

ANNUAL REPORT 2010



MASSEY UNIVERSITY
TE KUNENGA KI PŪREHUROA

MASSEY UNIVERSITY

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A photograph of the Sir Neil Waters Lecture Theatres building. The building is a light-colored, classical-style structure with a prominent entrance featuring a large archway and a smaller archway on either side. The entrance is reached by a set of wide, light-colored stone steps. Above the main archway, the words "SIR NEIL WATERS LECTURE THEATRES" are inscribed in dark, capital letters. The building has a dark, tiled roof with decorative wooden brackets under the eaves. Four people are visible on the steps: two women on the left, a man in the center, and a woman on the right. The sky is blue with scattered white clouds. The overall scene is bright and clear, suggesting a sunny day.

SIR NEIL WATERS
LECTURE THEATRES

Mission Statement

“By 2020 Massey will be acknowledged as New Zealand’s defining university and as a world centre of tertiary learning.”

The Six Big Goals for Massey University

Ngā Tino Whāinga o Te Kunenga ki Pūrehuroa

1 RESEARCH AND SCHOLARSHIP

TE RANGAHAU ME TE HAEPAPA MATATAUTANGA

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

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

2 TEACHING AND LEARNING

TE WHAKAAKO TE WHAKANGUNGU

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

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

3 CONNECTIONS

NGĀ TŪHONOTANGA

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

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

4 RESPONSIBILITY

TE ARONGA MANAAKITANGA

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

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

5 GENERATING INCOME

TE WHAKATIPU I NGĀ RAWA

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

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

6 ENABLING EXCELLENCE

TE WHAKAHIRANGA I NGĀ TĀNGATA

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

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

Chancellor

These are challenging times for universities. Since the global financial crisis that engulfed the world in September 2008, governments everywhere, including our own, have been compelled to rework their budgets, reducing or eliminating spending. As largely publicly-funded institutions, New Zealand universities are affected by these austerity measures and constraints.

As a university closely associated with the productive sectors of New Zealand's economy, we can understand the need for such measures and the need to lift our game. However, we do need to recognise that universities are more part of the solution than the problem. And this needs to be taken into account in trying to improve the quality of government expenditure.

Universities worldwide are seen as a way of escaping the low skill, low wage, race-to-the-bottom trap to which many economies have fallen prey. Nevertheless, New Zealand also needs productive employment opportunities to keep our skilled graduates working in New Zealand for the benefit of our economy. Over decades, New Zealand has been slowly and progressively overtaken by other nations in the OECD GDP rankings. Across the Tasman, Australia's economy has surged ahead; per capita, they are now richer than us by 30 per cent.

As Professor Sir Paul Callaghan, one of Massey's distinguished alumni and a former member of staff, has pointed out, this has little to do with how hard New Zealanders work – for by international standards they work hard and long – and everything to do with the types of work they do.

We urgently need to improve both the productivity of our existing industries as well as creating new ones that offer high returns on labour – innovative, high-tech industries.

And that is one of the reasons why continuing investment in the university sector is so important.



From our universities will come the breakthrough innovations that renew traditional industries or power new ones, and the skilled and educated workers who work within those industries.

As one of Massey's alumni I have witnessed at first hand the ability of the University to innovate and to diffuse the advances it makes out into the wider New Zealand community. When I came to New Zealand to study in the early 1960s, I was drawn by Massey's reputation as the engine behind New Zealand's agricultural prosperity. Now it needs to further strengthen its role as the innovative engine of the agri-food sector and to replicate that success in other sectors.

I believe that under the visionary leadership of Vice-Chancellor Steve Maharey the University is well placed to

do so – and indeed has been doing so.

What are Massey's strengths? In January 2009 the University put in place its strategic plan, *The Road to 2020*. This is the University obeying the ancient Greek injunction, know thyself, setting out its strengths, and deciding its investment decisions accordingly. In Massey's case, many of its strengths cluster around what the University has termed the four pillars: agri-food, creativity, innovation and connections.

I commend *The Road to 2020* to anyone who is interested in learning more about Massey University as the engine of New Zealand's new economy.

The University's operating surplus for the year came to \$8.82 million. While the council would have wished this to be larger, during a year in which government funding for domestic student enrolments was capped and the straitened global economy meant both fewer international students and fewer sources of external research funding, it is a not-discreditable result.

However, even in times of austerity, the University must continue to invest in capital development, providing its staff and students with an environment conducive to the best of teaching, learning and research and working towards securing the University's continuing long-term success.

On the Manawatu campus, the College of Sciences retrofit programme, commenced in 2006, continued: new undergraduate laboratories in the AgHort C building came into use, the Ecology Group's new premises were opened, and work continued on the refurbishment of the Riddet complex.

On the Albany campus, a much-needed new 7000-square metre library building opened, bringing with it individual study spaces, a parents' room, a cafe, expanded information commons, combined lending and information desks, new special collections of Māori and Pasifika material and room for the thousands of books that had been in storage.

In early 2012, as a consequence of decisions made in 2010 by the University Council, two significant buildings will open: a new student amenities building at Albany, and an Athfield Architects-designed building for the College of Creative Arts on the Wellington campus. Both are much needed. The first will provide a hub for student social life; the second, which will hold flexible gallery and studio space for teaching and learning, will respond to the growing demand from domestic and international students and firmly cement Massey's pre-eminent position in the creative arts.

Graduation is always a highlight of the year and in 2010 I had the pleasure of presiding over the ceremonies at all three campuses. A total

of 6085 students and former students graduated during the year, either at ceremonies in Auckland, Manawatu and Wellington or in council, becoming part of the Massey alumni family of more than 100,000.

During the course of the ceremonies honorary doctorates were presented to Nigel Gould of Wellington, my predecessor as Chancellor; to Nelson chartered accountant and company director Bronwyn Monopoli; to Professor Emeritus Donald Bewley; to Wellington art dealer Peter McLeavey; and to former staff member Professor Sir Paul Callaghan, now of Victoria University.

My thanks to all members of council for their support and teamwork this year, and best wishes to those whose terms in office came to an end during 2010.

Finally, although strictly speaking it falls outside the term of this report, I cannot finish without touching on the terrible events of the Christchurch earthquake. Massey has strong ties to the city: it maintains an office and a staff member in the central city; more than 900 extramural students call Christchurch home, as do tens of thousands of our alumni; hundreds of Cantabrians study on Massey's physical campuses in Albany, Manawatu and Wellington; and the University and its staff maintain close links with Canterbury and Lincoln universities.

The University Council's thoughts and sympathies are with the people of Canterbury. I know that Massey University is committed to working closely with Canterbury and Lincoln universities and others in the tertiary education sector to help the province rebuild in the testing times that lie ahead.



Dr Russ Ballard
Chancellor

REPORT FROM THE

Vice-Chancellor

Massey has always been the most nimble and entrepreneurial of New Zealand's universities; these qualities are embedded within the culture. They explain how it is that a modest agricultural college on the edge of a provincial city, became a multicampus university and the pioneer and largest national provider of distance education in New Zealand.

As Vice-Chancellor, I believe that Massey's ability to reinvent and renew itself remains its greatest asset.

Research and Scholarship

Massey, which first made its name in agricultural research, remains at the forefront of research into the issues and opportunities confronting what are now termed land-based industries and the business of agri-food. This is essential work. Despite shifts in its economy, New Zealand remains highly dependent on agricultural exports. In lecture theatres, laboratories, fields and food processing plants, Massey researchers are working on every aspect of food production, from 'gate to plate'.

But as some of the awards won during the course of 2010 by University staff illustrate, the University's research embraces a panoply of achievement. Agri-food is one of the University's chosen 'pillars', but so too are 'innovation' and 'creativity'.

Take NZBio Young Biotechnologist of the Year Dr Wayne Patrick or Bayer Innovators Award for research and development winner Professor Simon Hall or Humboldt Research Award winner Professor Peter Schwerdtfeger.

Here are three researchers known respectively for research into relativistic quantum chemistry; into the creation of novel ligases, the enzymes that patch DNA strands together; and into the workings of electrochemistry.



I am gratified that the work of two of these researchers has resulted in commercial ventures: in the case of Dr Patrick a licensing agreement to produce ligases for gene sequencing, and, in the case of Professor Hall the company ANZODE, which is using his work on zinc as an alternative to lead or cadmium to develop cheaper, less toxic, more power-efficient batteries.

These are technologies in which New Zealand enjoys no natural advantage. They are expressions of what is potentially New Zealand's greatest asset, its intellectual capital. For me, these successes stand as a model for what might be.

Professor Schwerdtfeger, for his part, maintains a highly successful research group, attracting postgraduate students from around the world. As a theoretician, provided he is given the supportive environment and computer power he needs, he could work anywhere. I am thankful that the 'anywhere' he has chosen is the Institute of Advanced Studies on Massey's Albany campus.

Eleven Massey University research projects were granted funding in the 2010 Royal Society of New Zealand-administered Marsden funding round. The \$7.8 million they are to receive represents 13 per cent of the total \$60 million allocated among 13 organisations.

Two of these grants fall within the realm of the humanities and the social sciences: one an investigation of Middle Eastern nationalism and politics, the other an examination of the issues affecting children growing up in multi-storey housing.

Indeed, were I to do adequate justice to the many areas of research across the University's five colleges in which outstanding work is being done, the length of this introductory report would be wholly inadequate.

Notably, 15 per cent of Massey's research funding in 2010 came from external sources.

I look forward to the arrival in early 2011 of Professor Brigid Heywood, formerly of the Open University in Britain, to take up her September-announced appointment as Assistant Vice-Chancellor (Research and Enterprise).

Teaching and Learning

In 2010, Massey marked its 50th anniversary as a distance education provider, an occasion marked by the launch of two histories, one by Professor Emeritus Tom Prebble, commissioned by the University, the other, a more light-hearted work by Peter Hawes, commissioned by the Extramural Students' Society.

For most of those 50 years, distance education has been a boon to the postal system, as textbooks and assignments have winged their way back and forth between Massey and locations local and exotic. Now, increasingly, the University ships bits and bytes down fibre optic cables and phone lines, and not just to its distance learners. Today's students, be they on or off campus, are digital natives; Massey must meet and anticipate their expectations, without abandoning those aspects of teaching and learning that are best delivered face to face, developing a 'blended' learning experience.

Over its history, Massey has consistently attracted and fostered exceptional teachers. Dr Angie Farrow's win of a national tertiary excellence award makes her the 14th Massey staff member to do so in the decade since the Government established the awards in 2001.

Internally, in 2010 the University recognised Dr Farrow, Dr Neville Honey, Dr Bevan Catley, Dr Craig Prichard, Dr Eva Heinrich and Lois Wilkinson with Vice-Chancellor's Teaching Excellence Awards, while Manawatu campus registrar Dr Sandi Shillington received the inaugural Don Bewley Award for her support for distance learners.

As part of a Tertiary Education Commission-funded project called Bridging the Distance, the University is actively developing new online resources for distance students.

Connections:

With three physical campuses, a vast distance learning student constituency, more than 100,000 alumni listed on its databases, and research and teaching agreements with a multitude of universities and research institutions, Massey can already lay claim to being one of New Zealand's most connected universities.

But it should not stop here. We intend to be the most connected of New Zealand universities, building bonds with the communities around our campuses and the neighbouring regions, forming partnerships with the Māori, Pasifika and new migrant communities, and building partnerships with organisations such as the New Zealand Defence Force and Lincoln University.

In February, the University and the Auckland Chamber of Commerce co-hosted Finance 2010, a formal lunch at which business leaders from the Auckland region gathered with leading Massey academics and senior staff to hear Minister of Finance Bill English deliver his first major economic address of the year. The event, which proved highly successful, is to become an annual institution.

In March, Massey held its inaugural Distinguished Alumni Awards in Wellington, presenting seven outstanding New Zealanders with awards. Professor Emeritus Sir Alan Frampton was recognised for his contribution to agriculture and Dr Shaun Hendy for his work in

nanotechnology. The other award winners were Sir Richard Taylor, director and co-founder of Weta Workshop; Dr Lockwood Smith Speaker of the House; Sarah Kennedy, the former Vitaco Health chief executive; Equal Employment Opportunities Commissioner Dr Judy McGregor; and Pulse netball coach Yvette McCausland-Durie.

In April, Assistant Vice-Chancellor (External Relations) Cas Carter joined the Senior Leadership Team, bringing a strong background in public relations, corporate communications, government and media relations.

At the Māori Language Awards in Rotorua, Massey was recognised for developing and hosting the Māori Book Awards. The only university among the 26 finalist organisations in 13 categories, Massey jointly won the Māori Language Week category and the supreme award.

In June, the University renamed its historic Old Main Building after founding principal of the former agricultural college, the late Sir Geoffrey Peren. I was delighted to welcome Sir Geoffrey's daughter Gillian Peren, son Dr Roger Peren, and grandson Adam, to the ceremony.

Many current and former Massey staff and alumni were recognised in the 2010 New Year's Honours list and Queen's Birthday Honours. A special mention goes to former Chancellor Justice Sir Hugh Williams and Deputy Vice-Chancellor and Assistant Vice-Chancellor (Māori and Pasifika) Professor Sir Mason Durie, both of whom received knighthoods.

Responsibility

Some of the greatest problems confronting New Zealand and the planet are environmental. They range from such issues as the pollution of New Zealand's waterways, a clear conflict with the 'clean and green' image we are so anxious to present to the world, through to how to avert or diminish the threat of potentially catastrophic climate change.

Massey's engagements with sustainability issues are manifold. From my office on the Manawatu campus, a short walk would take me by

the office of Professor Ralph Sims, one of the International Panel on Climate Change report authors. I could call by Professor Jim Jones and witness a working pyrolyzer turning biomass such as wood wastes or orchard clippings into biochar, a charcoal-like product which can be incorporated into soils and represents one of the few proven carbon-negative technologies available to humankind.

I could catch up with Professor Ian Yule, whose work in precision agriculture is ensuring that the amount of fertiliser applied to crops and fields is enough and no more, both saving the farmer money and cutting back on nutrient rich run-off.

I could talk to Associate Professor Marjan van den Belt who, as deputy director of the Ecological Economics Research New Zealand Centre, is working alongside the Horizons Regional Council to create a management plan for the Manawatu River catchment.

The development of the management plan, which will bring together science and stakeholder perspectives, is to be funded by a \$1.05 million grant announced by the Foundation for Research, Science and Technology in August.

For that matter, I could seek out Dr Mike Joy, whose work on freshwater fish is used as measure of the health of rivers and streams.

On the Albany or Manawatu campuses I could take out one of the new plug-in Prius hybrids, which Toyota New Zealand has loaned to the University as part of a global field trial.

The University is working to integrate sustainability issues into its teaching and research, to offer its expertise to assist communities and business, and to contribute to finding solutions to world issues, such as climate change.

Massey intends to practise what it teaches, ensuring its campuses, facilities and farms meet the highest possible environmental standards.

Generating Income

In July, the University signed a \$5.2 million contract with the World Bank, international education programme, under which the University will train Asian public health specialists and veterinarians in methods of countering the threats of global epidemics such as avian influenza, SARS and AIDS. The programme, the first of its kind in the Asia-Oceania region, was officially launched by the Minister for Tertiary Education, Steven Joyce, in Wellington in December, when the first of the students were in New Zealand.

From early 2011, the University's Centre for Defence and Security Studies will offer postgraduate diploma studies to members of the Royal Brunei Armed Forces under a three-year contract expected to earn several hundred thousand dollars.

In March 2010, in conjunction with the distinguished alumni awards, the Massey University Foundation launched its campaign to create a \$100 million endowment fund from private and corporate donations. In December the foundation hosted the first of what will be regular events to thank supporters after a year in which the core Massey endowment fund reached \$12.2 million and more than \$140,000 was awarded to undergraduate and postgraduate students from funds invested by the foundation.

The University intends to further build its funding by increasing its internal financial literacy and financial discipline, and seeking additional income from contract and trading activities, international students, performance-based research funding, commercialisation, short courses and from the registered charities run by the Massey University Foundation.

Enabling Excellence

In 2010, a much-needed library extension on the Albany campus was officially opened by Prime Minister John Key. The next development for the campus is a \$15 million student amenities centre, to be completed by 2012.

The University Council approved plans for construction of a new \$20 million College of Creative Arts building on the Wellington campus. Together with the local sports bodies, businesses and councils, the

Manawatu campus put forward a bid to Sport and Recreation New Zealand to host the \$24 million national velodrome at Massey. If the proposal succeeds, the velodrome will complement the range of sporting facilities on the campus as well as linking to the University's expertise in sport and exercise science and research.

There were some great sporting achievements in 2010, the highlight being the success of the University's Commonwealth Games athletes. Twenty-seven of the 37 Massey students who took part returned with medals, a larger haul than most nations. Massey University students also won eight of New Zealand's 10 medals at the World Rowing Championships in November, including all three golds.

In October, Printery, Massey's on-site print company, won three gold, one silver and a bronze award at the Network of Inhouse Print Professionals Australasia annual conference.

We were delighted that our students are rating us more highly every year. In 2010, a survey of more than 6500 students showed that 85 per cent rate the University's facilities and services highly – up from 80 per cent in 2009.

Although the year has brought its challenges, I believe the University is in good heart and poised to take advantage of the opportunities that lie ahead. If it succeeds in its aspirations, it will become the engine of New Zealand's new economy.

My thanks go to the many staff, students and alumni whose unremitting commitment, hard work and enthusiasm are taking Massey into the future.



Steve Maharey
Vice-Chancellor

Campuses and Colleges

Albany campus

- Some 800 students and their families and friends packed North Harbour Stadium in Albany in early February to be welcomed at the start of Orientation by the Vice-Chancellor Steve Maharey.
- More than 1000 students graduated during six ceremonies for the colleges of Education, Humanities and Social Sciences, Sciences, Business and Creative Arts at the Bruce Mason Centre in April, with 22 receiving doctoral degrees.
- The Albany campus library extension was officially opened on May 7 by Prime Minister John Key, who praised the extensive computer capacity, saying it will enable students to be at the forefront of modern, creative thinking. The five-level, \$30 million extension has many innovative design and technology features.
- A new Coastal-Marine Pathology Unit opened at the Institute of Natural Sciences, enabling researchers and students to carry out specialised marine mammal post-mortems.
- A plan to build a new \$15 million student amenities centre to provide a much-needed hub for student social life at the campus was announced in August. The two-storey building, encompassing an outdoor plaza area, aims to be an attractive, welcoming home base for the campus' 7000-odd students.
- Two lecture series open to the general public were held at the campus. The Professorial Lecture Series in semester one featured professors Tom Nicholson (education), Marti Anderson (sciences), Michael Belgrave (humanities) and Bernhard Breier (sciences). Speakers in the Public Lecture Series in the second semester were Dr Rangi Matamua (Māori language), Marshall Cook (New Zealand architecture), Lloyd Jones (literature) and Dr Cindy Kiro (children's advocacy).
- The New Zealand School of Music held a highly successful spring jazz concert *Michel et Michel* in the Atrium Round room, featuring the music of French jazz legend Michel Petrucciani (played by Phil Broadhurst and band), and a guest performance by visiting New Caledonian jazz organist Michel Benebig.
- A symposium at the Albany campus on Vitamin D and its critical role in pregnancy, infancy and childhood was organised by the Institute of Food, Nutrition and Human Health in November.
- Six political protest paintings by renowned artist Emily Karaka were gifted to the campus from the SkyCity Entertainment Group. The vibrant, mixed media, expressionist-style works depicting historic tribal and political events in the Auckland region have been on display as a distinctive feature in the lobby of the Study Centre for the past 13 years, on loan from SkyCity.



Prime Minister John Key, guest speaker at the May 2010 opening of the new Albany campus library extension, chats with student Lauren Cornish.



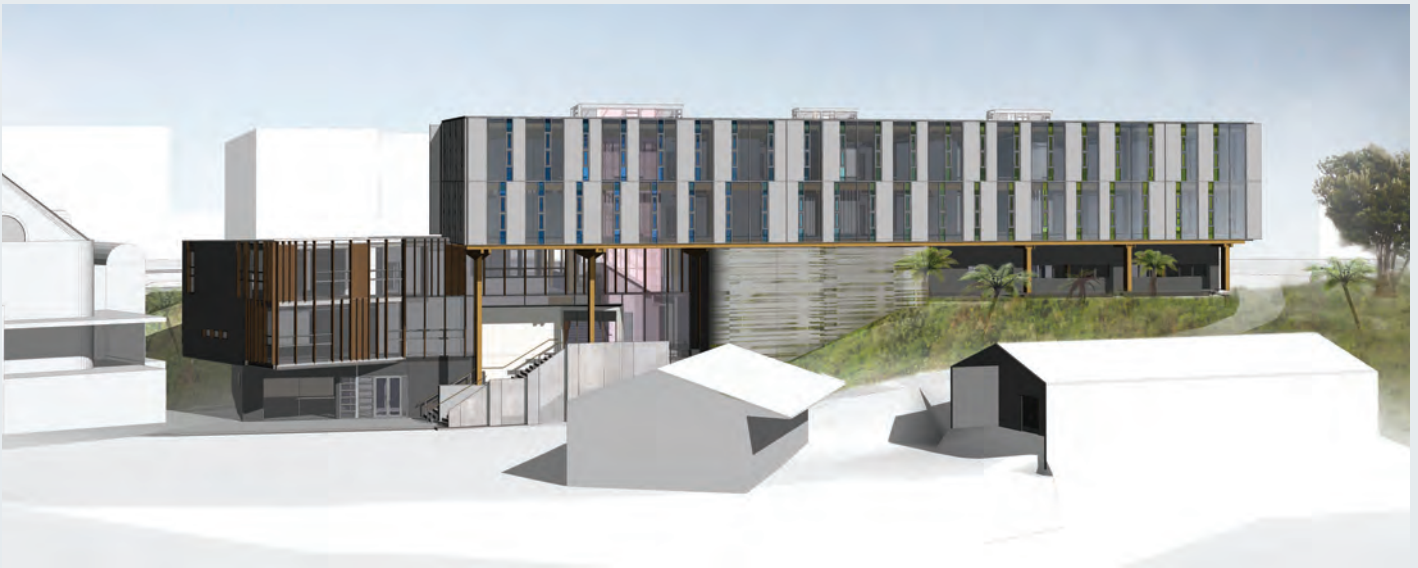
Author Peter Hawes (left) and cover illustrator Trace Hodgson with their book, launched at a function held on the Manawatu campus by the Extramural Students' Society to mark 50 years of distance learning.

