Annual Report 2006 Contents

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Audit Report



To the readers of University of Canterbury and Group's financial statements for the year ended 31 December 2006

The Auditor-General is the auditor of the University of Canterbury (the university) and group. The Auditor-General has appointed me, Julian Tan, using the staff and resources of Audit New Zealand to carry out the audit of the financial statements and statement of service performance of the university and group, on his behalf, for the year ended 31 December 2006.

Unqualified opinion

In our opinion:

- the financial statements of the university and group on pages 42 to 56:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the university and group's financial position as at 31 December 2006;
 and
 - the results of operations and cash flows for the year ended on that date.
- the performance information of the university and group on pages 14 to 40 fairly reflects its service performance achievements measured against the performance targets adopted for the year ended on that date.

The audit was completed on 28 March 2007, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the council and 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 the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and statement of service performance did not have material misstatements whether caused by fraud

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and statement of service performance. If we had found material

misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and statement of service performance. 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 and statement of service performance.

We evaluated the overall adequacy of the presentation of information in the financial statements and statement of service performance. We obtained all the information and explanations we required to support our 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 university and group as at 31 December 2006. They must also fairly reflect the results of operations and cash flows for the year ended on that date. The council is also responsible for preparing performance information that fairly reflects the service performance achievements for the year ended 31 December 2006. The council's responsibilities arise from the Education Act 1989 and the Crown Entities Act 2004.

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you. This responsibility arises from section 15

of the Public Audit Act 2001 and the Crown Entities Act 2004.

Independence

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

In addition to the annual audit of the university and its subsidiaries, we perform an annual audit of the Vice-Chancellor's declaration on the performance-based research fund external income and other audit-related assignments. These assignments are compatible with those independence requirements.

Other than the audit and these assignments, we have no relationship with or interests in the university or any of its subsidiaries.

2 an Tan

Julian Tan Audit New Zealand On behalf of the Auditor-General Christchurch, New Zealand

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

This audit report relates to the financial statements and statement of service performance of the University of Canterbury and Group for the year ended 31 December 2006 included on the University of Canterbury's web site. The University of Canterbury's Council is responsible for the maintenance and integrity of the web site. We have not been engaged to report on the integrity of the web site.

We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the web site.

The audit report refers only to the financial statements and statement of service performance named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements, statement of service performance and related audit report dated 28 March 2007 to confirm the information included in the audited financial statements and statement of service performance presented on this web site.

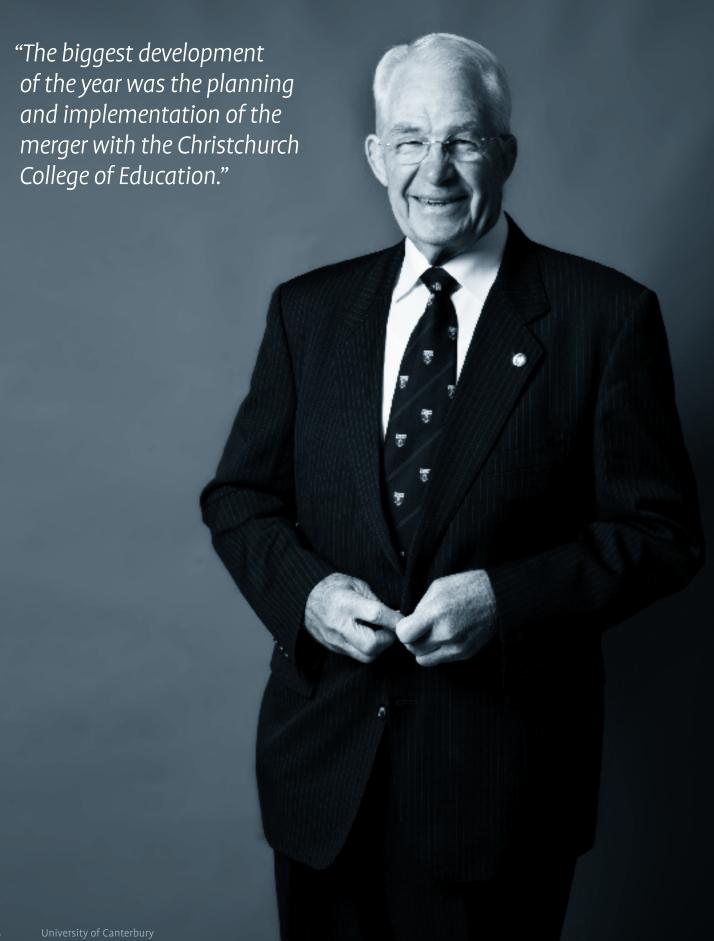
Legislation in New Zealand governing the preparation and dissemination of financial statements and statements of service performance may differ from legislation in other jurisdictions.

