishment of a five-point plan for quality, incorporating a quality commitment to students, a comprehensive course and lecturer evaluation process (SEQUAL), and an essential feedback loop for quality improvement.

4.1 To achieve external approval and accreditation for all submitted programmes by:

- = Rigorous implementation of Unitec's quality management system.

4.2 To achieve improvement in teaching and learning by:

- = Evaluating all courses and all lecturers each semester
- = Reviewing all programmes on a five-year cycle.

4.3 To monitor and improve the satisfaction of students with service provision by:

- = Surveying students on an annual basis.

4.4 To monitor the employment progress and satisfaction of students after their graduation by:

- = Undertaking a graduate survey on an annual basis.

4.5 To increase the application of technology to student learning by:

- = Increasing the number of courses available on-line
- = Expanding the use of multimedia.

4.6 To maintain the relevance and viability of proposed and existing programmes by:

- = Evaluating the enrolment patterns and cost effectiveness of each programme annually
- = Consulting with industry and professions through advisory committees in all disciplines.

Goal 5. To provide support and equal educational opportunities for our students.

Unitec plans to enhance its provision of services for intending and existing students that assist them to make decisions about their education and career options, with special provision for students from groups under-represented in tertiary education. In addition, Unitec will maintain specialist services for students in areas such as learning support and employment assistance, and specialist facilities such as sport and recreation, and Internet/computer access.

5.1 To increase Pacific Island enrolments to at least 13% of total enrolments by:

- = Improving liaison and campus support.

5.2 To meet targeted enrolments for women by:

- = Encouraging enrolments from women in retraining.

5.3 To meet targeted enrolments for disabled students by:

- = Effective utilisation of the Special Supplementary Grant (SSG) for students with disabilities.

5.4 To provide assistance to students experiencing financial hardship by:

- = Administering a hardship fund.

Goal 6. To increase Maori participation and success in our programmes.

Unitec seeks to honour the Treaty of Waitangi through the support and encouragement it provides for Maori to participate and succeed in their tertiary education. Central to this goal is the establishment of Maia, the Maori Development Centre, at Unitec, with the mission to encourage, support and guide Maori students, and work in partnership with faculties to increase Maori enrolments and retention.

6.1 To increase Maori participation and success in Unitec programmes through achievement of the Maori participation plan by:

- = Providing a supportive environment for Maori
- = Offering programme and programme delivery methods that are responsive to Maori

- = Providing support to Maori students to enhance their prospects of succeeding

- = Marketing programmes and liaising with the community to increase Maori knowledge of Unitec and its programmes.

Goal 7. To procure and manage the physical and financial resources of the Institute effectively and efficiently.

Unitec places primary importance on the efficient and effective management of its resources by sound strategic, financial, and facilities planning, and a recognition of the importance of meeting both internal and external accountability requirements.

7.1 To meet key financial performance targets by:

- = Setting and monitoring budgets
- = Careful management of capital assets
- = Generating efficiency and productivity gains
- = Increasing non-Ministry of Education (MoE) income streams.

7.2 To meet key physical resource targets by:

- = Maximising use of existing accommodation
- = Monitoring use against AAPPA benchmarking.

7.3 To meet external requirements for accountability by:

- = Preparing the statement of objectives for MoE approval
- = Publishing the annual report within legislated timelines.

Goal 8. To support and develop our staff and acknowledge their performance.

Unitec recognises the fundamental role that staff play in the realisation of its mission. It places fundamental importance on annual performance reviews coupled with relevant staff development and training, and provides a range of professional support mechanisms, including financial support for staff furthering their qualifications and for those presenting their research findings internationally.

8.1 To provide opportunities to facilitate excellence in staff performance, by:

- = Offering a comprehensive in-house staff development programme
- = Supporting staff to upgrade their qualifications
- = Annual staff awards
- = Providing a special studies programme.

8.2 To meet Institute EEO targets by:

- = Implementing the 2003 EEO Plan.

Output Classes

Each year, Unitec bids for EFTS funding from the Ministry of Education for the delivery of education, training and accompanying research. The output classes under which Unitec bids are:

1. Tertiary Education and Training – Undergraduate Courses
2. Tertiary Education and Training – Postgraduate Courses
3. Teacher Education and Training.
4. Training for Designated Groups

In addition to Ministry of Education funding, Unitec also provides programmes that are fully funded by the consumer under output classes:

5. Tertiary Education and Training – Full Cost Recovery. This includes all international students.

These output classes contribute to the following government outcomes:

- Excellence in tertiary education, postgraduate study and research
- Attainment of qualifications to enable all to participate successfully in the changing technological and economic environment

- A highly skilled workforce at enterprise and industry level to enhance New Zealand's international competitiveness
- Equality of educational opportunity for all to reach their potential and take their full place in society
- Success in learning for those with special needs
- Full participation and achievement of Maori in all areas of education
- Improvements in the effectiveness and efficiency of resource use in education.

Achievement of the Statement of Objectives.

The achievement of the 2003 statement of objectives is detailed in the following sections of this annual report:

- The Year in Review 2003, which provides a broad narrative of the institute's overall performance and an outline of the performance of the five faculties in 2003 (pages 4 to 12)
- 2003 Objectives (pages 18 to 19)
- 2003 Outputs (pages 20 to 21)
- 2003 Achievements, which provides a summary statement of service performance (pages 22 to 40).

Outputs 2003

Output Class 1: Tertiary Education and Training – Undergraduate Courses

		2003 Actual	2003 Target	2002 Actual
Quantity	Actual EFTS : target EFTS	1.05	>1	1.04
	Percentage growth in EFTS	7.5%	2.7%	7.4%
	Total EFTS	6,932	6,626	6,451
Quality	Local approvals : submissions			
	Percentage NZQA/NZPPC approvals : evaluations	100%	100%	100%
	Percentage accreditation approvals : applications	100%	100%	100%
	Percentage of programmes (>0.5 EFTS) evaluated	100%	100%	100%
Cost	Total cost (\$m)	67.476	68.802	64.116
	Operating cost : EFTS (\$)	9,734	10,384	9,939

Output Class 2: Tertiary Education and Training – Postgraduate Courses

		2003 Actual	2003 Target	2002 Actual
Quantity	Actual EFTS : target EFTS	0.8	>1	0.8
	Percentage growth in EFTS	29.0%	54.4%	12%
	Total EFTS	218	261	169
Quality	Percentage course approvals : evaluations	100%	100%	100%
	Percentage of programmes (>0.5 EFTS) evaluated	100%	100%	100%
Cost	Total cost (\$m)	2.166	2.670	1.595
	Operating cost : EFTS (\$)	9,909	10,231	9,466

Output Class 3: Teacher Education and Training

		2003 Actual	2003 Target	2002 Actual
Quantity	Actual EFTS: target EFTS	1.03	>1	0.89
	Percentage growth in EFTS	17.1%	12.9%	64.7%
	Total EFTS	164	158	140
Quality	Percentage approvals : evaluations	100%	100%	100%
	Percentage of programmes (>0.5 EFTS) evaluated	100%	100%	100%
Cost	Total cost (\$m)	1.511	1.417	1.158
	Operating cost : EFTS (\$)	9,220	8,969	8,276

Output Class 4: Training for Designated Groups

		2003 Actual	2003 Target	2002 Actual
Quantity	Actual EFTS : target EFTS	–*	>1	1.02
	Percentage growth in EFTS	65.8%	–*	(42.3%)
	Total EFTS	194	84*	117
Quality	Percentage course approvals : evaluations	100%	100%	100%
	Percentage of programmes (>0.5 EFTS) evaluated	100%	100%	100%
Cost	Total cost (\$m)	1.744	0.780	1.071
	Operating cost : EFTS (\$)	9,014	9,291	9,121

* Only one designated group had a target; the remainder were subject to contractual arrangements concluded following the completion of the Statement of Objectives.

Output Class 5: Tertiary Education and Training – Full Cost Recovery

		2003 Actual	2003 Target	2002 Actual
Quantity	Actual EFTS : target EFTS	1.2	>1	1.18
	Percentage growth in EFTS	9.0%	(12.3%)	44.0%
	Total EFTS	2,929	2,394	2,688
Quality	Percentage course approvals : evaluations	100%	100%	100%
	Percentage of programmes (>0.5 EFTS) evaluated	100%	100%	100%
Cost	Total costs (\$m)	24.979	21.830	22.298
	Operating cost : EFTS (\$)	8,528	9,119	8,296

Output Classes 1, 2, 3, 4 and 5: Time and Location

Time: The reporting of performance targets for 2003 relates to activities completed within that year.

Location: Activities in relation to the performance indicators took place predominantly on campus at Unitec Institute of Technology, Carrington Road, Mount Albert, Auckland, with some activities taking place at Unitec's Waikare Campus, Ratanui Street, Henderson, Waitakere City.

Achievements 2003

Goal 1. To be recognised as a university of technology.

While Unitec has not yet achieved its goal of recognition within New Zealand as a university of technology, it continues to meet the NZQA university criteria and provides university level qualifications to students in a wide range of programmes up to doctorate level.

1.1 NZQA University Quantitative Guidelines.

	2003 Actual	2003 Target	2002 Actual
Percentage of EFTS at level 6 and above	64%	63%	60%
Percentage of EFTS in degrees (incl. postgraduate)	58%	57%	54%
Percentage of EFTS in postgraduate programmes	6%	4%	5%
Number of postgraduate degrees (level 8-10)*	19	20	15
Number of undergraduate degrees (level 7)**	47	47	43
Number of diplomas (level 6)	18	11	15
Number of diplomas and certificates (levels 3 to 5)	45	50	63
New postgraduate programmes approved for development	3	6	6
EFTS at postgraduate level	261	294	197
New undergraduate programmes approved for development	3	3	2
EFTS at undergraduate level	4,764	3,692	3,672

* Includes BIC Honours.

** Includes degree majors, graduate diplomas/certificates.

Note: The percentage of EFTS at level 6 and above, and the percentage of EFTS in degrees, is calculated by counting the EFTS of the four degree-teaching faculties excluding STAR, self-funded non-formal programmes, continuing education and international English students.

Range of Programmes

Unitec offers a true multi-level approach to tertiary education with postgraduate to vocational programmes. The range of programmes offered at Unitec enables a wide variety of students from diverse backgrounds and experiences to be catered for. Bridging programmes and staircasing are of particular benefit to those students wishing to return to study or improve their skills. Unitec continued to increase its degree and research base over 2002 levels with a number of new programmes to meet industry needs.

Number of Programmes Offered

Programme Level	2003 Actual	2002 Actual
PhD and Professional Doctorates	2	1
Masters degrees	12	9
Postgraduate diplomas	5	5
Bachelors degrees*	37	36
Graduate diplomas	10	8
Diplomas	22	25
Certificates	49	52
Total	137	136

* Includes majors and BIC Honours.

1.2 General NZQA University Guidelines.

	2003 Actual	2003 Target	2002 Actual
Number of weighted research outputs	803	906	827
Percentage of staff with postgraduate qualifications	52%	60%	55%
Number of professorial positions			
Number of professors (incl. assoc. profs)	27	26	25
Number of adjunct professors	19	30	30
Percentage increase in library book stock	6.7%	3%	8.8%
Percentage increase in library periodical subscriptions*	18.5%	25%	[14.4%]

* This refers to on-line journals

International Associations

During 2003, Unitec continued to be a full member of the International Association of Universities, a UNESCO body. Formal agreements of co-operation were established with Bell University in the Jiansu Province of China, and TEC de Monterrey, the Instituto Tecnológico y de Estudios Superiores de Monterrey, based in Mexico, in 2002. In 2003, an accord was signed with the National University of Samoa.