Manawatu campus

- The Old Main Building was renamed the Sir Geoffrey Peren Building in June, after founding principal of the former agricultural college, the late Sir Geoffrey Peren.
- A new book written by former director of extramural studies Professor Emeritus Tom Prebble, *From a Distance: 50th Jubilee of Distance Learning* was officially launched at the Manawatu campus celebrating the University's 50th Jubilee of distance learning.
- Former Deputy Vice-Chancellor (Manawatu) Professor Ian Warrington was made a Fellow of the International Society for Horticultural Science, the first New Zealander to receive such recognition.
- An historic collection of more than 30 paintings was formally transferred to the University in September by the Riddet Memorial Trust, with the appointment of the University as sole trustee.
- Nineteen surviving members of the Bachelor of Agricultural Science students who started at Massey in 1949, donated a specially made outdoor table and bench seat crafted from ancient totara, placed in the grounds near Wharerata.
- The Student City Arts and Cultural awards held in Palmerston North, included recognition for the cultural aspects of student life for the first time, rewarding outstanding contributions made to events, clubs and societies. Fourteen of 21 awards spread across all four major tertiary institutions in Palmerston North were presented to Massey students.



Sir Geoffrey Peren's son, Dr Roger Peren, and daughter, Gillian Peren, at the renaming of the Old Main Building after Sir Geoffrey, Massey's founding principal.



An artist's impression of the new College of Creative Arts building for the Wellington campus.

Wellington campus

- The inaugural Distinguished Alumni Awards dinner, in conjunction with the formal launch of the Massey Foundation, held in the Great Hall of the Museum Building.
- Final approval was granted for construction of a new building for the College of Creative Arts. Work started on site in February 2011 and is scheduled for completion in July.
- The *BLOW* creative arts festival was held for the fourth consecutive year, with the fashion show, *Exposure* and Hall of Fame dinner now firmly established on the Wellington campus calendar.
- The annual public lecture series attracted strong turnouts for talks from staff across all four colleges.
- The introduction of more seating and garden-type furniture encouraged the development of a staff/ student hub in the pyramid area of the campus.



Textile Design student Kristy Johnstone works on her entry for the *Exposure* exhibition at the *BLOW* creative arts festival.

College of Business

- The Healthy Work Group carried out a study into workplace bullying funded by the Department of Labour and the Health Research Council of New Zealand. The Adult Learning and Literacy Research Group carried out an evaluation of the Modern Apprentices' literacy learning programme for the Department of Labour.
- New Zealand Social Innovation and Entrepreneurship Research Centre was launched, while the SME Research Centre hosted a symposium to discuss policy interventions and support for high-growth enterprises.
- The School of Aviation hosted a symposium to disseminate research and discuss current issues in aviation in conjunction with the Aviation Industry Association and the Royal Aeronautical Society.
- Business students Sheryn Becker and Lynda Low won the New Zealand Institute of Chartered Accountants' Student Challenge. Five finance students won the Chartered Financial Analyst Institute Global Investment Research Challenge and represented New Zealand in the Asia-Pacific round in Bali.
- For the third year in a row, a College of Business student was awarded one of 12 Zonta International Jane M Klausman Women in Business Awards. Finance student Hannah Broederlow won the award. Journalism student Ryan Bridge won the 2010 Bruce Jesson Emerging Journalist Award. It is the second year in a row Massey's journalism programme has scored the prestigious prize.
- The college engaged with the community, providing support to activities including the Young Enterprise Scheme, Global Enterprise Challenge launched by Massey alumna Paula Bennett, New Zealand Business Week, the ANZ Massey Economics Challenge and the National University Business Case Competition. The college continued to support emerging leaders through the Captains' Club and Dean's List schemes.



Dr Bevan Catley, Dr Dianne Gardner and Professor Tim Bentley carried out research into workplace bullying

- Te Au Rangahau Māori business research centre hosted the National Association of Māori accountants conference on Te Kupenga o Te Mātauranga Marae on the Manawatu campus at Hokowhitu. The conference focused on sustainability and looked at developing strategies to secure Māori economies for the future.
- The University signed a partnership agreement with the Law Society to deliver tailor-made mediation training to lawyers through the college's Dispute Resolution Centre.
- Professor Allan Rae was conferred with one of the University's highest academic awards, the Doctor of Science, in recognition of scholarly achievement and a demonstrated ability to make original contributions in science. Leading property academic Professor Bob Hargreaves was honoured for his exceptional contribution to the industry over nearly 50 years with the Property Institute's John M Harcourt Memorial Award.



Massey Extramural Students' Society student services manager Anne Moretti, Director of Banking Studies Dr David Tripe, finance student Hannah Broederlow and Zonta District 16 Governor Anne McMurtrie.



Julian Schloemer with his boot design aimed at reducing wakeboarding injuries, which won the James Dyson Award.

College of Creative Arts

- The industrial design building was re-named for James Coe, a the founding head of the Wellington Polytechnic School of Design, a forerunner institution to today's College of Creative Arts.
- Massey swept the field at the Designers Institute Best Design awards, with 33 of the 48 finalists either Massey students or graduates. Massey entrants won 11 gold pins, 11 silver and nine bronze awards for designs ranging from a snowboarder's boot to illuminated faux horror film posters.
- Fashion design students Luka Mues and Loren Shields secured first and second places in the tertiary student category of the Montana World of Wearable Art awards show in Wellington.



Fashion design student Luka Mues won the student category of the World of Wearable Art awards with his design Shadowlands, an interpretation of fungi growing on a tree.

- Graduate Annabel Goslin took out top prize at the International Red Dot design competition. Her innovative hockey face protector called *The Guardian* was one of more than 12,000 entries from 60 countries, of which just 7 per cent received awards.
- CoCA graduate Julian Schloemer won the coveted James Dyson design award for a boot design that reduces the number of wakeboarding injuries.
- Ann Shelton, a senior lecturer in photography, won the Anthony Harper Awards for Contemporary Art. The competition prize, worth \$10,000, attracted more than 350 entries.



Vice-Chancellor Steve Maharey and Ministry of Education chief executive Karen Sewell sign a partnership agreement between Massey and Canterbury universities to provide new specialist qualifications in special education. With them are Canterbury University College of Education Pro Vice-Chancellor Professor Gail Gillon, Associate Education Minister Heather Roy, Ministry of Education deputy secretary Nick Pole and Massey University College of Education Pro Vice-Chancellor Professor James Chapman.

College of Education

- Distinguished Professor Bill Tunmer was appointed as an expert consultant for the Harvard University “Reading for Understanding” research project.
- Professor Roger Openshaw and Associate Professor Margaret Walshaw captured national attention with the publication of their highly topical book exploring the long-standing debate over national standards titled *Are Our Standards Slipping?*
- Associate Professor Tracy Riley was appointed to the Ministry of Education’s 2011 Gifted and Talented Policy Advisory Group and also invited to be on the organising committee for the 2012 Asia-Pacific Federation conference on gifted and talented education.
- A partnership was signed with the University of Canterbury to offer a new Postgraduate Diploma in Specialist

Teaching from 2011, that aims to overcome the barriers special needs and gifted children face in large parts of the education system.

- Education Pro Vice-Chancellor Professor James Chapman signed a Memorandum of Agreement in Singapore with the Principals’ Academy Incorporated, the commercial arm of Singapore’s Ministry of Education, which will see an initial cohort of 20 Singaporean early childhood education teachers studying with Massey for a year as they upgrade their diplomas to bachelor degrees.
- In October, Raewyn Barry was presented with a NEITA Foundation Crystal Apple award and a Cognitive Education Leadership professional development grant in recognition of her leadership at the Massey Childcare centre.



Distinguished Professor Bill Tunmer’s expertise was recognised with a Harvard University appointment.



Professor Jeroen Douwes (left), Professor Philippa Gander, Professor Neil Pearce, Professor Sally Casswell, Health Minister Tony Ryall, Associate Professor Cindy Kiro, Professor Susan Mumm, Professor Sir Mason Durie and Professor Chris Cunningham at the School of Public Health launch.

College of Humanities and Social Sciences

- The Centre for Defence Studies and the Royal Brunei Armed Forces signed an agreement to offer postgraduate diploma studies in defence and strategic studies at the Brunei Defence Academy.
- Launch of the School of Public Health, which amalgamates three health research centres on the Wellington campus and another centre based in Auckland.
- Organisers of the New Zealand Workplace Health and Safety Awards, presented a lifetime achievement award for services to occupational health to noted epidemiologist Professor Neil Pearce from the Centre for Public Health Research.
- The Centre for Public Health Research also launched an online research application that allows health

professionals, academics and the public, to access a comprehensive range of health data online.

- Associate Professor Karen Witten received \$805,000 over three years from the Marsden Fund for her inner city Auckland study into the constraints and opportunities for children growing up in an urban environment. A separate award of \$1.86 million over three years was made by the Health Research Council for a similar study surveying six separate suburban Auckland neighbourhoods.
- School of History, Philosophy and Classics senior lecturer Dr Adriane Rini was awarded a teaching fellowship by the Combined Universities of Belgium and \$750,000 by the Marsden Fund to investigate issues around the subject of logic.

- Dr Angie Farrow, senior lecturer in the School of English and Media Studies, won a sustained excellence award at the national tertiary teaching excellence awards.



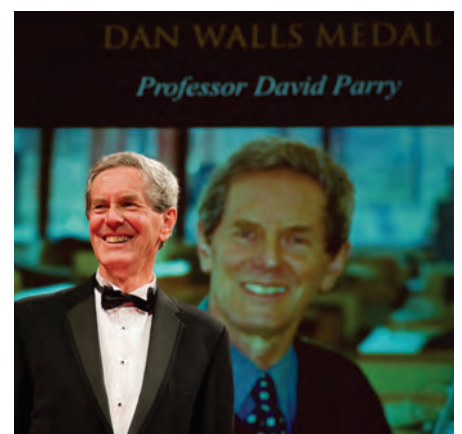
Professor Graeme Fraser with Lieutenant Colonel Wardi (left), Colonel Bijay Wijat and Lieutenant Colonel Mohammed Sharif from the Royal Brunei Armed Forces.



Anthony Light and Andrew Vivian of the Tasty Pot Company show off the supreme award-winning product from last year's New Zealand Food Awards.

College of Sciences

- The University re-launched the New Zealand Food Awards in October, a celebration of the innovation at work in the New Zealand food industry. Massey's research in agriculture and horticulture, food technology and nutrition is closely linked to the industry, and the awards were a good example of this partnership. Congratulations to the Tasty Pot Company for winning this year's supreme award.
- In 2010, the Institute of Food, Nutrition and Human Health celebrated the graduation of its first cohort on the Singapore campus. Massey was chosen as the food technology provider by the Singapore government, and now teaches food technology to students there.
- In August, Professor Simon Hall, professor of electrochemistry and director of Massey's Anzode Research Centre, won the 2010 Bayer Innovators Award for research and development. Professor Hall worked with PhD student Michael Liu to invent a new zinc electrode for nickel-zinc rechargeable batteries, and has taken a leading role in commercialising the product from its initial development, forming a start-up company for making prototypes.
- In October, Professor Paul Rainey was awarded the James Cook Research Fellowship to investigate modern evolutionary synthesis. He also became the first New Zealand academic to deliver the 2010 Skerman Lecture at the University of Queensland.
- Distinguished Professor David Parry was awarded the Dan Walls Medal from the Royal Society of New Zealand. The medal is presented to a physicist working in New Zealand for at least the past decade who is deemed to have made the greatest impact, both nationally and internationally, in their field of research.
- Director of Agriculture Professor Jacqueline Rowarth was named Landcorp Agricultural Communicator of the Year for her work in raising the profile of the importance of agriculture to the New Zealand economy.
- In August, Professor Kevin Stafford, of the Institute of Veterinary, Animal and Biomedical Sciences, was made a fellow of the Australian College of Veterinary Scientists.
- Dr Wayne Patrick was named NZBio Young Biotechnologist of the Year. Dr Patrick is a biochemist heading a team of six undergraduate students in the development of an enzyme engineering process with the potential to transform DNA sequencing technologies.
- Institute of Fundamental Sciences Professor Peter Derrick, and Institute of Molecular BioSciences Professor Barry Scott, were made fellows of the Royal Society of New Zealand.



Distinguished Professor David Parry was awarded the Dan Walls Medal from the Royal Society of New Zealand.

Māori

- Deputy Vice-Chancellor and Assistant Vice-Chancellor (Māori and Pasifika), Professor Sir Mason Durie was knighted for services to Māori health, in particular public health services.
- Massey took out the supreme award at this year's Māori Language Awards and was the only university among the 26 finalist organisations in 13 categories. Massey was named the joint winner of both the Māori Language Week category and the supreme award. The judges were impressed with the innovative, yet simple, concept of promoting the language through the purchase of coffee.
- The second annual Ngā Kupu Ora Māori Book Awards was held at the Manawatu campus. Winners in four categories were decided by public vote and included a Massey PhD candidate, an internationally renowned author and a book commemorating the Taranaki land wars.
- Dr Darryn Joseph, from Te Pātahi-a-Toi, won the Kura Pounamu te reo Māori category of the Library and Information Association of New Zealand's Children's Book Awards in August with his fantasy novel *Hewa* for children aged 11-14.
- Businessman Robin Hapi was appointed as an adjunct professor in the College of Business in recognition of his commercial skills and leadership qualities. Mr Hapi (Ngāti Kahungunu Te Whatu i Apiti, and Ngāi Te Rangikoianake) will provide advice and guidance to the executive education programme, the MBA programme, Te Au Rangahau (Massey's Māori Business Research Centre) and the college Pro Vice-Chancellor, Professor Lawrence Rose.



Professor Sir Mason Durie, Professor Tairahia Black and Vice-Chancellor Steve Maharey at a function where Sir Mason's knighthood was acknowledged.

- Māori health and the future of te reo Māori were the subjects of panel discussions at a symposium to celebrate Māori doctoral achievement at the University in November. Participants in the one-day forum included staff, researchers, current doctoral scholars and about half of the University's 60 Māori doctoral graduates from the past decade.
- Twelve Māori PhDs graduated from Massey in 2010 – two in Albany, eight in Manawatu, one in Wellington and one in council.



Eight new Māori PhDs at Manawatu graduation: Dr Wayne Ngata, Dr Jonathan Procter, Dr Hukarere Valentine, Dr Hope Tupara, Dr Christine Kenney, Dr Will Edwards, Dr Natasha Tassell and Dr James Graham.

Pasifika

- The Pasifika@Massey directorate team attended the Pasifika Festival at Western Springs and secondary schools' ASB Polyfest in Manukau in March, and North Shore Pasifika festival in November, under the Massey banner as part of their engagement strategy in 2010.
- Ceremonies to honour 107 Pasifika graduates were held at each of the three campuses during graduation weeks in Albany, Manawatu and Wellington.

Deputy Vice-Chancellor and Assistant Vice-Chancellor (Māori and Pasifika) Professor Sir Mason Durie told the special ceremony to honour 36 Pasifika graduates in Manawatu that they were part of an unstoppable movement that would see numbers magnified several times over in the next decade.

- Three Pacific Island journalists visited the University's journalism school on the Wellington campus as part of a trip to the Capital to interview business and political leaders. *Cook Islands News* journalist Nerys Case, *Samoa Observer* editor Keni Ramesi and photojournalist Linny Folau from the *Tonga Matangi Online* news website, were brought to Wellington by the Ministry of Foreign Affairs and Trade, and took the opportunity to use Massey's journalism course newsroom to file stories for their publications.
- The University announced in August the establishment of special scholarships open to Pasifika students to train in disaster management in response to the September 2009 tsunami in Samoa. A Pacific Disaster Management Research Programme begins in 2011 at the Joint Centre for Disaster Research, run by

the University and the crown research institute GNS Science, and offers an annual scholarship worth \$5000 to a Pasifika student undertaking graduate or postgraduate study in disaster management, and four reserved places at the centre's Emergency Management Summer Institute held annually in March.

- About 50 staff and postgraduate students from all three campuses gathered at the Albany campus in November for the fifth Pasifika Staff and Student Network conference, with the theme of Pasifika Community Development: managing change for growth. Participants from many Pacific backgrounds presented their latest research from a wide range of academic disciplines, covering economic, education, health and social issues.



Analena Siu graduates from the Manawatu campus with a Postgraduate Diploma in Aviation.



Pasifika staff and students gather at the Albany campus to present and share their research at the fifth Pasifika Staff and Student Network Conference.

2010

The University Council



From left: Chris Kelly, Professor Tony Signal, Bruce Ullrich, Dr Susan Baragwanath, Dr Alison Paterson, Rawa Karetai, Tiri Porter, Andrea Davies, Dr Colin Anderson, Professor Cynthia White, Ralph Springett, Kura Denness, Dr Russ Ballard and Steve Maharey.
Inset: Stephen Kos, Professor Ngatata Love, Alastair Scott.



Chancellor

Dr Russell Ballard, CNZM, BAgSc, MAgSc, PhD Flor., FNZIM

Pro-Chancellor

Stephen Kós, QC, LLB(Hons) *Well.*, LLM *Camb.*

Vice-Chancellor

Steve Maharey, CNZM, BA, MA (Hons)

Members appointed by the Minister of Education

Dr Russell Ballard, CNZM, BAgSc, MAgSc, PhD Flor., FNZIM

Stephen Kós, QC, LLB(Hons) *Well.*, LLM *Camb.*

Professor Sir Ngatata Love, GNZM, JP, BCom, BCA(Hons), PhD *Well.*, ACIS, ANZIM

Alastair Scott BBS

Elected Permanent Member of Academic Staff

Dr Colin Anderson, MA *Auck.*, PhD *Auck.*

Elected Academic Staff of the Academic Board

Professor Cynthia J. White, BA(Hons), PhD, DipTESL *Well.*

Professor Tony Signal BSc PhD *Adelaide*

Permanent Member of General Staff

Andrea Davies, BBS, MBA

Representatives of the Federation of Student Associations at Massey University Incorporated

Ralph Springett, BA (President of EXMSS)

Rawa Karetai (Joint EMXSS/MUSAF Appointment)

Tiri Porter, BBS (Student Representative)

Elected members from the Court of Convocation

Dr Susan Baragwanath, BA *Otago*, MA *Lond.*, HonDLitt, DipEd FRGS

Bruce Ullrich, OBE, BCom *Cant.*, MBA, ACA, FlnstD

University Council appointees

Kura Denness, MBA

Chris Kelly, MVSc, MACVSc

Dr Alison Paterson, CNZM, HonDCom, FCA, FlnstD

2010

Officers and Senior Leadership Team



Members of the University's Senior Leadership Team, from left: Professor Susan Mumm, Professor Sally Morgan, Dr John Griffiths, Cas Carter, Alan Davis, Professor Lawrence Rose, Steve Maharey, Professor James Chapman, Professor Sir Mason Durie, Professor Ingrid Day, Professor Robert Anderson, Stuart Morriss.

Officers of the University

Chancellor	Dr Russell Ballard, CNZM, MAgrSc, PhD <i>Flor.</i> , FNZIM
Pro-Chancellor	Stephen Kós, QC, LLB (Hons) <i>Well.</i> , LLM <i>Camb.</i>
Vice-Chancellor	Steve Maharey, CNZM, BA, MA (Hons)
University Registrar	Stuart Morriss, MPP <i>Well.</i> , BAgrSc, DipBusStud.

Senior Leadership Team

Vice-Chancellor	Steve Maharey, CNZM, BA, MA (Hons)
Deputy Vice-Chancellor	Professor Sir Mason Durie, CNZM, MBChB <i>Otago</i> , DPpsych <i>McGill</i> , DLitt, LLD (Honoris causa) <i>Otago</i> , FRANZCP, FRSNZ

Pro Vice-Chancellors:

College of Business

Professor Lawrence Rose, BA *Bradley*, MA *Northern Illinois*, PhD *Texas A & M*, FFin

College of Creative Arts

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

College of Education

Professor James Chapman, MA *Well.*, PhD *Alta.*, DipTchg, FIARLD

College of Humanities and Social Sciences

Professor Susan Mumm, BA (Hons) *Sask.*, MA *Sask.*, DPhil *Sus.*, FRHS

College of Sciences

Professor Robert Anderson, ONZM, MAgrSc, PhD *C'nell*, DDA, FNZIAS

Assistant Vice-Chancellors:

Academic and International

Professor Ingrid Day, BA *S.Aust.*, BA(Hons) *S.Aust.*, PhD *S.Aust.*

External Relations

Cas Carter

Finance, IT, Strategy and Commercial

Dr John Griffiths, BBS (Hons), MCom (Hons) *C.Sturt*, PhD *Monash*, CA, AFNZIM

Māori and Pasifika

Professor Sir Mason Durie, CNZM, MBChB *Otago*, DPpsych *McGill*, DLitt, LLD (Honoris causa) *Otago*, FRANZCP, FRSNZ

People and Organisational Development

Alan Davis, LLB *Cant.*, MBA *Well.*

Research

Professor Nigel Long, MSc *Auck.*, PhD *Qld*, FNZPsS

University Registrar

Stuart Morriss, MPP *Well.*, BAgrSc, DipBusStud.