2006 at a Glance

| | 2003 | 2004 | 2005 | 2006 |
|--|-----------|---------------------|-----------|-----------|
| Students enrolled (Headcount) ¹ | 12 748 | 13 430 | 13 555 | 13 908 |
| Equivalent Full-time Students (EFTS) ² | 12 388 | 12 731 | 12 654 | 12 090 |
| Full-time Equivalent Academic Staff (FTE) | 653 | 656 | 680 | 681 |
| Staff: student ratio | 1:18.9 | 1:19.4 | 1:18.6 | 1:17.8 |
| EFTStudents | | | | |
| Undergraduate – sub-degree | 668 | 558 | 495 | 376 |
| Undergraduate – degree | 9 858 | 10 272 | 10 304 | 10 083 |
| Total undergraduate | 10 526 | 10 830 | 10 799 | 10 459 |
| Postgraduate – taught | 912 | 917 | 868 | 863 |
| Postgraduate – research | 950 | 984 | 987 | 768 |
| Total postgraduate | 1 862 | 1 901 | 1 855 | 1 630 |
| Total returned to Ministry of Education | 12 388 | 12 731 | 12 654 | 12 090 |
| Plus contract teaching and unfunded PhDs | +203 | +219 | +222 | +239 |
| Total Taught EFTS | 12 591 | 12 950 | 12 876 | 12 329 |
| International students enrolled in degree courses (EFTStudent) | 1 466 | 1 947 | 2 006 | 1 660 |
| PBRF funding received | | \$1.9 m | \$4.7 m | \$13.6 m |
| Completed PhD theses | 83 | 91 | 64 | 83 |
| Completed Masters theses | 184 | 187 | 188 | 166 |
| Operating | In \$ 000 | In \$ 000 | In \$ 000 | In \$ 000 |
| (All amounts net of GST) | | | | |
| Government grant | 80 018 | 81 482 | 82 716 | 79 744 |
| Tuition fees | 61 400 | 68 346 | 71 017 | 69 300 |
| Research funding | 11 385 | 10 462 ³ | 19 153 | 31 305 |
| Cost per EFTStudent | 13.7 | 13.9 | 14.9 | 16.4 |
| Capital expenditure (as per cashflow) | 17 862 | 19 550 | 17 998 | 19 334 |
| Financial position | | | | |
| Fixed assets | 412 589 | 420 950 | 553 601 | 554 779 |
| Net current assets (liabilities) | (4 274) | (3 567) | 6 072 | 14 571 |

Excludes UC Opportunity students
 EFTStudents Returned to the Ministry of Education
 Figures for 2004 and 2005 include PBRF funding received

Chancellor's Welcome



Welcome to the 2006 Annual Report of the University of Canterbury.

2006 was an extremely busy year for the University with several major projects and new developments in addition to the annual commitment by the University community of 16,000 staff and students to teaching, learning and research.

The biggest development of the year was the planning and implementation of the merger with the Christchurch College of Education, which took effect from 1 January 2007. The University Council approved the merger in principle in 2005 and gave its final sign off in November 2006, reassured that the merger would not negatively impact on the other colleges at the University. Successful implementation of the merger was helped by having two willing participants, a shared 130-year history and a tradition of close collaboration.