The Library

The library's commitment to the improvement of quality services to students and staff continued in 2003. Software enhancements continue to improve external access to the library's on-line journals and the library catalogue. The increased use of on-line journal access by clients from their home and office has not significantly reduced the activity within the library, so can be seen as "new business".

Library Statistics

	2003 Actual	2002 Actual
Library staff*	32.3	32.3
Library membership**	24,741	21,411
Total annual issues	457,035	465,775
Average daily issues	1,305	1,293
New books added	5,999	7,443
Total book stock	94,874	88,875
Periodic Subscriptions		
Hard copy	783	760
On-line	7,217	6,090
Interloan requests	2,283	2,339
Interloan (items lent)	1,355	1,239
User Education Tutorials		
Number of sessions	311	327
Number of students	6,222	8,924

* Includes two FTE staff that supervise the Student Computer Centre.

** Includes students, staff and approved borrowers.

Goal 2. To grow by offering a wide range of applied programmes at certificate, diploma, and undergraduate and postgraduate degree levels.

Unitec continues to foster links with secondary schools and their students. Unitec has established close working relationships with schools throughout most of the upper North Island. A key aim in Unitec's growth is developing a wide range of applied programmes at all levels and being able to provide students with real choices leading to future employment.

The Student-for-a-Day programme, originally set up for senior secondary school students, has also been made available for adults looking to retrain. Late in August 2003, a repositioning of information about this programme on the Unitec website saw an increase in interest from the adult group, with over 25 visiting out of a 376 individual visitors during 2003. With wider publication of this service, it is anticipated that those visiting on an individual basis will increase during 2004. A further 157 students visited in groups during 2003 under the Try it for a Day programme. A number of participants return to study in formal programmes each year.

In 2003 the introduction of NCEA to Year 12 secondary students impacted significantly on the number of secondary schools and contracts for Unitec Secondary Tertiary Alignment Resource (STAR) programmes. The number of schools has increased from 44 in 2002 to 58 in 2003, including 22 rural schools stretching from Aparima College in Riverton to Northland College in Kaikohe. The number of senior courses taught offsite under Unitec accreditation has been increased to 77, with 10 taught at Unitec. There has been a small increase in total income generated from these programmes with the total income being \$224,073. Further increases have been offset by a reduction to the cost per student in the Carpentry and Furniture Making courses.

2.1 Meeting Total and Bulk-funded EFTS Enrolment Targets.

Determining the demand for programmes and student growth is based on the number of Equivalent Full-time Students (EFTS) received each year. EFTS are subsidised by the Ministry of Education (MoE), and several other funding bodies, depending on the category and nature of study and course classification.

In 2003, Unitec sought to meet a target of 7,045 MoE EFTS. The total target for EFTS from all sources was set at 9,523. Unitec experienced a greater than predicted increase in the number of MoE EFTS and over achieved its Ministry of Education-funded target. Unitec exceeded its total EFTS target by 899 EFTS and exceeded 2002 levels by 857 EFTS, a very positive result.

Ministry of Education-funded EFTS (Course Classification)	2003 Actual	2003 Target	2002 Actual
Agriculture, horticulture	44	153	79
Architecture, building	691	558	628
Arts, humanities	1,659	1,636	1,548
Business	1,222	1,401	1,205
Community, general	664	226	328
Computing	392	381	408
Engineering, technology	205	154	185
Fine arts, design	528	573	521
Music	182	214	192
Nursing (incl. diagnostic imaging and health-related professionals)	435	398	398
Science	199	291	178
Teaching	125	158	106
Trades	968	902	983
Sub-total	7,314	7,045	6,759

EFTS from Other Funding Sources	2003 Actual	2003 Target	2002 Actual
TOP	49	57	62
Skills Enhancement New Zealand (SNZ)	9	-	7
SNZ/ITO/RHA	121	-	33
STAR	15	-	16
Full cost recovery	2,929	2,421	2,688
Sub-total	3,123	2,478	2,806
Total	10,437	9,523	9,565

EFTS Growth	2003 Actual	2003 Target	2002 Actual
Percentage growth in total EFTS	9%	(0.4%)	15%
Percentage growth in MoE bulk-funded EFTS	8%	4%	8%

Faculty Enrolments – EFTS by Funding Source

		2003 Actual	2003 Target	2002 Actual
Applied Technology Institute	MoE bulk-funded	1,030	1,016	946
	Contracts (TOP, ITO, ETSA)	97	27	34
	STAR	4	-	12
	Full cost recovery	69	10	25
	Total EFTS	1,200	1,053	1,017
Architecture and Design	MoE bulk-funded	1,589	1,612	1,559
	Contracts (TOP, ITO, ETSA)	12	-	6
	STAR	9	-	1
	Full cost recovery	139	105	104
	Total EFTS	1,749	1,717	1,670
Arts and Social Sciences	MoE bulk-funded	1,300	1,344	1,088
	Contracts (TOP, ITO, ETSA)	44	57	59
	STAR	1	-	-
	Full cost recovery	871	1,117	1,198
	Total EFTS	2,216	2,518	2,345
Business	MoE bulk-funded	1,354	1,631	1,515
	Contracts (TOP, ITO, ETSA)	5	-	-
	STAR	-	-	-
	Full cost recovery	1,571	1,076	1,189
	Total EFTS	2,930	2,707	2,704
Ngāa Kaawai Oranga, Health and Environmental Sciences	MoE bulk-funded	1,186	1,268	1,121
	Contracts (TOP, ITO, ETSA)	11	-	2
	STAR	1	-	3
	Full cost recovery	72	23	43
	Total EFTS	1,270	1,291	1,169
Subtotals	MoE bulk-funded	6,459	6,871	6,229
	Contracts (TOP, ITO, ETSA)	169	84*	101
	STAR	15	-	16
	Full cost recovery	2,722	2,331	2,585
	Total EFTS	9,365	9,286	8,931
Continuing Education	MoE bulk-funded	855	174	530
	Contracts (TOP, ITO, ETSA)	10	-	1
	STAR	-	-	-
	Full cost recovery	207	63	103
	Total EFTS	1,072	237	634
Total	MoE bulk-funded	7,314	7,045	6,759
	Contracts (TOP, ITO, ETSA)	179	84*	102
	STAR	15	-	16
	Full cost recovery	2,929	2,394	2,688
	Total EFTS	10,437	9,523	9,565

* Only one designated group had a target; the remainder were subject to contractual arrangement concluded following the completion of the Statment of Objectives.

International Students

Unitec is committed to being a provider of high quality tertiary education that can be accessed and recognised anywhere in the world. Education is a global commodity and Unitec's outlook is one of internationalisation. Accordingly, Unitec embraces international students and encourages student exchange.

In 2003, Unitec had 2,729 international EFTS, 26 percent of its total EFTS. This is an increase of 160 international EFTS over 2002 levels, a six percent increase, and was 17 percent above the year's target of 2,331. Many of these students are from Asia, with China and India being the main countries of origin. Unitec continues to offer an English language programme in Beijing, China to better prepare students wishing to study in New Zealand, although there were some disruptions during the year with the outbreak of the SARS virus. Unitec continues to attract students from European countries such as Germany, Norway and Sweden. There has also been considerable interest shown in student exchange and study abroad options.

International Students EFTS	2003 Actual	2003 Target	2002 Actual
Total EFTS	10,437	9,523	9,565
International students (EFTS)	2,729	2,331	2,569
Percentage of Total EFTS	26%	24%	27%

2.2 Balanced Growth in Sub-degree, Undergraduate and Postgraduate Degree Programmes.

	2003 Actual	2003 Target	2002 Actual
Percentage of EFTS at sub-degree level 6 and above	64%	63%	60%
Percentage of EFTS in degrees	58%	57%	54%
Percentage of EFTS in postgraduate programmes	6%	4%	5%

Degree-level Awards.

In 2003, Unitec again increased the number of students graduating with degree-level qualifications with 17 percent growth in degree-level completions. The growth in postgraduate programme completions has increased at an even faster rate with programmes aimed at meeting niche markets in professional development proving increasingly popular. Unitec graduands will participate in ceremonies at the Auckland Town Hall in April 2004.

Number of Completions Qualification	2003 Actual	2002 Actual
Masters degrees	45	14
Postgraduate diplomas	64	53
Bachelors degrees	679	650
Graduate diplomas/certificates	148	81
Total	936	798

Goal 3. To undertake applied research which informs teaching and improves practice.

3.1 Research Outputs.

	2003 Actual	2003 Target	2002 Actual
Number of weighted outputs	803	906	827
Unitec internal research fund (\$m)	0.72	1.04	1.2
Number of wholly postgraduate research students*	67	35	45

* Students undertaking research study of 90 credits or more

3.2 International Research Standards of Excellence.

	2003 Actual	2003 Target	2002 Actual
Number of refereed outputs	205	165	191
Number of international presentations or exhibitions	160	172	173
International conferences hosted	0	4	1
Number of Key Centres operating	4	3	4
Number of professors (incl. assoc. profs)	27	26	25
Research Key Centre funding (\$m)*	0.00	0.3	0.47

* Key centres not centrally funded in 2003.

3.3 Industry Focus and External Funding.

	2003 Actual	2003 Target	2002 Actual
External research grant income (\$m)	0.61	0.3	0.147

Research

The Performance Based Research fund has drawn attention to research activities around higher education all through New Zealand. At Unitec, recognising that the culture of research is a vital component of inspiration and motivation, all staff are encouraged to be involved in the scholarship of discovery. Research sets the environment for enthusiastic teaching and learning – students become inspired to learn more. As many of our programmes at Unitec have been designed for people in work, our students are able to take their inspiration and learning straight back to the workplace, and put their ideas into practice immediately.

From our ever-increasing number of postgraduate programmes, our students are able to explore work-based problems directly through their own research. B2B e-commerce in the German elderly care industry, servant leadership in higher education, critical success factors of internet payment systems, the value of normal schools – these are just some areas where research has resulted directly from a work-based problem.

Staff have also been active in professional service this year. Examples include Vasantha Abeysekera being elected President of the Association of Sri Lankan Engineers in New Zealand and Gael McDonald President of the Australia New Zealand Academy of Management. Bruce Bennett is now the New Zealand President of the Accounting and Finance Association of Australia and New Zealand, and has also been elected as Fellow of the Institute of Chartered Accountants of New Zealand.

Increased research funding was achieved during the year, particularly in the areas of Computing, Design and Engineering. The involvement with researchers at other institutions has also increased.

Participation, collaboration, contribution – Unitec staff and students are assisting in the economic development of New Zealand, learning in work and through work. The full publication list is available at <http://www.Unitec.ac.nz/research>.

Unitec Research Profile

	2003 Actual	2002 Actual
Book	13	14
Book chapter	23	39
Educational texts	18	12
Conference proceedings	122	147
Journal (academic)	127	157
Journal (trade/professional)	77	-
Report	16	14
Theses (staff)	7	11
Theses (student)	18	-
Applied/creative design	4	12
Exhibited works and performances	82	91
Presentations	257	373
General media	64	115
Interviews	14	21

Number and Proportion of Outputs

	2003 Actual	2003 Percentage	2002 Actual	2002 Percentage
Refereed	205	23%	191	19%
Multi-authored outputs	166	18%	221	22%
Outputs presented overseas*	160	18%	173	28%

* Includes conference proceedings, presentations, and exhibitions.

Note: Publication figures for 2003 are provisional. Figures for 2002 have been updated to reflect the confirmed result.