2010

Directory

Bankers

Bank of New Zealand

Auditor

Audit New Zealand
on behalf of the Auditor-General

Valuer

Quotable Value New Zealand

Legal Advisers

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

Insurers

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

Internal Auditor

PricewaterhouseCoopers

FINANCIAL REVIEW 2010

Introduction

The financial result for the University was a surplus of \$8.821 million. The budgeted surplus for 2010 was \$8.596 million. The bottom line result compares favourably with a 2009 surplus of \$1.264 million.

Student numbers at 20,119 equivalent full time students (EFTS) were lower than target of 20,371 by 252. International students and domestic students were both down on target (domestic being the result of the Managed Enrolment Plan).

Income Statement

The table below sets out several TEC measures that are used to monitor the financial health of tertiary institutions.

Measure	2010		
	TEC Targets (%)	University (%)	Group (%)
Surplus ¹	3.0	2.1	2.39
Cash Cover ²	8.0	33.9	34.0
Return on Assets ³	1.0	0.82	0.95

- 1 Surplus as a percentage of total revenue
- 2 Liquid funds as a percentage of annual cash outgoings
- 3 Surplus as a percentage of assets

Major variances against the budget and last year's performance are outlined below:

1. Total Operating Revenue

Revenue increased 4.79% over 2009 and was up on budget by 2.75%. Student fees (both Domestic and International) were below budget by \$5.4 million and above last year by \$7.3 million due to higher student numbers. Contract and Trading revenue was higher than both budget and 2009, but there was also an increased level of expenditure which offset this. Interest revenue was higher than budget due to having a higher balance of funds than budgeted as there were constraints on expenditure.

2. Total Cost of Operations

Costs for 2010 were over budget by 2.75% and greater than 2009 by 2.91%. The latter part of the year produced some improvement in managing costs down. Staff related costs were 2.48% above budget due also to Contract and Trading increased costs.

Balance Sheet

The University's Balance Sheet shows \$1.07 billion of assets.

1. Working capital

Current assets have increased by 21.05% on last year and 45.2% on budget. Cash and cash equivalent were favourable against budget primarily due to the withdrawal of investments which were converted into cash.

Capital expenditure was also significantly lower than budget (\$20 million), which has also increased cash reserves.

2. Non current assets and liabilities

Plant, property and equipment was down \$22.76 million on budget as a result of the delays in the 2010 Capital programme.

Statement of Cashflows

Ending cash for the year was higher than the previous year by \$1.452 million due to higher levels of revenue and a decrease in capital expenditure (due to a number of delays in the large capital projects) as outlined above. The end of year was \$13.822 million better than budget.

Conclusion

Massey University significantly improved its financial performance in 2010 through a combination of revenue growth and managing costs through, in part, a campaign to reduce staff annual leave liability. Further work is planned in 2011 to develop and implement a long term financial strategy which will ensure financial sustainability and enable increased investment in innovation and creativity and key platforms and initiatives within the “Road to 2020” strategy.



Kevin Argyle

Director – Finance and Asset Management

SUMMARY FACTS AND FIGURES

	Notes	2010	2009	2008	2007	2006	2005
Students							
Equivalent full-time students (EFTS)	1	20,119	19,994	18,738	19,432	20,475	21,850
Change over previous year (%)		0.63%	6.70%	(3.57%)	(5.09%)	(6.29%)	(6.33%)
Total student enrolments		34,865	36,125	34,413	35,491	37,022	39,657
Change over previous year (%)		(3.49%)	4.97%	(7.05%)	(10.51%)	(6.64%)	(4.49%)
Staff							
College academic staff (full-time equivalent)		1091	1117	1114	1,188	1,214	1,255
Student: staff ratio		18.4:1	17.9:1	16.8:1	15.8:1	16.3:1	16.8:1
Total general staff (full-time equivalent)	2	1,552	1,553	1,457	1,522	1,490	1,574
Total general: college academic staff		1.42	1.39	1.31	1.28	1.23	1.25
Financial Performance							
Net cost of services per EFTS		14,535	\$14,622	\$14,565	\$13,356	\$12,991	\$12,231
Net operating surplus/(deficit) (\$000)		8,821	1,264	5,375	9,053	(1,322)	3,694
Return on total assets		0.82%	0.21%	0.50%	0.92%	(0.15%)	0.53%
Return on total income		2.10%	0.56%	1.33%	2.39%	(0.37%)	1.05%
Financial Position							
Capital expenditure per EFTS		\$1,769	\$3,060	\$1,977	\$1,475	\$2,165	\$2,652
Short-term liquidity		1.40:1	1.18:1	1.43:1	1.12:1	0.96:1	0.85:1
Working capital ratio		1.42:1	1.16:1	1.44:1	1.13:1	1.02:1	0.91:1
Debt to debt plus equity		2.50%	2.56%	2.63%	2.76%	3.15%	1.31%
Change in equity		0.89%	0.19%	7.21%	0.77%	0.96%	0.57%

Note:

- 1 EFTS funded includes Tertiary Education Commission funded plus full-fee/international, but excludes NZ School of Music.
- 2 General staff includes technical and casual and excludes contract and trading.

2006 to 2010 are reported under IFRS; prior years have not been amended.

STATEMENT OF RESPONSIBILITY

In the financial year ended 31 December 2010, the Council and management of Massey University were responsible for:

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

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



Dr Russell Ballard

Chancellor



Steve Maharey

Vice-Chancellor



Kevin Argyle

Assistant Vice-Chancellor (Finance, Information Technology, Strategy), acting

20 April 2011

AUDIT REPORT

TO THE READERS OF MASSEY UNIVERSITY AND GROUP'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2010

The Auditor-General is the auditor of Massey University (the University) and group. The Auditor-General has appointed me, David Walker, using the staff and resources of Audit New Zealand, to carry out the audit on her behalf. The audit covers the financial statements and statement of service performance included in the annual report of the University and group for the year ended 31 December 2010.

Unqualified opinion

In our opinion:

- the financial statements of the University and group on pages 30 to 70:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the University and group's financial position as at 31 December 2009; 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 71 to 89 fairly reflects its service performance achievements measured against the performance targets adopted for the year ended on that date.

The audit was completed on 20th April 2010, 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 or error.

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 and statement of service performance 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 2009. 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 2009. The Council's responsibilities arise from the Education Act 1989 and the Crown Entities Act 2004.

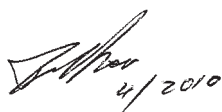
We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

Independence

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

In addition to the audit we have carried out assignments in the areas of auditing the Chief Executive Officer's declaration on the Performance Based Research Fund external research income; and a review of the Allocation of Massey's Overheads to Research Activities, which 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



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

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

This audit report relates to the financial statements and statement of service performance of Massey University (the University) and group for the year ended 31 December 2010 included on the University and group's website. The University and group's Council is responsible for the maintenance and integrity of the University and group's website. We have not been engaged to report on the integrity of the University and group's website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

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 or from the 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 and statement of service performance as well as the related audit report dated 11 April 2011 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

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

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2010

	Notes	<i>University</i>			<i>Consolidated</i>	
		Actual	Budget	Actual	Actual	Actual
		2010	2010	2009	2010	2009
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Government Grants	2, 3	178,070	177,296	173,515	180,827	176,155
Student Fees	3	120,630	126,019	113,366	121,789	114,508
Interest	3	3,634	2,650	4,037	3,730	4,121
Charges for Services	3	114,676	100,811	108,980	115,448	109,188
Trust Funds	3, 25	3,448	1,726	2,874	3,448	2,874
Other Gains/(Losses)	3, 4	(604)	-	(2,105)	191	(1,300)
Total Operating Revenue		419,854	408,502	400,667	425,433	405,546
Staff Related Cost	2, 5	240,387	236,683	233,906	244,086	237,780
Depreciation	2, 18	41,115	39,931	37,387	41,196	37,488
Other Direct Costs	2, 7	125,721	120,466	124,293	126,150	124,178
Finance Costs	6	1,545	1,633	1,648	1,558	1,649
Trust Funds	25	2,265	1,193	2,169	2,265	2,169
Total Cost of Operations		411,033	399,906	399,403	415,255	403,264
Surplus for the year		8,821	8,596	1,264	10,178	2,282
Other Comprehensive Income						
Other movements in Revaluation Reserves	23, 24	(1,594)	-	(800)	(1,594)	(800)
Total Other Comprehensive Income for the year		(1,594)	-	(800)	(1,594)	(800)
Total Comprehensive Income for the year		7,227	8,596	464	8,584	1,482

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2010

	Notes	<i>University</i>			<i>Consolidated</i>	
		Actual	Budget	Actual	Actual	Actual
		2010	2010	2009	2010	2009
		(\$000)	(\$000)	(\$000)	(\$000)	
Public Equity as at 1 January	24	923,556	925,065	923,092	924,943	923,186
Comprehensive Income						
Surplus/(deficit)		8,821	8,596	1,264	10,178	2,282
Other Comprehensive Income		(1,594)	-	(800)	(1,594)	(800)
Total Comprehensive Income for the year		7,227	8,596	464	8,584	1,482
Non-comprehensive Income for the year						
Capital Funding	24	-	1,546	-	(362)	275
Total Non-comprehensive Income for the year		-	1,546	-	(362)	275
Public Equity as at 31 December	24	930,783	935,207	923,556	933,165	924,943

The accompanying notes form part of these financial statements.

BALANCE SHEET

as at 31 December 2010

	Notes	<i>University</i>			<i>Consolidated</i>	
		Actual	Budget	Actual	Actual	Actual
		2010	2010	2009	2010	2009
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
ASSETS						
Current Assets						
Cash and Cash Equivalents	11	49,419	35,597	47,967	52,493	49,126
Trade and Other Receivables	12	32,846	23,998	30,772	33,702	32,022
Inventories	13	1,323	1,160	1,435	1,323	1,435
Biological - Livestock	14	3,372	2,906	3,425	3,372	3,425
Other Assets	15	31,702	19,000	13,551	31,702	14,401
Non-Current Assets Held for Sale	16	2,199	-	2,694	2,199	2,694
Total Current Assets		120,861	82,661	99,844	124,791	103,103
Non-Current Assets						
Investment Property	17	-	420	2,365	-	2,365
Trade and Other Receivables	12	125	1,503	125	125	125
Other Assets	15	15,740	19,344	15,172	16,005	14,690
Biological - Forestry	14	598	559	661	598	661
Intangible Assets	18	837	-	-	837	-
Property Plant and Equipment	18	931,818	955,405	942,625	933,100	943,181
Total Non-Current Assets		949,118	977,231	960,948	950,665	961,022
Total Assets		1,069,979	1,059,892	1,060,792	1,075,456	1,064,125
LIABILITIES AND EQUITY						
Current Liabilities						
Trade and Other Payables	19	24,865	23,274	26,214	25,925	27,003
Borrowings	20	985	900	811	985	811
Employee Entitlements	21	13,935	12,000	19,333	14,038	19,449
Receipts in Advance	22	45,757	36,000	39,187	47,174	40,213
Total Current Liability		85,542	72,174	85,545	88,122	87,476
Non-Current Liabilities						
Borrowings	20	22,415	22,665	23,470	22,915	23,470
Employee Entitlements	21	29,579	28,900	27,209	29,594	27,224
Receipts in Advance	22	1,660	946	1,012	1,660	1,012
Total Non-Current Liabilities		53,654	52,511	51,691	54,169	51,706
Total Liabilities		139,196	124,685	137,236	142,291	139,182
Public Equity	24	930,783	935,207	923,556	933,165	924,943
Total Liabilities and Public Equity		1,069,979	1,059,892	1,060,792	1,075,456	1,064,125

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

for the year ended 31 December 2010

	Notes	<i>University</i>			<i>Consolidated</i>	
		Actual	Budget	Actual	Actual	Actual
		2010	2010	2009	2010	2009
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash was provided from:</i>						
Government Grants		175,741	174,152	178,593	178,498	181,252
Student Income		124,500	122,842	119,588	125,735	120,619
Other Income		119,314	105,811	99,799	120,068	100,259
Interest on Operating Income		3,463	2,391	4,971	3,548	5,043
Trust Funds		2,567	1,500	1,241	2,567	1,241
		425,585	406,696	404,192	430,416	408,414
<i>Cash was applied to:</i>						
Payments to Employees and Suppliers		374,668	356,562	363,483	378,094	367,075
Net GST Movement		85	-	(573)	54	(566)
Interest Paid		1,630	1,607	1,664	1,642	1,665
		376,383	358,169	364,574	379,790	368,174
Net Cash flow from Operating Activities	8	49,202	48,527	39,618	50,626	40,240
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash was provided from:</i>						
Withdrawal of Investments		14,583	721	27,749	15,432	27,894
Sale of Fixed Assets		5,976	7,883	584	5,293	584
		20,559	8,604	28,333	20,725	28,478
<i>Cash was applied to:</i>						
Purchase of Investments		31,592	-	141	31,903	837
Purchase of Fixed Assets		35,456	60,000	60,911	35,598	61,177
		67,048	60,000	61,052	67,501	62,014
Net Cash flow from Investing Activities		(46,489)	(51,396)	(32,719)	(46,776)	(33,536)

The accompanying notes form part of these financial statements.

	Notes	<i>University</i>			<i>Consolidated</i>	
		Actual	Budget	Actual	Actual	Actual
		2010	2010	2009	2010	2009
		(\$000)	(\$000)	(\$000)	(\$000)	
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash was provided from:</i>						
Loans Raised		-	-	-	779	-
Capital Injections		-	1,546	-	-	-
		-	1,546	-	779	-
<i>Cash was applied to:</i>						
Loan Repaid		881	808	710	882	999
		881	808	710	882	999
Net Cash flow from Financing Activities		(881)	738	(710)	(103)	(999)
Net Increase/(Decrease) in Cash Held		1,832	(2,131)	6,189	3,747	5,705
Net Foreign Exchange Gains/(Losses)		(380)	-	(1,017)	(380)	(1,017)
Cash Brought Forward		47,967	37,728	42,795	49,126	44,438
Ending Cash Carried Forward	11	49,419	35,597	47,967	52,493	49,126

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

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

Note 1. Statement of Accounting Policies

The Reporting Entity

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

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

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

Colleges of

- Business
- Creative Arts
- Education
- Humanities and Social Sciences
- Sciences.

The group consists of Massey University and its subsidiaries, Massey University Foundation (100% owned), Massey Ventures Limited (100% owned), and Estendart Limited and E Centre Limited (all 100% owned by Massey Ventures Limited). The reporting entity includes the aforementioned group, New Zealand School of Music (a joint venture 50% owned by Massey University) and associates owned by Massey Ventures Limited – Magritek Holdings Limited (23.62%), Polybatics Limited (25.5%) and New Zealand Vet Pathology (25.26%).

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

The financial statements of Massey University and group are for the year ended 31 December 2010. The financial statements were authorised for issue by Council on 11th April 2011.

Measurement Base

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

Accounting Policies

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

A) Basis of Consolidation

The Consolidated Financial Statements are prepared from the financial statements of the University and all subsidiaries as at 31 December 2010 using the acquisition method. Corresponding assets, liabilities, revenues, expenses and cash flows are added together on a line-by-line basis.

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

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

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

B) Budget Figures

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

The budget figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by the Council for the preparation of the financial statements.

C) Allocation of Overheads

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

- (i) facilities management – by floor space
- (ii) Recreation Centre – by internal full-time students
- (iii) student services – by internal equivalent full-time students
- (iv) annual leave – by general staff numbers for general staff and from academic department leave records for academic staff.

D) Revenues

Government grants are recognised as income on entitlement.

Student fees are recognised as income on entitlement.

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

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

E) Foreign Currencies

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

F) Cash and Cash Equivalents

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

G) Trade and Other Receivables

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

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

H) Inventories

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

I) Biological Assets

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

J) Property Plant and Equipment

(i) Valuation

Asset Category	Valuation By	Last Valuation
Land and buildings	Quotable Value New Zealand	31 December 2008
Leasehold improvements	Valued at historical cost	
Equipment and furniture	Valued at historical cost	
Computers and research equipment	Valued at historical cost	
Motor vehicles	Valued at historical cost	
Aircraft	Valued at historical cost	
Library collection	Valued at historical cost	

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

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

Where the fair value of an asset can be determined by reference to the price in an active market for the same asset or a similar asset, the fair value of the asset is determined using this information. Where fair value of the asset is not able to be reliably determined using market-based evidence, depreciated replacement cost is considered to be the most appropriate basis for determination of the fair value.

The Optimised Depreciated Replacement Cost (ODRC) begins with assessing the replacement cost of the assets as the date of valuation less an allowance for any physical and economic obsolescence

to date and for any over-design. The balance of the RC less all forms of obsolescence and over-design represents the fair value of the asset.

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

Additions between valuations are recorded at cost.

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

(ii) Depreciation

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

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

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

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

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

(iii) Crown-owned Assets

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

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

(iv) Impairment

The carrying values of property plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Massey University has

three cash-generating units, being the three main campuses. Impairment of property plant and equipment is recognised when:

- replacement cost is identified as less than net book value
- the carrying amount exceeds its recoverable amount
- items of property plant and equipment become obsolete
- damage occurs to property plant and equipment.
- an asset becomes surplus to requirements and is no longer used.

(v) Disposal/Derecognition of Assets

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition on the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Statement of Comprehensive Income in the year the item is derecognised.

K) Intangible Assets

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

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

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

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

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

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

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

L) Employee Entitlements

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

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

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

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

Obligations for contributions to superannuation schemes are accounted for as defined contribution schemes and are recognised as an expense in the statement of financial performance.

M) Goods and Services Tax (GST)

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

N) Taxation

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

O) Leases

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

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

P) Financial Instruments

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

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

Financial Assets designated at fair value through Profit and Loss

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

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

Loan and Receivables

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

Fair Value through Comprehensive Income

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

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

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

Borrowings

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

Q) Trade and Other Payables

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

R) Borrowing Costs

Massey University and group has elected to defer the adoption of the revised NZ IAS 23 Borrowing Costs (Revised 2007) in accordance with the transitional provisions of NZ IAS 23 that are applicable to public benefit entities. Consequently, all borrowing costs are recognised as an expense in the period in which they are incurred.

S) Investment Property

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

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

T) Joint Ventures

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

U) Changes in Accounting Policy

There have been no changes in accounting policies and the policies have been applied on a basis consistent with prior years except for adopting a new policy standard that came into effect from 1 January 2010 as detailed below.

NZ IAS 27 (revised 2008), Consolidated and Separate Financial Statements became effective on 1 January 2010. The amendments to NZ IAS 27 require that a change in the ownership interest of a subsidiary (without a change in control) is to be accounted for as a transaction with owners in their capacity as owners. The amendments to NZ IAS 27 had no material impact on the financial statements of Massey University.

No other new standards had a material impact on the financial statements.

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

The following applicable standards have been issued at balance date, but are not yet effective and have not yet been adopted by Massey University:

NZIAS 24, Related Party Disclosures (Revised 2009)

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

- a. the definition now identifies a subsidiary and an associate with the same investor as related parties of each other;
- b. entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other; and
- c. the definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other.
- d. A partial exemption is also provided from the disclosure requirements for government-related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures.

NZ IFRS 9, Financial Instruments

NZ IFRS 9 includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace NZ IAS 39 Financial Instruments: Recognition and Measurements.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of NZ IAS 39. The revised Standard introduces a number of changes to the accounting for financial assets, the most significant of which includes:

- two categories for financial assets being amortised cost or fair value
- removal of the requirement to separate embedded derivatives in financial assets
- strict requirements to determine which financial assets can be classified as amortised cost or fair value. Financial assets can only be classified as amortised cost if (a) the contractual cash flows from the instrument represent principal and interest and (b) the entity's purpose for holding the instrument is to collect the contractual cash flows

- an option for investments in equity instruments which are not held for trading to recognise fair value changes through other comprehensive income with no impairment testing and no recycling through profit or loss on derecognition
- reclassifications between amortised cost and fair value no longer permitted unless the entity's business model for holding the asset changes
- changes to the accounting and additional disclosures for equity instruments classified as fair value through other comprehensive income

Note 2. (i) Government Grants

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

(ii) Cost of Operations

Staff related costs - includes direct staff- related costs allocated to colleges, support services and regions.

Employee entitlements relating to actuarial calculation are shown separately.

Depreciation - includes all depreciation on all assets held by the University.

Other direct costs -includes all direct costs of operating and maintaining the University. It also includes the cost of research, including salaries and wages.