A huge amount of work was involved in designing the structure for the new University of Canterbury College of Education and in merging the academic staff of both institutions. In addition, the various support service units were merged progressively during the year to ensure service delivery would continue seamlessly for the 2007 academic year. I would like to pay tribute to management and staff for the professionalism they showed in successfully undertaking such a demanding exercise. As a result of the merger, the University of Canterbury in 2007 and beyond will be some 20% larger than in 2006 with an extended campus which includes the former Christchurch College of Education site.

Financially the University continued its sound performances of the last three years, achieving an \$8.6 million surplus, approximately 4.1% of revenue. This excellent result highlights the close and effective partnership between management and the University Council in its governance role, particularly the work of the Finance, Planning and Resources Committee and the Audit and Risk Committee, both chaired by the Pro-Chancellor, Mr John Simpson. Monthly financial reporting ensures Council is fully informed of the University's financial progress.

A major capital project was foreshadowed in 2006 with approval in principle given for the construction of a new building for the School of Biological Sciences and the refurbishment of the existing facilities for Biological Sciences and Geological Sciences. The 40-year-old buildings remain sound but the health and

safety requirements of the discipline in the 21st century means significant expenditure is needed. It is estimated that the project will cost more than \$50 million. Planning and development of detailed plans will proceed during 2007 with construction and refurbishment to follow in succeeding years.

UC Foundation, the fundraising trust that raises money to support the work of the University, raised \$1.9 million during the year, and the first UC Foundation appeal to alumni was launched in December. The Foundation fulfils a valuable role, not just financially but also in the links it brings to the wider community.

The strategic planning process is a critical one for Council and the annual development of planning documents is now a smooth and inclusive process involving consultation at all levels within the University, with the wider community and with Council. The quarterly Statement of Service Performance, by which management reports against the key performance indicators established to monitor progress towards its strategic targets, is appreciated by Council members and ensures they are well informed. The strong work in planning, forecasting and reporting will serve the University well as we head into the Government's new tertiary education funding regime from the beginning of 2008.

There were a number of changes to Council membership during the year. At the start of the year we welcomed to the Council table: Mr Alan Robb as a representative of the Academic Board; Mr Rex Williams, Chief Executive of Holcim (New Zealand Limited), voted onto Council by our alumni through the Court of Convocation; and Mr Warren Poh, the 2006 Students' Association President.

During the year the inaugural appointment of a member appointed following consultation with local iwi Ngāi Tahu saw Russell Caldwell join the University Council and in July the resignation of Ministerial appointee Donna Matahaere-Atariki was accepted.

At the end of the year we farewelled: Mr Robb, who was serving his second term on Council and who retired from the University; Associate Professor Maureen Montgomery, who had served a four-year term representing staff; Dr Colin Burrows, who retired from Council after serving two four-year terms as a graduate elected by the Court of Convocation; the 2006 Students' Association President Mr Poh; and long-serving student representative Jarrod Gilbert, who joined Council as the Students' Association President in 2000 and had served continuously ever since. I take this opportunity to pay tribute to the contribution made by all departing members to the Council and the University and to express my appreciation of their support.

Farewelling six members in one year represents a significant change for the University Council and loss of a collective 28 years of Council experience. I am confident, however, that the skills of the continuing members and the calibre of the new appointees for 2007 will ensure a smooth transition and continuing strong governance. The strength of the Senior Management Team under the leadership of Vice-Chancellor Professor Roy Sharp has been an important factor in a demanding year, allowing the University to build on the strength of its staff in fulfilling its teaching, learning and research visions.

Graduation provides a satisfying opportunity for Council to see all the elements of the University on display. Some 2,600 students graduated in 2006 with nearly 2,000 choosing to do so in person at one of the University's five ceremonies. The vibrant presence of staff wearing academic regalia from universities around the world blends with the various faculty colours to make a spectacular occasion which is enjoyed by friends and family of the graduands.