Faculty Research Profile

Research Output	UATI		Architecture & Design		Arts & Social Sciences		Business		Ngaa Kaawai Oranga, Health and Environmental Sciences	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Book	1	-	2	9	2	1	4	4	1	-
Book chapter	-	-	6	14	6	9	5	7	6	9
Educational texts	-	2	-	-	-	1	18	9	-	-
Conference proceedings	-	3	38	38	8	16	69	77	7	12
Journal (academic)	1	-	15	28	48	25	41	51	17	38
Journal (trade)	9	9	20	-	7	-	3	-	20	-
Report	-	6	4	1	2	6	6	1	2	2
Thesis (staff)	-	-	2	-	3	4	1	1	1	3
Thesis (student)	-	-	-	-	13	-	5	-	-	-
Applied design/creative work	-	-	4	5	-	-	-	-	-	8
Exhibition, performance	-	-	75	83	-	-	-	-	7	8
Presentation	8	5	36	63	65	98	99	95	42	97
General media	5	2	15	33	7	3	17	32	7	25
Interviews	-	-	9	2	-	4	1	2	4	12

Goal 4. To assure the quality and relevance of our programmes and their delivery.

The quality of programmes and their delivery is paramount to Unitec. Unitec's quality management system is of a very high standard, and is continuously updated and improved to give students and other stakeholders the best possible education and services.

The current system is comprehensive and includes the Student Evaluation of Quality and Learning (SEQUAL), the Green Card (where students know what to expect when taking a course) and annual programme reports that monitor quality on several levels.

Unitec continued to implement and improve its quality management system, including the five-point plan for quality, at all levels of the institution. The evaluation of programme quality continued, using SEQUAL and a variety of other measures such as national and international professional accreditation bodies and annual programme reports.

4.1 External Programme Approval and Accreditation.

Academic Board received accreditation for nine new programmes this year, of which six were approved by NZQA, one is still in progress and two were approved locally.

New Programme Approvals	Number of New Programmes Submitted to Academic Board*	2003 Local Approvals	2003 NZQA Approvals	Total Approval	2003 In Progress
	9	2	6	8	1

* Separate majors are counted as individual degrees. Unitec degrees tend to be less generic than those typical of the university sector and each new major requires separate approval from NZQA.

New Programme Approval Percentages	2003 Actual	2003 Target	2002 Actual
Percentage local approvals : submissions	100%	100%	100%
Percentage NZQA approvals : submissions	86%	100%	90%
Percentage international accreditations : submissions	-	100%	-

4.2 SEQUAL Ratings for Teaching and Course Evaluations.

A key element of the UNI-Q quality management system is the monitoring of quality in teaching and learning through the SEQUAL survey instrument administered by the Planning and Institutional Research Office. SEQUAL uses three evaluation instruments (a course evaluation, a lecturer evaluation and a diagnostic instrument) and a five-point scale (five = highest). During the year, over 73,000 SEQUAL forms were processed as part of the evaluation process. The level of overall satisfaction with both teaching and course satisfaction has improved compared with the previous year.

SEQUAL Ratings	Overall Mean	Target
SEQUAL Evaluation Instruments (Five-point Scale)		
Courses	3.67	3.6
Teaching	3.93	3.8

SEQUAL Coverage	Semester One	Semester Two
Lecturer Evaluations		
Total student responses	17,770	22,534
Total number of lecturers	560	695

Programme/Course Evaluations	Semester One	Semester Two
Total student responses	16,174	16,603
Total number of programmes	81	92
Total number of courses	691	766

Programmes Reviewed	Actual	Target
Number of programmes reviewed	11	12

4.3 Student Satisfaction with Service Provision.

The Student Satisfaction Survey is a sample survey undertaken annually to evaluate the level of satisfaction with the provision of support services. Information gained from the survey forms part of the quality management system by providing feedback on non-academic service performance for the purposes of continuous improvement. In 2003, a new survey instrument was developed to provide campus student service providers with customer feedback. As part of the organisational restructuring, a review of non-academic student services, including student administration, has been undertaken with changes proposed for implementation in 2004. Information obtained from the 2003 survey was used in the development of these plans.

Student Satisfaction Survey	2003 Actual	2003 Target	2002 Actual
Overall Satisfaction with Services and Facilities			
Mean score	3.6	3.0	—*

* Survey was not undertaken in 2002

4.4 Employment Progress and Student Satisfaction after Graduation.

The Graduate Survey assesses the progress of Unitec's graduates and is sent to all Unitec graduates approximately six months after completing a programme of 120 credits or more. Most graduates complete their programme of study in the year preceding graduation, so the 2003 survey evaluated the responses of 2002 graduates. The survey looks at the manner in which Unitec graduates have found employment, whether that employment was related to their programme of study, and other important benchmark data such as median salaries, further study and their responses to the Course Experience Questionnaire (CEQ).

In the 2003 Graduate Survey, respondents from 49 programmes were analysed, of which one third of respondents were male and two thirds female, with the median age being 33 years. Other highlights included:

- 87% of respondents stated that their full-time employment was highly or moderately related to Unitec qualifications
- 20% of graduates were earning over \$50,000 in full-time employment
- Over 60% of graduates in full-employment were working in a related area during their study at Unitec.

The overall satisfaction with Unitec programmes was measured by the CEQ, which is an instrument designed to gather information about graduates' perceptions of their learning experience. The instrument has 25 items and contains five scales as well as an overall satisfaction item.

Graduate Survey	2003 Actual	2003 Target	2002 Actual
Percentage of students progressing to employment or further education*	93%	90%	92%

* Excludes those not available for work.

Employment Progress by Faculty

Graduate Outcome	UATI		Architecture & Design		Arts & Social Sciences		Business		Ngaa Kaawai Oranga, Health and Environmental Sciences	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Working only	77%	82%	73%	80%	83%	92%	76%	78%	78%	79%
Studying only	7%	6%	8%	2%	16%	1%	7%	4%	6%	15%
Working and studying	8%	6%	7%	-	5%	2%	5%	1%	13%	4%
Looking for work	7%	7%	10%	17%	2%	5%	13%	13%	3%	-
Unavailable for work	2%	2%	2%	4%	5%	-	-	4%	1%	2%

Course Experience Questionnaire Summary

	2003 Actual	2003 Target	2002 Actual
Overall satisfaction with the quality of the programme*	3.94	3.80	3.73

* Five-point scale (5 = highest).

4.5 Application of Technology and Student Learning

E-learning continues to be a major focus for development of online resources for learning and teaching. The use of the 'Blackboard' web course management system to facilitate online learning has increased the number of courses available from 600 to 620. A significant amount of development work is currently underway with an additional 180 courses in the development phase. The number of students taking advantage of the online dimension to their learning has also increased to almost 7,500.

Unitec has become a member of the E-Learnz consortium, which has 11 members drawn from universities, polytechnics, wananga and other educational organisations. Its aim is to foster collaboration in the development of e-learning resources. E-Learnz recently submitted seven project applications to the Tertiary Education Commission's e-Collaborative Development Fund (eCDF). Unitec is the lead organisation in two of the applications, professional development for e-learning capability, and E-learning in nursing – the midwifery and allied health tertiary education portal.

Throughout the year, evaluation of new learning technologies that complement the e-learning dimension of the campus has provided new opportunities for developing student learning resources.

The increased demand for on-line learning has again resulted in increased resources being allocated for the provision of additional computer workstations for students, which continues to enhance the ratio of workstations per EFTS. The Ask IT help desk continues to offer a popular one-stop-shop approach for student computing difficulties and also runs orientation programmes and basic computer training.

Computer Workstations and Multimedia

	2003 Actual	2003 Target	2002 Actual
EFTS	10,437	9,523	9,565
Number of computer workstations	1,617	1,500	1,470
EFTS : computer workstations	6.5:1	6.2:1	6.5:1
Number of courses offered on-line	620	600	600

4.6 Relevance and Viability of Proposed and Existing Programmes.

	2003 Actual	2003 Target	2002 Actual
Average percentage increase in enrolments per programme	4.7%	16%	0.7%
Average class size per programme	21	20	16
Percentage of programmes reviewed for viability	100%	100%	100%
Number of active advisory committees	42	45	42

Advisory Committees

Advisory committees are an important part of Unitec's applied and "real world" approach to teaching and learning. The advisory committees provide a direct link to industry and business, and draw on the expertise of professionals and leaders to advance programme development to meet market demands. Community representation is also an essential part of advisory committees, enabling Unitec to achieve a greater understanding of the diversity that is also a feature of its student body.

Applied Technology Institute

- = Automotive
- = Building Services
- = Carpentry
- = Electrotechnology
- = Interior Systems
- = Marine
- = Welding

Architecture and Design

- = Architecture
- = Civil Engineering
- = Construction and Quantity Surveying
- = Design Management
- = Environmental Management
- = Interior Design
- = Land Surveying
- = Performing and Screen Arts
- = Product Design
- = Project Management
- = Three-dimensional Design
- = Visual Communication

Business

- = Accountancy, Law and Finance
- = Communication
- = Computing and Information Technology
- = Management and Entrepreneurship

Ngaa Kaawai Oranga Health and Environmental Sciences

- = Animal Technology
- = Horticulture
- = Landscape
- = Medical Imaging
- = Mental Health
- = Nga Tamariki
- = Nursing
- = Osteopathic Medicine
- = Resource Management
- = Sport

Arts and Social Sciences

- = Bachelor of Arts
- = Community Studies
- = Education
- = English and Applied Linguistics
- = Puukenga
- = Special Needs
- = Te Tari Awhina

Corporate

- = Maori Education Runanga
- = Fono Fauautua (Pasifika Council)

A full membership list for the 2003 advisory committees can be found on Unitec's corporate website, www.Unitec.ac.nz as a sub-category under "About Unitec".

Goal 5. To provide support and equal educational opportunities for our students.

One of Unitec's strengths is being able to cater for, and provide quality education and services to, a diverse range of students. Unitec encourages participation in its programmes from as many groups in the community as possible. Barriers to participation are actively removed, and Unitec has put in place specific initiatives and policies to assist Maori and Pasifika students, students with disabilities and women to receive the full benefits of their educational experience.

Unitec continues to support the large and growing number of women students in retraining by providing a Women's Education Co-ordinator. The demands are constant on many mature women students: juggling study, family, finances and, often, part-time work. This has led to a need for advocacy and mediation support services, and liaison with a range of government agencies. It has also resulted in a continued increase in demand for women's scholarships and awards. The Women's Advisory Committee continues to play an important role by providing a forum that encourages support and advice for women staff and students on campus.

Te Tari Awhina plays a major role in supporting Unitec's commitment to equity of educational opportunity. It targets first year students and its services cater for the needs of learners from all educational backgrounds, age groups and levels of study. In 2003, the majority of student visits related to learning development in academic reading and writing, particularly for students who have English as an additional language. Student

visits for mathematics support were also high. There was an increase in the number of postgraduate students assisted by the centre. Student and academic staff evaluations reinforce the valuable contribution Te Tari Awhina makes in supporting the success and retention of students. A significant strength of the centre is its committed, experienced and well-qualified staff, and this was recognised by a Quality of Service award received by one of the centre's whanau.

There have been some changes in the makeup of the student body in 2003. Unitec caters for a range of part-time students undertaking professional development programmes, job related training and continuing education. This increased significantly during the year with the provision of Site Safe training for some 41,000 students participating in continuing education for the construction industry. While the portion of full-time students as a percentage of total EFTS decreased by 4%, the number of students undertaking full-time study increased. The proportion of EFTS in continuing education increased by 3% but the number of students rose by over 20,000. The gender balance between male and female students remains relatively stable with males making up 53% of the total EFTS. Unitec was slightly below target for Pasifika EFTS, primarily due to the changing ethnic profile of the Auckland population.