Note 3. Revenue Disclosure

	Notes	<i>University</i>		<i>Consolidated</i>	
		2010 (\$000)	2009 (\$000)	2010 (\$000)	2009 (\$000)
Government Grants					
Students		124,571	122,481	126,435	124,266
Other		53,499	51,034	54,392	51,889
		<u>178,070</u>	<u>173,515</u>	<u>180,827</u>	<u>176,155</u>
Student Fees					
Domestic Students		87,306	78,567	88,349	79,588
International Students		33,324	34,799	33,440	34,920
		<u>120,630</u>	<u>113,366</u>	<u>121,789</u>	<u>114,508</u>
Charges for Services					
Research		72,408	69,088	72,410	69,088
Other		42,268	39,892	43,038	40,100
		<u>114,676</u>	<u>108,980</u>	<u>115,448</u>	<u>109,188</u>
Interest		3,634	4,037	3,730	4,121
Trust funds	25	3,448	2,874	3,448	2,874
Other Gains/(Losses)	4	(604)	(2,105)	191	(1,300)
Total Revenue		<u>419,854</u>	<u>400,667</u>	<u>425,433</u>	<u>405,546</u>

Note 4. Other Gains and (Losses)

	Notes	<i>University</i>		<i>Consolidated</i>	
		2010	2009	2010	2009
		(\$000)	(\$000)	(\$000)	(\$000)
Livestock Fair Value Gains/(Losses)	14	(96)	(171)	(96)	(171)
Forestry Fair Value Gains/(Losses)	14	(63)	102	(63)	102
Disposal of PP&E Gains/(Losses)		255	(386)	255	(386)
Changes in Fair Value of Assets Held for Sale Gains/(Losses)	16	(461)	(193)	(461)	(193)
Changes in Fair Value of Investment Property Gains/(Losses)	17	127	(115)	127	(115)
Fair Value Managed Funds through Profit and Loss Gains/(Losses)		-	-	796	805
Fair Value Gains/(Losses) on Shares		14	(325)	14	(325)
Foreign Exchange Gains/(Losses)		(380)	(1,017)	(380)	(1,017)
Total Gains/(Losses)		(604)	(2,105)	192	(1,300)

Note 5. Staff-Related Costs

	<i>University</i>		<i>Consolidated</i>	
	2010	2009	2010	2009
	(\$000)	(\$000)	(\$000)	(\$000)
Salaries and Wages	224,768	222,973	228,362	226,785
Superannuation	8,421	7,251	8,471	7,287
Long Service Leave and Retirement Allowance	2,370	(1,989)	2,376	(1,989)
Other	4,828	5,671	4,877	5,697
Total	240,387	233,906	244,086	237,780

Note 6. Finance Costs

	<i>University</i>		<i>Consolidated</i>	
	2010	2009	2010	2009
	(\$000)	(\$000)	(\$000)	(\$000)
Interest Expenses	1,545	1,648	1,558	1,649
Total Finance Costs	1,545	1,648	1,558	1,649

Note 7. Other Direct Cost Disclosures

	<i>University</i>		<i>Consolidated</i>	
	2010	2009	2010	2009
The Surplus is after charging:	(\$000)	(\$000)	(\$000)	(\$000)
Audit fees for annual report	175	160	274	229
Other services provided by principal auditor: PBRF Audit	12	19	12	19
Internal audit fees	180	154	180	158
Bad debts written off	266	284	306	285
Increase/(reduction) in provision for bad debts	193	150	213	170
Rental expense on operating leases	5,570	5,076	6,194	5,927
Scholarships	13,191	12,374	13,213	12,385
Energy	5,940	6,280	5,954	6,346
Repairs and maintenance	12,171	12,625	12,181	12,667
Travel and accommodation	11,631	12,098	11,659	12,192
Computing & telecommunications	10,572	11,106	10,692	11,216
Contracted services	23,907	22,932	23,907	22,932
Other operating expenses	41,913	41,035	41,365	39,652
Total Other Expenses	125,721	124,293	126,150	124,178

Note 8. Reconciliation of the Net Surplus on Operations with the Net Cashflows from Operating Activities

	Notes	<i>University</i>		<i>Consolidated</i>	
		2010	2009	2010	2009
		(\$000)	(\$000)	(\$000)	(\$000)
Surplus /(Deficit) on Operations		8,821	1,264	10,178	2,282
<i>Add Non-Cash Items:</i>					
Depreciation	18	41,115	37,387	41,196	37,488
Other (gains)/losses - forestry fair value	4	63	(102)	63	(102)
Other (gains)/losses - livestock fair value	4	96	171	96	171
Impairment on investments - other		461	(611)	(310)	(1,283)
Impairment on investment property	17	(127)	115	(127)	115
Bad debts	7	266	284	266	285
Provision for doubtful debts	12	193	150	213	150
Foreign exchange (gains)/losses	4	380	1,017	380	1,017
(Decrease)/increase in non-current employee entitlements	21	2,370	(1,680)	2,370	(1,680)
		44,817	36,731	44,147	36,161
<i>Items Classified as investing or financing activities:</i>					
(Gains)/losses -FV shares direct to other comprehensive income		(14)	325	(14)	325
(Gains)/losses on disposal of property plant and equipment	4	(255)	386	(200)	411
		(269)	711	(214)	736
<i>Movements In Working Capital:</i>					
Decrease/(increase) in prepayments	12	769	(2,458)	769	(2,458)
Decrease/(increase) in trade and other receivables		(2,506)	(5,964)	(2,949)	(6,080)
Decrease/(increase) in stocks and biological assets		69	(452)	69	(426)
Increase/(decrease) in accounts payable		(9,717)	2,662	(9,089)	2,569
Increase/(decrease) in receipts in advance		7,218	7,124	7,715	7,456
Total Movement in Working Capital		(4,167)	912	(3,485)	1,061
Net Cash Flow from Operating Activities		49,202	39,618	50,626	40,240

Note 9. Summary of Financial Assets and Liabilities

UNIVERSITY 2010					
Classification of Financial Assets & Liabilities	Loans and Receivables	Equity Instruments at Cost	Assets Available for Sale	Other Liabilities at Amortised Cost	Total
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
FINANCIAL ASSETS					
Cash and Cash Equivalents	49,419	-	-	-	49,419
Trade and Other Receivables	25,544	-	-	-	25,544
Prepayments	7,302	-	-	-	7,302
Loans and Loans to Related Parties	125	-	-	-	125
Short-Term Deposits with Maturities of 4-12 Months	31,702	-	-	-	31,702
Unlisted Shares	-	607	-	-	607
Shares	-	-	1,613	-	1,613
Total Financial Assets	114,092	607	1,613	-	116,312
FINANCIAL LIABILITIES					
Trade and Other Payables	-	-	-	13,456	13,456
Borrowings: Term Loans	-	-	-	23,400	23,400
Total Financial Liabilities	-	-	-	36,856	36,856

UNIVERSITY 2009					
Classification of Financial Assets & Liabilities	Loans and Receivables	Equity Instruments at Cost	Assets Available for Sale	Other Liabilities at Amortised Cost	Total
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
FINANCIAL ASSETS					
Cash and Cash Equivalents	47,967	-	-	-	47,967
Trade and Other Receivables	22,701	-	-	-	22,701
Prepayments	8,071	-	-	-	8,071
Loans and Loans to Related Parties	125	-	-	-	125
Short-Term Deposits with Maturities of 4-12 Months	13,551	-	-	-	13,551
Unlisted Shares	-	607	-	-	607
Shares	-	-	1,564	-	1,564
Total Financial Assets	92,415	607	1,564	-	94,586
FINANCIAL LIABILITIES					
Trade and Other Payables	-	-	-	13,946	13,946
Borrowings: Term Loans	-	-	-	24,281	24,281
Total Financial Liabilities	-	-	-	38,227	38,227

CONSOLIDATED 2010
Classification of Financial Assets & Liabilities

	Loans and Receivables	Equity Instruments at Cost	Assets Available for Sale	Other Liabilities at Amortised Cost	Total
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
FINANCIAL ASSETS					
Cash and Cash Equivalents	52,493	-	-	-	52,493
Trade and Other Receivables	26,391	-	-	-	26,391
Prepayments	7,311	-	-	-	7,311
Loans	125	-	-	-	125
Short-Term Deposits with Maturities of 4-12 Months	31,702	-	-	-	31,702
Unlisted Shares	-	1,226	-	-	1,226
Shares	-	-	1,613	-	1,613
Managed Funds	-	13,026	-	-	13,026
Total Financial Assets	118,022	14,252	1,613	-	133,887
FINANCIAL LIABILITIES					
Trade and Other Payables	-	-	-	13,970	13,970
Borrowings: Term Loans	-	-	-	23,900	23,900
Total Financial Liabilities	-	-	-	37,870	37,870

CONSOLIDATED 2009
Classification of Financial Assets & Liabilities

	Loans and Receivables	Equity Instruments at Cost	Assets Available for Sale	Other Liabilities at Amortised Cost	Total
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
FINANCIAL ASSETS					
Cash and Cash Equivalents	49,126	-	-	-	49,126
Trade and Other Receivables	23,951	-	-	-	23,951
Prepayments	8,071	-	-	-	8,071
Loans	125	-	-	-	125
Short-Term Deposits with Maturities of 4-12 Months	14,401	-	-	-	14,401
Term Deposits Maturing Between 1 and 5 Years	132	-	-	-	132
Unlisted Shares	-	1,283	-	-	1,283
Shares	-	-	1,564	-	1,564
Managed Funds	-	11,711	-	-	11,711
Total Financial Assets	95,806	12,994	1,564	-	110,364
FINANCIAL LIABILITIES					
Trade and Other Payables	-	-	-	14,711	14,711
Borrowings: Term Loans	-	-	-	24,281	24,281
Total Financial Liabilities	-	-	-	38,992	38,992

Note 9A. Fair value hierarchy disclosures

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

- Quoted Market Price - Financial Instruments with quoted prices for identical instruments in active markets
- Valuation technique using observable inputs - Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in an inactive market and financial instruments valued using models where significant inputs are observable
- Valuation techniques with significant non-observable inputs - Financial instruments valued using models where one or more significant inputs are not observable

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

UNIVERSITY 2010 Classification of Financial Assets & Liabilities	Total (\$000)	Quoted market price (\$000)	Observable inputs (\$000)	Significant non-observable inputs (\$000)
FINANCIAL ASSETS				
Shares	1,613	-	1,613	-

UNIVERSITY 2009 Classification of Financial Assets & Liabilities	Total (\$000)	Quoted market price (\$000)	Observable inputs (\$000)	Significant non-observable inputs (\$000)
FINANCIAL ASSETS				
Shares	1,564	-	1,564	-

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

Consolidated 2009 Classification of Financial Assets & Liabilities	Total (\$000)	Quoted market price (\$000)	Observable inputs (\$000)	Significant non-observable inputs (\$000)
FINANCIAL ASSETS				
Shares	1,564	-	1,564	-
Managed Funds	11,711	-	11,711	-

Note 10. Shares in Subsidiaries

Name of Entity:	Massey Ventures Limited
Principal activity:	Holding Company
Ownership:	100%
Balance Date:	31 December

Name of Entity:	Massey University Foundation
Principal activity:	Investment
Ownership:	100%
Balance Date:	31 December

Note 11. Cash and Cash Equivalents

	<i>University</i>		<i>Consolidated</i>	
	2010	2009	2010	2009
	(\$000)	(\$000)	(\$000)	(\$000)
Cash at bank and in hand	7,419	3,967	8,767	4,576
Short-term deposits with maturities of 3 months or less	42,000	44,000	43,726	44,550
Total Cash and Cash Equivalents	49,419	47,967	52,493	49,126

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

Refer to Note 15 for weighted average effective rates for cash and cash equivalents.

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

	2010	2009
	(\$000)	(\$000)
United States of America	4,832	1,728
Australia	2	3
Great Britain	8	12
Euro's	30	268
Yen	98	94

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

Note 12. Trade and Other Receivables

	<i>University</i>		<i>Consolidated</i>	
	2010	2009	2010	2009
	(\$000)	(\$000)	(\$000)	(\$000)
Trade Debtors	16,433	14,774	18,101	16,106
Other Amounts Receivable	9,267	8,571	9,362	8,736
Related Parties Receivables	876	195	-	-
Prepayments	7,302	8,071	7,311	8,071
Loans	125	125	125	125
	34,003	31,736	34,899	33,038
Less Provision for Doubtful Debts	(1,032)	(839)	(1,072)	(891)
	32,971	30,897	33,827	32,147
Less Non-Current Portion:				
Loans	125	125	125	125
Total Non-Current Portion	125	125	125	125
Current Portion	32,846	30,772	33,702	32,022

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

Trade debtors and other receivables overdue, whose payment has not been negotiated and not impaired are as follows:

	<i>University</i>		<i>Consolidated</i>	
	2010	2009	2010	2009
	(\$000)	(\$000)	(\$000)	(\$000)
> 3 Months	712	1,649	738	1,714

As at 31 December 2010 and 2009, all overdue receivables have been assessed for impairment and appropriate provisions applied. Massey University does not hold any collateral as security or other credit enhancements over receivables that are past due or impaired.

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

	<i>University</i>		<i>Consolidated</i>	
	2010	2009	2010	2009
	(\$000)	(\$000)	(\$000)	(\$000)
At 1 January	839	689	891	721
Additions Made During the Year	193	150	193	170
Receivables Written Off During the Year	-	-	(12)	-
At 31 December	1,032	839	1,072	891

Note 13. Inventories

	<i>University</i>		<i>Consolidated</i>	
	2010	2009	2010	2009
	(\$000)	(\$000)	(\$000)	(\$000)
Material and stores	1,323	1,435	1,323	1,435
Total	1,323	1,435	1,323	1,435

The carrying amount of inventories identified as held for distribution as at 31 December 2010 amounted to \$1,034,261 (2009, \$1,065,089). The carrying amount of inventories pledged as securities for liabilities is nil (2009 nil).

Note 14. Biological Assets

	<i>University</i>		<i>Consolidated</i>	
	2010	2009	2010	2009
	(\$000)	(\$000)	(\$000)	(\$000)
Livestock				
Opening balance	3,425	3,459	3,425	3,459
Increase due to purchase	217	417	217	417
Gains/(losses) arising from changes in fair value	(96)	(171)	(96)	(171)
Decreases due to sales	(174)	(280)	(174)	(280)
Closing Balance	3,372	3,425	3,372	3,425
Forestry				
Opening balance	661	559	661	559
Gains/(losses) arising from changes in fair value	(63)	102	(63)	102
Closing Balance	598	661	598	661
Current	3,372	3,425	3,372	3,425
Non-Current	598	661	598	661
Total	3,970	4,086	3,970	4,086

Massey University owns 106 hectares of pinus radiata forest which are at varying stages of maturity.

No forests have been harvested in this period (2009: nil).

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

Fair Value is the market value less estimated point of sale costs.

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

Livestock has been valued at market value.

Note 15. Other Assets

	<i>University</i>		<i>Consolidated</i>	
	2010 (\$000)	2009 (\$000)	2010 (\$000)	2009 (\$000)
Current Portion				
Other Financial Assets				
Loans and receivables:				
Short-term deposits with maturities of 4-12 months	31,702	13,551	31,702	14,401
Total Current Portion	31,702	13,551	31,702	14,401
Non-Current Portion				
Other Financial Assets				
Loans and receivables	-	-	140	132
Fair value through other comprehensive income - shares	1,613	1,564	1,613	1,564
Fair value through income statement - managed fund	-	-	13,026	11,711
Unlisted shares	607	607	1,226	1,283
Total Other Financial Assets	2,220	2,171	16,005	14,690
Other Assets				
Funds invested in Massey University Foundation	11,608	11,089	-	-
Shares in subsidiaries	1,912	1,912	-	-
Total Other Assets	13,520	13,001	-	-
Total Non-Current Portion	15,740	15,172	16,005	14,690

There were no impairment provisions for other financial assets.

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

	<i>University</i>		<i>Consolidated</i>	
	2010 (\$000)	2009 (\$000)	2010 (\$000)	2009 (\$000)
Maturity analysis and effective interest rate:				
Short-term deposits with maturities of 3 months or less	42,000	44,000	43,726	44,100
Weighted average interest rate	4.51%	3.35%	4.45%	3.35%
Short-term deposits with maturities of 4-12 months	31,702	13,551	31,702	14,401
Weighted average interest rate	5.13%	6.33%	5.13%	6.23%
Term deposits maturing between 1 and 2 Years	-	-	-	132
Weighted average interest rate	0.00%	0.00%	0.00%	8.52%
	73,702	57,551	75,428	58,633

The fair values of Term Deposits are as follows:

	<i>University</i>		<i>Consolidated</i>	
	2010	2009	2010	2009
Fair value on Term Deposits (>3 Months):	(\$000)	(\$000)	(\$000)	(\$000)
Fair value as at 31 December	32,041	13,648	32,041	13,648

Note 16. Non-Current Assets Held for Sale

	<i>University</i>		<i>Consolidated</i>	
	2010	2009	2010	2009
Non-Current Assets Held for Sale are:	(\$000)	(\$000)	(\$000)	(\$000)
Aircraft	638	954	638	954
Land	812	905	812	905
Buildings	749	835	749	835
Total Non-Current Assets Held for Sale	2,199	2,694	2,199	2,694

The Council approved the sale of Ruawharo Campus on 7th July 2006, the site was still used as a campus until early 2007. This property is subject to a conditional offer.

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

Note 17. Investment Property

	<i>University</i>		<i>Consolidated</i>	
	2010	2009	2010	2009
	(\$000)	(\$000)	(\$000)	(\$000)
Balance at 1 January	2,365	2,480	2,365	2,480
Additions/(Disposals)	(2,492)	-	(2,492)	-
Fair Value Gains/(Losses)	127	(115)	127	(115)
Balance at 31 December	-	2,365	-	2,365

Massey University investment properties are valued annually at fair value effective 31 December.

In 2010 Massey University sold all the investment properties that it owned.

In 2009 all investment properties were valued based on open market evidence.

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

Note 18. Property, Plant and Equipment

University 2010	Cost/ Valuation	Accumulated Depreciation & Impairment	Carrying Amount	01 Jan 2010	Additions	Disposals at Cost	Depreciation on Disposals	Impairments	Revaluations	Depreciation Recovered on Revaluation	Depreciation	Cost/ Valuation	Accumulated Depreciation & Impairment	Carrying Amount	31 Dec 2010
	01 Jan 2010	01 Jan 2010	01 Jan 2010	01 Jan 2010								31 Dec 2010	31 Dec 2010	31 Dec 2010	31 Dec 2010
Land	180,242	-	180,242	87	4,757	-	-	-	-	-	-	175,572	-	175,572	-
Buildings	649,616	21,353	628,263	47,211	2,439	162	-	-	-	-	22,552	694,388	43,743	650,645	-
Leasehold Improvement	4,588	2,081	2,507	178	8	8	-	-	-	-	444	4,758	2,517	2,241	-
Aircraft	-	-	-	8,186	-	-	-	-	-	-	462	8,186	462	7,724	-
Furniture	2,196	1,828	368	59	7	7	-	-	-	-	72	2,248	1,893	355	-
Equipment	140,964	106,601	34,363	17,290	4,189	3,948	-	-	-	-	9,206	154,065	111,859	42,206	-
Implements	212	175	37	8	-	-	-	-	-	-	6	220	181	39	-
Vehicles	3,150	2,621	529	527	152	146	-	-	-	-	138	3,525	2,613	912	-
Intangible - Software	-	-	-	920	-	-	-	-	-	-	83	920	83	837	-
Art	1,558	-	1,558	155	-	-	-	-	-	-	-	1,713	-	1,713	-
Library	78,168	46,181	31,987	7,215	-	-	-	-	-	-	8,152	85,383	54,333	31,050	-
Work in Progress	62,771	-	62,771	(43,410)	-	-	-	-	-	-	-	19,361	-	19,361	-
	1,123,465	180,840	942,625	38,426	11,552	4,271	-	-	-	-	41,115	1,150,339	217,684	932,655	-
University 2009	Cost/ Valuation	Accumulated Depreciation & Impairment	Carrying Amount	01 Jan 2009	Additions	Disposals at Cost	Depreciation on Disposals	Impairments	Revaluations	Depreciation Recovered on Revaluation	Depreciation	Cost/ Valuation	Accumulated Depreciation & Impairment	Carrying Amount	31 Dec 2009
Land	180,321	-	180,321	-	-	79	-	-	-	-	-	180,242	-	180,242	-
Buildings	639,478	230	639,248	10,338	-	-	-	(800)	-	-	21,123	649,616	21,353	628,263	-
Leasehold Improvement	4,567	1,642	2,925	21	-	-	-	-	-	-	439	4,588	2,081	2,507	-
Aircraft	1,804	303	1,501	175	1,979	404	-	-	-	-	101	-	-	-	-
Furniture	2,195	1,699	496	10	9	9	-	-	-	-	138	2,196	1,828	368	-
Equipment	136,105	99,799	36,306	6,190	1,331	1,181	-	-	-	-	7,983	140,964	106,601	34,363	-
Implements	204	170	34	8	-	-	-	-	-	-	5	212	175	37	-
Vehicles	3,167	2,681	486	228	245	187	-	-	-	-	127	3,150	2,621	529	-
Art	1,558	-	1,558	-	-	-	-	-	-	-	-	1,558	-	1,558	-
Library	71,762	38,710	33,052	6,406	-	-	-	-	-	-	7,471	78,168	46,181	31,987	-
Work in Progress	25,290	-	25,290	37,481	-	-	-	-	-	-	-	62,771	-	62,771	-
	1,066,451	145,234	921,217	61,457	3,643	1,781	-	(800)	-	-	37,387	1,123,465	180,840	942,625	-

Transfers from Work in Progress to the Asset Register were \$81,836 (2009: \$23,976).