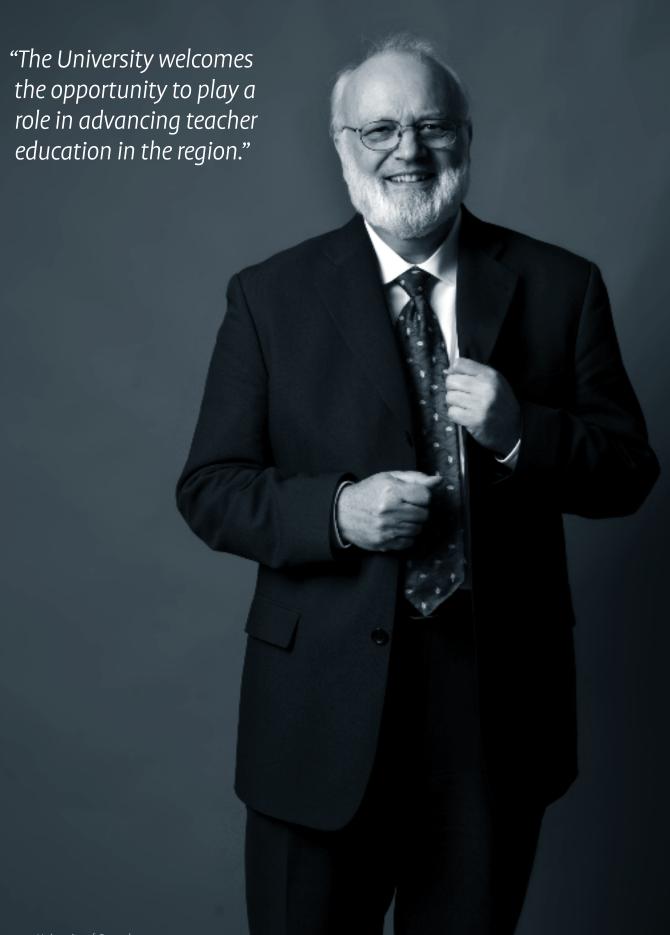
It is with satisfaction that I present the 2006 *Annual Report* and commend it to you. As you will read, the University of Canterbury in its 133rd year is a vibrant and dynamic institution.

B.R. Mans.

Dr Robin Mann Chancellor March 2007

Annual Report 06

Vice-Chancellor's Report



2006 was a year of anticipation and achievement on many levels at the University of Canterbury.

It began with two of our astronomers, Dr Michael Albrow and Dr Karen Pollard, receiving international attention for their involvement in the discovery of a new planet significantly more Earth-like than any other.

It ended with the much-anticipated merger between the University and the Christchurch College of Education. While planning for the merger did not overshadow our activities it involved a huge amount of work for many people and had the potential to distract us from other important developments. It is a testament to University and College staff that at a time of such significant change they maintained their professionalism and dedication.

As an institution that strives to move forward and meet the demands of the modern world, the University welcomes the opportunity to play a role in advancing teacher education in the region. The merger was first proposed in 2005, when the Council of the Christchurch College of Education resolved to seek a union with a university. Canterbury University was its preferred partner because of the two institutions' long history of co-operation and the fact we were already teaching into each other's programmes and sharing support systems. A significant amount of work has been done since then to get us to the point we are at now. Having seen the successful integration of some major services prior to the merger in January 2007 I believe we are going to benefit greatly from being more than just neighbours.

While we are a research-led institution, we place a very high value on teaching. The calibre of teaching at Canterbury was endorsed in 2006 when one of our staff was named one of the country's top tertiary teachers. Civil Engineering senior lecturer Dr Roger Nokes was one of 10 teachers honoured for sustained excellence in their teaching field at the fifth annual Tertiary Teaching Excellence Awards.

Other notable achievements in 2006 included the awarding of a prestigious Woolf Fisher Scholarship, worth more than \$100,000, to geology honours student Naomi Matthews and the awarding of a Rhodes Scholarship to history student Luke Fenwick.