Equal Educational Opportunities Statistical Profile

	2003 Total Enrolments	2003 Total EFTS	2003 Percentage EFTS	2002 Percentage EFTS
All Students				
Full-time	9,466	8,005	77%	81%
Part-time	4,862	1,344	13%	13%
Continuing Education*	47,095	1,087	10%	6%
Total	61,423	10,437	100%	100%

* Continuing Education enrolment figure excludes 1,198 students already enrolled in formal programmes in 2003

Gender and Study Load*

Female full-time	4,356	3,700	46%	46%
Female part-time	2,573	684	51%	47%
Total	6,929	4,384	47%	46%
Male full-time	5,110	4,305	54%	54%
Male part-time	2,289	660	49%	53%
Total	7,399	4,965	53%	54%

* Excludes Continuing Education

5.1 Pacific Islands Enrolments.

	2003 Actual EFTS	2003 Target EFTS	2002 Actual EFTS
Percentage Pacific Islands full-time	9%	12%	9%
Percentage Pacific Islands part-time	7%	10%	6%
Percentage of total enrolments*	8%	12%	9%

* Excludes international students.

5.2 Targeted Enrolments for Women.

	2003 Actual EFTS	2003 Target EFTS	2002 Actual EFTS
Percentage female full-time	47%	50%	46%
Percentage female part-time	52%	50%	47%
Percentage of total students*	49%	50%	46%

* Excludes international students and Continuing Education.

5.3 Targeted Enrolments for Students with Disabilities.

In 2003, Unitec received \$189,561 income from the Special Supplementary Grant (SSG) to assist and create opportunities for students with disabilities. As part of its commitment to reducing and minimising the barriers for students with disabilities, in accordance with section 220 of the Education Act 1990, Unitec used the SSG income as well as its own funds to increase the participation and success of these students in its programmes.

Unitec used the SSG income in 2003 to fund several initiatives, including a full-time Disability Liaison Co-ordinator, a part-time administrator, 34 part-time casual support staff providing one-on-one support, and the purchase of special equipment.

Special Supplementary Grant	2003 Actual	2003 Target	2002 Actual
Number of students with disabilities	614	415	403
Special Supplementary Grant income (\$)	189,561	186,000	186,622

In 2003, Unitec increased the provision of support for students with disabilities on campus. The number of students assisted exceeded the budgeted target by 13%. The shortfall of \$110,448 between the SSG grant and the expenditure required to meet demand was covered by Unitec's own funds and a grant of \$11,161 from Workbridge.

The Disability Liaison Co-ordinator and the casual support staff provided a total of 12,531 hours of one-on-one support for 190 out of a total of 614 students registered with disabilities who were participating in integrated programmes, an increase of 30% from the previous year. The total expenditure for this personal support amounted to \$300,009. Of the students with disabilities who received support, once again the majority were engaged in full-time study in 2003.

Disability Support	Staff	FTE	Areas of Integrated Support	Hours	Cost
	Disability liaison	1.4	Notetakers	6,287	\$103,872
	Casual support	34	Sign language interpreters	3,582	\$122,107
			Tutors	2,147	\$66,150
			Personal care	515	\$7,880
	Total	35.4		12,531	\$300,009

5.4 Assistance to Students Experiencing Financial Hardship.

In 2003, Unitec provided \$15,000 for the Hardship Fund, against a total allocation target of \$45,000. The low demand for this hardship assistance is primarily attributable to the availability of StudyLink assistance. As Studylink (formerly WINZ Student Services) continues to provide viable access to emergency assistance for students in financial need, the demands on the Student Hardship Fund continue to decrease. Open communication and support ensures that the partnership between StudyLink and Unitec continues to strengthen for the benefit of our students.

Unitec Hardship Fund Allocation	2003 Actual	2003 Target	2002 Actual
Total allocations (\$)	15,000	50,000	35,000
Students assisted	195	300	245
Average allocation per student (\$)	77	167	142

Student Support	2003 Actual	2002 Actual
Direct Cost per EFTS		
Net direct cost (\$)	1,969,321	1,983,213
EFTS	10,437	9,565
Net cost : EFTS (\$)	189	207

Goal 6. To increase Maori participation and success in Unitec programmes.

Unitec continued to support and encourage Maori to participate and succeed in their programmes. Maia, the Maori Development Centre, remains central to Unitec's support of Maori students, providing academic, cultural and pastoral support. Maia also looks to support and encourage future students, and continued to strengthen its relationships with Maori community groups, including Kotuku Private Training Establishment, Ngati Whatua, Te Runanga o Ngati Awa, Te Waimana Kaaku, Whakatohea Training Unit, Opotiki Trade Centre, Waipareira, and other Maori community groups outside Auckland to promote educational opportunities for Maori at Unitec.

6.1 Maori Participation and Success.

	2003 Actual	2003 Target	2002 Actual
Percentage Maori EFTS : total EFTS (excluding International)	9%	12%	9%
Percentage Maori academic staff : total academic staff	5%	6%	4%
Maori student scholarships (\$)	60,500	60,000	23,000
Number of formal external Maori contracts and partnerships	2	8	0
Percentage Maori full-time students : Total full-time Maori students utilising Maia*	35%	65%	47%
Number of new initiatives incorporating Te Noho Kotahitanga values into Unitec practices and processes	11	10	-

* Percent Maori full-time students using Maia One to One service

Maia continued to administer, develop and implement a number of scholarship programmes to assist Maori students from within Unitec and the community. A total of 141 scholarships were awarded from five assistance programmes. Transpower/Unitec He Tohu Aroha scholarships to the value of \$45,000 were awarded to 79 students (16 certificates, 18 diplomas, 45 bachelors degrees). Ngati Whatua scholarships were not awarded this year.

The Rangatahi Maia programme, a partnership between Unitec and Skill New Zealand, funded 29 places for first-year students in various programmes across campus. In 2003, Rangatahi Maia focused on higher-level programmes, which saw 13 recipients entering bachelor programmes. Six students were undertaking diplomas and a further seven students were working towards certificate level qualifications. Of the 29 places available, three were allocated to a new programme, the Graduate Diploma in Leadership (Maori Development).

The emphasis on pastoral care, facilitated by Maia, is a unique feature of the Rangatahi Maia programme. The specific focus on issues facing first-year students is a particular strength of the programme and contributes greatly to the success and retention of Maori students. The programme attracts students from all over New Zealand, with many entering programmes in architecture, business, design and sport, among others.

The Transpower Access Bridging Award was offered to mature Maori students accessing tertiary education – across all programmes – for the first time. Fourteen scholarships to the value of \$8,500 were awarded, enabling mature students to enter tertiary education. A+ Maori Health (Nursing) Scholarships were not awarded in 2003 due to funds not being available at the start of the year. The School of Computing and Information Technology Scholarship provided six scholarships to the total value of \$7,000.

The Maori Carpentry Scholarship established by UATI in conjunction with Maia awarded 13 scholarships during its third year of operation. The scholarship covers the full costs of the course fees, while the students meet the costs of the tools.

The Te Noho Kotahitanga Partnership Committee has instigated research into Maori retention and success. This research, currently underway, will obtain key information on the needs and aspirations of Maori students from degree level programmes as well as sub-degree programmes. Findings will be used to target central support services to students at risk as well as determining whether interventions at a course level can best facilitate retention and success.

Goal 7. To procure and manage the physical and financial resources of the institute effectively and efficiently.

Unitec has consistently used its physical and financial resources to gain the most efficient use and best value for money for its key stakeholders, most importantly its students, the local community and the government. All areas of financial expenditure are scrutinised to minimise cost, and existing assets are maintained to maximise returns. This ensures resources can be used where they are most needed, in teaching and student support.

7.1 Key Financial Performance Targets.

	2003 Actual	2003 Target*	2002 Actual
Short-term Liquidation Ratio:			
Current monetary assets (\$000)	1,810	608	2,226
Current liabilities (\$000)	33,632	35,678	35,656
Ratio	0.05: 1	0.02: 1	0.06: 1
Change in Financial Value:			
Net assets (\$000)	110,461	79,506	77,960
Percentage net change	41.69%	>1%	2.85%
Return on Assets:			
Net result for the year (\$000)	4,604	2,365	1,384
Net assets (\$000)	110,461	79,506	77,960
Percentage return on asset	4.17%	2.97%	1.77%
Exposure to Debt: The institute has the following long-term commitments:			
National Bank loan (\$000)**	949	0	1,014
Source of Income:			
Income other than MoE bulk-funds (\$000)	63,355	57,090	57,837
Total income (\$000)	112,225	104,802	101,114
Percentage	56.45%	54%	57.20%
Current assets : Current liabilities	0.65	0.51	0.55
Total debt : equity	0.01	<0.1	1.38
Operating costs : EFTS (\$)	9,378	10,028	9,435
Net surplus : EFTS (\$)	441	227	145

* Target is set for Unitec only.

** Provided to the Unitec Recreation Trust for the construction of the ETA O'Ryans Sport Centre. Unitec has no other exposure to term debt.

Operating Cost

Cost of Services by Faculty

	Applied Technology Institute			Architecture and Design			Arts and Social Sciences		
	2003	2003	2002	2003	2003	2002	2003	2003	2002
	Actual	Budget	Actual	Actual	Budget	Actual	Actual	Budget	Actual
Costs (\$)									
Salaries and wages	5,131,560	5,059,948	4,761,991	10,364,090	10,060,879	9,847,482	13,063,673	13,647,886	12,560,649
Class materials	2,916,543	714,200	1,524,613	1,171,623	1,177,416	867,964	1,869,331	2,134,206	1,785,991
General expenses	1,131,650	1,172,596	1,500,005	2,609,671	2,299,484	2,884,231	3,625,863	3,585,186	4,145,119
Administration services	4,708,534	4,167,601	4,060,730	7,748,420	7,742,832	7,768,509	8,052,470	7,476,734	6,714,244
Depreciation	186,225	110,609	116,196	122,179	119,989	127,155	40,122	62,596	34,970
Total costs	14,074,512	11,224,954	11,963,535	22,015,983	21,400,600	21,495,341	26,651,459	26,906,611	25,240,973
Revenue from services	(459,078)	(383,000)	(432,471)	(266,983)	(290,843)	(337,846)	(3,955,531)	(3,131,538)	(4,224,059)
Net cost of services	13,615,434	10,841,954	11,531,064	21,749,000	21,109,757	21,157,495	22,695,928	23,775,073	21,016,914
Net cost of services : EFTS	8,209	9,974	9,534	12,442	12,294	12,632	9,214	8,968	8,276

				Ngaa Kaawai Oranga, Health and Environmental Sciences		
	2003	2003	2002	2003	2003	2002
	Actual	Budget	Actual	Actual	Budget	Actual
Costs (\$)						
Salaries and wages	11,305,247	10,771,526	9,748,219	8,092,442	8,241,766	7,391,077
Class materials	887,863	855,500	816,903	822,862	1,007,811	1,041,186
General expenses	4,404,234	4,347,465	4,354,218	1,465,254	1,865,640	1,632,825
Administration services	9,431,743	8,592,702	8,205,723	5,059,731	4,786,671	4,617,962
Depreciation	73,353	91,248	75,339	129,584	104,704	120,369
Total costs	26,102,440	24,658,441	23,200,402	15,569,873	16,006,592	14,803,419
Revenue from services	(1,142,408)	(260,000)	(749,418)	(714,515)	(631,033)	(721,086)
Net cost of services	24,960,032	24,398,441	22,450,984	14,855,358	15,375,559	14,082,333
Net cost of services : EFTS	7,685	8,914	7,788	11,263	11,552	11,194

Physical Resources

Since 1999, Unitec has adopted the Tertiary Education Facilities Management Association (TEFMA), formerly the Australasian Association of Higher Education Faculties Offices (AAPPA), benchmark data to manage and organise the efficient use of its physical resources. As Unitec is one of the largest tertiary providers in New Zealand, the use of its physical resources needs to be carefully planned and co-ordinated to achieve the best possible loading for lecture theatres and other facilities. Utilising TEFMA benchmarks allows Unitec to measure how well its teaching and administrative areas are being used, and to find ways to achieve better utilisation to the benefit of students and the local community.