**Consolidated
2010**

	Cost/ Valuation 01 Jan 2010	Accumulated Depreciation & Impairment 01 Jan 2010	Carrying Amount 01 Jan 2010	Additions	Disposals at Cost	Depreciation on Disposals	Impairments	Revaluations	Depreciation Recovered on Revaluation	Depreciation	Cost/ Valuation 31 Dec 2010	Accumulated Depreciation & Impairment 31 Dec 2010	Carrying Amount 31 Dec 2010
Land	180,242	-	180,242	569	4,757	-	-	-	-	-	176,054	-	176,054
Buildings	649,616	21,353	628,263	47,461	2,439	162	-	-	22,554	694,638	43,745	650,893	
Leasehold Improvement	4,645	2,091	2,554	186	8	8	-	-	447	4,823	2,530	2,293	
Aircraft	-	-	-	8,186	-	-	-	-	462	8,186	462	7,724	
Furniture	2,240	1,851	389	64	7	7	-	-	77	2,297	1,921	376	
Equipment	141,671	106,876	34,796	17,393	4,272	3,976	-	-	9,266	154,792	112,166	42,627	
Implements	212	175	37	8	-	-	-	-	6	220	181	39	
Vehicles	3,249	2,665	584	541	176	170	-	-	149	3,614	2,644	970	
Intangible - Software	-	-	-	920	-	-	-	-	83	920	83	837	
Art	1,558	-	1,558	155	-	-	-	-	-	1,713	-	1,713	
Library	78,168	46,181	31,987	7,215	-	-	-	-	8,152	85,383	54,333	31,050	
Work in Progress	62,771	-	62,771	(43,410)	-	-	-	-	-	19,361	-	19,361	
	1,124,372	181,192	943,181	39,288	11,659	4,323	-	-	41,196	1,152,001	218,065	933,937	

**Consolidated
2009**

	Cost/ Valuation 01 Jan 2009	Accumulated Depreciation & Impairment 01 Jan 2009	Carrying Amount 01 Jan 2009	Additions	Disposals at Cost	Depreciation on Disposals	Impairments	Revaluations	Depreciation Recovered on Revaluation	Depreciation	Cost/ Valuation 31 Dec 2009	Accumulated Depreciation & Impairment 31 Dec 2009	Carrying Amount 31 Dec 2009
Land	180,321	-	180,321	-	79	-	-	-	-	-	180,242	-	180,242
Buildings	639,478	230	639,248	10,938	-	-	(800)	-	21,123	649,616	21,353	628,263	
Leasehold Improvement	4,588	1,648	2,940	57	-	-	-	-	443	4,645	2,091	2,554	
Aircraft	1,804	303	1,501	175	1,979	404	-	-	101	-	-	-	
Furniture	2,235	1,717	518	14	9	9	-	-	143	2,240	1,851	389	
Equipment	136,639	100,001	36,639	6,405	1,373	1,198	-	-	8,073	141,671	106,876	34,796	
Implements	204	170	34	8	-	-	-	-	5	212	175	37	
Vehicles	3,209	2,723	486	285	245	187	-	-	129	3,249	2,665	584	
Art	1,558	-	1,558	-	-	-	-	-	-	1,558	-	1,558	
Library	71,762	38,710	33,052	6,406	-	-	-	-	7,471	78,168	46,181	31,987	
Work in Progress	25,290	-	25,290	37,481	-	-	-	-	-	62,771	-	62,771	
	1,067,088	145,502	921,587	61,769	3,685	1,798	(800)	-	37,488	1,124,372	181,192	943,181	

Impairment Losses of Nil (2009: \$800,000) have been recognised for impairment of operational buildings that either will be or were demolished or removed to make way for future campus developments. Massey University does not have any financing leases.

Asset values included in the balance sheet as at 31 December 2010 include all land and buildings as occupied and utilised by Massey University. The exception to this is the land on Riverside Farm (leased from Sydney Campbell Foundation).

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

	<i>Land</i>		<i>Buildings</i>	
	2010 (\$000)	2009 (\$000)	2010 (\$000)	2009 (\$000)
i) Massey University Owned	84,671	89,428	400,438	374,716
ii) Crown Owned (includes buildings on Crown owned land)	90,901	90,814	250,207	253,547
	175,572	180,242	650,645	628,263

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

The BNZ holds a registered mortgage over the Albany Campus, please refer to Note 20.

Note 19. Trade and Other Payables

	<i>University</i>		<i>Consolidated</i>	
	2010 (\$000)	2009 (\$000)	2010 (\$000)	2009 (\$000)
Trade Payables	1,864	373	2,480	878
Other Payables	11,408	13,573	11,490	13,833
Accrued Expenses	11,367	12,188	11,913	12,212
Amounts Due to Related Parties	184	-	-	-
Building Retentions	42	80	42	80
Total Trade payables	24,865	26,214	25,925	27,003

Trade and other payables are non-interest bearing and are normally settled on 30 day terms; therefore the carrying value of trade and other payables approximates their fair value and is the same as the contractual values.

Note 20. Borrowings

	<i>University</i>		<i>Consolidated</i>	
	2010	2009	2010	2009
	(\$000)	(\$000)	(\$000)	(\$000)
Current				
Term Loans	985	811	985	811
Total Current Borrowings	985	811	985	811
Non-Current				
Term Loans	22,415	23,470	22,915	23,470
Total Non-Current Borrowings	22,415	23,470	22,915	23,470

Fixed-Rate Debt: Massey University Debt of \$23,399,641 is issued at fixed rates of interest against which the BNZ holds a registered mortgage over the Albany Campus, which is included in Note 18.

	<i>University</i>		<i>Consolidated</i>	
	2010	2009	2010	2009
	(\$000)	(\$000)	(\$000)	(\$000)
Maturity analysis and effective interest rate:				
Less than One Year	985	811	985	811
Weighted Average Interest Rate	6.20%	6.70%	6.20%	6.70%
Later than One Year but Less than 20 Years	22,415	23,470	22,915	23,470
Weighted Average Interest Rate	6.20%	6.70%	6.19%	6.70%
Total Borrowings	23,400	24,281	23,900	24,281

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

	<i>University</i>		<i>Consolidated</i>	
	2010	2009	2010	2009
	(\$000)	(\$000)	(\$000)	(\$000)
Fair value on borrowings:				
Fair value as at 31 December	22,603	23,533	23,103	23,533

	<i>University</i>		<i>Consolidated</i>	
	2010	2009	2010	2009
	(\$000)	(\$000)	(\$000)	(\$000)
Contractual Maturity Analysis:				
Less than One Year	2,423	2,423	2,539	2,423
Between One and Two Years	2,423	2,423	2,539	2,423
Between Two and Three Years	2,423	2,423	2,539	2,423
After Three Years	28,302	30,725	28,533	30,725
Total contractual cash flows	35,571	37,994	36,150	37,994

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

Note 21. Employee Entitlements

	<i>University</i>		<i>Consolidated</i>	
	2010	2009	2010	2009
	(\$000)	(\$000)	(\$000)	(\$000)
Accrued Pay	4,851	4,011	4,853	4,014
Annual Leave	8,474	13,881	8,575	13,994
Long Service Leave	1,031	949	1,046	964
Retirement Gratuities	29,158	27,701	29,158	27,701
Total	43,514	46,542	43,632	46,673
Current	13,935	19,333	14,038	19,449
Non-Current	29,579	27,209	29,594	27,224
Total	43,514	46,542	43,632	46,673

The long service leave and retirement gratuities were independently assessed as at 31 December 2010 by Mr J Eriksen FIA, a Fellow of the New Zealand Society of Actuaries with Eriksen & Associates.

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

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

Discount rates range from 3.59% to 6.00% for 16 years and beyond (2009: 4.29% to 6.93%).

Salary progression allows for a 2.75% increase per year (2009: 2.75%).

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

Note 22. Receipts in Advance

	<i>University</i>		<i>Consolidated</i>	
	2010 (\$000)	2009 (\$000)	2010 (\$000)	2009 (\$000)
Student Fees	14,547	13,321	15,562	13,905
Receipts Other	32,870	26,878	33,272	27,320
Total Receipts in Advance	47,417	40,199	48,834	41,225
Current	45,757	39,187	47,174	40,213
Non-Current	1,660	1,012	1,660	1,012
Total Receipts in Advance	47,417	40,199	48,834	41,225

The current portion of receipts in advance is expected to be recognised as income during 2011.

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

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

Note 23. Asset Revaluation Reserves

	<i>University</i>		<i>Consolidated</i>	
	2010 (\$000)	2009 (\$000)	2010 (\$000)	2009 (\$000)
Land & Buildings				
Balance 1 January	389,345	390,145	389,345	390,145
Disposals	(1,594)	-	(1,594)	-
Impairment	-	(800)	-	(800)
Balance 31 December	387,751	389,345	387,751	389,345

Note 24. Public Equity

	Notes	<i>University 2010</i>				<i>University 2009</i>			
		Opening Balance 01.01.10 (\$000)	Other Comprehensive Income (\$000)	Operating Surplus/ (Deficit) (\$000)	Closing Balance 31.12.10 (\$000)	Opening Balance 01.01.09 (\$000)	Other Comprehensive Income (\$000)	Operating Surplus/ (Deficit) (\$000)	Closing Balance 31.12.09 (\$000)
Trust Funds	25	18,453	-	1,183	19,636	17,748	-	705	18,453
Asset Revaluation Reserves	23	389,345	(1,594)	-	387,751	390,145	(800)	-	389,345
Special Reserves		26,964	-	-	26,964	26,964	-	-	26,964
General Reserves		488,794	-	7,638	496,432	488,235	-	559	488,794
Total		923,556	(1,594)	8,821	930,783	923,092	(800)	1,264	923,556

	Notes	<i>Consolidated 2010</i>				<i>Consolidated 2009</i>			
		Opening Balance 01.01.10 (\$000)	Other Comprehensive Income (\$000)	Operating Surplus/ (Deficit) (\$000)	Closing Balance 31.12.10 (\$000)	Opening Balance 01.01.09 (\$000)	Other Comprehensive Income (\$000)	Operating Surplus/ (Deficit) (\$000)	Closing Balance 31.12.09 (\$000)
Trust Funds	25	18,453	-	1,183	19,636	17,748	-	705	18,453
Asset Revaluation Reserves	23	389,345	(1,594)	-	387,751	390,145	(800)	-	389,345
Special Reserves		27,054	-	-	27,054	27,054	-	-	27,054
General Reserves		490,091	(362)	8,995	498,724	488,239	275	1,577	490,091
Total		924,943	(1,956)	10,178	933,165	923,186	(525)	2,282	924,943

Note 25. Trust Funds

	<i>University 2010</i>				<i>University 2009</i>			
	Opening Balance 01.01.10 (\$000)	Income (\$000)	Expenses (\$000)	Closing Balance 31.12.10 (\$000)	Opening Balance 01.01.09 (\$000)	Income (\$000)	Expenses (\$000)	Closing Balance 31.12.09 (\$000)
Helen Akers Bequest	818	142	126	834	771	60	13	818
MU Common Fund	11,110	2,919	1,606	12,423	10,471	2,283	1,644	11,110
Sasakawa Foundation	5,743	353	511	5,585	5,753	470	480	5,743
Delahunty Trust	589	24	6	607	569	35	15	589
Norwood Trust	79	4	1	82	75	6	2	79
A G East Memorial Trust	42	2	15	29	42	15	15	42
Tony Drakeford Memorial Trust	72	4	-	76	67	5	-	72
Total Trust Funds	18,453	3,448	2,265	19,636	17,748	2,874	2,169	18,453

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

Helen Akers Bequest - funds bequeathed from the Estate of Helen Akers to provide scholarships for students.

Massey University Property Foundation - foundation established to support the Department of Finance, Banking and Property Studies and the Real Estate industry.

Massey University Common Fund - pool of funds used for holding and paying out scholarships and prize monies to students.

Sasakawa Foundation - scholarships provided from the Sasakawa Foundation, Japan, for students.

Delahunty Trust - trust fund established to provide research grants to foster primary industry accounting research to students living in New Zealand.

Norwood Trust - prizes for students for achievement in trade courses.

A G East Memorial Trust - educational scholarships for technical and trade courses.

Tony Drakeford Memorial Trust - educational scholarships for commerce courses.

Note 26. Joint Venture

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

Massey University's interest in NZSM is as follows:

	2010	2009
	(\$000)	(\$000)
Current Assets	3,511	1,973
Non-Current Assets	297	324
Current Liabilities	2,016	1,082
Non-Current Liabilities	15	15
Income	4,181	3,992
Expense	3,604	3,726

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

Note 27. Council Members' Fees Paid During 2010 Year

	2010	2009
R Ballard	25,350	25,350
S Kos	11,200	11,200
S Baragwanath	2,400	2,720
K Denness	1,120	-
N Gould	-	640
R Karetai	4,160	-
C Kelly	8,960	8,960
N Love	960	2,240
M Mullins	-	1,760
A Paterson	8,960	8,960
K Pearce	1,440	4,320
T Porter	4,480	-
A Scott	2,720	1,600
A Sorenson	-	4,320
R Springett	6,080	3,680
B Ullrich	5,920	5,120
Total	83,750	80,870

Note 28. Related Party Information

The following tables provide the total amount of transactions that have been entered into with related parties for the relevant financial year (information regarding outstanding balances is as at 31 December 2010 and 2009):

Material Related Party Transactions

Councillors:		Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Professor Sir Ngatata Love, a Councillor of Massey University is a trustee and director of the following organisations:					
Te Papa Tongarewa	2010	\$3,924	\$253,052	Nil	\$18,702
	2009	\$3,316	Nil	Nil	Nil
Palmy 31 Limited	2010	Nil	\$835	Nil	Nil
	2009	Nil	Nil	Nil	Nil
Wellington 10ths Trust	2010	Nil	\$381,797	Nil	Nil
	2009	Nil	\$337,500	Nil	Nil
Entrepreneurship New Zealand Trustee Limited	2010	Nil	\$703	Nil	Nil
	2009	Nil	Nil	Nil	Nil
Mr C Kelly, a Councillor of Massey University is:					
A director and CEO of Land Corp Farming Ltd.	2010	\$26,978	Nil	Nil	Nil
	2009	\$1,494	Nil	Nil	Nil
A director of Agricultural ITO	2010	Nil	Nil	Nil	Nil
	2009	\$3,924	Nil	Nil	Nil
A director of Estendart Limited	2010	\$1,071,368	\$604,505	\$65,170	\$52,780
	2009	\$393,280	\$42,762	\$22,449	\$12,055
A director of Polybatics Limited	2010	\$474,008	Nil	\$139,114	Nil
	2009	\$100,211	Nil	\$67,500	Nil
Doctor A Patterson, a Councillor of Massey University is:					
A director of Vector Communications Limited	2010	Nil	\$33,937	Nil	Nil
	2009	Nil	Nil	Nil	Nil
Mr B Ullrich, a Councillor of Massey University is:					
A director of FCS Group Limited	2010	Nil	\$5,980	Nil	Nil
	2009	Nil	\$2,080	Nil	Nil
A director of FCS Pacific Limited	2010	Nil	\$2,500	Nil	Nil
	2009	Nil	Nil	Nil	Nil

The 2010 transactions include GST

Key Management Personnel:

		Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Professor J Chapman, a Pro Vice-Chancellor of Massey University has an interest in Sterling Human Resources Ltd	2010	Nil	\$96,200	Nil	\$20,240
	2009	Nil	\$80,115	Nil	Nil
Steve Maharey, Vice-Chancellor of Massey University has an interest in the following organisations: Flicka Ltd Wellington Regional Chamber of Commerce Limited	2010	Nil	Nil	Nil	Nil
	2009	Nil	\$9,500	Nil	Nil
	2010	Nil	\$1,201	Nil	Nil
	2009	Nil	Nil	Nil	Nil
	2010	\$82,926	\$601,855	Nil	\$158,229
	2009	\$13,923	\$296,496	Nil	Nil
Professor J Raine, a former Chief Executive Albany of Massey University has an interest in REANNZ Limited	2010	\$82,926	\$601,855	Nil	\$158,229
	2009	\$13,923	\$296,496	Nil	Nil
was a Director of E-Centre Limited	2010	\$254,216	Nil	\$1,576	Nil
	2009	\$247,260	Nil	Nil	Nil
Professor I Warrington, a former Chief Executive Manawatu of Massey University was a Director of Bio Commerce Centre.	2010	\$30,506	\$167,534	\$1,105	\$9,284
	2009	\$24,316	\$75,860	Nil	Nil
Doctor J Griffiths, a former Assistant Vice-Chancellor was a Director of the following companies: New Zealand School of Music Limited Massey Ventures Limited	2010	\$2,224,691	Nil	\$530,376	Nil
	2009	\$2,225,549	\$2,000	\$149,347	Nil
	2010	Nil	Nil	Nil	\$4,161
	2009	Nil	Nil	Nil	Nil

The above transactions include GST

Organisations Massey University is related to:

		Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Massey University owns 50% of the	2010	\$2,224,691	Nil	\$265,188	Nil
New Zealand School of Music Limited - Joint Venture	2009	\$2,225,549	\$2,000	\$149,347	Nil
Massey University Foundation - Subsidiary	2010	Nil	Nil	\$388,537	\$127,545
	2009	Nil	Nil	\$727,674	Nil
Massey Ventures Limited - Subsidiary	2010	Nil	Nil	Nil	\$4,161
	2009	Nil	Nil	Nil	Nil
Estendart Limited - Subsidiary	2010	\$1,071,368	\$604,505	\$65,170	\$52,780
	2009	\$393,280	\$42,762	\$22,449	Nil
E-Centre Limited - Subsidiary	2010	\$254,216	Nil	\$1,576	Nil
	2009	\$247,260	Nil	Nil	Nil
Bio Caveo - Associate	2010	Nil	Nil	Nil	Nil
	2009	Nil	Nil	Nil	Nil
Polybatics Limited - Associate	2010	\$474,008	Nil	\$139,114	Nil
	2009	\$100,211	Nil	\$67,500	Nil
Bio Commerce Limited - Associate	2010	\$30,506	Nil	\$1,105	Nil
	2009	Nil	Nil	Nil	Nil
Magritek Holdings Limited - Associate	2010	Nil	Nil	Nil	Nil
	2009	Nil	Nil	Nil	Nil
New Zealand Vet Pathology Limited - Associate	2010	\$260,173	\$360,772	\$15,010	\$32,520
	2009	\$119,011	\$15,369	\$30,398	Nil

The above transactions include GST

The Crown

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

All goods were supplied under normal commercial terms.

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

Key Management Personnel

	University		Consolidated	
	2010	2009	2010	2009
Remuneration				
Short-Term Employment Benefits	3,943,451	3,532,115	4,202,451	3,532,115
Post-Employment Benefits	205,352	182,888	205,352	182,888
Council Fees	83,750	80,870	148,050	143,070
	4,232,553	3,795,873	4,555,853	3,858,073

Note 29. Statement of Commitments

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

	Projected Total Cost of Project (\$000)	Expenditure to 31.12.10 (\$000)	Unspent Commitment (\$000)
Total Project Commitments 2010	32,714	18,632	14,082
Total Project Commitments 2009	60,046	47,044	13,002

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

Operating Leases	University		Consolidated	
	2010 (\$000)	2009 (\$000)	2010 (\$000)	2009 (\$000)
Due Not Later than One Year	3,486	5,108	3,720	5,372
Due Later than One Year and Not Later than Five Years	5,175	8,825	6,112	9,852
Due Later than Five Years	2,199	2,734	2,199	2,927
Total	10,860	16,667	12,031	18,151

Other Commitments	University		Consolidated	
	2010 (\$000)	2009 (\$000)	2010 (\$000)	2009 (\$000)
Due Not Later than One Year	2,738	1,600	2,738	1,600
Due Later than One Year and Not Later than Five Years	3,266	818	3,266	818
Due Later than Five Years	-	373	-	373
Total	6,004	2,791	6,004	2,791

Note 30. Statement of Contingent Assets and Liabilities

As at 31 December 2010, Massey University had the following contingent liabilities (University and Consolidated):

There were 6 employee personal grievances against the University as at 31 December 2010.

The Contingent Liability was assessed at \$120,000 (2009: \$165,000)

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

Contingent liability is assessed at \$307,000 (2009:\$390,000)

In 2009 a contractor lodged a claim against the University. The University defended its position.

Contingent liability is assessed at nil (2009: nil)

As at 31 December 2010, Massey University was not aware of any contingent assets (University and Consolidated)

Note 31. Post Balance Date Events

There are no significant post balance date events (2009: nil).

Note 32. Financial Instrument Risks

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

Market Risk

Credit Risk

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

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

Maximum exposure to credit risk at balance date are:

	<i>University</i>		<i>Consolidated</i>	
	2010 (\$000)	2009 (\$000)	2010 (\$000)	2009 (\$000)
Bank Deposits	81,121	61,518	84,195	63,209
Receivables and Prepayments	32,971	30,897	33,827	32,147
Managed Funds	-	-	13,026	11,711
Guarantee Bond	30	30	30	30
Credit Facility on Credit Card	4,000	4,000	4,000	4,000

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

Bank Deposits are represented by the following:

	Credit Rating	<i>University</i>		<i>Consolidated</i>	
		2010 (\$000)	2009 (\$000)	2010 (\$000)	2009 (\$000)
ASB Bank Limited	AA (Very Strong)	15,000	5,000	15,000	5,000
Bank of New Zealand	AA (Very Strong)	7,519	5,559	10,593	7,327
Kiwibank Limited	AA- (Very Strong)	20,000	9,000	20,000	9,000
ANZ National Bank Limited	AA (Very Strong)	5,380	37,700	5,380	37,700
Westpac New Zealand Limited	AA (Very Strong)	33,222	5,750	33,222	5,750
		81,121	63,009	84,195	64,777

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

Liquidity Risk

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

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

Massey University manages its borrowings in accordance with its funding and financial policies.

The maturity profiles of Massey University's interest-bearing investments are disclosed in Note 15.

Currency Risk

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

Massey University minimises the risk over expenditure by holding funds in the major foreign currencies that it does business in. The amount on deposit is determined by the amount that is expected to be incurred against that currency over the next 12 months. Holdings of foreign currencies are disclosed in Note 11.

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

The only significant exposure to currency risk is funds held in our United States bank account as disclosed in Note 11. If the United States dollar moved up or down 1% the effect on surplus and equity is \$48,318, based on a closing cash balance of \$US 3,966,309. All other variables are held constant.

Interest Rate Risk

The interest rates on Massey University's investments are disclosed in Note 15, and borrowings in Note 20.

Fair Value Interest Rate Risk

Fair Value Interest Rate Risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market rates. Massey University is limited by statute in its ability to manage this risk. If interest rates on investments had fluctuated by plus or minus 0.5%, the effect would have been to increase/decrease the surplus and equity by \$487,237. Interest rates on borrowings are fixed and not subject to fluctuation for the duration of the fixed maturity chosen. Borrowings are carried at amortised cost and therefore are not impacted by fair value interest rate risk. All other variables are held constant.

Cash Flow Interest Rate Risk

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

Other Price Risk

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

Note 33. Critical Accounting Estimates and Assumptions

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

Long-Service Leave and Retirement Gratuities

In order to assess Massey University's liability in respect of long-service leave and retirement gratuities, an actuarial report was prepared by Eriksen Actuarial in accordance with NZ IAS 19. (Refer Note 21 for assumptions.)