In July we officially launched the New Zealand ICT Innovation Institute with our founding partners IBM, HP, Jade Software Corporation and Tait Electronics. Soon after the launch we learned that the Government - which invested \$9.7 million in the Institute - would make a further commitment to ICT at the University, allocating \$2 million towards the establishment of a new geospatial research centre. The new centre is a partnership between Canterbury, the University of Nottingham (UK) and Canterbury Development Corporation. We have already welcomed five researchers from the University of Nottingham's Institute of Engineering Surveying and Space Geodesy who have relocated to Christchurch to work at the new centre.

The vital role the University plays in Christchurch's arts community was demonstrated in August during the inaugural University of Canterbury Arts Festival - *Platform.* The two-week festival provided a rich representation of the talent within the College of Arts and was well supported.

These are just a few examples of the year's achievements, and I make reference to them to illustrate how this *Annual Report* should be seen as a reflection of more than just the University's finances. That said, 2006 was a year in which the University's good financial health was maintained. In the 2005 annual report I expressed confidence that our financial recovery was more or less complete. That confidence was justified. In 2006 the University recorded a surplus of \$8.6 million and our cash reserves increased to \$41.1 million.

In percentage terms the surplus was similar to that of 2005 and reflects the financial stability that has been achieved. This will stand us in good stead for the significant changes about to take place within the tertiary education sector. A shift in government funding policy means in the future institutions will be recognised and rewarded for their output as well as the number of students they have enrolled. As an institution which has rated quality higher than quantity – and still does – I believe we are well placed to adapt successfully to the new environment.

While 2006 was another year in which the University moved forward, we also celebrated the University's past and recognised the achievements of some of our alumni.

The College of Business and Economics celebrated the centennial year of its major undergraduate programme, the Bachelor of Commerce, one of the oldest undergraduate degrees in business and economics in the English-speaking world. And four alumni who are leaders in their chosen fields received honorary doctorates. They were civil engineer Gavin Cormack (DEng), computer innovator Neil Scott (DSc), former Commerce Commission chairman Dr Susan Wakefield (DCom) and former New Zealand Ambassador to the USA John Wood (LittD).

Finally, I would like to acknowledge and thank the staff of the University. Above all, it is their contribution and commitment, their knowledge and expertise, which ensure that this University, its students, and its graduates, continue to do well.

On a personal note, I would also like to aknowledge the continuting support of the governing body, the Universiy Council and its chair, Chancellor Robin Mann.

Professor Roy Sharp Vice-Chancellor March 2007

University Mission and Vision

Mission

Whāia te matauranga Above all, seek after learning

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

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

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

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

Vision

Tangata tū tangata ora People prepared to make a difference

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

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

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

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



2006 University Council Membership

The composition of the University Council in 2006 was:

| Council Members | First | Current Term | | |
|---|-----------|--------------|-----------|--|
| | Appointed | Appointed | Ending | |
| | | | | |
| Four persons appointed by the Minister Dr B Robin Mann | 2001 | 2005 | 2220 | |
| | 2001 | 2005 | 2008 | |
| Ms Donna Matahaere-Atariki | 2004 | 2004 | Jul /2006 | |
| Ms Wendy Ritchie | 2004 | 2004 | 2009 | |
| Mr John C Simpson | 2001 | 2005 | 2009 | |
| Vice-Chancellor | | | | |
| Professor Roy Sharp | 2003 | 2003 | | |
| Three members of the Academic staff | | | | |
| Mr Alan Robb | 2001 | 2006 | 2006 | |
| Professor Peter J A Hempenstall | 2005 | 2005 | 2008 | |
| Associate Professor Maureen Montgomery | 2003 | 2003 | 2006 | |
| One member of the General staff | | | | |
| Mr Michael R Shurety | 2003 | 2003 | 2006 | |
| Two Students | | | | |
| Mr Jarrod Gilbert | 2000 | 2005 | 2006 | |
| Mr Warren Poh | 2000 | 2005 2006 | 2006 | |
| | 2006 | 2000 | 2000 | |
| One member appointed in consultation with the Employer's Federation | | | | |
| Dr Paddy Austin | 2003 | 2003 | 2006 | |
| One member appointed in consultation with the Combined Trade Unions | | | | |
| Ms Chris Wilson | 2002 | 2003 | 2006 | |
| | 2003 | 2003 | 2000 | |
| One member appointed in consultation with Ngāi Tahu | | | | |
| Mr Russell Caldwell | Aug /2006 | Aug /2006 | Aug /2010 | |
| Two members appointed by Council | | | | |
| His Honour Judge Colin Doherty | 2005 | 2005 | 2008 | |
| Vacancy | 2005 | 2005 | 2008 | |
| Four graduates elected by the Court of Convocation | | | | |
| Dr Colin J Burrows | | | | |
| Superintendent Sandra J Manderson | 1999 | 2003 | 2006 | |
| Mr Trevor J McIntyre | 2003 | 2003 | 2006 | |
| Mr Rex Williams | 2005 | 2005 | 2008 | |
| WILKER FINIBILIS | 2006 | 2006 | 2009 | |

Achievements and Awards 2006

New Zealand ICT Innovation Institute

The New Zealand ICT Innovation Institute (UCi3) was officially launched in July at a function attended by more than 200 research, industry and local and central government representatives. Based at the University of Canterbury, UCi3 is New Zealand's premier centre of excellence in collaborative ICT research and will be home to multidisciplinary ICT-based research partnerships between University researchers and the ICT sector. The first teaching and research facility of its kind in New Zealand, the institute links academic and industry expertise to enhance high-tech capabilities and developments. The key industry partners in the Institute are IBM, Hewlett Packard, Jade Software Corporation, Tait Electronics and HumanWare.

Supercomputer Installed

The most powerful scientific research computer in Australasia was installed in the University's College of Engineering building during 2006. Available for use by the whole university research community, the supercomputer was supplied by IBM, one of five key partners in the New Zealand ICT Innovation Institute. The IBM machine is a 128 processor Power 5 machine capable of just under one billion floating point operations per second. It has a storage capacity of 11.5 Terabyte, enough to store 3,500 full-length feature films. The supercomputer went live at the beginning of July.

Music Education Research Centre

Music education in New Zealand received a major boost in February with the opening of the country's first dedicated research centre. Te Puna Puoru National Centre for Research in Music Education and Sound Arts is based at the University's School of Music. Operating under the name the Music Education Research Centre (MERC), the centre acts as a national hub for the co-ordination of research in music education.

Arts Festival

A two-week celebration of the arts at the University of Canterbury, called *Platform*, provided students and staff with a chance to show off their creative and artistic skills to a wider Christchurch audience in August. *Platform* was the University's first arts festival and featured more than 40 events in a diverse programme of artistic endeavours ranging from opera, music recitals and lectures, to avant-garde theatre and art exhibitions.

University Research Medals

University of Canterbury Research Medals for 2006 were awarded to Professor Jim Cole (Geological Sciences) and Professor Jacob Bercovitch (Political Science and Communication). Professor Cole is an internationally renowned volcanologist and petrologist whose reputation is built on 40 years of research. Professor Bercovitch works in the general area of international conflict resolution and international mediation.

Health Innovation Award

A life-saving approach to controlling blood glucose levels in critical care developed at the University of Canterbury and Christchurch Hospital Department of Intensive Care Medicine won the Supreme Award at the 2006 New Zealand Health Innovation Awards in June. The three mechanical engineering students involved in developing the simple and inexpensive "calculation wheel" took top honours in the Institution of Professional Engineers New Zealand Student Design Awards. The research behind the device represents the culmination of several years of research in the College of Engineering in collaboration with the Canterbury District Health Board and the University of Otago School Of Medicine.