7.2 Key Physical Resource Targets.

	2003 Actual	2003 Target	2002 Actual
Faculty useable floor area (m2) : EFTS	5.23	5.6	5.38
Gross education area (m2) : EFTS	9.75	10.5	9.89

Physical Resource Usage

	2003 Actual	2003 Target	2002 Actual
Faculty useable floor area (m2) : EFTS by faculty			
Applied Technology Institute	5.64	8.55	7.39
Architecture and Design	11.04	11.23	11.36
Arts and Social Sciences	3.69	3.43	3.42
Business	2.40	2.85	2.48
Ngaa Kaawai Oranga, Health and Environmental Sciences	6.86	6.78	6.07

7.3 External Accountability Requirements.

	2003 Actual	2003 Target
Statement of objectives approved by MoE	Approved	Approved
Annual report prepared to meet legislated timelines	Prepared	Prepared

Goal 8. To support and develop our staff and acknowledge their performance.**8.1 Staff Development Opportunities and Performance Excellence.**

Unitec recognises that the people who work within the organisation are the key to being able to deliver teaching and learning opportunities of the highest quality. As a result, Unitec places the utmost importance on providing staff with effective and relevant development opportunities designed to support their ongoing success and achievement, and consequently increase the levels of job satisfaction.

Professional Development

	2003 Actual	2003 Target
Percentage of staff participating in in-house staff development courses	38%	25%
Percentage of staff using discount provision to purchase courses for higher qualifications or professional development	3%	15%
Number of academic staff completing higher qualifications	7*	11
Number of annual staff awards	19	19
Percentage of academic staff on special studies programme annually	**%	15%

* Number of academic staff completing a thesis in 2003.

** Not available

Excellence in performance continues to be a high priority and, therefore, was a major focus for Unitec throughout 2003. Further development and refinement of Unitec's Performance and Development Management system has resulted in a heightened awareness and understanding of the need for effective manager-staff relationships that are based on ongoing performance objective setting, progress management and support for any identified development needs. In addition, there is a much more tangible link between performance requirements and the development support needed for these requirements.

Further development of Unitec's performance management process will continue into 2004 and beyond, to ensure that its relevance and effectiveness are maintained.

8.2 EEO Targets.

The EEO Plan aims to assist the institute to:

- Ensure equality of opportunity in all aspects of its work
- Use sound employment practices when appointing staff
- Comply with the spirit and intention of all relevant equal employment legislation, including the Human Rights Act 1997, the Race Relations Act 1971, the State Sector Act 1988, and the Parental Leave and Employment Protection Act 1987
- Employ a workforce broadly reflecting the community it serves in terms of ethnicity, gender and disability.

Te Roopu Mataara and Tu Alanga Ake, support networks for Maori and Pacific Island staff, continued to evolve throughout the year, furthering Unitec's commitment to retaining and developing Maori and Pasifika staff. Te Roopu Mataara, the Maori staff collective, continued to meet and act as a support group for Maori staff across campus.

EEO Statistical Profile

		2003 FTE			2002 FTE	
Staff Totals (FTE)	F/T	P/T	Total	Percentage	Total	Percentage
Academic Staff						
All staff	521	127	648	100%	626	100%
Disabled	13	2	15	2%	7	1%
Maori	16	4	20	3%	24	4%
Pacific Island	12	1	13	2%	10	2%
Female	228	87	315	49%	311	50%
Male	293	40	333	51%	315	50%
Allied Staff						
All staff	395	109	504	100%	466	100%
Disabled	28	2	30	6%	11	2%
Maori	27	6	33	6%	23	5%
Pacific	21	5	24	5%	20	5%
Female	271	79	350	69%	319	68%
Male	124	30	154	31%	147	32%

Note: The above figures are based on those staff that indicated their ethnicity. The apparent increase in Allied staff reflects the more accurate FTE data now available from PeopleSoft HRMIS than in previous years.

Gender Balance in Management and Academic Career Structures

Senior Managers Including Directors

	2003		2002	
	Total	Percentage	Total	Percentage
Total number of senior managers	54	100%	68	100%
Female senior managers	22	40%	23	34%
Male senior managers	32	60%	45	66%

Note: Includes professors and associate professors.

The proportion of senior managers who were female increased during the year. The institute remains firmly committed to EEO, which is strongly entrenched in the recruitment and selection processes as well as the career structures of the organisation.

	2003 Actual	2003 Target
Maori Staff		
Percentage academic	3%	6%
Percentage allied	6%	6%
Pacific Islands Staff		
Percentage academic	2%	1%
Percentage allied	5%	6%
Staff with Disabilities		
Percentage academic	2%	2%
Percentage allied	6%	3%



Financial Statements

For the Year ended 31 December 2003

Financial Highlights

Financial Results for the Year

Unitec made a net surplus for the year of \$4.574 million compared with a budgeted surplus of \$2.365 million.

Income

Unitec again experienced extremely strong growth and demand in the international student market especially in Business related courses and income was also boosted by Unitec's association with the Site Safe Programme.

Expenditure

Expenditure ended the year slightly above budgeted levels due mainly to increased costs to meet the increased growth in student numbers. Labour costs were tightly managed and within budgeted parameters. Initiatives to control expenditure levels taken in previous years with printing and computer equipment had some effect in 2003 and other areas are now being targeted, eg audio visual equipment, travel and reprographics, to further reduce overall operating costs.

Assets

Investment in teaching equipment, motor vehicles and other assets has been maintained at levels consistent with past years. Extensions to the Student Learning Complex to accommodate increased demand were completed together with a large number of smaller projects. Further development of PeopleSoft Management Information software packages also continued to occur at slightly lower levels than in previous years.

2004 Budget

A conservative budget for 2004 has been set, with EFTS targets slightly below that achieved in 2003. Expenditure will have a focus on the development of new teaching and library facilities on the Waitakere Campus, relaunching the Unitec brand and putting in place revised academic and administrative structures to further improve effectiveness and efficiencies.

Statement of Accounting Policies

For the Year ended 31 December 2003

The Reporting Entity

Unitec Institute of Technology was established under the Education Act 1976. The group consists of Unitec Institute of Technology and the subsidiaries, New Zealand Institute of Technology Limited, Open Institute of Technology Limited, Unitec Limited, Unitec Recreation Trust, the Unitec Trust and the Unitec Apprenticeship Training Trust. These financial statements have been prepared in accordance with section 41 of the Public Finance Act 1989 and section 203 of the Education Act 1989, which includes the requirement to comply with generally accepted accounting practice.

Measurement System

The measurement base adopted is that of historical cost, except in the case of land which has been valued on a “fair value” basis and buildings which have been valued on the Optimised Depreciated Replacement Cost (ODRC) basis. Other Assets are recorded at a cost net of depreciation.

Basis of Preparation of the Financial Statements

The Financial Statements include a Statement of Financial Performance, a Statement of Cash Flows, a Statement of Financial Position, a Statement of Movements in Equity, and Statement of Commitments and Contingencies.

Unitec’s mission statement, values, goals and objectives are highlighted in the Statement of Objectives. The Statement of Objectives is made up of goals, each of which is reported on using performance targets and performance measures. Cost of Services and Key Performances Details report on every area of Unitec’s activities, and these areas are summarised individually in note 3 Operating Costs and Revenue.

The major areas of Unitec’s activity are:

- Applied Technology Institute
- Faculty of Architecture and Design
- Faculty of Arts and Social Sciences
- Faculty of Business
- Ngaa Kaawai Oranga, Faculty of Health and Environmental Sciences

Accounting Policies

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

1 Revenue

Revenue has been recognised in the Statement of Financial Performance on an entitlement basis.

2 Accounts Receivable

Accounts receivable are shown at estimated realisable value after due allowance for any amounts not considered recoverable.

3 Inventory

- a Materials other than for trading are generally regarded as having been utilised at the time of receipt and are charged to the relevant activity at that time.
- b Inventories held for trading operations have been valued at the lower of cost, determined on a first-in first-out basis, or net realisable value.

4 Investments

All short-term investments including those in subsidiaries are stated at the lower of cost or net realisable value.

5 Financial Instruments

Revenue and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance. All financial instruments are recognised in the Statement of Financial Position. All financial instruments, except for loans which are recorded at cost, are shown at their fair values.

6 Fixed Assets

a Land and buildings

All land and buildings are revalued every three years. All buildings whether owned by the Ministry of Education or purchased or built out of Unitec reserves since 1991 have been valued using the ODRC methodology by Telfer Young as at 1 January 2003. All land whether owned by the Ministry of Education or purchased out of Unitec reserves since 1991 has been valued using the Fair Value Base by Telfer Young as at 1 January 2003. Crown-owned land and buildings are included as part of Unitec's fixed assets. These were first recognised on 1 January 1995 and although legal title has not been transferred, Unitec has assumed all the normal risks and rewards of ownership. Buildings constructed since 1 January 2003 have been valued at cost.

b Library collection

The library collection is revalued at the end of each year at estimated replacement cost using values supplied by the librarian which are considered by Unitec to be appropriate for the collection. An allowance has been made for the expired portion of the estimated economic life of the collection. Increases in the value of the library collection are credited to the library collection asset revaluation reserve. Decreases in the value of the library collection are debited to the library collection asset revaluation reserve. If the library collection asset revaluation reserve develops a debit balance, this balance is written off to the Statement of Financial Performance.

c Other assets

All other assets purchased since 1990 have been valued at cost and depreciated. Prior to 1990, other asset values were established on a fixed asset register either at cost or, where asset values were unknown, at an appropriate estimated value adjusted by depreciation.

d Additions

Additions between valuations are recorded at cost.

e Depreciation

Fixed Assets are depreciated at rates that will write off the cost or value of the asset over its estimated useful life. Land is not depreciated. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Buildings

Structure	3-75 years	1-33% straight line
Fit out	2-16 years	6-52% straight line
Services	2-31 years	3-50% straight line
Computer equipment	3 years	33% straight line
Plant and equipment	10 years	10% straight line
Furniture and fittings	10 years	10% straight line
Motor vehicles	5 years	20% straight line
Office equipment	10 years	10% straight line

7 Capital Work in Progress

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

8 Goods and Services Tax

Unitec Institute of Technology is a registered person as defined by the Goods and Services Act 1985. All items in the financial statements are exclusive of GST with the exception of receivables and payables, which are stated GST inclusive. Where GST is not recoverable as an input tax then it is recognised as part of the related asset or expense.

9 Taxation

Tertiary institutions are exempt from the payment of income tax as they are treated by the IRD as charitable organisations. Accordingly, no charge for income tax has been provided for.

10 Leases

Finance leases, which effectively transfer to Unitec and the group substantially all of the risks and benefits of ownership of the leased item, are capitalised at the present value of the minimum lease payments. The leased assets and corresponding liabilities are disclosed and the leased assets are depreciated over the period Unitec is expected to benefit from their use.