Note 34. Critical Judgements in Applying Massey University Accounting Policies

Management has exercised the following critical judgements in applying Massey University policies for the year ended 31 December 2010.

Impairment of Trade Receivables

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

Impairment of Property Plant and Equipment

When considering whether any impairment of property plant and equipment existed, the cash generating unit for Massey University is taken to be at campus level. At balance date a review was undertaken and no impairments were disclosed.

Carrying Value of Land and Buildings

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

There is land that is owned by the Crown that is recorded on the Massey University Asset Register.

STATEMENT OF SERVICE PERFORMANCE

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

“By 2020 Massey will be acknowledged as New Zealand’s defining university and as a world centre of tertiary learning.”

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

The Massey University Investment Plan 2010 (Revised) included specific performance indicators and measures under each of the University’s six Big Goals. The University’s performance indicator targets for 2010 were revised during 2009 to be consistent with the strategic direction in the University’s long term strategic plan, The Road to 2020 (issued in August 2009). The performance indicators are intended to cover all the activities of the University. Performance against these indicators is reported in this Statement of Service Performance. The Appendices provide additional information and detail on the University’s profile.

RESEARCH AND SCHOLARSHIP BIG GOAL

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

Associated Goals

- Rank 1st in the PBRF in all areas of specialisation
- Support research centres of excellence in all areas of specialisation
- Develop selected research collaborations with national and international partners
- Establish an effective commercialisation model
- Double the number of research postgraduate completions
- Enhance research capacity and capability

Outcomes¹

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

To meet our goals we will need to produce an environment where research and scholarship can thrive, standards are constantly being enhanced, there is support for cross-disciplinary work and the very best researchers are encouraged to reach their potential. Every researcher needs to feel they are part of a community dedicated to producing work that makes a difference to New Zealand and the world.

¹ The Outcomes and Key Initiatives for each Big Goal were specified in the University’s Investment Plan 2010 (Revised).

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

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

- Lead to enhanced national research capability and economic growth
- Enhance academic outcomes for our students, including Māori and Pasifika, through enhanced quality of academic programme delivery and research training

Key Initiatives²

Massey University progressed its Research and Scholarship goals by targeting implementation of the following key initiatives during 2010

- Delivering on a research strategy for the University which includes implementation of strategy for the next PBRF round
- Developing and establishing research centres of excellence in identified areas of academic strength
- Further developing and supporting selected research collaborations with national and international partners, including the new Food Innovation New Zealand Group
- Building Māori and Pasifika research capability and research collaborations
- Implementing the new commercialisation model for the University
- Implementing initiatives to expand postgraduate education and further develop support for postgraduate students

Performance 2010

A revised Research Strategy is being developed in consultation with the Colleges, the implementation of which is designed to increase the University's research capability, improve research revenue and enhance the University's reputation as a world-class university. The recent appointment of Professor Brigid Heywood as the new Assistant Vice-Chancellor Research and Enterprise will see the finalisation of the Research Strategy during 2011.

Significant progress has been made on the implementation of the University's strategy for the next PBRF round in 2012. A PBRF Governance Group was established to oversee progress towards the PBRF strategy and a strategic direction for Māori researchers agreed. Other PBRF related initiatives included: an initial assessment of current research capability early in 2010 to identify targets for subject areas and subsequent stock-takes of eligible research staff during 2010; a PBRF Roadshow held on all campuses in June 2010; appointment of subject area facilitators and development of a website to guide academic staff with PBRF portfolio preparation; upgrades to the University's research software (RIMS) to facilitate submission of portfolios; PBRF portfolio writing seminars; a Māori and Pasifika Research Symposium held in November 2010; and an increase in internal research funding through MURF to encourage research.

The development and establishment of research centres of excellence in identified areas of academic strength continued during 2010. The New Zealand Biochar Research Centre was established along with two Government-funded professorships in biochar – a research field considered important to investigate the efforts of climate change. The University's Life Cycle Management academic programme is being developed according to plan,

² The Outcomes and Key Initiatives for each Big Goal were specified in the University's Investment Plan 2010 (Revised).

with an emphasis on the postgraduate programme. In October 2010, the New Zealand Social Innovation and Entrepreneurship Research Centre was set up with an aim to contribute to social innovation through interdisciplinary collaborative research. Other centres established included the International Sheep Research Centre and Ecological Economics New Zealand. The University continues to host two national Centres of Research Excellence, the Riddet Centre and the Alan Wilson Centre, and is also a partner in five others.

Research collaborations with national and international partners are important to the achievement of Massey University's research aims. With the appointment of an Agri-food Strategy Manager, significant progress has been made in building the collaborative relationship with Lincoln University in the Agri-food sector and work has been initiated on establishment of the Centre of Excellence in Farm Management. The Massey University-Lincoln Centre for Plant Physiology was also initiated in 2010. Also as part of the University's Agri-food strategy, a formal collaboration has been established with the University of Wageningen in the Netherlands, and an Agri-food Summit was held on the Wellington Campus in April 2010.

Massey University has also been successful in four Primary Growth Partnerships (PGP) funding bids, and the University's Riddet Institute has been chosen as the primary research provider for post-farm gate work in one of the PGP funds. The Riddet Institute also signed an agreement with the Korea Food Research Institute in September 2010.

It was pleasing to note that the University renewed its agreement with the Earthquake Commission for another six years, which allowed for the continuation of a position in Natural Hazards Planning.

The University continues to build its research capability and research collaborations for Māori and Pasifika through the implementation of its strategies in this vitally important area. The Te Mata o Te Tau - supported research initiatives, Hōea te waka: Māori and Pasifika Research Symposiums were held in Albany and Palmerston North in November 2010. The Te Mata o Te Tau Lecture Series was also held during 2010. The introduction of initiatives for coordinated tertiary education pathways with Massey University and Wananga are also being progressed. During 2010 the Māori doctoral database update was completed and all new Māori students have been directed to the portal by email. Interdisciplinary Māori postgraduate learning communities have been established this year.

Other Pasifika initiatives implemented during 2010 include: the development of Pasifika research priorities and guidelines; seminars, writing workshops and conferences conducted to support postgraduate study for Pasifika doctoral and masters students; and a funding application has been progressed for Pasifika Economics, Social and Cultural Development for Pacific Migrants in New Zealand.

The University's new commercialisation model, established through partnerships with the Bio Commerce Centre in Palmerston North and the e-Centre in Albany, is operating effectively and has already led to a higher throughput of new ideas.

In addition to the specific initiatives designed to build Māori and Pasifika research capability already alluded to, the University implemented a number of initiatives designed to expand postgraduate education and further develop support for all postgraduate students. An increase of \$750,000 in budgeted PhD scholarships was approved in 2010 and Summer Scholarships were awarded in the College of Humanities and Social Sciences to encourage retention into postgraduate study. The workshop programme for doctoral students and supervisors was expanded on each campus. An interactive on-line learning environment (via Stream) was also established for doctoral students. An out-bounding campaign to attract graduating students to postgraduate study was introduced and will be ongoing. Improvements have also been made to assessment turn-around times for

students seeking to enter postgraduate study. A ‘Three Minute Thesis’ competition was established to enhance doctoral students’ communication skills and cross disciplinary interactions.

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

- The University’s international ranking was maintained at previous years levels
- Total research and consulting income (excluding PBRF) exceeded target for the year and increased on previous years levels, a trend consistent with each of the last three years
- PBRF income exceeded target for 2010 and increased on 2009
- Research degree completions were below target (see note 4) but numbers increased on 2009
- Although the total number of Quality Assured research publications and licensing income were marginally under target, numbers were up significantly on the previous year
- Research and consulting income from non-government sources significantly exceeded target for 2010 and increased by 50% on 2009 levels

Performance Indicators	Notes	2010 Target	2010 Actual	2009 Actual
International ranking: Asia pacific rankings	1	42-68	69-106	68-106
Total research and consulting income (excluding PBRF) (\$m)		65	79	70
PBRF income (\$m)	2	47	56	52
Research degree completions (number of)	2, 3,4	450	429	414
Total number of Quality Assured research publications		3,700	3,683	2,672
Licensing revenue/income (\$000)		400	369	272
Research and consulting income from non-government sources (\$m)		14	21	14
Number of licences and options executed		2	2	2

Notes:

1. This information is accessible from <http://www.arwu.org>.
2. This is an interim figure only, pending confirmation of final data from Tertiary Education Commission.
3. 2010 Actual relates to 2009 completions. 2009 Actual relates to 2008 completions.
4. There has been a change in the calculation of PBRF completions in 2010. Previously a masters thesis divided in to a Part 1 and Part 2 paper counted as 2 completions, from 2010 on the Part 2 counts as a completion.

TEACHING AND LEARNING BIG GOAL

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

Associated Goals

- Fully exploit opportunities provided by new digital media
- Refocus the educational portfolio and significantly consolidate the number of qualifications on offer
- Develop a distinctive Massey approach to tertiary learning that is relevant to society and its future, and is innovative in terms of what is taught, how it is taught and how it is assessed
- Reshape current programmes to create an expanded School of Public Health and a School of Sport, and explore the establishment of an Academy for Sustainability and the Environment

- Provide professional development opportunities for teaching and general staff
- Strengthen senior leadership and infrastructure with respect to distance, flexible and open learning
- Grow the number of domestic students by 6,000 EFTS and international students by 1,000 EFTS by 2016, and keep these targets under review³
- Provide sound pastoral care and learning support to all students to ensure that they flourish in the tertiary environment

Outcomes⁴

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

Massey has developed a distinctive model of teaching and learning which, through a strong commitment to skills, lifelong learning and access, has served many generations of learners from all backgrounds in New Zealand and overseas. This commitment to provision will continue.

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

Massey intends to transform the learning experience of students. Our challenge in the years ahead is to examine the Massey model to ensure it meets the needs of our different learning communities that make up the University in the 21st century.

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

- Contribute to economic transformation and social development through a strategically positioned academic portfolio and delivered via a distinctive learning model (Massey defining)
- Lead to improved educational outcomes (access, participation, completion and progression) for learners, including Māori and Pasifika

Key Initiatives⁴

To progress the strategic priorities under this Big Goal, the University targeted implementation of the following key initiatives in 2010

- Investing in new technology to broaden and enrich the learning experience for all of our students, including implementation of the University's new Learning Management System (Stream)
- Planned implementation of changes to strategically position and strengthen the University's academic portfolio
- Achieving accreditation or re-accreditation of relevant University qualifications to support disciplinary strengths in professional areas

³ The University's Key Initiatives for this goal reflect a shift in focus from the Tertiary Education Commission to managing domestic enrolment numbers.

⁴ The Outcomes and Key Initiatives for each Big Goal were specified in the University's Investment Plan 2010 (Revised).

- Implementing a series of initiatives designed to further develop Massey's distinctive approach to learning and teaching, and strengthen leadership and infrastructure with respect to blended and distance learning
- Initiatives to improve educational outcomes through learning opportunities and support for students, including development of a University Retention Strategy
- Initiatives designed to increase professional development opportunities for staff
- A number of initiatives to manage student enrolments, including the development of an Enrolment Management Plan for the University
- Continued implementation of Kia Maia – A Māori Investment Agenda
- Implementation of the Pasifika@Massey strategy to enhance learning opportunities for the Pasifika community

Performance 2010

Implementation of 'Stream', the University's new Learning Management System, continued during 2010. This investment in new technology is central to Massey's development of, and investment in, infrastructure for distance education and blended learning. There were a significant number of developments relating to Stream, some of which included: the launch of a new look and feel for Stream in February; pilots of electronic marking tools conducted and a new solution (Lightworks) adopted; the implementation of pilot programmes for electronic submission of assignments for distance students; the development of a comprehensive 'Stream for staff' website to support the use of new digital media; and pilots of on-line Administration Guides and Study Guides were delivered through Stream with very positive responses from students regarding access and functionality features.

Other technology-related initiatives implemented by the University included the establishment of a Teaching and Technology Working Group during 2010 and in November the University's library launched its new subscription to E-Cast Education (eTV) which provides access to real-time teaching resources.

Massey intends to transform the learning experience of students and during 2010 embarked upon a project (the Academic Reform Project) to further strengthen the University's positioning with sustainable and defining programmes of study, delivered in distinctive, innovative and accessible ways; this is to ensure that graduates of Massey University are more creative and connected with professional practice, their disciplines and research. Draft proposals have been developed within each of the Colleges regarding the shape of their academic portfolios from 2011 onwards. These proposals have been approved for implementation.

Other significant developments relating to the University's academic portfolio, and which demonstrate the connectedness of our programmes, included the following: the agreement to offer professional education programmes for NZ Customs staff, in addition to those offered in partnership with the NZ Defence Force, via the Centre of Defence and Security Studies; the launch of the School of Public Health in March, supported by the presence of leading figures in the NZ Health sector; establishment of the School of Sport and Exercise based on the Manawatu campus; the establishment of the Sustainability Working Group to build a leadership role in sustainability across the University's activities including research and teaching; the signing of a partnership with the Chartered Financial Analyst Institute in February, an indication that the BBS (Finance) curriculum offered by the College of Business is regarded as one of the highest educational quality and closely tied to professional practice; and the funding received from the World Bank for the establishment and development of postgraduate programmes in Veterinary Medicine and Public Health in the area of biosecurity.

Also as part of the Academic Reform Project, and designed to further develop Massey's distinctive approach to learning and teaching, the University has established a Teaching and Learning Framework. The Framework, underpinned by a focused approach to quality improvement, broadly comprises of four key areas (Curriculum

Design and Diversity, Blended and Distance Learning, the Student Experience, and Academic and Professional Development) where the defining attributes of Massey graduates inform, and are informed by, our diverse disciplines and qualifications. A number of academic policies are being developed or revised within the Academic Reform Project, including assessment, academic integrity, student evaluation and study material provision. A Peer Review of Teaching Systems has been developed and piloted to enhance the quality of paper design and delivery. Other learning and teaching initiatives implemented during 2010 included: the establishment of Te Kura Nui, Te Kura Roa, the Māori Knowledge and Curriculum Group; the University's first Teaching and Learning Week took place on all campuses in November; a Student Survey and Engagement Unit was established; and an Assessment Policy Working Group was convened to review and revise the Assessment Policy.

A number of activities were held designed to strengthen leadership and infrastructure with respect to blended and distance learning. Massey celebrated the 50th Jubilee of Distance Learning during 2010 with a variety of events such as conferences, awards, book launches and artworks. A Blended and Distance Educational Operational Plan was prepared and implemented during 2010, along with a longer-term development plan. Massey is also a founding member of a new research consortium, The Distance Education Hub, with four Australian universities, the aim of which is to support research into best practice for distance learning. ACODE benchmarks were implemented in 2010 to assess the depth and maturity of blended learning.

The quality of the University's programmes in food technology was demonstrated in November, when the Institute for Food Technology (based in the United States of America) granted accreditation to Massey. This recognition comes on top of accreditation already held by the University with regard to its veterinary, engineering and business programmes.

During 2010, with the focus on the tertiary sector moving towards educational achievement, the University has implemented a number of initiatives to improve educational outcomes through learning opportunities and support for students. A University-wide Completions Strategy was developed and project established to consolidate all the initiatives currently underway to address the new TEC requirements around educational performance – student retention, completion and progression. Campus Teaching and Learning Centres have now been established on all three campuses and a retention programme will be rolled out into student success centres in 2011. Other initiatives implemented in this area included: the expansion of the welcome programmes for students on each campus; the development of a communication plan for prospective and current students; regional seminars were offered throughout New Zealand to provide learning support to students who study via distance learning; two online Certificate of University Preparation papers were offered in Semester Two; the development and implementation of a plan to increase learning opportunities for Pasifika students studying on each campus; and the appointment of Triple A (Accelerated Academic Achievement) Advisors to improve learning opportunities and support for Māori students.

Massey was also awarded TEC funding to complete the Bridging the Distance project, which aims to better inform students and provide new and existing students with better support via a suite of online tools. This project is focused initially on support for students studying at a distance, but will have wider benefits for internal students as well.

Professional development opportunities for staff also remain a key focus of the University's strategy. Initiatives implemented during 2010 included: a review of the University's CADeL services resulting in the formation of a National Centre for Teaching and Learning and three campus-based satellite centres; re-assignment of resources internally to support better delivery of staff development for general staff; the initiation of a new mentoring system for academic staff related to effective teaching and learning; and the establishment of a Strategic Innovation Fund for access by staff of the University. A number of development programmes were conducted during the year including: the MANU AO Weekly Seminar series with contributions and participants from the community and

all New Zealand universities; the launch of new online, self-paced professional development courses in Teaching Technologies in partnership with 17 other universities; launch of the new “Lunch Box” professional development series to support staff in the use of new technologies to support teaching and learning; and delivery of a range of training programmes to support manager development, health and safety, and performance review and planning.

In line with the emphasis by the TEC on managing enrolments in the sector, a Strategic Enrolment Management Plan was approved during 2010 and is being implemented. Policy and procedures were put in place to manage enrolments to meet the TEC funded domestic student targets for 2010, including new late enrolment procedures, exclusions, and early due date for Semester Two and Summer School applications. As part of the Investment Plan process, the University worked closely with the TEC’s Investment Manager to develop domestic enrolment targets for 2011-2013. An International Growth Strategy was developed during 2010 to address the goals in the University’s long term strategy, The Road to 2020. This plan is being implemented and includes: new e-marketing strategies for international student recruitment; International Symposia held on all campuses during 2010; and improvements to admissions processes for international students.

The University had also established a number of offshore arrangements as part of its international growth strategy, e.g. with Wuhan, Jiangxi and Xiamen universities. In November, the first celebration and graduation ceremony was successfully held in Singapore for the University’s Bachelor of Food Technology (Hons) graduates and a commencement ceremony was held in Brunei in November for the Defence Studies programme. The University’s PaCE Director was also awarded an Export Education Innovation grant from Education New Zealand to develop and deliver a distance foundation programme.

The University continues to advance the implementation of its strategies for Māori and Pasifika to improve educational outcomes for these important groups of learners.

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

- The proportion of qualifications reviewed was above target as the University undertook a major review of its qualification portfolio in 2010 targeting named awards that met agreed threshold criteria for enrolment numbers
- The qualification level completion rate for all degree, graduate diploma and postgraduate qualifications exceeded target for 2010 although were marginally down on the previous year
- The postgraduate qualification level completion rates (over 5 years) for Māori, Extramural and International all exceeded target for 2010 and improved on the previous cohort of students. However, undergraduate qualification level completion rates for Māori, Pasifika and International were all below the target rates for 2010 as well as being below the previous cohort of students. Extramural undergraduate qualification level completion rates were on target and consistent with the previous year
- Māori Research degree course completion rates improved on the previous year. The target was based on unusually large completion rates for courses in the 2007 year
- First year qualification-level attrition rates for degree, graduate diploma and postgraduate qualifications improved on last year and were under target – a positive outcome
- Pasifika retention rates were considerably above the target for this year and showed significant improvement this year
- Retention rates for students studying at a distance improved on 2009 levels but did not reach target for 2010
- The satisfaction of Extramural students with services improved on 2009 levels and was significantly above target for the year, a very positive outcome

- The number of qualifications offered to International students overseas via distance learning continues to grow from previous years and exceeded target for 2010, consistent with the University's strategy to offer more qualifications off-shore
- The proportion of papers with an e-learning component continues to grow, but not at the rate targeted for 2010
- Student satisfaction with the online learning environment continues to improve and exceed target, a reflection of progress with Stream, the University's new Learning Management System
- The proportion of students under 25 years of age studying at postgraduate level increased to 7% this year

Performance Indicators	Notes	2010 Target	2010 Actual	2009 Actual
Proportion of qualifications reviewed (%)		20%	33%	12%
Student progression into degrees from other TEOs (number of)	1			
• ITP		350	-	-
• PTE/OTEP		100	-	-
• Wananga		80	-	-
EFTS by qualification level (%)	2			
• Sub-degree		4%	5%	6%
• Undergraduate		71%	72%	73%
• Postgraduate		19%	19%	17%
• Doctorate		5%	4%	4%
Qualification-level completion rates for all degree, graduate diploma and post-graduate qualifications over 5 years (%)	3, 4, 5	35%	37%	38%
Māori qualification level completion rate over 5 years (%)	3, 4, 5			
• All levels		21%	17%	19%
• Undergraduate		18%	14%	16%
• Postgraduate		35%	36%	34%
Māori research degree course completion rate (%)	5, 6	96%	81%	77%
Pasifika qualification level completion rate for 1 EFTS and under over 2 years (%)	3, 5, 7, 8	19%	23%	31%
Pasifika qualification level completion rate over 5 years (%)	3, 4, 5			
• All levels		20%	19%	21%
• Undergraduate		20%	15%	16%
• Postgraduate		45%	44%	45%
Extramural qualification level completion rate over 5 years (%)	3, 4, 5			
• All levels		17%	19%	18%
• Undergraduate		13%	13%	13%
• Postgraduate		35%	40%	37%
International student qualification completion rate over 5 years (%)	3, 4			
• All levels		60%	66%	70%
• Undergraduate		65%	61%	68%
• Postgraduate		67%	80%	77%
First year qualification-level attrition for degree, graduate diploma and postgraduate qualifications (%)	5, 7	36%	33%	35%
Pasifika retention rate year 1 to year 2 (%)	5, 7, 8			
• All levels		50%	60%	53%
• Undergraduate		48%	56%	47%
• Postgraduate		71%	79%	71%
Extramural retention rate year 1 to year 2 (%)	7	60%	52%	50%

Performance Indicators	Notes	2010 Target	2010 Actual	2009 Actual
Extramural student satisfaction with services (% of students rating services good/very good)		80%	87%	84%
Number of qualifications offered to international students overseas via distance learning		3	5	1
International EFTS by qualification level	9			
• Sub-degree		5%	13%	14%
• Undergraduate		80%	51%	55%
• Postgraduate		15%	36%	31%
Proportion of papers that have an (e) learning component (%)		50%	45%	42%
Student satisfaction with online learning environment (% of students rating services good/very good)		70%	79%	78%
Proportion of students under 25 years of age (%)				
• Sub-degree		4%	5%	6%
• Undergraduate		89%	87%	87%
• Postgraduate		6%	7%	6%
• Doctorate		1%	1%	1%
Student participation by number (headcount)				
• Total University		36,900	34,865	36,125
• Māori		3,600	3,417	3,548
• Pasifika		1,000	998	988
• Extramural		17,800	16,299	17,488
Proportion of students over 25 years of age (%)		62%	59%	60%

Notes:

1. Results for 2009 and 2010 were not available from the Tertiary Education Commission.
2. Includes those EFTS reported to the TEC ie. excludes refunded students. 2009 Actual comparative figures have been updated to reflect this.
3. Qualification Completion Indicators: Completion records are only generated if and when a student applies to graduate. Consequently, where a student has completed but not yet applied to graduate, the completion is not included in the performance data.
4. 2010 Target and Actual relate to the 2004 cohort of students. 2009 Target and Actual relate to the 2003 cohort of students.
5. 2009 Actual comparative figures have been updated to incorporate data received subsequent to that received for the Annual Report 2009 ie. data supplied in later SDR returns.
6. This indicator measures course completions by Māori students for courses at research degree level. 2010 Actual relates to 2009 courses. 2009 Actual relates to 2008 courses.
7. 2010 Target and Actual relate to the 2007 cohort of students. 2009 Target and Actual relate to the 2006 cohort of students.
8. The cohort size for this performance indicator is relatively small and this can cause variations in performance between years.
9. All international students (by Equivalent Full-Time Student) are included in 2009 and 2010 Actual. The targets for 2010, which were prepared in 2008, were only based on full-fee paying students.