Geospatial Research Centre

In September, the Government provided the University of Canterbury with \$2 million for the establishment of a Geospatial Research Centre. The centre is a partnership between the University of Canterbury, the University of Nottingham (UK) and Canterbury Development Corporation, and will be established within the New Zealand ICT Innovation Institute (UCi3). It will focus on technologies that will complement New Zealand's existing strengths in the analysis and use of geospatial data. In announcing the funding, Economic Development Minister Trevor Mallard commented that the new centre fitted well with the Government's aim for a high income, high wage, export-led economy.

Erskine Programme

Ninety-two academics received Erskine Fellowships in 2006, 69 visitors to the campus and 23 University staff. Visiting Erskine Fellows came from 14 countries, with the largest representation from the United States of America and the United Kingdom. The current value of the Erskine trust is \$40.3 million and in 2006 total expenditure was \$1.523 million.

National Centre for Tertiary Teaching Excellence

The University of Canterbury and the Christchurch College of Education are key members of a consortium which won a \$20 million Government contract aimed at boosting the quality of teaching across the tertiary sector over the next five years. The Ako Aotearoa: National Centre for Tertiary Teaching Excellence will have a central base in Wellington and regional hubs in Auckland, Christchurch and Palmerston North. Centre functions will include supporting individual teachers, building the teaching capabilities of all tertiary institutions and providing advice to the tertiary education sector and government agencies.

Marsden Success

University of Canterbury researchers were awarded \$4.32 million in the 2006 Marsden Fund funding round announced in September. The six UC projects that received grants covered the disciplines of biological sciences, chemistry, electrical and computer engineering, mathematics, and physics and astronomy. In addition to the six main projects, three other University researchers (from Biological Sciences, Physics and Astronomy, and Sociology and Anthropology) were part of wider collaborations to receive Marsden funding.

MacDiarmid Young Scientists of the Year

Three University of Canterbury postgraduate students enjoyed success at the 2006 MacDiarmid Young Scientists of the Year Awards in June. Jonathan Stanger (Physics and Astronomy) won the Future Science category prize, Jake Frye (Mechanical Engineering) won the Masters Research category prize and was runner-up in the Understanding Planet Earth category, and Gregory Francis (Chemistry) was runner-up in the Science in Our Communities category. Organised by the Foundation for Research, Science and Technology, the awards are named after New Zealand-born Nobel Prizewinning scientist Professor Alan MacDiarmid.

Tertiary Teaching Excellence Award

Civil Engineering senior lecturer Dr Roger Nokes was recognised as one of the country's top tertiary teachers. He was one of ten academics honoured for sustained excellence in their teaching field at the fifth annual Tertiary Teaching Excellence Awards in June. The awards, which are administered by the New Zealand Qualifications Authority, recognise exceptional teachers who show outstanding commitment to their subject. Dr Nokes is the third University of Canterbury academic to be honoured in this way.

University Teaching Awards

Nine University of Canterbury staff received 2006 Teaching Awards in recognition of outstanding teaching achievements. The recipients were Dr Natalie Chaban (National Centre for Research on Europe); Dr Megan Clayton (UC Opportunity); Professor Peter Harland (Chemistry); Stephen Hickson (Economics); Dr Angus McIntosh (Biological Sciences); Dr Colleen Mills (Management); Dr Ken Morison (Chemical and Process Engineering); Dr Cornelia Sears (American Studies); and Dr Alan Wright (Theatre and Film Studies). The annual awards were introduced in 2001 to encourage and recognise excellence in teaching achievement.

One Hundred Years of Commerce

In October, the College of Business and Economics celebrated the centennial year of its major undergraduate programme, the Bachelor of Commerce (BCom), one of the oldest undergraduate degrees in business and economics in the English-speaking world. College of Business and Economics Pro-Vice-Chancellor Professor Nigel Healey said the weekend of celebrations attended by around 200 alumni, staff and members of the local business community were a testament to the vision of James Hight, the University's first professor of history and economics, who founded the Faculty of Commerce in 1906.