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items, are included in the determination of the operating profit in equal instalments over the lease term.

11 Statement of Cash Flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which Unitec invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources of the group and record the cash payments made for the supply of goods and services. Agency transactions are recognised as receipts and payments in the Statement of Cash Flows given that they flow through Unitec and group's main bank account.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing Activities comprise activities that change the equity and debt capital structure of Unitec and group.

12 Employee Entitlements

Provision is made in respect of Unitec and group's liability for annual leave, long service leave and retirement leave. Annual leave has been calculated on an actual entitlement basis at current rates of pay. Long service and retirement leave have been calculated on an actuarial basis based on the present value of expected future entitlements.

13 Development Costs

Costs incurred on development of new courses are expensed in the period in which they have been incurred as the level of expenditure is relatively constant from year to year.

14 Basis of Consolidation

The Unitec Recreation Trust, the Unitec Trust and the Unitec Apprenticeship Training Trust are subsidiaries of Unitec Institute of Technology and therefore the consolidated financial statements include Unitec and its trusts accounted for using the purchase method. All significant transactions between Unitec and the trust were eliminated upon consolidation.

Unitec has three non trading subsidiaries, New Zealand Institute of Technology Limited, Open Institute of Technology Limited and Unitec Limited. None of the subsidiaries is currently trading or has traded in previous years. There are no assets or liabilities within those subsidiaries. Consequently, there has been no consolidation of the results.

The Unitec Recreation Trust has been treated as a separate legal entity from the Council of Unitec Institute of Technology other than for the above financial reporting purposes. Hence, the mortgage from the Unitec Recreation Trust to the National Bank is not subject to section 192 of the Education Act 1989.

15 Student Allowances

Unitec and group has no involvement with the receipt or payment of student allowances other than supplying student information to StudyLink.

16 Cost of Service Statements

Cost of Service Statements, as provided in the Statement of Objectives and Service Performance, report the net cost of services for the significant activities of Unitec, and are represented by Cost of Services less all non-EFTS funding that can be allocated to these activities.

Changes in Accounting Policies

Unitec has changed its accounting policy for the valuation of land and buildings in order to comply with FRS-3: Accounting For Property, Plant and Equipment. This standard requires assets to be valued at fair value which has been determined by reference to their highest and best use. The previous policy had been to determine the fair value of those items by reference to their existing use. The effect of the change has been to increase the value of the land by \$23.36 million and the buildings by \$4.258 million. In accordance with FRS-3, the adjustment to the asset has been recorded as an increase in asset revaluation reserves in the Statement of Movement in Equity.

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

Statement of Financial Performance

For the Year ended 31 December 2003

	Notes	2003 Unitec Actual \$000	2003 Unitec Budget \$000	2002 Unitec Actual \$000	2003 Consolidated Actual \$000	2002 Consolidated Actual \$000
Government operational funding	1	49,638	47,712	43,732	49,638	43,732
Investment income		566	450	604	571	611
Tuition fees		51,382	49,169	46,551	51,382	46,512
Trading income	2	1,901	1,733	1,618	2,771	2,346
Revenue from services provided	3	6,538	4,696	6,465	6,538	6,465
Other income	4	1,325	1,042	1,448	1,325	1,448
Total operating income		111,350	104,802	100,418	112,225	101,114
Less expenditure						
Total faculty expenditure	3	104,414	100,197	96,704	104,414	96,704
Trading expenditure	2	2,362	2,240	2,395	3,207	3,026
Total cost of operations		106,776	102,437	99,099	107,621	99,730
Net surplus(deficit) for the year	5	4,574	2,365	1,319	4,604	1,384

The Statement of Accounting Policies and the Notes to the Financial Statements form part of and are to be read in conjunction with this statement.

Statement of Financial Position

As at 31 December 2003

	Notes	2003 Unitec Actual \$000	2003 Unitec Budget \$000	2002 Unitec Actual \$000	2003 Consolidated Actual \$000	2002 Consolidated Actual \$000
Assets						
Current assets						
Cash and bank		540	608	2,015	760	2,131
Short-term investments	6	1,000	-	-	1,050	95
Accounts receivable	7	19,481	16,879	16,521	19,487	16,522
Inventory		151	470	470	151	470
Prepayments		313	315	313	313	320
Total current assets		21,485	18,272	19,319	21,761	19,538
Non-current assets						
Non current assets	8	117,954	96,912	86,712	119,899	88,427
Capital work in progress		3,842	-	7,151	3,842	7,151
Total non-current assets		121,796	96,912	93,863	123,741	95,578
Total assets		143,281	115,184	113,182	145,502	115,116
Liabilities						
Current liabilities						
Fees in advance		22,189	23,000	22,885	22,189	22,885
Accounts payable	9	8,002	9,056	9,628	8,071	9,671
Current portion of loan	10	-	-	-	63	58
Provision for employee entitlements	11	3,286	3,622	3,042	3,309	3,042
Total current liabilities		33,477	35,678	35,555	33,632	35,656
Loans	10	-	-	-	949	1,014
Provision for employee entitlements	11	460	-	486	460	486
Total non-current liabilities		460	-	486	1,409	1,500
Total liabilities		33,937	35,678	36,041	35,041	37,156
Net assets		109,344	79,506	77,141	110,461	77,960
Equity						
Public equity	12	-	79,506	77,141		77,960
Total equity		109,344	79,506	77,141	110,461	77,960

The Statement of Accounting Policies and the Notes to the Financial Statements form part of and are to be read in conjunction with this statement.



A Dickinson
Chairman of Council



Dr J Webster
President and Chief Executive



O T Burnside
Vice-President, Finance

Date: 28 April 2004

Statement of Cash Flows

For the Year ended 31 December 2003

	Notes	2003 Unitec Actual \$000	2003 Unitec Budget \$000	2002 Unitec Actual \$000	2003 Consolidated Actual \$000	2002 Consolidated Actual \$000
Cash flows from operating activities						
Cash was provided from:						
Government grants		55,879	47,295	43,115	55,879	43,115
Investment income		568	400	605	576	609
Revenue from services provided		67,167	58,654	58,371	70,409	59,233
		123,614	106,349	102,091	126,864	102,957
Cash was applied to:						
Employees and suppliers		107,546	99,994	83,456	110,494	84,187
Interest paid		-	-	-	71	67
Goods & Services Tax net		8,544	-	10,475	8,648	10,475
		116,090	99,994	93,931	119,213	94,729
Net cash flows from operating activities	13	7,524	6,355	8,160	7,651	8,228
Cash flows from investing activities						
Cash was provided from:						
Sale of assets		57	-	37	57	37
Cash was applied to:						
Purchase of assets		8,056	7,973	7,468	8,064	7,468
Net cash flows from investing activities		(7,999)	(7,973)	(7,431)	(8,007)	(7,431)
Cash flows from financing activities						
Cash was provided from:						
Capital injection		-	-	663	-	663
Loan raised		-	-	-	-	250
		-	-	663	-	913
Cash was applied to:						
Settlement of debt		-	-	-	60	303
Net cash flows from financing activities		-	-	663	(60)	610
Total net cash flows		(475)	(1,618)	1,392	(416)	1,407
Opening balance cash and bank		2,015	2,226	623	2,226	819
Closing balance cash and bank		1,540	608	2,015	1,810	2,131
Closing balance cash and bank						
Cash and bank		540	608	2,015	760	2,131
Short-term investments		1,000	-	-	1,050	95
Closing balance cash and bank		1,540	608	2,015	1,810	2,226

The Statement of Accounting Policies and the Notes to the Financial Statements form part of and are to be read in conjunction with this statement.

Statement of Movements in Equity

For the Year ended 31 December 2003

	2003 Unitec Actual \$000	2003 Unitec Budget \$000	2002 Unitec Actual \$000	2003 Consolidated Actual \$000	2002 Consolidated Actual \$000
Equity at start of the period	77,141	77,141	75,048	77,960	75,802
Net surplus (deficit)	4,574	2,365	1,319	4,604	1,384
Increase/(decrease) in library collection revaluation reserves	278	-	111	278	111
Increase/(decrease) in land revaluation reserves	23,361	-	-	23,361	-
Increase/(decrease) in building revaluation reserves	3,990	-	-	4,258	-
Total recognised revenues and expenses for the period	32,203	2,365	1,430	32,501	1,495
Addition to equity	-	-	663	-	663
Equity at end of the period	109,344	79,506	77,141	110,461	77,960

Notes to the Financial Statements

1 Government Operational Funding

This includes monies received from Government by way of an Operational Bulk Grant which is based on equivalent full time students (EFTS) levels and the funding category levels of these EFTS and specific purpose related grants. An analysis of Government operational funding is as follows:

	2003 Consolidated/ Unitec Actual \$000	2003 Consolidated/ Unitec Budget \$000	2002 Consolidated/ Unitec Actual \$000
Operational bulk grant	48,871	47,266	43,277
Other Government Funding	25	-	25
Disabilities Grant	188	186	187
Support for Maori & Pacific Island Peoples	148	-	132
Strategic Change Fund	393	260	111
Enterprise Scholarship	13	-	-
Total Government operational funding	49,638	47,712	43,732

2 Trading Activities

Trading activities incorporate the activity areas detailed below which reflect the major income generating activities outside of normal faculty operations. Institute overheads are allocated to these activities on a basis consistent with that applied to faculty operations.

	2003 Unitec Actual \$000	2003 Unitec Budget \$000	2002 Unitec Actual \$000	2003 Consolidated Actual \$000	2002 Consolidated Actual \$000
Income					
Business Development	346	237	191	346	191
Halls of Residence	455	464	497	455	497
Sport Centre	682	707	610	682	610
Building training projects	418	325	320	418	320
Trust income	-	-	-	870	728
Total income	1,901	1,733	1,618	2,771	2,346
Expenditure					
Trading materials	392	266	293	391	293
Class materials	29	17	21	29	21
Salaries and wages	874	732	783	874	783
Depreciation	70	62	83	130	120
Administration	503	602	523	503	523
General expenses	494	561	692	494	692
Trust expenditure	-	-	-	786	594
Total expenditure	2,362	2,240	2,395	3,207	3,026
Surplus (deficit) on trading activities	(461)	(507)	(777)	(436)	(680)

3 Operating Costs and Revenue by Faculty

For the year ended 31 December 2003

	2003 Consolidated/ Unitec Actual \$000	2003 Consolidated/ Unitec Budget \$000	2002 Consolidated/ Unitec Actual \$(000)
Total costs			
Applied Technology Institute	14,075	11,225	11,964
Faculty of Architecture and Design	22,016	21,401	21,495
Faculty of Arts and Social Sciences	26,651	26,907	25,241
Faculty of Business	26,102	24,658	23,200
Ngaa Kaawai Oranga – Faculty of Health and Environmental Sciences	15,570	16,006	14,804
Total faculty expenditure	104,414	100,197	96,704
Income from services provided			
Applied Technology Institute	459	383	433
Faculty of Architecture and Design	267	291	338
Faculty of Arts and Social Sciences	3,956	3,131	4,224
Faculty of Business	1,142	260	749
Ngaa Kaawai Oranga – Faculty of Health and Environmental Sciences	714	631	721
Total faculty income from services provided	6,538	4,696	6,465
Net cost of services			
Applied Technology Institute	13,616	10,842	11,531
Faculty of Architecture and Design	21,749	21,110	21,157
Faculty of Arts and Social Sciences	22,695	23,776	21,017
Faculty of Business	24,960	24,398	22,451
Ngaa Kaawai Oranga – Faculty of Health and Environmental Sciences	14,855	15,375	14,083
Total net faculty expenditure	97,875	95,501	90,239

4 Other income

This includes income generated from Training Opportunities Programme (TOP), contract education, donations and other miscellaneous income not specific to individual faculties. An analysis of other income is as follows:

	2003 Consolidated/ Unitec Actual \$000	2003 Consolidated/ Unitec Budget \$000	2002 Consolidated/ Unitec Actual \$000
Donations	75	-	316
TOP	340	402	450
Contract education	382	118	209
Miscellaneous	528	522	473
Total Other Income	1,325	1,042	1,448

5 Operating Revenue and Expenses

The net surplus from operations is after allowing for:

	2003 Unitec Actual \$000	2002 Unitec Actual \$000	2003 Consolidated Actual \$000	2002 Consolidated Actual \$000
Audit fees - external audit	54	40	59	44
- other services	9	4	9	4
Depreciation:				
Crown Buildings	1,126	506	1,126	506
Institute Buildings	2,156	980	2,212	1,016
Plant and Equipment	483	398	483	398
Furniture and Fittings	231	255	231	255
Motor Vehicles	157	160	157	160
Computer Equipment	1,582	1,598	1,585	1,598
Office equipment	107	118	107	118
Library collection	443	436	443	435
Councillors' Fees	72	64	72	64
Bad debts written off	270	511	270	520
Interest expense	-	-	71	68
Lease charges (operating leases)	4,003	3,396	4,003	3,396
Gain/(Loss) on Sale of Assets	(130)	(1)	(130)	(1)
Donations	-	316	-	366

Councillors Fees

The following fees were earned by members of the Unitec Council during the year.