CONNECTIONS BIG GOAL

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

Associated Goals

- Establish a clear one-university Massey "brand" using the new revised branding
- Explore establishing distance and support centres in areas where there is no university presence
- Develop a cutting edge website that attracts potential students of all ages and is easy to navigate
- Engage with Iwi, Māori professional organisations and Māori educational interests to facilitate Māori access to economic, cultural and social development
- Establish Massey as the university of choice for all potential students in our areas of specialism, especially school leavers, in each locality
- Further promote and expand the range and effectiveness of our links with industry and business with a robust Relationship Management Framework and a proactive approach to building effective partnerships across all Colleges and campuses
- Expand connections with Pacific communities in the three campus regions and foster relationships with Pacific states
- Continue to develop collaborative relationships in teaching and research with respected universities and research institutions overseas
- Promote international mobility and engagement for our students through pursuit of active Exchange and Study Abroad relationships with overseas universities
- Use international partnerships to attract students to Massey
- Establish a robust Alumni engagement programme
- Establish a Massey Heritage Group to promote the University's history
- Establish a Massey Volunteers Programme

Outcomes⁵

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

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

Through the newly created Office of External Relations, the University will build on existing relationships, especially relationships with alumni, business, policy makers, and our local communities.

To manage this vital area of our strategy we will need to review our current engagements carefully and develop new ones to ensure they match our priorities and focus.

⁵ The Outcomes and Key Initiatives for each Big Goal were specified in the University's Investment Plan 2010 (Revised).

Massey's importance within New Zealand needs to be matched by its ability to bring together talented staff and students from around the world and, in turn, ensure there are opportunities for staff and students to learn and work in other countries. Massey needs to be a welcoming, diverse, international university that is acknowledged as a world centre of tertiary learning.

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

- Strengthen our contribution to economic transformation and social development through effective engagement and collaboration with business, communities (including Māori and Pasifika), other providers and stakeholder groups
- Lead to a more effective national network of tertiary provision
- Enhance economic contribution to New Zealand through implementation of Massey University's internationalisation strategies

Key Initiatives⁶

To progress the strategic priorities under this Big Goal, the University targeted implementation of the following key initiatives in 2010

- Progressing initiatives designed to establish a clear Massey "brand", including implementation of a one University strategic approach to marketing, recruitment, publications and events activities, and further development of the University's website
- Development of an Alumni Engagement Plan
- Continuing to develop international partnerships and collaborative relationships in teaching and research with respected universities and research institutions overseas
- Exploring establishment of distance support centres in areas where there is no university presence and opportunities to deliver learning overseas
- Implementing Kia Maia strategy initiatives to strengthen engagement with Iwi, Māori professional organisations and Māori educational interests
- Implementing a number of initiatives to establish Massey as the university of choice for all potential students in our areas of specialisation, especially school leavers, in each locality
- Implementing a series of initiatives to further promote and expand the range and effectiveness of our links with industry and business including establishment of a robust Relationship Management Framework
- Engaging with key external stakeholders/partners essential to Massey's ambition to remain the predominant institution in Agri-food
- Expanding connections with Pacific communities and fostering relationships with Pacific States by implementing targeted initiatives from the Pasifika@Massey strategy
- Establishing a Massey Heritage Group and integrating college and campus initiatives in support of University-wide heritage programmes
- Developing a Massey Volunteer Programme

Other key initiatives relevant to the achievement of the strategic priorities under the Connections Big Goal are included in the Research and Scholarship Big Goal.

⁶ The Outcomes and Key Initiatives for each Big Goal were specified in the University's Investment Plan 2010 (Revised).

Performance 2010

The University continued its process to establish a clear Massey brand during 2010. An international brand renewal was completed and this was merged with the University-level brand. As part of the University's Shared Services project, integration of marketing, recruitment, publications and events activities has occurred under a one-University strategic approach. All marketing functions now report to the Assistant Vice-Chancellor External Relations. The University's website has been progressively developed and improved during the year.

A draft Alumni Engagement Plan had been completed and will be submitted to the Senior Leadership Team for approval early in 2011.

The University's International Growth Strategy included a number of initiatives aimed at increasing the University's international profile and strategic partnerships. The Assistant Vice-Chancellor Academic and International is leading the development of a comprehensive Internationalisation Strategy for the University. A draft has been prepared and the Strategy will be finalised early in 2011.

The initiative to establish distance support centres in areas where there is no University presence has been partially superseded by the development of a Blended and Distance Education Operational Plan. The University has however progressed articulation agreements and bridging programmes (including via Distance Education) with two polytechnics in areas without a Massey presence. Also, the framework established for the Bridging the Distance Project will be made available to the sector and some of the tools available to students will be accessible more broadly. Opportunities to deliver learning overseas will be progressed via the University's Internationalisation Strategy.

A Māori Communications Strategic Plan to strengthen engagement with Iwi, Māori professional organisations and Māori educational interests was approved in May and implementation is in progress. Examples of engagement initiatives progressed this year include: the establishment of a relationship with Te Runanganui o Nga Kura Kaupapa Māori, and a formal contract being drafted for a relationship in regard to development and delivery of Te Aho Tatairangi; strategic Iwi partnerships being discussed with Ngai Tai and Turanga Tū Kua; Māori accountancy and Māori teacher professional groups working closely with academic departments; and Massey hosted the national Māori Accountants Conference in August (this link with the professional body came about through the KIA MAIA programmes initiated in 2009 to establish closer relationships with Māori professional organisations).

As an important part of its strategic direction, the University implemented a significant number of initiatives to establish Massey as the university of choice for all potential students in our areas of specialisation. These included: the development of a schedule for engagement to strengthen relationships with school principals; launch of the Young Enterprise Scheme on Manawatu and Albany campuses in February and March with over 360 pupils in the Auckland region participating on the Albany campus; hosting of the Global Enterprise Challenge at Massey Albany in June for approximately 100 year 12 and 13 students from around New Zealand; a significant contribution to a series of Manawatu KIA MAIA Careers Expo focusing on Māori and Pasifika students for Health and Social Services studies and professions; and the University's College of Business welcomed 53 Captains Club scholarship students – this award recognising emerging leaders from a range of sporting and cultural spheres.

Work is progressing on the development of Key Relations and Stakeholder Engagement strategies. A revised pilot implementation of the Partner Relationship Management processes and systems is in progress and it is expected that a robust Relationship Management Framework will stem from this work.

The University continued to progress a series of initiatives aimed at further promoting and expanding the range and effectiveness of our links with industry and business, and remaining the predominant institution in the area of Agri-food. These initiatives included: hosting the Finance 2010 event with the Auckland Chamber of Commerce

in February; Massey becoming a partner in the Central District Field Days; hosting a delegation from the Global Research Alliance to showcase the University's research into greenhouse gas reduction; the relaunch of the NZ Food Awards in October, a celebration of the innovation at work in the NZ food industry; Massey being part of Food Innovation Network New Zealand which welcomed a \$21 million Government-backed initiative in March to develop an open-access food network; holding the BLOW Creative Arts Festival 2010 on the Wellington campus in November; the establishment of relationships with the Royal NZ Navy at Devonport and the Royal NZ Airforce at Whenuapai; developing a bid, along with Palmerston North City Council, Manawatu District Council, Sport Manawatu and the local cycling fraternity, for the Sparc initiated proposal to develop an international standard indoor cycling velodrome at Massey University; the initiation of several research projects through the Partnership for Excellence in Agriculture and Life Science, which included a needs analysis for professional development for NZ agri-food corporate and farm advisors; and the signing of a partnership agreement to deliver tailor-made mediation training to lawyers, a great example of new opportunities coming out of a long standing relationship with the profession.

A Pasifika Communication Strategy is currently in development and once finalised will provide a basis for expanding connections with Pacific communities and fostering relationships with Pacific states. The University has also implemented initiatives from its Pasifika@Massey Strategy over the course of the year. A Pacific Peoples Consulting group was established and is being supported. Three Pasifika students were presented with E Tu scholarships in March which provided financial assistance to them in their final year of study. The first Pasifika qualification, the Certificate in Pacific Development was taught in 2010. This qualification can be completed through distance learning as well as blended learning.

During 2010 the Senior Leadership Team approved a proposal for the formation, structure and governance of a Heritage Group. Terms of reference are now being prepared and the Group will be established in 2011.

Finally, consultation on a discussion paper for the establishment of a Massey Volunteers Programme is underway and will be progressed in 2011.

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

- The number of academic qualifications offered in partnership with other providers increased from last year and met target
- The number of research programmes/contracts offered in partnership with other providers increased significantly on 2009 and target, a testament to the University's connectedness
- The number of formal academic arrangements with overseas institutions demonstrates the success of the University's internationalisation strategies, significantly surpassing target and increasing from 2009

Performance Indicators	Notes	2010 Target	2010 Actual	2009 Actual
Proportion of qualification reviews including engagement with relevant stakeholders (%)		100%	100%	100%
Number of academic qualifications offered in partnership with other providers		18	18	16
Number of research programmes/contracts offered in partnership with other providers	1	160	209	146
Number of formal academic arrangements with overseas institutions		150	191	153

Note:

1. Partnerships included here are only those Massey is the first party (the lead-contractor) to the programme/contract.

RESPONSIBILITY BIG GOAL

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

Associated Goals

- Establish Massey as New Zealand's leading academic voice on sustainability issues
- Establish an Office, accountable to the Vice-Chancellor, to oversee a Massey Programme of Sustainability
- Promote and make available Massey expertise to policy makers and other interested people through an Office of Public Policy and Development
- Aim for Massey to significantly reduce its carbon footprint by increasing its sustainability practices and behaviour
- Further integrate sustainability issues into our research and teaching programme

Outcomes⁷

Aiming to be acknowledged as New Zealand's defining university, Massey has a responsibility to act in ways consistent with building a future for the nation. This responsibility relates to social, economic, cultural, and environmental issues. Staff and students need to see themselves as part of an institution that takes these responsibilities seriously in its own activities and provides opportunities to make a positive contribution to issues of concern. Much of this work is undertaken through our research, teaching, and connections with stakeholders but we can do more. It is important that Massey be seen to lead on issues where it has identified strengths and that its expertise is available to decision makers.

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

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

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

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

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

- Strengthen the contribution to the economic transformation and social development through leadership in sustainability
- Improve educational outcomes for learners through the development of the University's research and teaching programmes

⁷ The Outcomes and Key Initiatives for each Big Goal were specified in the University's Investment Plan 2010 (Revised).

Key Initiatives⁸

The strategic priorities under this Big Goal were to be advanced by targeting implementation of the following key initiatives in 2010

- Developing a proposal for the establishment of an Office of Public Policy and Development to make Massey's expertise available to policy makers and other interested people
- Establishing an Office of Sustainability with responsibility for developing and implementing a Massey Programme of Sustainability
- Facilitating the establishment of an Academy for Sustainability and the Environment
- Holding a national event on sustainability
- Implementation of initiatives aimed at reducing the University's carbon footprint and integrating sustainability issues into Massey's research and teaching programme

Performance 2010

A proposal for the establishment of an Office of Public Policy and Development is under development and the Office is expected to be established in 2011. In December the University launched the Staff Profile and Expertise Directory providing information on, and access to, University staff and research profiles from all departments and colleges in the University. During 2010 Massey contributed to national policies on an on-going basis, including assistance with the development and implementation of Whānau Ora, and offering MANU AO seminars and advice to government bodies e.g. the Department of Conservation, Ministry of Education and Health Workforce NZ.

During 2010 the Sustainability Working Group was established to recommend how to best achieve Massey's strategy to build a leadership role in sustainability across all the University's activities including research and teaching. The Working Group has a programme of work for implementation in 2011. Establishment of the Academy for Sustainability will now not proceed as this initiative has been superseded by the work of the Sustainability Working Group.

The University's profile in sustainability was enhanced by three conferences held during the year: the Biochar Workshop in February; the 23rd Annual Workshop held by the Fertiliser and Lime Research Centre also held in February; and the Life Cycle Assessment and Footprinting - Bridging the Gap between Tools and Practice conference, held in March. Massey also established the NZ Centre for Lifecycle Management and the NZ Biochar Research Centre, and secured a partnership with the NZ Greenhouse Gas Emissions Research Centre. In November the 'Sustainability Salon' was held on the Manawatu campus to encourage staff to discuss work being carried out in the sustainability space. As a sponsor of the Farm Environment Awards, Massey staff were involved throughout NZ in showcasing that economic viability is possible while protecting the environment. The University's School of Management also hosted a sustainability workshop (The Business Case for Social Environmental Responsibility) which attracted delegates from throughout Australasia, Japan and the United States of America.

Massey implemented numerous initiatives aimed at reducing the University's carbon footprint and integrating sustainability issues into our research and teaching programmes. The latter will be further pursued as part of the work of the Sustainability Working Group. Examples of initiatives implemented during 2010 included: two pilot projects undertaken in Semester One to explore the feasibility and rate of displacement of printed study

⁸ The Outcomes and Key Initiatives for each Big Goal were specified in the University's Investment Plan 2010 (Revised).

materials with digital learning resources; more free buses operating from February due to higher demand on Manawatu Campus; an increase in the recycling target for Manawatu campus by 5% to 75% and implementation of associated initiatives; the progressive incorporation of Australasian tertiary standards for “Green IT” into computer and peripheral procurement and disposal practice; improvements to energy reporting; tree planting on each campus to promote Ngāhere Matariki principles within each region; and the University’s College of Business signed up to the Principles of Responsible Management Education (PRME) and appointed a PRME coordinator within the College.

GENERATING INCOME BIG GOAL

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

Associated Goals

- Establish an endowment fund of \$100 million
- Enhance financial stability by diversifying the funding base
- Adopt a financial model that will provide incentives to reduce costs and raise revenue
- Seek a greater share of income from government sources
- Earn more income from non-state sources through developing business opportunities that build on our core strengths

Outcomes⁹

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

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

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

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

Key Initiatives⁹

The strategic priorities under this Big Goal are critical to the achievement of the University’s strategy and their implementation was targeted through the following initiatives in 2010

⁹ The Outcomes and Key Initiatives for each Big Goal were specified in the University’s Investment Plan 2010 (Revised).

- Advancing the establishment of an endowment fund of \$100 million
- Developing the University's Financial Strategy
- Implementing improvements to the University's financial processes and systems, including support for staff development in this area
- Progressing the Value-for-Money exercise, instigated to look at all aspects of Massey's expenditure
- Implementing the revised commercialisation model
- Pursuing a number of initiatives designed to grow external income, including the development of a short course portfolio for professional development
- Continuing to pursue an increase in the University's EFTS cap (Student Achievement Component funding) while seeking to manage enrolments in accordance with current Government policy in the meantime

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

Performance 2010

A full launch of the Massey Foundation "Advancing New Zealand" fundraising campaign was held in March in conjunction with the University's inaugural Distinguished Alumni Awards. The fundraising platforms for the Massey Foundation have been finalised and in September Massey obtained tax status in the United States of America which will be of advantage to potential donors to the University.

The University's Financial Strategy is under ongoing development and is expected to be finalised in 2011. In the meantime a number of financial strategies have been progressed which are designed to grow and diversify the University's revenue base. Development of the University's Internationalisation Strategy will be a fundamental part of this strategy, along with the initiative to grow income from short courses for professional development. A soft launch of the new Professional and Continuing Education (PaCE) unit was held in November, with the external launch planned for first quarter, 2011. Continuing Education, University Preparation and Campus Passport offerings are planned to be available from 2011. This will include new professional development offerings underway with participating colleges.

There have been a number of improvements made to the University's financial processes and systems. The 2011 Budget Policy Statement was launched via the web in March to guide the planning and budgeting process. Other improvements to the University's budgeting process included enhancements to the system and better integration with planning. Annual leave guidelines were developed and provided to managers in February and enhanced reporting of annual leave liability was implemented with a targeted reduction in liability achieved.

The Value for Money exercise was completed during 2010, the output from which was used to inform the Academic Reform and Shared Services projects.

During 2010 Massey's achievements in diversifying our funding base and growing income also included: the launch of an online alumni retail shop and the release of new alumni apparel designs; achievement of an increase in group and short course enrolments in the Centre for University Preparation and English Studies (now PaCE); the implementation of our property divestment plans; the signing of new agreements with Chinese and Vietnamese universities through the College of Business (replicating the current Wuhan agreement); and planning for delivery in 2011 of the Direct Entry English Pathway (DEEP) with the University of Economics and

Business in Hanoi. Further partners are being evaluated for blended and offshore delivery of undergraduate and postgraduate programmes in 2011.

Initiatives to increase our share of Government income have also been implemented during the year. A Māori and Pasifika Research Symposium was held in November and funding secured during the year for Māori and Pasifika initiatives and research included Priorities for Focus, Encouraging and Supporting Innovation, Health Research Council and Ako Aotearoa funding. Funding workshops (FRST strategy for Māori research and Marsden peer review) were held for researchers. The appointment of the Manager for the Agri-food Strategy has resulted in more effective coordination and higher quality of research applications.

The University's revised commercialisation model has been implemented as previously outlined under the Research and Scholarship Big Goal.

The University's strategies for managing enrolments in accordance with current Government policy have been outlined under the Teaching and Learning Big Goal.

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

- While the University's return on income remains below the recommended TEC threshold (3%), the University's financial performance and liquidity have improved on last year
- Staff turnover rates were higher in 2010 compared to 2009, this was partially due to the Shared Services review
- Student participation has been influenced by strategies to manage domestic enrolments in line with TEC requirements to cap enrolments in the sector
- International full fee student numbers continued to decline this year, which emphasises the importance of the University's Internationalisation Strategy
- Student numbers for Māori and Pasifika, targeted student demographics in the tertiary sector, have increased - a positive outcome

Performance Indicators	Notes	2010 Target	2010 Actual	2009 Actual
Financial				
• Surplus as a percentage of income (%)		3%	2.39%	0.56%
• Working capital ratio (%)		114.53%	140.71%	119.25%
• Debt to debt plus equity ratio (%)		2.46%	2.50%	2.56%
Staff turnover ratio (%)		12%	12.9%	8.2%
Student participation by equivalent full-time students (EFTS)				
• Total University		20,371	20,119	19,994
• Funded by MOE		17,739	17,673	17,360
• International full fee		2,048	1,886	2,021
• Other		584	560	613
• Undergraduate (includes sub-degree)		16,271	15,998	15,923
• Postgraduate taught		2,500	2,574	2,476
• Postgraduate research		1,600	1,547	1,595
• Internal		13,706	13,599	13,469
• Extramural		6,665	6,520	6,525
• Māori		1,900	1,909	1,877
• Pasifika		520	577	522

ENABLING EXCELLENCE BIG GOAL

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

Outcomes¹⁰

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

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

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

Key Initiatives¹⁰

The strategic priorities in this Big Goal were progressed by targeting implementation of a number of initiatives in 2010 as follows

- Implementing the University's Information Services Strategic Plan, including a number of planned Information Services projects
- Progressing implementation of the University's Student Experience Strategy and initiatives associated with ongoing improvement in service delivery to students and enhancement of their experience
- Continuous improvement initiatives related to recruitment of staff ("attracting great people")
- Developing and implementing a Staff Retention Strategy and a number of associated initiatives ("engaging great people")
- Introducing a Massey Competency Framework, with defined profiles for staff, and resourcing capability development through a well-organised and managed suite of development interventions ("defining and developing great people")
- Continuous improvement initiatives designed to enhance employee support resources ("providing an enabling environment")
- Updating Comprehensive Development Plans for all campuses and progressing priority campus developments as planned including the project to transfer the College of Education and other units from Hokowhitu to Turitea site, and dispose of the Hokowhitu site, and progressing the Campus Master Plan for consolidation on the main site at Wellington, including the development of a building for the College of Creative Arts and a library building
- Implementing continuous improvements to systems supporting asset management planning

¹⁰ The Outcomes and Key Initiatives for each Big Goal were specified in the University's Investment Plan 2010 (Revised).