Honorary Doctorates

Four University of Canterbury alumni who are leaders in their chosen fields of engineering, technology, commerce and diplomacy received honorary doctorates from the University in April's graduation ceremonies — civil engineer Gavin Cormack (DEng), computer innovator Neil Scott (DSc), former Commerce Commission chairperson Dr Susan Wakefield (DCom) and former New Zealand Ambassador to the USA John Wood (LittD).

Prestigious Scholarships

In October, two Canterbury University students were awarded prestigious scholarships to undertake postgraduate study at Oxford University. Geology honours student Naomi Matthews was one of three recipients of a Woolf Fisher Scholarship worth more than \$100,000 while history student Luke Fenwick was one of three students awarded a Rhodes Scholarship. Luke is the 39th Canterbury graduate to be named a Rhodes Scholar and joins an illustrious list of successful New Zealanders who have studied at Oxford on the scholarship since 1904.



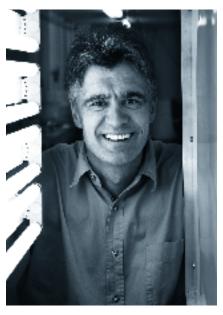
Geology honours student, Naomi Matthews, recipient of a prestigious Woolf Fisher Scholarship.

Awards for University Publications

Two University of Canterbury publications received awards in 2006. At the 2006 conference of the Association of Development and Alumni Professionals in Education (ADAPE), the University's Canterbury magazine was judged to be the best alumni publication in Australasia. More than 35,000 alumni and friends of the University now receive the biannual publication. And, for the third year in a row, UC Opportunity received international recognition for its publications. UC Opportunity's 2004 Annual Report received a silver award at the University Continuing Education Association (UCEA) annual marketing and publications awards in the USA.

Scholarships give funding boost

University of Canterbury students collectively secured around \$910,000 worth of scholarships during 2006. Sixty UC students were given a funding boost in the 2006 round of the Tertiary Education Commission's Bright Future Scheme scholarships. Fifty-two of the 72 Enterprise Scholarships awarded nationally went to University of Canterbury undergraduate and postgraduate students and eight of the 47 Top Achiever Doctoral Scholarships went to Canterbury PhD students. Enterprise Scholarships encourage students to study and carry out research in New Zealand in partnership with private companies or public organisations such as crown research institutes.



Civil Engineering senior lecturer Dr Roger Nokes, received Tertiary Teaching Excellence Award.

HR Internship Programme

In November, a UC Department of Management human resource internship programme was named the Human Resources Institute New Zealand (HRINZ) Canterbury HR Initiative for 2006. The Professional Internship in Organisational Development programme is a summer course which sees selected final-year undergraduate students working full-time for eight weeks with a selected company undertaking a designated business project under the guidance of a supervisor from the host organisation and an academic mentor from the University. Four students took part in the pilot scheme and six students have now begun internships for 2006/2007.

Enterprise Culture in Biotechnology

In March, Canterbury and Lincoln universities were jointly awarded a \$2.4 million Growth and Innovation Pilot Initiative (GIPI) contract by the Tertiary Education Commission to encourage an enterprise culture in the biotechnology communities of both universities. GIPI supports pilot projects between tertiary education organisations and businesses in the biotechnology, information and communications technology (ICT) and design sectors. As such it fits with the University's overarching aim of engaging extensively with industry to train future innovators who will contribute to regional and national economic growth.

Statement of Responsibility



In terms of Section 155 of the Crown Entities Act 2004 we hereby certify that:

- We have been responsible for the preparation of these financial statements and statement of service performance and for the judgements used therein; and
- We have been responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting; and
- We are of the opinion that these financial statements and statement of service performance fairly reflect the financial position and operations of the University for the year ended 31 December, 2006.

Chancellor

B.R. Mans.

Vice-Chancellor

Date: 28 March, 2007