Council fees and expenses exclude remuneration to staff members who serve on Council.

Council Member	2003	2002
A Dickinson (Chair)	19,883	5,482
S Chan	4,845	4,845
D Cooke	3,060	1,275
G Costello	4,208	3,570
M Fletcher	255	2,040
M Glen	2,040	2,295
R Knight	2,550	510
J Lawley	3,953	1,530
H Lieshout	1,275	3,570
R Kahui McConnell	1,785	-
K Millar	2,295	1,785
R Reid	9,563	5,355
J Robb	2,295	19,500
G Shuttleworth	1,785	-
L Thomson	2,805	1,275
M Tunks	2,040	2,295
J Turei	-	1,785
P Winter	2,295	1,275
A Wood	5,100	5,738
	72,032	64,125

6 Short-term Investments

Short-term investments are made up as follows:

	2003 Unitec Actual \$'000	2002 Unitec Actual \$'000	2003 Consolidated Actual \$'000	2002 Consolidated Actual \$'000
BNZ short-term investments	-	-	50	95
Westpac short-term investments	1,000	-	1,000	-
Total short-term investments	1,000	-	1,050	95

Interest Rates

The effective interest rate was 5.66%

7 Accounts Receivable

	2003 Unitec Actual \$'000	2002 Unitec Actual \$'000	2003 Consolidated Actual \$'000	2002 Consolidated Actual \$'000
Trade debtors	917	965	850	876
Other amounts receivable	18,964	15,956	19,037	16,046
Less provision for doubtful debts	(400)	(400)	(400)	(400)
Total accounts receivable	19,481	16,521	19,487	16,522

8 Non-current Assets

	Cost/Valuation			Provision for Depreciation			Net Book Value		
	2003 Unitec Actual \$'000	2003 Cons. Actual \$'000	2002 Cons. Actual \$'000	2003 Unitec Actual \$'000	2003 Cons. Actual \$'000	2002 Cons. Actual \$'000	2003 Unitec Actual \$'000	2003 Cons. Actual \$'000	2002 Cons. Actual \$'000
Land (Crown) valuation	12,356	12,356	5,665	-	-	-	12,356	12,356	5,665
Land (Institute) valuation	27,485	27,485	10,815	-	-	-	27,485	27,485	10,815
Buildings (Crown) valuation	27,970	27,970	25,288	1,126	1,126	1,089	26,844	26,844	24,199
Buildings (Institute) valuation	45,374	47,366	41,755	2,378	2,435	1,764	42,996	44,931	39,991
Plant and Equipment (cost)	5,236	5,236	5,339	2,758	2,758	3,328	2,478	2,478	2,011
Furniture and fittings (cost)	2,687	2,689	2,958	2,061	2,061	2,262	626	628	696
Motor Vehicles (cost)	1,339	1,339	1,360	939	939	934	400	400	426
Computer Equipment (cost)	10,808	10,821	10,420	8,647	8,653	8,354	2,161	2,168	2,066
Office equipment (cost)	1,075	1,076	1,242	755	755	822	320	321	420
Library collection (valuation)	2,288	2,288	2,138	-	-	-	2,288	2,288	2,138
Total of Non-Current Assets	136,618	138,626	106,980	18,664	18,727	18,553	117,954	119,899	88,427

Land and Buildings were valued by Telfer Young, registered valuers as at 1 January 2003. The valuation basis is fair value for land and ODRC for buildings. (Refer to Accounting Policy Note 6).

The revaluation of buildings resulted in an increase in the depreciable amount of \$4.269 million (Unitec \$3.990 million). The financial effect of this change, together with the change to accounting for buildings at the component level, has been to increase the depreciation expense for buildings for the year by \$1.893 million. (Unitec \$1.880 million).

9 Accounts Payable

Accounts payable are made up as follows:

	2003 Unitec Actual \$000	2002 Unitec Actual \$000	2003 Consolidated Actual \$000	2002 Consolidated Actual \$000
Trade creditors	387	1,605	456	1,648
Accruals	7,615	8,023	7,615	8,023
Total accounts payable	8,002	9,628	8,071	9,671

10 Non-current Liabilities

	2003 Unitec Actual \$000	2002 Unitec Actual \$000	2003 Consolidated Actual \$000	2002 Consolidated Actual \$000
National Bank loan opening balance	-	-	1,072	1,125
Repayments	-	-	60	(303)
Loans Raised	-	-	-	250
Closing Balance	-	-	1,012	1,072
Current Portion Loan Liability	-	-	63	58
Non-current portion loan liability	-	-	949	1,014

The Unitec Recreation Trust has a 20-year mortgage with the National Bank at an interest rate of 5.93%. The maturity date of the mortgage is 1 October 2005.

11 Provision for Employee Entitlements

	2003 Unitec Actual \$000	2002 Unitec Actual \$000	2003 Consolidated Actual \$000	2002 Consolidated Actual \$000
Provision for holiday pay	3,133	2,941	3,156	2,941
Provision for retirement leave	312	293	312	293
Provision for long service leave	301	294	301	294
Total employee entitlements	3,746	3,528	3,769	3,528
Made up of:				
Current	3,286	3,042	3,309	3,042
Non-current	460	486	460	486
Total	3,746	3,528	3,769	3,528

12 Public Equity

This balance consists of the accumulated surplus and reserves.

	2003 Unitec Actual \$000	2002 Unitec Actual \$000	2003 Consolidated Actual \$000	2002 Consolidated Actual \$000
Accumulated surplus				
Opening balance	64,377	62,395	65,074	63,027
Net surplus (deficit) for the year	4,574	1,319	4,604	1,384
Addition to equity	-	663	-	663
Closing balance	68,951	64,377	69,678	65,074
Library revaluation reserve				
Opening balance	778	667	778	667
Revaluation	278	111	278	111
Closing balance	1,056	778	1,056	778
Land revaluation reserve				
Opening balance	5,720	5,720	5,720	5,720
Revaluation	23,361	-	23,361	-
Closing balance	29,081	5,720	29,081	5,720
Building revaluation reserve				
Opening balance	6,266	6,266	6,388	6,388
Revaluation	3,990	-	4,258	-
Closing balance	10,256	6,266	10,646	6,388
Total equity	109,344	77,141	110,461	77,960

13 Reconciliation of the Net Surplus from Operations with the Net Cash Flows from Operating Activities

	2003 Unitec Actual \$000	2002 Unitec Actual \$000	2003 Consolidated Actual \$000	2002 Consolidated Actual \$000
Net surplus/(deficit) for the year	4,574	1,319	4,604	1,384
Add non-cash items:				
Depreciation	6,285	4,451	6,344	4,487
Increase (decrease) in non current employee entitlement	(1)	345	(1)	345
Bad debts written off	270	511	270	520
Non-current assets written off	-	23	-	23
Add (less) movements in working capital:				
Increase (decrease) in fees in advance	(696)	12,139	(696)	12,139
Decrease (increase) in accounts receivable	(3,378)	(11,462)	(3,362)	(11,514)
Decrease (increase) in prepayments	1	(79)	1	(79)
Increase (decrease) in accounts payable	(196)	875	(197)	885
Decrease (increase) in inventory	319	(32)	319	(32)
Increase in current employee entitlements	216	69	239	69
Add (less) items classified as investing activities:				
Net loss (gain) on sale of assets	130	1	130	1
Net cash flows from operating activities	7,524	8,160	7,651	8,228

14 Grants

Details of the Income and Expenditure of Grants (GST exclusive) in relation to the purpose for which they are given are set out below as required by the Public Finance Act 1989. These grants have been incorporated in the respective income and expenditure categories.

Types of Grants	2003 Consolidated/Unitec		2002 Consolidated/Unitec	
	Income \$000	Expenditure \$000	Income \$000	Expenditure \$000
Special education	24	24	25	25
Support for Maori and Pacific Peoples	148	148	132	154
Total Grants	172	172	157	179

15 Segmental Information

Unitec operates predominantly in one industry (tertiary education) and in one geographical area (Auckland, New Zealand).

16 Related Party Information

Crown/Government

Unitec is a wholly owned entity of the Crown. The government influences the role of Unitec as well as being its major source of revenue.

Unitec enters into numerous transactions with government departments and other Crown agencies on an arm's length basis and where those parties are only acting in the course of their normal dealings with the institution. These transactions are not separately disclosed because of the volume of the transactions and because the transactions are conducted on an arm's length basis in the normal course of business.

Inter-Group

All members of the group are considered to be related parties of Unitec. In 2003, Unitec incurred rental of \$172,000 (2002: \$172,000) for the use of the Unitec Trust Recreation Centre. At year end there was an amount of \$43,000 owing to Unitec Trust from Unitec (2002: \$43,000).

During the year Unitec Apprenticeship Trust incurred expenses of \$22,725 for the use of Unitec staff and copy services (2002: \$9,015 for fees).

There was an amount of \$68,000 owing (2002: \$68,000) to Unitec from Unitec Apprenticeship Training Trust. This is a loan from Unitec to the Trust.

Members of the Council and Key Management

During the year Unitec purchased materials from Goodwood Industries Limited, a manufacturing company, of which Mr John Robb, a member of the Unitec Council is a director. These goods were supplied on normal commercial terms at a cost of \$16,705 (2002: \$14,074). There were no other related party transactions.

Messrs R Reid and J Webster are Council Members and trustees of the Unitec Apprenticeship Training Trust.

Messrs A Dickinson and A Wood are Council members and trustees of the Unitec Recreation Trust and the Unitec Trust.

17 Financial Instruments

Unitec has a series of policies providing risk management for interest rates, foreign currency and credit. Unitec is party to financial instrument arrangements as part of its everyday operation. These financial instruments include bank accounts, bank deposits, accounts receivable, accounts payable and term borrowings, and are recognised in the Statement of Financial Position.

Interest Rate Risk

There are no interest rate options or interest rate swap agreements in place as at 31 December 2003.

Foreign Currency Risk

There is no foreign currency risk as at 31 December 2003.