- Implementing a series of initiatives designed to demonstrate the University's commitment to its social and cultural responsibilities
- Reviewing and updating the University's Internationalisation Strategy
- Progressing planned continuous improvement initiatives associated with the University's administration processes and systems

Performance 2010

The University's Information Services (IS) Strategy is being implemented along with a Massey-wide IS governance structure. The Information Systems and Services Steering Committee (ISSOC) was formed mid-year to govern the strategic development of the University's information systems. Additional funding was allocated to information technology as part of the 2010 Budget.

A number of IS projects have been progressed or completed during the year, including: the installation of a Very Early Smoke Detection System in the University's primary data centre; an upgrade of the Telephony Call Manager systems across all campuses (completed in May); the implementation of the Security Management Framework (in progress); the installation of desktop video conferencing via the KAREN network and Scopia; internet access management upgrade for legal compliance with copyright and inappropriate access control; implementation of projects identified in the Telecommunication Roadmap (in progress); and the Student Progression Management (SPM) Project released the first tools for monitoring and advising students on academic progress for large, core undergraduate programmes in mid 2010 (project completion expected in 2011).

The University established a Student Experience Advisory Group to oversee initiatives that make ongoing improvements in service delivery to students and enhance their educational experience. A number of initiatives were implemented during the year. The Enrolment Management Plan for 2010 was signed-off, and a cross-functional working group under the Enrolment Management Project prepared and implemented a strategy deploying undergraduate scholarships for next year. Internal planning and communication processes related to marketing and student recruitment were rationalised, and a review of core official (contractual) student communications was completed and services rationalised (including enrolment and examinations communications). Improvements to the online assignment process are being progressed as part of the Stream developments, and the Printery is implementing new software to support delivery of an online ordering service for printed study materials.

Other improvements to student services during 2010 included: completion of the International Student Support Strategy with the 'Flying Start' (study skills) programme to be delivered for international students from 2011; enhancements to the contact course experience for distance students have been implemented by the Contact Course Working Group; recommendations for a new model for Māori student participation and completion were approved for implementation next year; and cultural support for Pasifika students continues. The Student Experience Advisory Group is also in the process of exploring the establishment of a Student Engagement Programme as well as the development of a Student Life Unit.

The success of the improvements being progressively implemented in the University's services to students is well demonstrated by the Student Experience Survey (of more than 6,500 students) conducted during 2010 which showed that 85% rate the University's services and facilities highly – up from 80% the year before.

Human Resource strategies form an important part of the University's long term strategic plan. Staff recruitment initiatives implemented during the year included: the development of pre-employment screening policy and

procedures to become operational from next year; a review of alignment of recruitment advertising materials to the new Massey brand; the introduction of accountable practice in recruitment by managers e.g. co-approval of requirements for advertising new and vacant positions; the selection and introduction of a new job evaluation system and provider, with further work to follow on revised pay scales; and the introduction of a suite of common competencies for general staff recruitment and development.

Engaging with our staff is also an important part of the University's strategy. The University's Shared Services Project was launched and implemented in 2010 which put in place an organisational framework to improve services and support for academic endeavours while embodying the principle of Massey as 'One University'. Early in 2010 a new leadership and services model was adopted for the University and over the course of the year a blueprint proposal for change was implemented following consultation with staff.

Other staff engagement initiatives, which constitute the retention strategy, were implemented during 2010 to provide programmes and tools to support staff retention. These included: a review of past practice for employee surveys, and the practice of other NZ universities and large organisations (a paper outlining options and recommendations for a full staff survey is likely to result in its adoption for 2011 and beyond); a review and evaluation of a new induction process for staff and managers; the definition of a framework for manager induction and work progressed to reformat the "Being a Manager at Massey" programme into a modular format; monitoring and reporting on completion of inductions; the allocation of funding for the launch of a staff development calendar; completion of a Pay and Employment Equity Review; provision of career coaching to aspiring woman leaders; and an Innovation Fund (\$0.5 million) was established to encourage staff ideas, innovation and creativity.

A University sector research-based competency model has been identified and a framework defined with development, and definition of a suitable set of competencies for managerial leaders to be further progressed in 2011.

Staff capability development initiatives have also been an important strand of the University's Human Resource strategies. A review of existing general staff training intervention and identification of further training resources was completed with a comprehensive suite of development courses included in the Development Calendar for next year. During 2010 a number of programmes targeted to management and leadership were delivered along with a variety of non-academic development programmes e.g. the New Staff programme – including The Big Picture and Massey Systems, the Personal Professional Programme, and the General Staff Conference. Massey also obtained additional places on the New Zealand Women in Leadership Programme which was attended by six emerging women leaders. The University also implemented, reviewed and updated tools (guidelines, standards) for the management of change.

Provision of an enabling environment for Massey staff was progressed with implementation of initiatives to enhance employee support services. All current employee support services were integrated into a new section in the revised People and Organisational Development website. A broader "Wellness" initiative has incorporated the previous planned approach to stress and resilience and proposes a suite of focused events through the year (the "Wellness" framework is at the draft stage). A new policy on Health Monitoring has been drafted and is at the consultative stage.

The University continues to look to improve our infrastructure for students and staff. Strategic Asset Management Plans (incorporating Comprehensive Development Plans) have been developed for all three campuses and the University progressed a number of its strategic capital investments as planned. Work has also commenced on improvements to the systems that support asset planning.

At Albany, the extensions to the Library and Information Services Centre were officially opened in May. Planning for two major projects, a Student Accommodation Village and Student Amenities Centre and Student Association building has been advanced.

At Wellington, the business case for a new building for the College of Creative Arts was approved and preparatory site works commenced with the demolition of the old Wellington High School gymnasium. Progress has also been made on the business case for development of the library on this campus. The sale and lease back of the Adelaide Road building was also completed.

Planned improvements to the infrastructure at Manawatu Campus are almost complete – refurbishment of the Agriculture and Horticulture building and the Registry building. The initiative to make optimal use of the two sites in Palmerston North and transfer the College of Education and other units from Hokowhitu to Turitea site, has been further progressed. Of note also on the Manawatu campus was the renaming of the Old Main Building to the Sir Geoffrey Peren Building in June. Planning has commenced to re-develop this building in partnership with the Massey Foundation as a first step towards establishing a Massey Heritage Precinct.

Improving the University's campuses at Massey also means a commitment to social and cultural responsibility on our campuses. In March "The Centre" was officially opened on the Manawatu Campus, a social space that is also the home to a team from a cross-section of churches offering spiritual support to students' and staff on campus. As outlined previously, planning is progressing on a Student Amenities Centre at Albany which will become an important social space for the students on this campus. The Wellington Campus Master Plan includes initiatives for development of a campus heart and the University is working with the Students' Associations Federation to look at ways to improve student facilities at Wellington. Staff social spaces are important too and the former training restaurant on this campus has been adapted for use as a staff lounge.

Consistent with the University's strategic direction in The Road to 2020, a number of cultural initiatives have also been progressed during 2010. A development plan for Kuratini Marae on the Wellington Campus has been initiated and first steps in the development included the marae being networked for information technology and live streaming. Planning continues for a marae at Albany, and plans at Manawatu Campus have interdependencies with the marae at the Hokowhitu site and the transfer to Turitea. Further discussions relating to a Pasifika facility at Albany have taken place, while the Pasifika collection on this campus has been strengthened.

The University has also progressed a number of planned initiatives aimed at continuous improvement in its administration systems and processes. Improvements have been made in the University's strategic planning and performance reporting with the successful launch of revised quarterly performance and risk reporting (via dashboards), following a review of the University's Performance and Risk Reporting Framework. Terms of Reference for the Enterprise Reporting Project were signed off and a project manager appointed in December. A full business case will be presented for this project in 2011. The University's Institutional Research Programme, initiated in 2009, was further developed and enhanced with the release of new reports to support the University's strategic planning, and development of the Institutional Research website (to be launched in conjunction with the Office of Strategy Management's website early in 2011).

Initiatives relating to Risk Management in the University included installation of new risk management software to streamline reporting and better integrate with performance reporting and planning; an update of the University's Assurance Framework to reflect The Road to 2020 strategy and the current risk environment; completion of a high-level University-wide Business Impact Analysis in April and a project identified for the development of Business Continuity Plans in 2011; and new manager training in risk management planned for, in conjunction with the Manager@Massey programme. The University's Records Management Programme progressed according to plan during 2010.

Progress on the review and update of the University's Internationalisation Strategy has been outlined under the Connections Big Goal.

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

- Student satisfaction with non-academic university services exceeded target for 2010 and continues to improve on previous years
- The number of academic staff with a doctoral qualification remained at last years levels, but exceeded target

Performance Indicators	Notes	2010 Target	2010 Actual	2009 Actual
Student satisfaction with non-academic services (% students rating services good/very good)		70%	85%	80%
Academic staff with a doctoral qualification (% of full-time equivalent)		60%	69%	69%

APPENDICES

STUDENT NUMBERS

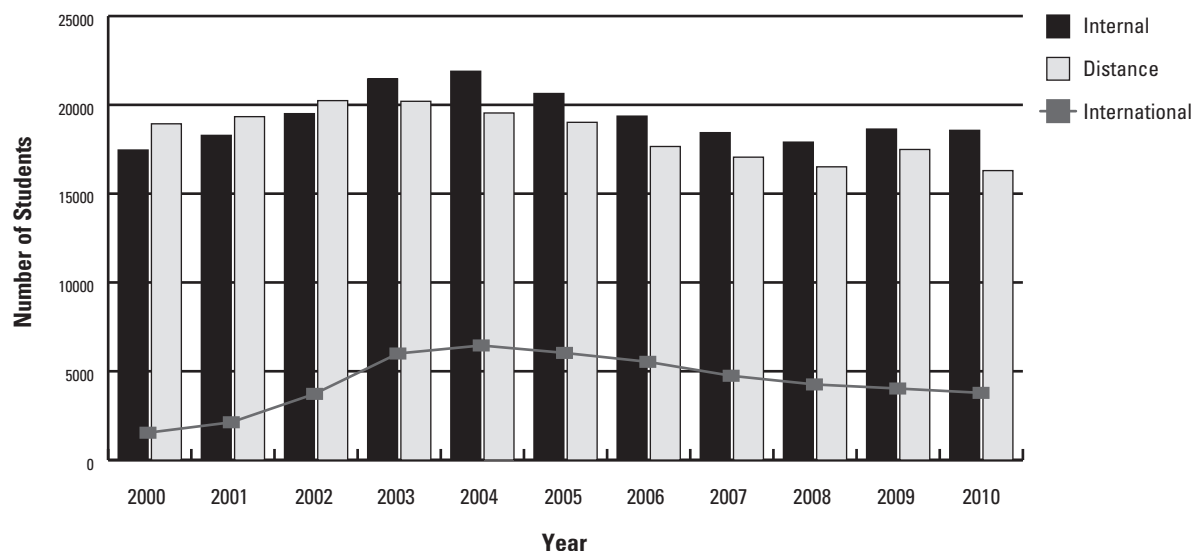
Note: Figures below are student head count and include all students enrolled regardless of funding source.

University Totals

	Notes	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Internal	1	17,458	18,283	19,506	21,461	21,893	20,640	19,366	18,436	17,902	18,637	18,566
Distance	1	18,933	19,336	20,239	20,201	19,543	19,017	17,656	17,055	16,511	17,488	16,299
Total		36,391	37,619	39,745	41,662	41,436	39,657	37,022	35,491	34,413	36,125	34,865
% change over previous year		(3.1%)	3.26%	5.65%	4.82%	(0.54%)	(4.49%)	(6.64%)	(4.14%)	(3.03%)	4.97%	(3.49%)
Number of international students included in totals above	2,3	1,222	1,820	3,445	5,754	6,216	5,790	5,279	4,481	3,985	3,752	3,503

Notes:

1. By student mode
2. The 2000 international figures above are not directly comparable to 2001 figures onwards
3. The 2000 figures are international full-fee students only; 2001 figures onwards are all international students regardless of New Zealand residency or funding status

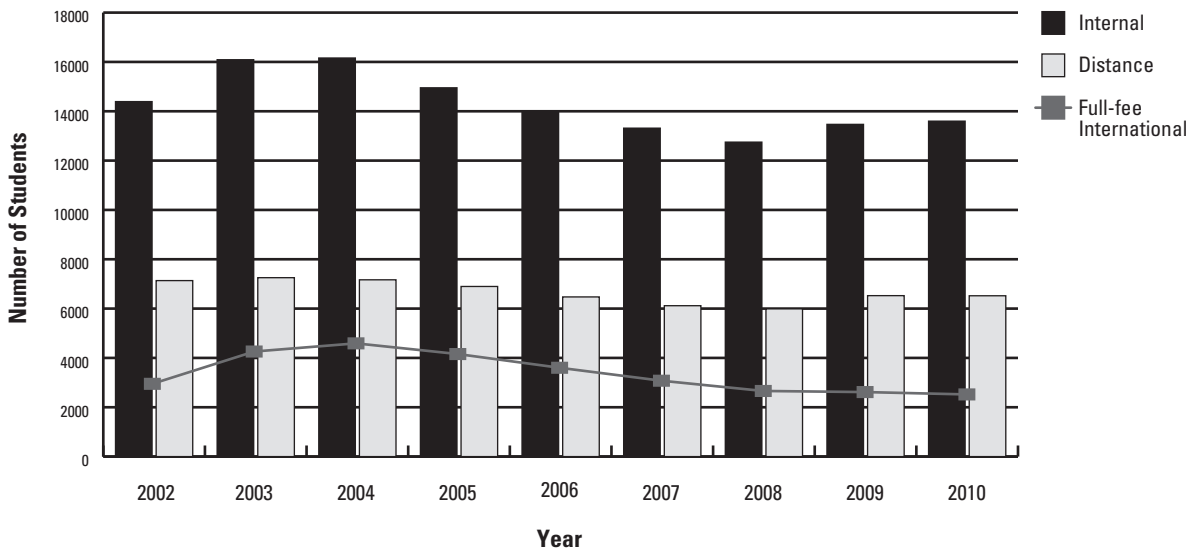


EQUIVALENT FULL-TIME STUDENTS (EFTS)

	Notes	2002	2003	2004	2005	2006	2007	2008	2009	2010
Internal	1	14,392	16,090	16,159	14,952	14,002	13,315	12,749	13,469	13,599
Distance	1	7,135	7,253	7,167	6,897	6,473	6,117	5,989	6,525	6,520
Total all students regardless of funding sources		21,527	23,342	23,326	21,850	20,475	19,432	18,738	19,994	20,119
% change over previous year		6.56%	8.43%	(0.07%)	(6.33%)	(6.29%)	(5.09%)	(3.57%)	6.70%	0.63%
Full-fee International students included in Totals above	2	2,493	4,341	4,809	4,197	3,412	2,671	2,084	2,021	1,886
EFTS Funded by Tertiary Education Commission (TEC)	3	18,543	18,349	17,840	16,931	16,411	16,085	15,996	17,360	17,673
% change over previous year		(0.30%)	(1.05%)	(2.77%)	(5.10%)	(3.07%)	(1.99%)	(0.55%)	8.52%	1.80%

Notes:

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



STUDENT AGE DISTRIBUTION (HEAD COUNT)

		2010								
Ethnicity	Gender	<17	17-19	20-24	25-29	30-34	35-39	40+	Total	Total all (%)
New Zealand Māori	Female	1	234	611	347	295	250	613	2,351	7%
	Male	1	125	298	181	145	109	207	1,066	3%
	Total	2	359	909	528	440	359	820	3,417	10%
European	Female		1,718	3,868	1,874	1,241	1,317	3,338	13,356	38%
	Male	4	973	2,158	1,071	803	684	1,671	7,364	21%
	Total	4	2,691	6,026	2,945	2,044	2,001	5,009	20,720	59%
Pasifika	Female		69	167	110	101	82	98	627	2%
	Male		40	99	62	54	39	77	371	1%
	Total		109	266	172	155	121	175	998	3%
Asian	Female		177	1,006	830	302	179	237	2,731	8%
	Male	2	173	936	827	292	121	184	2,535	7%
	Total	2	350	1,942	1,657	594	300	421	5,266	15%
Other	Female		127	363	211	184	127	283	1,295	4%
	Male	2	107	345	226	164	172	215	1,231	4%
	Total	2	234	708	437	348	299	498	2,526	7%
Unspecified	Female		136	262	128	139	124	353	1,142	3%
	Male		113	190	119	80	86	208	796	2%
	Total		249	452	247	219	210	561	1,938	6%
Total	Female	1	2,461	6,277	3,500	2,262	2,079	4,922	21,502	62%
	Male	9	1,531	4,026	2,486	1,538	1,211	2,562	13,363	38%
	Total	10	3,992	10,303	5,986	3,800	3,290	7,484	34,865	
	Total (%)	0.03%	11%	30%	17%	11%	9%	21%		

Notes:

- Total all (%) column and row is the percent of the total year figure: 2010 = 34,865
- Figures above include all students regardless of funding source
- Student data as at 31st December 2010 (extracted 2nd January 2011)

STUDENT ETHNICITY, MODE AND GENDER (HEAD COUNT)

		2010			
Ethnicity	Mode	Female	Male	Total	Total All (%)
New Zealand Māori	Internal	946	522	1,468	4%
	Distance	1,405	544	1,949	6%
	Total	2,351	1,066	3,417	10%
European	Internal	6,103	3,612	9,715	28%
	Distance	7,253	3,752	11,005	32%
	Total	13,356	7,364	20,720	59%
Pasifika	Internal	288	216	504	1%
	Distance	339	155	494	1%
	Total	627	371	998	3%
Asian	Internal	2,089	2,086	4,175	12%
	Distance	642	449	1,091	3%
	Total	2,731	2,535	5,266	15%
Other	Internal	796	885	1,681	5%
	Distance	499	346	845	2%
	Total	1,295	1,231	2,526	7%
Unspecified	Internal	571	452	1,023	3%
	Distance	571	344	915	3%
	Total	1,142	796	1,938	6%
Total	Internal	10,793	7,773	18,566	53%
	Distance	10,709	5,590	16,299	47%
	Total	21,502	13,363	34,865	

Notes:

- Total all (%) column and row is the percent of the total year figure: 2010 = 34,865
- Figures above include all students regardless of funding source
- Student data as at 31st December 2010 (extracted 2nd January 2011)

STAFFING LEVELS
FULL-TIME EQUIVALENT (FTE) STAFF
STAFF FTE

	2009	2010
Colleges		
Academic	1,117	1,091
General	497	481
Contract and Trading	410	405
Total Colleges	2,023	1,976
Centres of Research Excellence, Support Services and Administration		
Vice-Chancellors Office	19	20
Assistant Vice-Chancellor (Academic and International)	151	160
Assistant Vice-Chancellor (External Relations)	20	22
Assistant Vice-Chancellor (Finance, IT, Strategy, and Commercialisation)	285	283
Assistant Vice-Chancellor (Māori and Pasifika)	13	19
Assistant Vice-Chancellor (People and Organisational Development)	32	32
Assistant Vice-Chancellor (Research) incl CoREs	75	83
Assistant Vice-Chancellor and University Registrar	396	382
Centre for Professional and Continuing Education (PaCE)	65	69
Total Centres of Research Excellence, Support Services and Administration	1,056	1,071
Total Staff	3,080	3,047

Note: 2009 figures have been reworked as there are no longer regional reporting lines i.e. Albany, Manawatu and Wellington

STAFF FTE, BY COLLEGE

College		2003	2004	2005	2006	2007	2008	2009	2010
College of Business	Academic	323	326	302	290	282	251	240	221
	General	155	133	123	113	97	97	103	106
	Contract and Trading	3	3	4	17	16	11	9	12
College of Creative Arts	Academic	125	141	146	115	105	101	113	113
	General	33	36	36	34	35	35	37	38
	Contract and Trading	0	0	0	2	2	6	6	3
College of Education	Academic	154	146	125	121	113	104	107	104
	General	71	63	51	62	48	47	47	47
	Contract and Trading	111	104	103	110	111	94	85	73
College of Humanities and Social Sciences	Academic	266	265	259	252	244	226	234	245
	General	65	61	62	55	62	49	55	56
	Contract and Trading	60	72	67	118	115	137	154	147
College of Sciences	Academic	415	429	422	436	445	432	423	408
	General	299	302	298	253	284	242	255	233
	Contract and Trading	110	125	123	206	174	158	156	170
Total Colleges	Academic	1,283	1,307	1,254	1,214	1,189	1,114	1,117	1,091
	General	623	595	570	517	526	470	497	481
	Contract and Trading	284	304	297	453	418	402	410	405
Total FTE		2,190	2,206	2,121	2,184	2,133	1,987	2,023	1,976

STAFFING RATIOS

	2003	2004	2005	2006	2007	2008	2009	2010
Funded equivalent full-time students (EFTS) (excluding PaCE)	22,389	22,438	20,985	19,490	18,549	17,869	18,889	19,048
Total academic staff incl casual academic	1,283	1,307	1,255	1,214	1,188	1,114	1,117	1,091
Total general staff incl casual general	1,601	1,583	1,574	1,507	1,522	1,456	1,553	1,552

College	2008		2009		2010	
	Ratio of EFTS to Academic Staff	Ratio of General to Academic Staff	Ratio of EFTS to Academic Staff	Ratio of General to Academic Staff	Ratio of EFTS to Academic Staff	Ratio of General to Academic Staff
College of Business	23.7:1	0.39:1	25.2:1	0.43:1	26.1:1	0.48:1
College of Creative Arts	17.2:1	0.35:1	16.1:1	0.33:1	16.2:1	0.33:1
College of Education	16.6:1	0.45:1	17.1:1	0.44:1	19.0:1	0.46:1
College of Humanities & Social Sciences	18.1:1	0.22:1	19.4:1	0.24:1	19.2:1	0.23:1
College of Sciences	10.1:1	0.56:1	11.0:1	0.59:1	11.5:1	0.57:1
University Total	16.0:1	1.31:1	16.9:1	1.39:1	17.5:1	1.42:1

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