Concentration of Credit Risk

Financial instruments which potentially subject Unitec to concentrations of risk consist primarily of cash, short-term investments and accounts receivable.

Unitec places its cash and short-term investments with high-credit quality financial institutions and sovereign bodies and limits the amount of credit exposure to any one financial institution. Concentrations of credit risk with respect to accounts receivable are limited due to the low level of revenue generated by customers other than the New Zealand government.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practical to estimate the value:

Cash

The carrying amount of cash and bank balances is equivalent to their fair value.

Short-term Investments

For the purpose of compliance with generally accepted accounting practice, the carrying amounts of all short-term investments are stated at the lower of cost or market value.

Accounts Receivable

The carrying value of all accounts receivable is after making allowance for doubtful debts (\$400,000 for student debtors).

The estimated fair value of Unitec's financial instruments as at 31 December 2003 is not significantly different from the carrying value.

18 Post Balance Date Events

There were no post balance date events which would materially affect Unitec.

19 Major Budget Variations

Explanations for major variations from the Council budget are as follows:

■ Statement of Financial Performance

The increase in EFTS during the period resulted in increased Tertiary Education Commission funding and student fees compared to budget. Increased EFTS from Site Safe courses contributed to increased revenue from services provided.

■ Statement of Financial Position

The major variance occurred in non-current assets due to the revaluation of land and buildings. Accounts receivable levels increased because of increased enrolments at year end due to the provision of web enrolment.

Statement of Commitments and Contingencies

Statement of Commitments as at 31 December 2003

	Actual 2003 \$(000)	Actual 2002 \$(000)
Capital commitments approved and contracted*	10,120	3,263
Non-cancellable operating lease commitments		
Land and buildings		
Not later than one year	448	533
Later than one year and not later than two years	283	462
Later than two years and not later than five years	3	101
Property and equipment		
Not later than one year	4,219	3,829
Later than one year and not later than two years	2,540	2,540
Later than two years and not later than five years	1,109	1,598
Later than five years	-	-
	8,602	9,063
Other non-cancellable contracts		
At balance date Unitec, had also entered into non-cancellable contracts for software maintenance, communications and other contracts of service.		
Details of commitments under these contracts are as follows:		
Not later than one year	792	587
Later than one year and not later than two years	600	587
Later than two years and not later than five years	752	972
	2,144	2,146
Total commitments	20,866	14,472

In addition to the above commitments, Council has authorised the following, but at balance date these were not contracted.

	Actual 2003 \$000	Actual 2002 \$000
Capital equipment	3,056	1,554
Minor capital works	1,400	1,523
Marae	110	240
Siteworks and site services	68	125
Building projects	1,461	392
Total	6,095	3,834

* Unitec has entered into a contract for \$7.1 million to purchase land and buildings at Waipareira Avenue, Henderson, in order to provide further teaching accommodation for Unitec Waitakere. Settlement date for the purchase is August 2006. Conversion of the building into teaching accommodation is expected to be able to be accommodated within normal major capital works expenditure. No cost associated with the conversion have been committed.

Statement of Contingent Liabilities as at 31 December 2003

- Unitec is defending three personal grievance claims outstanding as at 31 December 2003. There are no unresolved student grievance issues. The financial effect of these claims is not considered to be material and has not been accrued as a liability.
- The student hostel accommodation at 1510 Great North Road and Building Complex 310 was developed by Townscape Drummond Limited. Unitec has an agreement with Townscape Drummond that guarantees an 85% occupancy rate for 40 weeks each year for a 10 year period. There was a liability of \$9,000 for the 2003 financial year. For the remaining term of the agreement the total sum guaranteed is \$10.304 million. This guarantee expires in 2012. Other than \$9,000 Unitec has not paid shortfall penalties in previous years.
- Land owned by Unitec is subject to claims under the Waitangi Tribunal. The likely outcome of these claims is unknown.

Statement of Resources

Site and Location

Unitec's main campus, with access off Carrington Road, Auckland, has an overall area of 54.05 hectares. Buildings acquired as a result of the purchase from the former Auckland Area Health Board in late 1992 are fully integrated into the teaching accommodation requirements of Unitec. Evaluation of Institute-wide building utilisation levels continues to be a high priority. Extensive analysis of performance in this area is being undertaken prior to the approval of further teaching accommodation.

Gross Building Areas (in square metres)	Unitec Campus (m ²)				
	2003	2002	2001	2000	1999
Purpose built	52,564	48,615	46,075	43,367	38,565
Pre-existing	43,065	40,211	34,339	33,685	38,155
Temporary/Leased	5,941	5,802	7,670	5,716	6,016
Total	101,570	94,628	88,084	82,768	82,736

The gross areas on the main campus include administration, bookshops, cafeterias, student and staff services, library, maintenance, student union and seminar centre, student learning complex and recreation centre.

Faculty Usable Areas

Teaching areas on the main campus and including the leased premises were distributed across the faculties as follows:

	2003 Faculty Useable Area (m ²)	2003 Percent of Total	2002 Faculty Useable Area (m ²)
Faculties			
Applied Technology Institute	9,296	17.07%	8,930
Faculty of Architecture and Design	19,278	35.38%	19,033
Faculty of Arts and Social Sciences	9,083	16.67%	8,683
Faculty of Business	7,804	14.32%	7,149
Ngaa Kaawai Oranga, Faculty of Health and Environmental Sciences	9,025	16.56%	7,642
Total Faculty Usable area	54,486	100.00%	51,437

Calculations are based on the Tertiary Education Facilities Management Association (TEFMA) definitions.



Appendices

For the Year ended 31 December 2003

The Council of Unitec

Chairperson

A Q Dickinson FNZIQS, AAIQS

Ministerial Appointment

Deputy Chairperson

A E Wood MIPENZ

Auckland City Council

Secretary

U R Ewert LL.M *Well.*, MBA *Auck.*

Registrar, Unitec New Zealand

Members

J A Webster BSc *Eng.*, MSc, PhD *Aberd.*, FIE *Aust.*, FIPENZ, FIE *Ireland*

President and Chief Executive, Unitec New Zealand

S M Chan JP, MTax BCom *Auck.*, FCA, CMA, ANZIM, METI

Institute of Chartered Accountants, New Zealand

D Cooke MA, PhD *Essex*, Dip Tchg

Academic Staff Representative, Unitec New Zealand

G Costello LLB *Auck.*, CPM & IR

Employees' Representative

M L A Glen FIPENZ, IPM *UK*

Ministerial Appointment

R Kahui McConnell

Student Representative

R Knight LLB

Co-opted

J Lawley MSc (Oxon), BSocSc, Dip Tchg, Dip Guid/Counselling

Ministerial Appointment

K Millar

Allied Staff Representative, Unitec New Zealand

R T Reid

Co-opted – Waitakere City

G Shuttleworth

Certified Builders Association of New Zealand

E Thomson DipHSC, DipTchg, JP

Co-opted

M S Tunks MEd, Dip ISI City & Guilds *Lond.*, Dip Ed Studies, TTC (HomEc) *ACE*

Whanau O Waipareira

P Winter

Ministerial Appointment

Senior Management Team of Unitec

Chief Executive and Vice-Presidents

President and Chief Executive

J A Webster BSc Eng, MSc, PhD *Aberd.*, FIE Aust., FIPENZ, FIE Ireland

Vice-President Academic

A P Codling BSc(Hons), MSc *Auck.*, MEdAdmin *NE.*, EdD *NE.*

Vice-President Campus Development

R M Paul BArch(Hons) *Auck.*, ANZIA

Vice-President Finance

O T Burnside BCom *Auck.*, CA

Registrar

U R Ewert LL.M *Well.*, MBA *Auck.*

Pae Arahi

H Paniora

Directors

Academic Development

M Barrow MSc, Dip Tchng, EdD *Auck.*

Institute Relations

A Bailey BSc *Cant.*, CertJourn, PRINZ

Planning

T J Fulljames NZDipBus, AdvDipMgmt, MEdAdmin *Massey*, LTCL, MNZIM

Deans

Applied Technology Institute

M A Hall BSc *Oakland*, MEd *Auck.*, PhD *Southern California*, MINZMI, MSAE, NZATC(Auto Eng)

Architecture and Design

J P Boon MBA, MProp *Auck.*, FRICS, ANIQS, MNZIOB, MAACE, MAIPM

Arts and Social Sciences

R V Smyth LLB(Hons) *Belf.*, MEd *Auck.*, DipEd, PGCE

Business

Prof G M McDonald BBS *Massey*, MBA *W.Aust.*, PhD *Lond.*

Ngaa Kaawai Oranga, Health and Environmental Sciences

J E Harman MSc, PhD *Lond.*

Senior Corporate Managers

Centre for Learning Technologies

R L Elliott MEdAdmin *Massey*, MRSNZ

Information Technology Support Centre

A J McMaster ME *Auck.*, MemTEEE, MIPENZ

Registry of Works

G Huggard

Unitec International

J A Lydia BA *Massey*, DipTchg, DipSocSci

Wagener Library

J E Lewins NZLAC, DipMgt

Glossary

AACT Auckland Air Cadet Trust

ACE Adult and Community Education Reference Group

ANZAM Australian and New Zealand Academy of Management

ASK IT One stop shop helpdesk for Unitec student computing

ATC Air Training Corps

AUT Auckland University of Technology

BAT Bachelor of Applied Technology

BFEIC Beijing Fanzhidu Information Consulting Co Ltd

BIC Bachelor of International Communication

Blackboard Web based course management system

CEQ Course Experience Questionnaire

CITRUS Centre for Information Technology Research

EBS European Business School

eCDF Tertiary Education Commissions e-Collaboration Development Fund

EedO Equal Educational Opportunity

EEO Equal Employment Opportunity

EFTS Equivalent Full-time Student

ESOL English for Speakers of Other Languages

ETSA Education and Training Support Agency

FTE Full-time Equivalent

Green Card A summary of course information and standards for every student enrolling in every course as part of UNI Q.

GEM Global Entrepreneurship Monitor

GST Goods and Services Tax

ICANZ Institute of Chartered Accountants New Zealand

IELTS International English Language Test Score

IPENZ Institute of Professional Engineers New Zealand

ITAB Industry Training Association Board

ITESM Instituto Tecnológico y de Estudios Superiores de Monterrey

ITO Industry Training Organisation

ITSC Information Technology Support Centre

Maia Unitec's Maori Development Centre

MIT Manukau Institute of Technology

MoE Ministry of Education

NZAID New Zealand Agency for International Development

NCEA National Certificate of Educational Achievement

NZCER New Zealand Council for Educational Research

NZPPC New Zealand Polytechnic Programmes Committee

NZQA New Zealand Qualifications Authority

ODRC Optimised Depreciated Replacement Cost

ORC Optimised Replacement Cost

PBRF Performance Based Research Fund

RMIT Royal Melbourne Institute of Technology

SARS Severe Acute Respiratory Syndrome

SEQUAL Student Evaluation of Quality and Learning

SMT Senior Management Team

SNZ Skill New Zealand

SSG Special Supplementary Grant for students with disabilities

STAR Secondary Tertiary Alignment Resources

TEAC Tertiary Education Advisory Commission

TEC Tertiary Education Commission

TEFMA Tertiary Education Facilities Management Association

TOP Training Opportunities Programme

TTEC Transitional Tertiary Education Commission

UATI Unitec Applied Technology Institute

UNI Q A five-point plan of quality assurance

USU Unitec Student Union

WINZ Work and Income New Zealand

WWW World Wide Web or Internet. Unitec maintains a homepage at <http://www.Unitec.ac.nz>



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